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DUPLICATION AND INEFFICIENCIES IN FEDERAL SOCIAL WELFARE PROGRAMS

HEARING

BEFORE THE

SUBCOMMITTEE ON REGULATORY AFFAIRS, STIMULUS OVERSIGHT AND GOVERNMENT SPENDING

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

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DUPLICATION AND INEFFICIENCIES IN FEDERAL SOCIAL WELFARE PROGRAMS

WEDNESDAY, JUNE 1, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON REGULATORY AFFAIRS, STIMULUS OVERSIGHT AND GOVERNMENT SPENDING,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:05 p.m. in room 2154, Rayburn House Office Building, Hon. Jim Jordan (chairman of the subcommittee) presiding.

Present: Representatives Jordan, Buerkle, Cummings and Kucinich.

Staff present: Gwen D'Luzansky, assistant clerk; Christopher Hixon, deputy chief counsel, oversight; Mark D. Marin, senior professional staff member; Michael Whatley, professional staff member; Jaron Bourke, minority director of administration; and Claire Coleman and Carlos Uriarte, minority counsels.

Mr. JORDAN. I think we will go ahead and get started. I might get finished with my opening statement. Hopefully, Ranking Member Kucinich will be able to join us.

Let me thank you all for coming to this hearing on duplication, overlap and inefficiencies in the Federal welfare programs. I will start with an opening statement and hopefully, Mr. Kucinich will be here. As I speak, he walks in. It is great to have you with us.

In March, the Government Accountability Office released its first annual report on duplicative and fractured Federal spending. The report estimated that conservatively, $100 billion could be saved each year by eliminating duplication, overlap and fragmentation in numerous Federal programs.

Congress considers the Federal budget on an agency by agency or program by program basis. The GAO report was the first attempt at a comprehensive view of Federal spending by function.

Today, in what will likely be the first of a series of hearings, the subcommittee will begin taking a more focused look at GAO's findings, starting with the area of social welfare programs.

Since Lyndon Johnson declared war on poverty in 1964, Americans have spent $16 trillion on welfare at the State and Federal level. Under current administration plans, $10 trillion more will be spent over the next decade. How much of that spending will be wasted on duplicative programs, each with their own overhead, IT budgets, bureaucracy and advertising budgets. How much of that spending will be wasted on a program that fails to help the people

it is designed to help, the targeted population while a different program with an identical mission may be succeeding with less money.

GAO found that the Federal Government spent more than $90 billion on 18 different domestic food and nutrition assistance programs, more than $18 billion on 47 different programs providing employment and training and $3 billion on 20 different homelessness programs. The Federal Government also currently funds 80 programs in 8 different agencies to provide transportation services to "transportation disadvantaged persons."

While GAO was unable to figure out exactly how much these 80 programs cost the American taxpayers, it was able to determine that a small subset of them totaled $2 billion annually. GAO has also concluded that not enough is known about the effectiveness of many of these programs.

For example, they found that only 7 of 18 Federal food assistance programs had been associated with positive health and nutrition outcomes, while the remaining 11 have not been effective. The President signaled his intent to address Federal program duplication in his State of the Union Address where he stated "We shouldn't just give our people a government that is more affordable, we should give them a government that is more competent and more efficient." The American people would certainly agree with that.

Two weeks later, the President addressed the U.S. Chamber of Commerce reiterating his plan to address duplicative programs, "So, in the coming months, my administration will develop a proposal to merge, consolidate and reorganize the Federal Government in a way that best serves the goal of a more competitive America." I hope the administration is serious about duplication and waste.

More than a month ago, I invited the White House Office of Management and Budget to participate in today's hearing. Unfortunately, as was the case with the previous full committee hearing on GAO's duplicative programs report, the White House of Management and Budget has refused to engage with this committee on meaningful oversight of wasteful Federal spending. I think it is amazing, the Office of Management and Budget refuses to come talk to this committee about the management of the 70-some different means-tested social welfare programs.

The American taxpayers deserve better than our current system provides. They deserve a budget system in which all programs providing in aid can be viewed in full, easily tracked and evaluated for effectiveness and efficiency. They deserve a welfare system whose goals actually help people quickly reach the point where they no longer need it and provide for themselves, one in which multiple departments and multiple agencies manage programs that waste money through overlap and inefficiency.

I appreciate the willingness of our witnesses to join us today for what I think is a very important hearing in these crucial fiscal times when we are trying to help the very people in this tough economy who want to be helped.

With that, I will yield to my good friend, the ranking member, Mr. Kucinich.

[The prepared statement of Hon. Jim Jordan follows:]

Chairman Jim Jordan Opening Statement

Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending

"Duplication, Overlap, and Inefficiencies in Federal Social Welfare Programs"

June 1, 2011

Good afternoon. In March, the Government Accountability Office released their first annual report on duplicative and fractured federal spending. The report estimated that, conservatively, one hundred billion dollars could be saved each year by eliminating duplication, overlap and fragmentation in numerous federal programs.

Congress considers the federal budget on an agency-by-agency or program-by-program basis. The GAO report was the first attempt at a comprehensive view of federal spending by function. Today, in what will likely be the first of a series of hearings, the subcommittee will begin taking a more focused look at GAO's findings, starting with the area of social welfare programs.

Since Lyndon B. Johnson declared a War on Poverty in 1964, Americans have spent $16 trillion on welfare at the state and federal level. Under current Administration plans, $10 trillion more would be spent over the next decade.

How much of that spending will be wasted on duplicative programs, each with their own overhead, IT budgets, bureaucracy, and advertising budgets? How much of that spending will be wasted on a program that fails to help its target population, while a different program with an identical mission is succeeding with less funding?

GAO found that the federal government spent more than $90 billion on 18 different domestic food and nutrition assistance programs; more than $18 billion on 47 different programs providing employment and training programs; and $3 billion on 20 different homelessness programs.

The federal government also currently funds 80 programs at 8 different agencies to provide transportation services to "transportation-disadvantaged persons." While GAO was unable to figure out exactly how much these 80 programs cost the American taxpayers each year, it was able to determine that a small subset of them totaled $2 billion annually.

GAO has also concluded that "not enough is known about the effectiveness of many of these programs." For example, GAO found that only 7 of the 18 federal food assistance programs have

been associated with positive health and nutrition outcomes, while the remaining 11 food assistance programs have not been effective.

The President has signaled his intent to address Federal program duplication. In his State of the Union address, President Obama stated that "We shouldn't just give our people a government that's more affordable. We should give them a government that's more competent and more efficient." Two weeks later, the President addressed the U.S. Chamber of Commerce, reiterating his plan to address duplicative programs: "So in the coming months, my administration will develop a proposal to merge, consolidate and reorganize the Federal Government in a way that best serves the goal of a more competitive America."

I am concerned, however, that the Administration is paying mere lip service to the problem of unnecessary federal program duplication and waste. More than a month ago, I invited the White House Office of Management and Budget to participate in today's hearing. Unfortunately, as was the case with the previous full Committee hearing on GAO's Duplicative Programs report, the White House Office of Management and Budget has refused to engage with this Committee on meaningful oversight of wasteful federal spending.

The American taxpayers deserve better than what our current system provides. They deserve a budget system in which all programs providing aid can be viewed in full and can be easily tracked and evaluated for effectiveness and efficiency. They deserve a welfare system whose goal is to help people quickly reach the point where they no longer need welfare and can provide for themselves, not one in which multiple departments and agencies manage programs that waste money through overlap and inefficiency.

I appreciate the willingness of our witnesses to join us here today and I look forward to our discussion.

###

Mr. KUCINICH. Mr. Chairman, thank you very much for calling this hearing.

I want to thank the witnesses for their presence.

Today's hearing addresses a recently issued Government Accountability Office report that focused on duplicative Federal programs and highlighted opportunities to potentially enhance Federal revenues by reducing inefficiencies and overlap. In a 339-page report, GAO devoted just 18 pages to addressing opportunities that may exist for reducing costs and improving efficiencies of certain Federal programs, most notably food assistance programs and job training programs. In both the continuing resolution votes as well as other budget proposals, these programs, in particular, were targeted for severe cuts.

GAO's findings are valuable as long as they are not misunderstood. GAO recommended streamlining, the administration of multiple programs delivering comparable benefits to similar, overlapping populations. Reducing administrative inefficiencies in Federal welfare programs is an important goal that we should work together to address, but GAO did not find waste, fraud or abuse in administration and delivery of these programs. GAO does not recommend delivering fewer benefits to those in need.

In the aftermath of the most economically destructive recession since the Great Depression, poverty has been on the rise. According to the Food Research and Action Center, nearly 1 in 5 Americans struggled to afford enough food for themselves and their families in 2010. In Ohio, my home State, there were 1.7 million people living in poverty in 2009, many remaining in poverty even though they work full time year round.

As Lisa Hamler-Fugitt, executive director of the Ohio Association of Second Harvest Foodbanks, who is testifying before us today, will confirm, in the State of Ohio the level of food insecurity is greater than 13 percent, the highest level in a generation. This statistic alone shows how dire the need is and how critical Federal food assistance programs are in Ohio and nationwide. Our economy is showing positive signs of improvement but unemployment is still at 9 percent. It is certainly no time to be pulling the plug on food assistance programs.

Mr. Chairman, I had a visit from Ms. Hamler-Fugitt and she gave me these plates which are filled out by people who are participating in one of the food programs. In my remaining time, I just want to give these individuals for their voice to be heard.

"To whom it may concern, the Hunger Center to me is like a Godsend. Without the Food Center, I don't know how I would survive every month. Food stamps don't make it each month. Thank you for your support."

Another one says, "I would like thank God for Avon Baptist Church. God is good and I am thankful for Avon Baptist Church helping me and my grandchildren at a time of need." "The Food Center has been so good to me and my family and my grandchildren. Time is hard and I thank God for the Center." "The Food Pantry helped me and my kids have food and some days I don't know what me and my kids would have done without the Center. The Center really helps people and their kids."

Again, this is about the Avon Baptist Church. "The Food Bank has been an enormous helping hand to my family and I greatly appreciate the three course meals that lasts us all month. It is only by the grace of God that my family and I have been fed when we have no money at all. The volunteers at the Food Bank have helped this community the best way they can and they will be blessed. Thank you."

"Thank you, Avon for providing nutrition for my family. May God continue to bless you. Through the hard times, I am able to get food and clothing here at Avon and also smiles with good people who really care. I don't know what I would do without their help. God bless" and finally, "Helped me to feed my family, great help to make it through the month. They give good food that you can make meals."

Mr. Chairman, I would ask, with your indulgence, if I could put this into the record, signed by people, and maybe it could be transcribed so that these voices of people who are affected by this program have a chance to be heard.

Mr. JORDAN. Certainly. Without objection.

[NOTE.—The information referred to may be found in subcommittee files.]

Mr. KUCINICH. Thank you, Mr. Chairman. I really appreciate that.

[The prepared statement of Hon. Dennis J. Kucinich follows:]

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Opening Statement
Rep. Dennis J. Kucinich, Ranking Member
Subcommittee on Regulatory Affairs, Stimulus
Oversight and Government Spending
Hearing on: "Duplication, Overlap and Inefficiencies in Federal Welfare Programs"

June 1, 2011

Thank you, Mr. Chairman, and welcome to our witnesses. Today's hearing addresses a recently-issued Government Accountability Office (GAO) report. That report focused on duplicative federal programs, and highlighted opportunities to potentially enhance federal revenues by reducing inefficiencies and overlap. In its 339-page report, GAO devoted just 18 pages to addressing opportunities that may exist for reducing costs and improving the efficiency of certain federal welfare programs, most notably food assistance programs and job training programs. In both the Continuing Resolution votes as well as in other budget proposals, these programs in particular have been targeted for severe cuts.

GAO's findings are valuable – as long as they are not misunderstood. GAO recommended streamlining the administration of multiple programs delivering comparable benefits to similar or overlapping populations. Reducing administrative inefficiencies in federal welfare programs is an important goal that we should work together to address. But GAO did NOT find waste, fraud or abuse in the administration and delivery of these programs. And GAO does NOT recommend delivering fewer benefits to those in need, as the Majority's budget calls for.

In the aftermath of the most economically destructive recession since the Great Depression, poverty has been on the rise. According to the Food Research and Action Center, nearly one in five Americans struggled to afford enough food for themselves and their families in 2010. In Ohio, the homestate of both myself and the Chairman, there were 1.7 million people living in poverty in 2009, many remaining in poverty even though they worked full-time, year-round. As Lisa Hamler-Fugitt, Executive Director of the Ohio Association of Second Harvest Foodbanks, who is testifying before us today will confirm, in the State of Ohio the level of food insecurity is greater than 13%, the highest level in a generation. This statistic alone shows how dire the need is, and how critical federal food assistance programs are in Ohio, and nationwide. Our economy is showing positive signs of improvement, but with unemployment still at 9%, it's certainly no time to be pulling the plug on food assistance programs.

Similarly, the need for an adequately funded workforce development system has never been more urgent. At last count, thirteen and a half million Americans are unemployed. The labor force participation rate is still at a low not seen in over a generation. Yet job training program funding dropped by 30 percent from 2009 to 2010 due to the expiration of American Recovery and Reinvestment Act funds. Despite these cuts these programs are serving record numbers of U.S. workers. In Ohio, there are waitlists for employment and training services, and we are currently unable to meet the needs of the most vulnerable – those who are jobless and need our help to improve their lives.

I hope today's hearing will allow us to come together to make federal programs assisting those in need of food, housing, transportation, and job training more efficient, so that more federal dollars can be put toward putting food on families tables and providing people the skills they need to get back to work. The National Bureau of Economic Research finds that public programs keep one in six Americans out of poverty—primarily the elderly, disabled, and working poor—and that the poverty rate would double without these programs. The only way this country will maintain its competitiveness in the global economy is to ensure these services are maintained.

Mr. JORDAN. I just want to echo too that I have had the opportunity to visit one of the Second Harvest Food Bank centers and do appreciate the work they do. The whole focus of this hearing is to look to do things more efficiently and more effectively to help the very people you were just quoting.

Mr. KUCINICH. If I can, Mr. Chairman, I have tremendous confidence in your compassion and your quality of heart and I just wanted to make sure that while we were here discussing this, that these individuals had a chance to be heard.

Mr. JORDAN. Mr. Cummings, I am going to recognize Ms. Buerkle for a quick statement and then we will go to you and hopefully we can get in our witness testimony before we have to run to vote.

Ms. BUERKLE. Thank you, Mr. Chairman. Thank you for calling this hearing today.

When the GAO published its report in March on duplication in government services, I was very concerned that we were wasting taxpayer dollars, so I am glad that the committee is digging into these issues. I think we walk a fine balance. There is no one who doesn't understand the need for these services, but we owe it to the American people to make sure there is an effective and efficient use of those dollars we are using for the programs. The report covered a very broad range of programs, so we are going to focus on some of those today.

That report stated that the Federal Government spent over $62 billion on 18 different domestic food and nutrition programs for low income individuals in fiscal year 2008. The GAO report stated these programs showed signs of overlap and inefficient use of resources. It also mentioned we fund 47 different programs across multiple agencies to provide employment and training service to help the unemployed get jobs.

With trillion dollar deficits, we cannot let this continue. We need to find the programs that work so that they work efficiently, effectively and reach the people who need their help. We need to end this duplication and waste and find ways to get people into private sector jobs which really gives people back their dignity.

I look forward to the opportunity of hearing from all of our witnesses today.

Thank you, Mr. Chairman. I yield back.

Mr. JORDAN. I thank the gentlelady from New York.

I now recognize the gentleman from Maryland.

Mr. CUMMINGS. Thank you, Mr. Chairman. I appreciate your courtesy.

In February, the Government Accountability Office issued a 339-page report on potential duplication in Federal programs. They described areas of overlap in several major programs including Defense, Agriculture, Energy and Homeland Security. The decided to focus today's hearing on a tiny subset of these programs that help some of the poorest and most vulnerable people in our society, those in need of food, housing, transportation and job training.

The is targeting these same programs for significant cuts in their 2012 budget proposals. The Center on Budget and Policy estimates that two-thirds of the Republican budget's programmatic spending cuts are to programs that serve people of limited means. That is $2.9 trillion of a total of $4.3 trillion.

The fact that low income assistance is being targeted in this way is especially troubling given the Republican ultimatum last year to force the extension of all President Bush's tax cuts for the Nation's wealthiest individuals. It is even more troubling in light of their recent efforts to protect lucrative tax breaks for oil companies making record profits.

Americans across the country are struggling to overcome the impact of the worst financial crisis since the Great Depression. According to an October 2010 report issued by the Congressional Research Service, 3.7 million more people fell below the poverty line in 2009 compared to 2008. These 3.7 million people were pushed into poverty by a recession they did not create. In 2009, a total of 43.6 million people had incomes below the poverty line here in America, more than at any time since we began tracking this measure in 1959.

The increase in poverty in America has been accompanied by increased hunger. In fact, in its report in February, the GAO found that in 2008, nearly 17 million households experienced insecurity in food, meaning they had limited access to food during some part of the year. In my hometown of Baltimore, 40 miles from here, 13.3 percent of families with children fall into this unfortunate category. These are horrible statistics, but they are the benchmarks against which we measure our success as a society.

I believe with all my heart that our Nation is better than this. We can do better and we must do better. Of course we must strive to eliminate unnecessary duplication and streamline the delivery of benefits. There is no one on this side of the aisle or the other side of the aisle who would disagree with that.

I hope the Republican idea of duplicative food assistance programs is not breakfast, lunch and dinner. We must be clear about our priorities, insuring that every hungry child is adequately fed, that every sick person has access to medical care, and that every family has a safe place to live. This is the American way.

These efforts not only help our fellow Americans get back on their feet, but they insure that our next generation is ready to compete and succeed. The future of our country is in their hands. Mr. Chairman, protecting the poor should not be a partisan issue. In his most recent State of the Union Address, President Obama called for an end to unnecessary duplication in government programs. I wholeheartedly agree with that.

He also established an initiative called Government Reform for Competitiveness and Innovation and he included several program cuts in his budget to help eliminate waste. I applaud the President's leadership and I strongly support steps to help streamline government and make it more effective and efficient for the American people.

I hope we can work together in a bi-partisan way to improve rather than eliminate services to those struggling to meet the most basic needs of life.

With that, Mr. Chairman, again, I thank you for your courtesy and I yield.

[The prepared statement of Hon. Elijah E. Cummings follows:]

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Rep. Elijah E. Cummings, Ranking Member
Committee on Oversight and Government Reform

Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending
Hearing on "Duplication, Overlap and Inefficiencies in Federal Welfare Programs"

June 1, 2011

Thank you Mr. Chairman. In February, the Government Accountability Office issued a 339-page report on potential duplication in federal programs. It described areas of overlap in several major programs, including defense, agriculture, energy, and homeland security.

The Majority decided to focus today's hearing on a tiny subset of these programs that help some of the poorest and most vulnerable people in our society: those in need of food, housing, transportation, and job training services.

The Majority is targeting these same programs for severe cuts in their 2012 budget proposals. The Center on Budget and Policy Priorities estimates that two thirds of the Republican budget's programmatic spending cuts are to programs that serve people of limited means. That's $2.9 trillion of a total of $4.3 trillion in cuts.

The fact that low-income assistance is being targeted in this way is especially troubling given the Republican ultimatum last year to force the extension of all of President Bush's tax cuts for the nation's wealthiest individuals. It is even more troubling in light of their recent efforts to protect lucrative tax breaks for oil companies making record profits.

Americans across the country are struggling to overcome the impact of the worst financial crisis since the Great Depression. According to an October 2010 report issued by the Congressional Research Service, 3.7 million <u>more</u> people fell below the poverty line in 2009 compared to 2008. These 3.7 million people were pushed into poverty by a recession they did not create. In 2009, a total of 43.6 million people had incomes below the poverty line—more than at any time since we began tracking this measure in 1959.

The increase in poverty in America has been accompanied by increased hunger. In fact, in its report in February, the GAO found that in 2008, nearly 17 million households experienced food insecurity, meaning they had limited access to food during some part of the year. In my hometown of Baltimore, 13.5 percent of families with children fall into this category.

These are horrible statistics. But they are the benchmarks against which we measure our success as a society. I believe with all of my heart that our nation is better than this. We can do better, and we must.

Of course, we must strive to eliminate unnecessary duplication and streamline the delivery of benefits. But Mr. Chairman, I hope that the Republican idea of duplicative food assistance programs is NOT breakfast, lunch AND dinner. We must be clear about our priorities: ensuring that every hungry child is adequately fed, that every sick person has access to medical care, and that every family has a safe place to live.

These efforts not only help our fellow Americans get back on their feet, but they ensure that our next generation is ready to compete and succeed. The future of our country is in their hands.

Mr. Chairman, protecting the poor should not be a partisan issue. In his most recent State of the Union address, President Obama called for an end to unnecessary duplication in government programs. He also established an initiative called "Government Reform for Competitiveness and Innovation," and he included several program cuts in his budget to help eliminate waste.

I applaud the President's leadership, and I strongly support steps to help streamline government and make it work effectively and efficiently for the American people. I hope we can work together to improve—rather than eliminate—services to those struggling to meet the most basic needs of life.

Contact: Ashley Etienne, Communications Director, (202) 226-5181.

Mr. JORDAN. Thank you.

We will now have our witnesses proceed.

First, we are pleased to have Ms. Patricia Dalton, Chief Operating Officer of the Government Accountability Office. Thank you for your good work on the report. We also have Mr. Robert Rector, senior research fellow, the Heritage Foundation, and an expert on social welfare spending and reform. We have Mr. John Mashburn, executive director, the Carleson Center for Public Policy. As my colleague mentioned earlier, we have Ms. Lisa Hamler-Fugitt, executive director from the Ohio Association of Second Harvest Foodbanks.

Pursuant to committee rule, all witnesses must be sworn before they testify. Please rise and answer in the affirmative after I read. Please raise your right hands.

[Witnesses sworn.]

Mr. JORDAN. Let the record reflect that the witnesses answered in the affirmative.

We will now go right down the row. We allow 5 minutes. You get the yellow light when it is time to start getting ready to finish.

Ms. Dalton, you are recognized.

STATEMENTS OF PATRICIA DALTON, CHIEF OPERATING OFFICER, GOVERNMENT ACCOUNTABILITY OFFICE; ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION; JOHN MASHBURN, EXECUTIVE DIRECTOR, THE CARLESON CENTER FOR PUBLIC POLICY; AND LISA HAMLER-FUGITT, EXECUTIVE DIRECTOR, OHIO ASSOCIATION OF SECOND HARVEST FOODBANKS

STATEMENT OF PATRICIA DALTON

Ms. DALTON. Thank you, Mr. Chairman, Ranking Member Kucinich, and Ms. Buerkle. Thank you for the opportunity to discuss GAO's first annual report on duplication in the Federal Government.

Our report listed 34 areas where there is potential overlap, fragmentation or duplication. Overlap and fragmentation can be harbingers of unnecessary duplication. We also identified in the report 47 other areas of potential cost savings or revenue enhancement. Reducing or eliminating government duplication, overlap and fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services.

The current situation of multiple and overlapping programs evolved over decades. Difficult decisions and sustained attention by the administration and the Congress will be required to determine what programs are needed now. This will be complicated by the fact that data showing the effectiveness or lack thereof in current programs is often nonexistent or insufficient. In addition, in some cases, we don't know exactly what we are spending. Today, I will focus on four areas in our report of programs that provide assistance with food, employment and training, homelessness and transportation.

First, the Federal Government spends more than $90 billion on domestic food assistance provided primarily through 18 different Federal programs. The Departments of Agriculture, HHS, Home-

land Security and multiple State and local governments work to administer a complex network of programs.

Some of these programs provide similar services to the same population. For example, six different USDA programs provide food to eligible children in settings outside their homes such as schools, day care and summer camps. While having multiple programs helps ensure that those in need have access to food, it also increases administrative costs. Complicating any decisions about streamlining food assistance programs is the fact that little is known about the effectiveness of 11 of the 18 programs.

In fiscal year 2009, 47 programs spent about $18 billion on employment and training services. Of these 47, 44 overlap with at least one other program in that they provided at least one similar service to a similar population. For example, three of the largest programs provide job search assistance. Nearly all programs track outcome information but only 5 of the 47 GAO identified have conducted an impact study to determine whether the program is actually responsible for improved employment outcomes.

GAO has previously recommended to Labor and HHS that those agencies work together to develop and disseminate information that could inform State efforts to increase administrative efficiencies and examine the incentives for States and localities to undertake such efforts.

In 2009, Federal agencies spent about $2.9 billion on over 20 programs targeted to address the various needs of persons experiencing homelessness. In some cases, different agencies may be offering similar types of services to similar populations. For example, at least seven Federal agencies administer programs to provide some type of shelter or housing assistance to persons experiencing homelessness. This fragmentation can create difficulties for people accessing services and administrative burdens for providers who must navigate various application requirements, selection criteria and reporting requirements.

The U.S. Interagency Council on Homelessness has provided a renewed focus on coordinating efforts and recently developed a strategic plan for agencies involved in the fight to end homelessness. However, once again decisions on how to reduce its fragmentation and overlap could be hindered due to lack of comprehensive data. It is exacerbated by a lack of consistent definition.

Finally, GAO identified 80 existing Federal programs across 8 Federal departments that provide funding for transportation services for those who are transportation disadvantaged. An example of the impact of fragmentation in this area is the Departments of Agriculture and Labor both fund programs that provide transportation for low income youth seeking employment or job training.

As in other areas I have discussed today, some actions are underway. For example, the Interagency Transportation Coordinating Council on Access and Mobility has taken steps to encourage and facilitate coordination across agencies but more is needed.

In conclusion, opportunities exist to streamline and more efficiently carry out programs in those four areas. Careful, thoughtful analysis will be needed to address some of the issues discussed in our March report and having comprehensive information on the programs involved would help facilitate that decisionmaking.

In our future reports, GAO will followup on these areas as well as examine other areas in the government for potential duplication. We also have in-depth work ongoing in several selected areas.

Thank you, Mr. Chairman. That completes my prepared statement and I would be happy to take any questions.

[The prepared statement of Ms. Dalton follows:]

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending, Committee on Oversight and Government Reform, House of Representatives

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OPPORTUNITIES TO REDUCE POTENTIAL DUPLICATION IN GOVERNMENT PROGRAMS, SAVE TAX DOLLARS, AND ENHANCE REVENUE

Statement of Patricia A. Dalton
Chief Operating Officer

GAO-11-714T

Mr. Chairman, Ranking Member Kucinich, and Members of the Committee:

We appreciate the opportunity to discuss our first annual report to Congress responding to the statutory requirement that GAO identify federal programs, agencies, offices, and initiatives—either within departments or governmentwide—that have duplicative goals or activities.[1] This work can help inform government policymakers as they address the rapidly building fiscal pressures facing our national government. Our simulations of the federal government's fiscal outlook show continually increasing levels of debt that are unsustainable over time, absent changes in the federal government's current fiscal policies.[2] Since the end of the recent recession, the gross domestic product has grown slowly, and unemployment has remained at a high level. While the economy is still recovering and in need of careful attention, widespread agreement exists on the need to look not only at the near term but also at steps that begin to change the long-term fiscal path as soon as possible without slowing the recovery. With the passage of time, the window to address the fiscal challenge narrows and the magnitude of the required changes grows.

My testimony today is based on our March 2011 report, which provided an overview of federal programs or functional areas where unnecessary duplication, overlap, or fragmentation exists and where there are other opportunities for potential cost savings or enhanced revenues.[3] In that report, we identified 81 areas for consideration—34 areas of potential duplication, overlap, or fragmentation (see app. I of this statement) and 47 additional areas describing other opportunities for agencies or Congress to consider taking action that could either reduce the cost of government operations or enhance revenue collections for the Treasury (see app. II of this statement). The 81 areas we identified span a range of federal government missions such as agriculture, defense, economic development, energy, general government, health, homeland security, international

[1]Pub. L. No. 111-139, § 21, 124 Stat. 29 (2010), 31 U.S.C. § 712 Note.

[2]GAO, *The Federal Government's Long-Term Fiscal Outlook: January 2011 Update*, GAO-11-451SP (Washington, D.C.: Mar. 18, 2011). Additional information on the federal fiscal outlook, federal debt, and the outlook for the state and local government sector is available at http://www.gao.gov/special.pubs/longterm.

[3]GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011). An interactive, Web-based version of the report is available at http://www.gao.gov/ereport/gao-11-318SP.

affairs, and social services. Within and across these missions, the report touches on hundreds of federal programs, affecting virtually all major federal departments and agencies. My testimony today highlights some key examples of overlap and duplication from our March report on the federal government's management of programs providing services in the areas of (1) domestic food assistance, (2) employment and training, (3) homelessness, and (4) transportation for disadvantaged populations. For each area, this statement will discuss some of the challenges related to overlap and duplication, as well as examples of how better information about each program could help policymakers in determining how to address this overlap and duplication.

The issues raised in the report were drawn from our prior and ongoing work. This statement is based substantially upon our March report,[4] which was conducted in accordance with generally accepted government auditing standards or with GAO's quality assurance framework, as appropriate.

Overlap and fragmentation among government programs or activities can be harbingers of unnecessary duplication. Reducing or eliminating duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services. These actions, however, will require some difficult decisions and sustained attention by the administration and Congress. Many of the issues we identified concern activities that are contained within single departments or agencies. In those cases, agency officials can generally achieve cost savings or other benefits by implementing existing GAO recommendations or by undertaking new actions suggested in our March report. However, a number of issues we have identified span multiple organizations and therefore may require higher-level attention by the executive branch, enhanced congressional oversight, or legislative action. Appendix III contains a list of selected federal programs in the subject areas discussed in this statement.

[4]GAO-11-318SP. Other reports contributing to this statement were *Information Technology: Continued Improvements in Investment Oversight and Management Can Yield Billions in Savings*, GAO-11-511T (Washington, D.C.: Apr.12, 2011); and *Information Technology: OMB Has Made Improvements to Its Dashboard, but Further Work Is Needed by Agencies and OMB to Ensure Data Accuracy*, GAO-11-262 (Washington, D.C.: Mar. 15, 2011).

Actions Needed to Reduce Administrative Overlap among Domestic Food Assistance Programs

The federal government spent more than $90 billion on domestic food and nutrition assistance programs in fiscal year 2010. This assistance is provided through a decentralized system of primarily 18 different federal programs that help ensure that millions of low-income individuals have consistent, dependable access to enough food for an active, healthy life. The Departments of Agriculture (USDA), Health and Human Services (HHS), and Homeland Security as well as multiple state and local government and nonprofit organizations work together to administer a complex network of programs and providers, ranging from agricultural commodities to prepared meals to vouchers or other targeted benefits used in commercial food retail locations. However, some of these programs provide comparable benefits to similar or overlapping populations. For example, individuals eligible for groceries through USDA's Commodity Supplemental Food Program are also generally eligible for groceries through USDA's Emergency Food Assistance Program and for targeted benefits that are redeemed in authorized stores through the largest program, the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp Program), which is also administered by USDA.

The availability of multiple programs with similar benefits helps ensure that those in need have access to nutritious food, but can also increase administrative costs, which account for approximately a tenth to more than a quarter of total costs among the largest of these programs. Administrative inefficiencies can also result from program rules related to determining eligibility, which often require the collection of similar information by multiple entities. For example, six USDA programs—the National School Lunch Program, the School Breakfast Program, the Fresh Fruit and Vegetable Program, the Summer Food Service Program, the Special Milk Program, and the Child and Adult Care Food Program—all provide food to eligible children in settings outside the home, such as at school, day care, or summer day camps.

Most of the 18 programs have specific and often complex legal requirements and administrative procedures that federal, state, and local organizations follow to help manage each program's resources. According to previous GAO work and state and local officials, rules that govern these and other nutrition assistance programs often require applicants who seek assistance from multiple programs to submit separate applications for each program and provide similar information verifying, for example, household income. This can create unnecessary work for both providers and applicants and may result in the use of more administrative resources than needed.

One of the possible methods for reducing program overlap and inefficiencies would entail USDA broadening its efforts to simplify, streamline, or better align eligibility procedures and criteria across programs to the extent that it is permitted by law. USDA recently stated that on an ongoing basis, the agency will continue efforts to promote policy and operational changes that streamline the application and certification process; enforce rules that prevent simultaneous participation in programs with similar benefits or target audiences; and review and monitor program operations to minimize waste and error. While options such as consolidating or eliminating overlapping programs also have the potential to reduce administrative costs, they may not reduce spending on benefits unless fewer individuals are served as a result.

In addition to challenges resulting from overlap, not enough is known about the effectiveness of many of the domestic food assistance programs. USDA tracks performance measures related to its food assistance programs such as the number of people served by a program. However, these performance measures are insufficient for determining a program's effectiveness. Additional research that GAO consulted suggests that participation in 7 USDA programs—including the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the National School Lunch Program, the School Breakfast Program, and the Supplemental Nutrition Assistance Program—is associated with positive health and nutrition outcomes consistent with programs' goals, such as raising the level of nutrition among low-income households, safeguarding the health and well-being of the nation's children, and strengthening the agricultural economy. Yet little is known about the effectiveness of the remaining 11 programs because they have not been well studied. GAO has suggested that USDA consider which of the lesser-studied programs need further research, and USDA agreed to consider the value of examining potential inefficiencies and overlap among smaller programs.

Information on Colocation, Administrative Consolidation, and Performance Could Improve Efficiency of Federal Employment and Training Programs

Federally funded employment and training programs play an important role in helping job seekers obtain employment. In fiscal year 2009, 47 programs spent about $18 billion to provide services, such as job search and job counseling, to program participants. Most of these programs are administered by the Departments of Labor, Education, and HHS. However, 44 of the 47 federal employment and training programs GAO identified, including those with broader missions such as multipurpose block grants, overlap with at least one other program in that they provide at least one similar service to a similar population. Some of these overlapping programs serve multiple population groups. Others target specific populations, most commonly Native Americans, veterans, and youth. In some cases, these programs may have meaningful differences in their eligibility criteria or objectives, or they may provide similar types of services in different ways.

GAO examined potential duplication among three selected large programs that provide employment and training services—the Temporary Assistance for Needy Families, Employment Service, and Workforce Investment Act Adult programs.[5] These programs maintain parallel administrative structures to provide some of the same services, such as job search assistance to low-income individuals (see fig. 1). At the state level, the state human services or welfare agency typically administers Temporary Assistance for Needy Families, while the state workforce agency administers Employment Service and Workforce Investment Act Adult programs through one-stop centers. In one-stop centers, Employment Service staff provide job search and other services to Employment Service customers, while Workforce Investment Act staff provide job search and other services to Workforce Investment Act Adult customers. Agency officials acknowledged that greater efficiencies could be achieved in delivering services through these programs, but said various factors could warrant having multiple entities provide the same services, including the number of clients that any one-stop center can serve and one-stop centers' proximity to clients, particularly in rural areas.

[5]Employment is only one aspect of the Temporary Assistance for Needy Families program, which has broad social service goals related to the well-being of children and families and provides a wide range of services, including cash assistance.

Figure 1. Employment and Training Services Provided by the Temporary Assistance for Needy Families, Employment Service and Workforce Investment Act (WIA) Adult Programs, Fiscal Year 2009

Program name	Employment counseling and assessment	General Equivalency Diploma assistance	Development of job opportunities	Job readiness skills training	Job referrals	Job retention training	Job search or job placement activities	Occupational or vocational training	On-the-job training	Remedial academic, English language skills, or basic adult literacy	Work experience	Other
Employment Service/Wagner-Peyser Funded Activities (DOL)	○		●	●	●		●					●[a]
Temporary Assistance for Needy Families (HHS)	○	○	●	○	○		○	○	○	○	○	●[b]
WIA Adult Program (DOL)	●	●	●	●	●	○	●	●	●	○	●	

● Primary services
○ Secondary services

Source: GAO survey of agency officials.

[a]Job search workshops
[b]Subsidized employment

Colocating services and consolidating administrative structures may increase efficiencies and reduce costs, but implementation can be challenging. Some states have colocated Temporary Assistance for Needy Families employment and training services in one-stop centers where Employment Service and Workforce Investment Act Adult services are provided. Three states—Florida, Texas, and Utah—have gone a step further by consolidating the agencies that administer these programs, and state officials said this has reduced costs and improved services, but they could not provide a dollar figure for cost savings. States and localities may face challenges to colocating services, such as limited office space. In addition, consolidating administrative structures may be time consuming and any cost savings may not be immediately realized. An obstacle to further progress in achieving greater administrative efficiencies across federal employment and training programs is that limited information is available about the strategies and results of such initiatives. In addition, little is known about the incentives that states and localities have to undertake such initiatives and whether additional incentives are needed.

To facilitate further progress by states and localities in increasing administrative efficiencies in employment and training programs, GAO recommended in 2011 that the Secretaries of Labor and HHS work

together to develop and disseminate information that could inform such efforts. This should include information about state initiatives to consolidate program administrative structures and state and local efforts to colocate new partners, such as Temporary Assistance for Needy Families, at one-stop centers. Information on these topics could address challenges faced, strategies employed, results achieved, and remaining issues. As part of this effort, Labor and HHS should examine the incentives for states and localities to undertake such initiatives, and, as warranted, identify options for increasing such incentives. Labor and HHS agreed they should develop and disseminate this information. HHS noted that it lacks legal authority to mandate increased Temporary Assistance for Needy Families – Workforce Investment Act coordination or create incentives for such efforts. In terms of achieving efficiencies through program consolidation, the Administration's budget request for fiscal year 2012 proposes consolidating nine programs into three as part of its proposed changes to the Workforce Investment Act.[6] The Administration also proposed consolidating Education's Career and Technical Education – Basic Grants to States and Tech Prep Education programs, at the same time reducing program funding. In addition, to improve coordination among similar programs, the budget proposal would transfer the Senior Community Service Employment Program from Labor to HHS.

Consolidating or colocating employment and training programs is further complicated by the lack of comprehensive information on the results of these programs. For example, nearly all 47 programs GAO identified track multiple outcomes measures, but only 5 programs have completed an impact study since 2004 to assess whether outcomes resulted from the program and not some other cause. Based on our survey of agency officials, we determined that only 5 of the 47 programs have had impact studies that assess whether the program is responsible for improved employment outcomes. The five impact studies generally found that the effects of participation were not consistent across programs, with only some demonstrating positive impacts that tended to be small, inconclusive, or restricted to short-term impacts. Officials from the remaining 42 programs cited other types of studies or no studies at all. And among the three programs GAO reviewed for potential duplication—the Temporary Assistance for Needy Families, Employment Service, and

[6]Some of these programs do not meet our definition of an employment and training program.

Workforce Investment Act Adult—the extent to which individuals receive the same services from these programs is unknown due to limited data.

Better Coordination of Federal Homelessness Programs May Minimize Overlap and Fragmentation As Well As Improve Usefulness of Program Data Collected

Several federal agencies provide a range of programs that offer not only housing assistance but also supportive services to those experiencing homelessness and to those at risk of becoming homeless, yet coordination of these programs varies by program and agency. We previously reported that in 2009, federal agencies spent about $2.9 billion on over 20 programs targeted to address the various needs of persons experiencing homelessness. A number of federal programs are specifically targeted to address issues related to homelessness while other mainstream programs that are generally designed to help low-income individuals by providing housing assistance and services such as health care, job training, and food assistance may also serve those experiencing homelessness or at risk of becoming homeless.

We found the potential for overlap because in some cases, different agencies may be offering similar types of services to similar populations. For example, we reported in July 2010 that at least seven federal agencies administered programs that provide some type of shelter or housing assistance to persons experiencing homelessness.[7] Similarly, five agencies administered programs that deliver food and nutrition services, and four agencies administered programs that provide health services including mental health services and substance abuse treatment. In addition to similar services, this range of programs has resulted in a fragmented service system.

Overlap and fragmentation in some of these programs may be due in part to their legislative creation as separate programs under the jurisdiction of several agencies.[8] Moreover, additional programs have since developed incrementally over time to address the specific needs of certain segments

[7]GAO, *Rural Homelessness: Better Collaboration by HHS and HUD Could Improve Delivery of Services in Rural Areas*, GAO-10-724 (Washington, D.C.: July 20, 2010).

[8]Many federal programs providing services to persons experiencing homelessness were created by the McKinney-Vento Homeless Assistance Act, Pub. L. No. 100-77 (1987). The act, enacted originally as the Stewart B. McKinney Homeless Assistance Act, was renamed in 2000. Pub. L. No. 106-400. The act originally consisted of 15 programs in seven agencies providing a range of services to persons experiencing homelessness, including emergency shelter, transitional housing, job training, primary health care, education, and some permanent housing.

of the population. Nevertheless, this fragmentation can create difficulties for people in accessing services as well as administrative burdens for providers who must navigate various application requirements, selection criteria, and reporting requirements. For example, as we reported in July 2010, providers in rural areas told us they have limited resources and therefore must apply to and assemble multiple funding sources from both state and federal programs. As a result, the time consumed in grant writing and meeting the various compliance and review requirements set by statute represented an administrative and workload burden, according to these providers.

Coordination of targeted homelessness programs with other mainstream programs that support individuals or families experiencing homelessness includes agencies working together on program guidance and prevention strategies. In July 2010, GAO reported that agencies had taken some steps toward improved coordination. For instance, the U.S. Interagency Council on Homelessness (USICH) has provided a renewed focus on such coordination and has developed a strategic plan for federal agencies to end homelessness.[9] However, the lack of federal coordination was still viewed by some local service providers as an important barrier to the effective delivery of services to those experiencing homelessness. Without more formal coordination of federal programs to specifically include the linking of supportive services and housing, federal efforts to address homelessness may remain fragmented and not be as effective as they could be. In June 2010, GAO recommended that the Departments of Education, HHS, and Housing and Urban Development develop a common vocabulary to facilitate federal efforts to determine the extent and nature of homelessness and develop effective programs to address homelessness. We also recommended in July 2010 that HHS and Housing and Urban Development consider more formally linking their housing and supportive services programs.

Fragmentation of programs across federal agencies has also resulted in differing methods for collecting data on those experiencing homelessness. In part because of the lack of comprehensive data collection requirements, the data have limited usefulness. Complete and accurate data are essential for understanding and meeting the needs of those who are experiencing

[9]The U.S. Interagency Council on Homelessness was authorized by federal law in 1987 and its main functions include using public resources and programs in a more coordinated manner to meet the needs of those persons experiencing homelessness. USICH has 19 member agencies and is mandated to identify duplication in federal programs.

homelessness and preventing homelessness from occurring. USICH has made the development of a common data standard for federal homelessness programs a priority. USICH recognizes that collection, analysis, and reporting of quality, timely data on homelessness are essential for targeting interventions, tracking results, strategic planning, and resource allocation. Currently each federal program noted above generally has distinct and different data requirements. USICH acknowledges that a common data standard and uniform performance measures across all federal programs that are targeted at homelessness would facilitate greater understanding and simplify local data management. USICH representatives noted that agencies are taking steps to improve and coordinate data collection and reporting, specifically citing the December 2010 announcement by the Department of Veterans Affairs of its plan to utilize the Homeless Information Management System over the next 12 months.[10]

Greater Coordination Needed to Minimize Fragmentation, Enhance Services, and Improve Information about Federal Programs for Transportation-Disadvantaged Persons

Federal agencies fund transportation services to millions of Americans who are unable to provide their own transportation—frequently because they are elderly, have disabilities, or have low incomes—through programs that provide similar services to similar client groups. The variety of federal programs providing funding for transportation services to the transportation disadvantaged has resulted in fragmented services that can be difficult for clients to navigate and narrowly focused programs that may result in service gaps. GAO previously identified 80 existing federal programs across eight departments that provided funding for transportation services for the transportation disadvantaged in fiscal year 2010 (see app. III). These programs may provide funding to service providers for bus tokens, transit passes, taxi vouchers, or mileage reimbursement, for example, to transportation-disadvantaged persons for trips to access government services (such as job-training programs), the grocery store, medical appointments, or for other purposes. For example, the Departments of Agriculture and Labor both provide funding for programs that could provide bus fare for low-income youths seeking

[10]The Homeless Management Information System (HMIS) is a software application designed to record and store information on the characteristics and service needs of those experiencing homelessness. The Department of Housing and Urban Development and other planners and policymakers at the federal, state, and local levels can use aggregate HMIS data to obtain information about the extent and nature of homelessness over time. Specifically, HMIS can be used to produce an unduplicated count of homeless persons, understand patterns of service use, and measure the effectiveness of homeless programs.

employment or job training. Further, these services can be costly because of inconsistent, duplicative, and often restrictive program rules and regulations. For example, GAO has previously reported that a transportation provider in one state explained that complicated fee structures or paperwork requirements for services funded under different programs may result in overlapping service such as two vehicles on the same route at the same time.

The Interagency Transportation Coordinating Council on Access and Mobility, a federal entity charged with promoting interagency coordination, has taken steps to encourage and facilitate coordination across agencies, but action by federal departments will be necessary to better coordinate and eliminate duplication and fragmentation. The Coordinating Council's "United We Ride" initiative and the Federal Transit Administration (FTA) have also encouraged state and local coordination. However, there has been limited interagency coordination and direction at the federal level. Additionally, while certain FTA transit programs require that projects selected for grant funding be derived from locally developed, coordinated public transit, human service transportation plans, participation by non-FTA grantees—which is optional—has varied, limiting these efforts.[11]

As GAO and others have reported, improved coordination could not only help to reduce duplication and fragmentation at the federal level, but could also lead to economic benefits, such as funding flexibility, reduced costs or greater efficiency, and increased productivity, as well as improved customer service and enhanced mobility. A 2009 report by the National Resource Center for Human Service Transportation Coordination found that three federal departments providing transportation services—the Departments of Health and Human Services, Labor, and Education—had yet to coordinate their planning with the Department of Transportation (DOT).[12]

To reduce fragmentation and to realize these benefits, federal agencies on the Coordinating Council should identify and assess their transportation

[11]See Formula grants for special needs of elderly individuals and individuals with disabilities, 49 U.S.C. § 310(d)(2)(B); Job Access and Reverse Commute formula grants, 49 U.S.C. § 5316(g)(3); New Freedom Program, 49 U.S.C. § 5317(f)(3).

[12]See Report to the Secretary of Transportation, National Resource Center for Human Service Transportation Coordination (March 2009).

programs and related expenditures and work with other departments to identify potential opportunities for additional coordination. For example, neither the Coordinating Council nor most federal departments have an inventory of existing programs providing transportation services or their expenditures and they lack the information to identify opportunities to improve the efficiency and service of their programs through coordination. The Coordinating Council should develop the means for collecting and sharing this information. In 2003, GAO discussed three potential options to overcome obstacles to the coordination of transportation for the transportation disadvantaged, two of which would require substantial statutory or regulatory changes and include potential costs: making federal program standards more uniform or creating some type of requirement or financial incentive for coordination.[13] We recommended expanding the Coordinating Council and better disseminating guidance. Subsequently, the Coordinating Council was expanded and several coordination initiatives were launched, and progress has been made in coordination efforts, particularly at the state and local levels. Furthermore, we reported in March 2011 that, to assure that coordination benefits are realized, Congress may want to consider requiring key programs to participate in coordinated planning.[14] The Administration, DOT, transportation interest groups, and legislators have issued proposals to revise DOT programs in the next surface transportation reauthorization. For example, the President's Budget Request for Fiscal Year 2012 proposes combining three FTA programs that provide services to transportation-disadvantaged populations—the Job Access and Reverse Commute program, the New Freedom program, and the Elderly Individuals and Individuals with Disabilities Program.

In conclusion, as I have outlined in my testimony, opportunities exist to streamline and more efficiently carry out programs in the areas of domestic food assistance, employment and training, homelessness, and transportation for disadvantaged populations. Specifically, addressing duplication, overlap, and fragmentation in these areas could help to minimize the administrative burdens faced by those entities—including states and localities as well as nonprofits—that are delivering these

[13]See GAO, *Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist*, GAO-03-697 (Washington, D.C.: June 30, 2003).

[14]GAO-11-318SP.

program's services. Such administrative burdens range from eligibility requirements and the application process to costs associated with carrying out the program and reporting requirements. Improving consistency among these various requirements and processes as well as considering how multiple agencies could better coordinate their delivery of programs could result in benefits both for those providing and those receiving the services. We have previously reported on the challenges federal grantees face in navigating differences among programs across agencies.[15] Additionally, reducing duplication might also help improve agencies' ability to track and monitor their programs which, as described earlier, is needed to better assess coordination as well as performance. As we are completing our governmentwide examination on this topic, we will continue to look closely at these specific administrative burden and assessment issues.

As the nation rises to meet the current fiscal challenges, we will continue to assist Congress and federal agencies in identifying actions needed to reduce duplication, overlap, and fragmentation; achieve cost savings; and enhance revenues. As part of current planning for our future annual reports, we are continuing to look at additional federal programs and activities to identify further instances of duplication, overlap, and fragmentation as well as other opportunities to reduce the cost of government operations and increase revenues to the government. We will be using an approach to ensure governmentwide coverage through our efforts by the time we issue of our third report in fiscal year 2013. We plan to expand our work to more comprehensively examine areas where a mix of federal approaches is used, such as tax expenditures, direct spending, and federal loan programs. Likewise, we will continue to monitor developments in the areas we have already identified. Issues of duplication, overlap, and fragmentation will also be addressed in our routine audit work during the year as appropriate and summarized in our annual reports.

Careful, thoughtful actions will be needed to address many of the issues discussed in our March report, particularly those involving potential duplication, overlap, and fragmentation among federal programs and activities. These are difficult issues to address because they may require

[15]See GAO, *Grants Management: Grantees Concerns with Efforts to Streamline and Simplify Processes*, GAO-06-566 (Washington, D.C.: July 28, 2006); and *Grants Management: Additional Actions Needed to Streamline and Simplify Processes*, GAO-05-335 (Washington, D.C.: Apr. 18, 2005).

agencies and Congress to re-examine within and across various mission areas the fundamental structure, operation, funding, and performance of a number of long-standing federal programs or activities with entrenched constituencies. Continued oversight by the Office of Management and Budget and Congress will be critical to ensuring that unnecessary duplication, overlap, and fragmentation are addressed.

Thank you, Mr. Chairman, Ranking Member Kucinich, and Members of the Committee. This concludes my prepared statement. I would be pleased to answer any questions you may have.

For further information on this testimony or our March report, please contact Janet St. Laurent, Managing Director, Defense Capabilities and Management, who may be reached at (202) 512-4300, or StLaurentJ@gao.gov; and Katherine Siggerud, Managing Director, Physical Infrastructure, who may be reached at (202) 512-2834, or SiggerudK@gao.gov. Specific questions about domestic food assistance as well as employment and training issues may be directed to Barbara Bovbjerg, Managing Director, Education, Workforce, and Income Security, who may be reached at (202) 512-6826, or BovbjergB@gao.gov. Specific questions about homelessness issues may be directed to Orice Williams, Managing Director, Financial Markets and Community Investment, who may be reached at (202) 512-5837, or WilliamsO@gao.gov. Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.

Appendix I: Duplication, Overlap, or Fragmentation Areas Identified

Missions	Areas identified	Federal agencies and programs where duplication, overlap, or fragmentation may occur
Agriculture	1. Fragmented **food safety** system has caused inconsistent oversight, ineffective coordination, and inefficient use of resources	The Department of Agriculture's (USDA) Food Safety and Inspection Service and the Food and Drug Administration are the primary food safety agencies, but 15 agencies are involved in some way
Defense	2. Realigning **DOD's military medical command** structures and consolidating common functions could increase efficiency and result in projected savings ranging from $281 million to $460 million annually	Department of Defense (DOD), including the Office of the Assistant Secretary for Health Affairs, the Army, the Navy, and the Air Force
	3. Opportunities exist for consolidation and increased efficiencies to maximize response to **warfighter urgent needs**	At least 31 entities within DOD
	4. Opportunities exist to avoid unnecessary redundancies and improve the coordination of **counter-improvised explosive device efforts**	The services and other components within DOD
	5. Opportunities exist to avoid unnecessary redundancies and maximize the efficient use of **intelligence, surveillance,** and **reconnaissance** capabilities	Multiple intelligence organizations within DOD
	6. A departmentwide acquisition strategy could reduce DOD's risk of costly duplication in purchasing **Tactical Wheeled Vehicles**	DOD, including Army and Marine Corps
	7. Improved joint oversight of DOD's **prepositioning programs** for equipment and supplies may reduce unnecessary duplication	DOD including Air Force, Army, and Marine Corps
	8. **DOD business systems** modernization: opportunities exist for optimizing business operations and systems	About 2,300 investments across DOD
Economic development	9. The efficiency and effectiveness of fragmented **economic development programs** are unclear	USDA, Department of Commerce (Commerce), Housing and Urban Development (HUD), and the Small Business Administration (SBA); 80 programs involved
	10. The federal approach to **surface transportation** is fragmented, lacks clear goals, and is not accountable for results	Five agencies within the Department of Transportation (DOT); over 100 programs involved
	11. Fragmented federal efforts to meet **water needs** in the **U.S.-Mexico border region** have resulted in an administrative burden, redundant activities, and an overall inefficient use of resources	USDA, Commerce's Economic Development Administration, Environmental Protection Agency (EPA), Department of Health and Human Services' (HHS) Indian Health Service, Department of the Interior's (Interior) Bureau of Reclamation, HUD, and the U.S. Army Corps of Engineers
Energy	12. Resolving conflicting requirements could more effectively achieve **federal fleet energy goals**	A number of agencies, including the Department of Energy (Energy) and the General Services Administration (GSA) play a role overseeing the governmentwide requirements
	13. Addressing duplicative federal efforts directed at increasing **domestic ethanol production** could reduce revenue losses by up to $5.7 billion annually	EPA and the Department of the Treasury
General government	14. **Enterprise architectures**: key mechanisms for identifying potential overlap and duplication	Governmentwide

Missions	Areas identified	Federal agencies and programs where duplication, overlap, or fragmentation may occur
	15. Consolidating **federal data** centers provides opportunity to improve government efficiency and achieve significant cost savings	Twenty-four federal agencies
	16. Collecting improved data on **interagency contracting** to minimize duplication could help the government leverage its vast buying power	Governmentwide
	17. Periodic reviews could help identify ineffective **tax expenditures** and redundancies in related tax and spending programs, potentially reducing revenue losses by billions of dollars	Governmentwide
Health	18. Opportunities exist for **DOD** and **VA** to jointly modernize their **electronic health record systems**	DOD and the Department of Veterans Affairs (VA)
	19. **VA** and **DOD** need to control **drug** costs and increase **joint contracting** whenever it is cost-effective	DOD and VA
	20. HHS needs an overall strategy to better integrate nationwide **public health information** systems	Multiple agencies, led by HHS
Homeland security/Law enforcement	21. Strategic oversight mechanisms could help integrate fragmented interagency efforts to defend against **biological threats**	USDA, DOD, Department of Homeland Security (DHS), HHS, Interior, and others; more than two dozen presidentially appointed individuals with responsibility for biodefense
	22. DHS oversight could help eliminate potential duplicating efforts of interagency forums in **securing** the **northern border**	DHS and other federal law enforcement partners
	23. The Department of Justice plans actions to reduce overlap in **explosives investigations**, but monitoring is needed to ensure successful implementation	Department of Justice's Federal Bureau of Investigation and Bureau of Alcohol, Tobacco, Firearms and Explosives
	24. **TSA's security assessments** on commercial trucking companies overlap with those of another agency, but efforts are under way to address the overlap	DHS's Transportation Security Administration (TSA) and DOT
	25. DHS could streamline mechanisms for **sharing security-related information** with **public transit agencies** to help address overlapping information	Three information-sharing mechanisms funded by DHS and TSA
	26. **FEMA** needs to improve its oversight of **grants** and establish a framework for assessing capabilities to identify gaps and prioritize investments	DHS's Federal Emergency Management Agency (FEMA); 17 programs involved
International affairs	27. Lack of information sharing could create the potential for duplication of efforts between U.S. agencies involved in **development efforts** in **Afghanistan**	Principally DOD and the U.S. Agency for International Development
	28. Despite restructuring, overlapping roles and functions still exist at State's **Arms Control** and **Nonproliferation Bureaus**	Two bureaus within the Department of State (State)
Social services	29. Actions needed to reduce administrative overlap among **domestic food assistance** programs	USDA, DHS, and HHS; 18 programs involved
	30. Better coordination of federal **homelessness** programs may minimize fragmentation and overlap	Seven federal agencies, including Department of Education (Education), HHS, and HUD; over 20 programs involved

Missions	Areas identified	Federal agencies and programs where duplication, overlap, or fragmentation may occur
	31. Further steps needed to improve cost-effectiveness and enhance services for **transportation-disadvantaged** persons	USDA, DOT, Education, Interior, HHS, HUD, Department of Labor (Labor), and VA; 80 programs involved
Training, employment, and education	32. Multiple **employment** and **training** programs: providing information on colocating services and consolidating administrative structures could promote efficiencies	Education, HHS, and Labor, among others; 44 programs involved
	33. **Teacher quality**: proliferation of programs complicates federal efforts to invest dollars effectively	Ten agencies including DOD, Education, Energy, National Aeronautics and Space Administration, and the National Science Foundation; 82 programs involved
	34. Fragmentation of **financial literacy** efforts makes coordination essential	More than 20 different agencies; about 56 programs involved

Source: GAO-11-318SP.

Appendix II: Federal Agencies and Programs Where Cost-Saving or Revenue-Enhancement Opportunities May Exist

Missions	Areas identified	Federal agencies and programs where cost-saving or revenue-enhancement options may exist
Agriculture	35. Reducing some **farm program payments** could result in savings from $800 million over 10 years to up to $5 billion annually	USDA
Defense	36. DOD should assess costs and benefits of **overseas military presence** options before committing to costly personnel realignments and construction plans, thereby possibly saving billions of dollars	DOD
	37. Total compensation approach is needed to manage significant growth in **military personnel costs**	DOD
	38. Employing best management practices could help DOD save money on its **weapon systems acquisition programs**	DOD
	39. More efficient management could limit future costs of **DOD's spare parts** inventory	DOD, including the military services and Defense Logistics Agency
	40. More comprehensive and complete cost data can help DOD improve the cost-effectiveness of **sustaining weapon systems**	DOD
	41. Improved **corrosion prevention** and control practices could help DOD avoid billions in unnecessary costs over time	DOD's Office of Corrosion Policy and Oversight
Economic development	42. Revising the **essential air service** program could improve efficiency and save over $20 million annually	Department of Transportation
	43. Improved design and management of the **universal service fund** as it expands to support broadband could help avoid cost increases for consumers	Federal Communications Commission; four programs involved
	44. The **Corps of Engineers** should provide Congress with project-level information on **unobligated balances**	U.S. Army Corps of Engineers
Energy	45. Improved management of federal **oil and gas resources** could result in approximately $1.75 billion over 10 years	Department of the Interior's Bureau of Land Management, Bureau of Ocean Energy Management, Regulation and Enforcement, and Office of Natural Resources Revenue
General government	46. Efforts to address **governmentwide improper payments** could result in significant cost savings	About 20 federal agencies; over 70 programs involved
	47. Promoting **competition for** the over $500 billion in **federal contracts** can potentially save billions of dollars over time	Governmentwide
	48. Applying **strategic sourcing** best practices throughout the federal procurement system could save billions of dollars annually	Governmentwide
	49. Adherence to new guidance on **award fee contracts** could improve agencies' use of award fees and produce savings	Several agencies, including DOD and the National Aeronautics and Space Administration

Missions	Areas identified	Federal agencies and programs where cost-saving or revenue-enhancement options may exist
	50. Agencies could realize cost savings of at least $3 billion by continued disposal of **unneeded federal real property**	Governmentwide, including DOD, General Services Administration (GSA), and Department of Veterans Affairs
	51. Improved cost analyses used for making **federal facility ownership** and **leasing** decisions could save tens of millions of dollars	Primarily GSA, the central leasing agent for most agencies
	52. The Office of Management and Budget's **IT Dashboard** reportedly has already resulted in $3 billion in savings and can further help identify opportunities to invest more efficiently in information technology	Governmentwide
	53. Increasing **electronic filing** of individual income **tax returns** could reduce IRS's processing costs and increase revenues by hundreds of millions of dollars	Department of the Treasury's (Treasury) Internal Revenue Service (IRS)
	54. Using **return on investment** information to better target IRS enforcement could reduce the tax gap; for example, a 1 percent reduction would increase tax revenues by $3 billion	IRS
	55. Better management of **tax debt collection** may resolve cases faster with lower IRS costs and increase debt collected	IRS
	56. Broadening IRS's authority to correct **simple tax return errors** could facilitate correct tax payments and help IRS avoid costly, burdensome audits	IRS
	57. Enhancing **mortgage interest information** reporting could improve tax compliance	IRS
	58. More information on the types and uses of canceled debt could help IRS limit revenue losses on **forgiven mortgage debt**	IRS
	59. Better information and outreach could help increase revenues by tens or hundreds of millions of dollars annually by addressing overstated **real estate tax deductions**	IRS
	60. Revisions to content and use of **Form 1098-T** could help IRS enforce higher education requirements and increase revenues	IRS
	61. Many options could improve the tax compliance of **sole proprietors** and begin to reduce their $68 billion portion of the tax gap	IRS
	62. IRS could find additional **businesses not filing tax returns** by using third-party data, which show such businesses have billions of dollars in sales	IRS
	63. Congress and IRS can help **S corporations** and their shareholders be more tax compliant, potentially increasing tax revenues by hundreds of millions of dollars each year	IRS

Missions	Areas identified	Federal agencies and programs where cost-saving or revenue-enhancement options may exist
	64. IRS needs an agencywide approach for addressing tax evasion among the at least 1 million **networks of businesses** and related entities	IRS
	65. Opportunities exist to improve the targeting of the $6 billion **research tax credit** and reduce forgone revenue	Treasury and IRS
	66. Converting the **new markets tax credit** to a grant program may increase program efficiency and significantly reduce the $3.8 billion 5-year revenue cost of the program	Treasury
	67. Limiting the tax-exempt status of certain **governmental bonds** could yield revenue	Treasury
	68. Adjusting **civil tax penalties** for inflation potentially could increase revenues by tens of millions of dollars per year, not counting any revenues that may result from maintaining the penalties' deterrent effect	IRS
	69. IRS may be able to systematically identify **nonresident aliens** reporting unallowed tax deductions or credits	IRS
	70. Tracking **undisbursed balances** in **expired grant accounts** could facilitate the reallocation of scarce resources or the return of funding to the Treasury	Governmentwide
Health	71. Preventing billions in **Medicaid improper payments** requires sustained attention and action by CMS	Department of Health and Human Services' Centers for Medicare & Medicaid Services (CMS)
	72. Federal oversight over **Medicaid supplemental payments** needs improvement, which could lead to substantial cost savings	CMS
	73. Better targeting of **Medicare**'s claims review could reduce **improper payments**	CMS
	74. Potential savings in **Medicare's payments** for **health care**	CMS
Homeland security/Law enforcement	75. **DHS's management of acquisitions** could be strengthened to reduce cost overruns and schedule and performance shortfalls	Department of Homeland Security (DHS)
	76. Improvements in **managing research and development** could help reduce inefficiencies and costs for homeland security	DHS
	77. Validation of **TSA's behavior-based screening** program is needed to justify funding or expansion	Transportation Security Administration (TSA)
	78. More efficient **baggage screening systems** could result in about $470 million in reduced TSA personnel costs over the next 5 years	TSA
	79. Clarifying availability of certain **customs fee collections** could produce a one-time savings of $640 million	DHS's Customs and Border Protection (CBP)

Missions	Areas identified	Federal agencies and programs where cost-saving or revenue-enhancement options may exist
Income security	80. **Social Security** needs data on pensions from noncovered earnings to better enforce **offsets** and ensure benefit fairness, resulting in estimated $2.4-$2.9 billion savings over 10 years	Social Security Administration
International affairs	81. Congress could pursue several options to improve collection of **antidumping** and **countervailing duties**	CBP

Source: GAO-11-318SP.

Appendix III: Federal Programs Cited in This Review

Domestic Food Assistance Programs

The federal government spent more than $62.5 billion on the following 18 domestic food nutrition and assistance programs in fiscal year 2008.

Table 1: Selected Federal Food and Nutrition Assistance Programs, by Agency

Item no.	Program name
USDA	
1.	Child and Adult Care Food Program
2.	Commodity Supplemental Food Program
3.	Community Food Projects Competitive Grant Programa
4.	Food Distribution Program on Indian Reservations
5.	Fresh Fruit and Vegetable Program
6.	National School Lunch Program
7.	Nutrition Assistance for Puerto Rico
8.	School Breakfast Program
9.	Senior Farmers' Market Nutrition Program
10.	Special Milk Program
11.	Summer Food Service Program
12.	Supplemental Nutrition Assistance Program (SNAP)
13.	The Emergency Food Assistance Program
14.	WIC
15.	WIC Farmers' Market Nutrition Program
DHS Federal Emergency Management Agency	
16.	Emergency Food and Shelter National Board Program
HHS Administration on Aging	
17.	Elderly Nutrition Program: Home-Delivered and Congregate Nutrition Services
18.	Grants to American Indian, Alaska Native, and Native Hawaiian Organizations for Nutrition and Supportive Services

Source: GAO, Domestic Food Assistance: Complex System Benefits Millions, but Additional Efforts Could Address Potential Inefficiency and Overlap among Smaller Programs, GAO-10-346 (Washington, D.C.: Apr. 15, 2010).

[a]The Community Food Projects Competitive Grants Program is administered by the National Institute of Food and Agriculture (formerly the Cooperative State Research, Education, and Extension Service, CSREES) of USDA. All other USDA programs listed above are administered by the Food and Nutrition Service. Community Food Projects Competitive Grants Program participation information is from CSREES Update: September 17, 2009, Office of the Administrator, CSREES, USDA.

Homelessness Programs

Table 2 lists selected federal programs that provide shelter or housing assistance.

Table 2: List of Selected Federal Programs That Provide Shelter or Housing Assistance

Item no.	Program name
Department of Housing and Urban Development	
19.	Housing Choice Voucher (Section 8)
20.	Public Housing
21.	Homeless Assistance Programs: Single Room Occupancy
22.	Homeless Assistance Programs: Shelter Plus Care
23.	Homeless Assistance Programs: Supportive Housing Program
24.	Homeless Assistance Programs: Emergency Shelter Grant
25.	HUD-VA Supportive Housing
26.	Native American Housing Assistance and Self Determination Act
27.	Self-Help Homeownership Opportunity Program
28.	HOME Investment Partnerships
29.	Community Development Block Grant
Department of Health and Human Services	
30.	Projects for Assistance in Transition from Homelessness
31.	Runaway and Homeless Youth
32.	Federal Surplus Real Property
Department of Veterans Affairs	
33.	Homeless Providers Grants & Per Diem
34.	HUD-VA Supportive Housing
Department of Justice	
35.	Transitional Housing Assistance for Victims of Domestic Violence, Stalking, or Sexual Assault
Department of Homeland Security/Federal Emergency Management Agency	
36.	Emergency Food and Shelter
Department of Agriculture	
37.	Housing programs such as Single-Family Housing and Multi-family housing
38.	Community Facilities Loan
Department of the Interior/Bureau of Indian Affairs	
39.	Human services programs, such as Housing Improvement Program

Sources: GAO, Homelessness: A Common Vocabulary Could Help Agencies Collaborate and Collect More Consistent Data, GAO-10-702 (Washington, D.C.: June 30, 2010), and Rural Homelessness: Better Collaboration by HHS and HUD Could Improve Delivery of Services in Rural Areas, GAO-10-724 (Washington, D.C.: July 10, 2010).

Employment and Training Programs

Forty-four of the 47 federal employment and training programs GAO identified (see table 3), including those with broader missions such as multipurpose block grants, overlap with at least one other program in that they provide at least one similar service to a similar population. However, our review of 3 of the largest programs showed that the extent to which individuals receive the same services from these programs is unknown due to program data limitations.

Table 3: Federally Funded Employment and Training Programs by Agency, Fiscal Year 2009

Item no.	Program name
Department of Labor	
40.	Community-Based Job Training Grants
41.	Disabled Veterans' Outreach Program
42.	Employment Service/Wagner-Peyser Funded Activities
43.	H-1B Job Training Grants
44.	Homeless Veterans' Reintegration Project
45.	Job Corps
46.	Local Veterans' Employment Representative Program
47.	National Farmworker Jobs Program
48.	Native American Employment and Training
49.	Registered Apprenticeship and Other Training
50.	Reintegration of Ex-Offenders
51.	Senior Community Service Employment Program
52.	Trade Adjustment Assistance
53.	Transition Assistance Program
54.	Veterans' Workforce Investment Program
55.	WIA Adult Program
56.	WIA Youth Activities
57.	WIA Dislocated Workers
58.	WIA National Emergency Grants
59.	WANTO
60.	YouthBuild
Department of Education	
61.	American Indian Vocational Rehabilitation Services
62.	Career and Technical Education—Basic Grants to States
63.	Career and Technical Education—Indian Set-aside
64.	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals
65.	Migrant and Seasonal Farmworkers Program

Item no.	Program name
66.	Native Hawaiian Career and Technical Education
67.	Projects with Industry
68.	Rehabilitation Services—Vocational Rehabilitation Grants to States
69.	State-Supported Employment Services Program
70.	Tech-Prep Education
71.	Tribally Controlled Postsecondary Career and Technical Institutions
Department of Health and Human Services	
72.	Community Services Block Grant
73.	Refugee and Entrant Assistance—Voluntary Agency Matching Grant Program
74.	Refugee and Entrant Assistance—Targeted Assistance Grants
75.	Refugee and Entrant Assistance—Social Services Program
76.	Refugee and Entrant Assistance—Targeted Assistance Discretionary Program
77.	Temporary Assistance for Needy Families
78.	Tribal Work Grants[a]
Department of the Interior	
79.	Conservation Activities by Youth Service Organizations[b]
80.	Indian Employment Assistance
81.	Indian Vocational Training—United Tribes Technical College
Department of Agriculture	
82.	SNAP Employment and Training Program
Department of Defense	
83.	National Guard Youth Challenge Program
Environmental Protection Agency	
84.	Brownfield Job Training Cooperative Agreements
Department of Justice	
85.	Second Chance Act Prisoner Reentry Initiative
Department of Veterans Affairs	
86.	Vocational Rehabilitation for Disabled Veterans[c]

Source: GAO, Multiple Employment and Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies, GAO-11-92 (Washington, D.C.: Jan. 13, 2011).

[a]Also known as the Native Employment Works program.

[b]For the purposes of our study, this program includes several programs administered by Interior's National Park Service: Public Lands Corps, Youth Conservation Corps, Youth Intern Program, and Youth Partnership Program.

[c]Also known as the VetSuccess program.

Federal Programs Providing Transportation Services for Transportation-Disadvantaged Persons, As of October 2010

This list contains programs that GAO identified as providing transportation services to transportation-disadvantaged persons, with limited information available on funding. Transportation is not the primary purpose of many of these programs, but rather access to services, such as medical appointments. In many cases, funding data were not available as funds are embedded in broader program spending. However, GAO obtained fiscal year 2009 funding information for 23 programs (see table 4), which spent an estimated total of $1.7 billion on transportation services that year.

Table 4: Federal Programs Providing Transportation Services for Transportation-Disadvantaged Persons

Item no.	Program name[a]	Fiscal year 2009 federal spending on transportation
Department of Agriculture		
87.	Food Stamp Employment and Training Program	no estimate available
88.	Community Facilities Loans and Grants	no estimate available
Department of Education		
89.	21st-Century Community Learning Centers	no estimate available
90.	Voluntary Public School Choice	no estimate available
91.	Special Education Grants to States	no estimate available
92.	Special Education Preschool Grants	no estimate available
93.	Special Education Grants for Infants and Families	no estimate available
94.	Centers for Independent Living	no estimate available
95.	Independent Living Services for Older Individuals Who Are Blind	no estimate available
96.	Independent Living State Grants	no estimate available
97.	Supported Employment Services for Individuals with Most Significant Disabilities	no estimate available
98.	Vocational Rehabilitation Grants	$79,356,746
99.	Rehabilitation Services American Indians with Disabilities	no estimate available
Department of Health and Human Services		
100.	Child Care and Development Fund	no estimate available
101.	Community Services Block Grant Programs	no estimate available
102.	Developmental Disabilities Projects of National Significance	no estimate available
103.	Head Start	no estimate available
104.	Refugee and Entrant Assistance Discretionary Grants	no estimate available
105.	Refugee and Entrant Assistance State Administered Programs	no estimate available

Item no.	Program name[a]	Fiscal year 2009 federal spending on transportation
106.	Refugee and Entrant Assistance Targeted Assistance	no estimate available
107.	Refugee and Entrant Assistance Voluntary Agency Programs	no estimate available
108.	Social Services Block Grants	no estimate available
109.	State Councils on Developmental Disabilities and Protection and Advocacy Systems	no estimate available
110.	Temporary Assistance for Needy Families	$355,322,883
111.	Transitional Living for Homeless Youth	no estimate available
112.	Native American Programs	no estimate available
113.	Tribal Work Grants	no estimate available
114.	Chafee Foster Care Independence Program	no estimate available
115.	Grants for Supportive Services and Senior Centers	$72,282,657
116.	Program for American Indian, Alaskan Native, and Native Hawaiian Elders	no estimate available
117.	Medicaid	no estimate availableb
118.	State Children's Health Insurance Program	$4,518,297
119.	Community Health Centers	$24,340,787
120.	Healthy Start Initiative	no estimate available
121.	HIV Care Formula Grants	no estimate available
122.	Maternal and Child Services Grants	no estimate available
123.	Rural Health Care, Rural Health Network, and Small Health Care Provider Programs	$187,500
124.	Urban Indian Health Services	$26,664
125.	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	$359,323
126.	Community Mental Health Services Block Grant	no estimate available
127.	Substance Abuse Prevention and Treatment Block Grant	no estimate available
128.	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	no estimate available
129.	Substance Abuse and Mental Health Services Access to Recovery	$3,000,000
Department of Housing and Urban Development		
130.	Community Development Block Grants/Entitlement Grants	$4,006,326
131.	Community Development Block Grants/Special Purpose Grants/Insular Areas	no estimate available
132.	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	no estimate available
133.	Emergency Shelter Grants Program	no estimate available
134.	Housing Opportunities for Persons with AIDS	$2,581,945
135.	Supportive Housing Program	$12,970,863
136.	Demolition and Revitalization of Severely Distressed Public Housing	no estimate available
137.	Public and Indian Housing	no estimate available
138.	Resident Opportunity and Supportive Services—Service Coordinators	no estimate available
139.	Supportive Housing for the Elderly	no estimate available

Item no.	Program name[a]	Fiscal year 2009 federal spending on transportation
140.	Congregate Housing Services Program	no estimate available
Department of the Interior		
141.	Indian Employment Assistance	no estimate available
142.	Indian Schools Student Transportation	$50,544,867
143.	Indian Child and Family Education	no estimate available
144.	Assistance for Indian Children with Severe Disabilities	no estimate available
145.	Administrative Cost Grants for Indian Schools	no estimate available
146.	Indian Education Assistance to Schools	no estimate available
147.	Indian Social Services Welfare Assistance	no estimate available
Department of Labor		
148.	Native American Employment and Training	no estimate available
149.	Senior Community Service Employment Program	no estimate available
150.	Trade Adjustment Assistance—Workers	no estimate available
151.	Workforce Investment Act Adult Services Program	no estimate available
152.	Workforce Investment Act Youth Activities	no estimate available
153.	Youthbuild	no estimate available
154.	National Farmworker Jobs Program	no estimate available
155.	Homeless Veterans' Reintegration Project	no estimate available
156.	Veterans' Employment Program	no estimate available
Department of Transportation		
157.	Capital and Training Assistance Program for Over-the-Road Bus Accessibility	$14,006,307
158.	Capital Assistance Program for Elderly Persons and Persons with Disabilities	$90,003,703
159.	Capital Investment Grants	$9,096,277
160.	Job Access and Reverse Commute	$61,304,518
161.	Nonurbanized Area Formula Program	$419,924,875
162.	Urbanized Area Formula Program	$95,750,785
163.	New Freedom Program	$27,062,736
Department of Veterans Affairs		
164.	Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces	$61,600,000
165.	VA Homeless Providers Grant and Per Diem Program	$282,619
166.	Veterans Medical Care Benefits	$314,754,000

Source: Federal departments and GAO analysis of the Catalog of Federal Domestic Assistance (October 2010).

Note: The Corporation for National and Community Service—an independent federal agency—also funds three programs that provide transportation services: Retired and Senior Volunteer Program, Foster Grandparent Program, and Senior Companion Program.

[a]Two new programs in the Departments of Agriculture (Hunger Free Communities) and Housing and Urban Development (Choice Neighborhoods) have not yet awarded grants, but will have transportation as an eligible use of funds. These have not been included in the count of programs.

[b]While no estimates were available for fiscal year 2009, the Medicaid program in the Department of Health and Human Services spent $704 million in fiscal year 2010 for transportation services—the first year for which such information was available.

Mr. JORDAN. Thank you so much.

We will move next to Mr. Rector.

STATEMENT OF ROBERT RECTOR

Mr. RECTOR. Thank you, Mr. Chairman.

I am here today to talk about means-tested welfare assistance, which means programs that are targeted to poor and low income individuals providing cash, food, housing, medical care and social services. For example, food stamps is a means-tested program, social security is not.

The big secret here is that the Federal Government runs over 69 major means-tested assistance programs. The problem isn't so much duplication, but the fact there are so many programs, no one in this city has any clue how much money you are spending on the poor, absolutely no clue whatsoever.

When you look at the welfare state, it is as if you have a jigsaw puzzle with 69 different pieces. The way Congress operated was to look at one piece at a time and only one piece and then pretend that piece and that piece alone was the only thing standing between poor people and starvation. It automatically results in a massive over expenditure. Imagine if you ran your family budget that way, you never added anything up. You just looked at each component, one at a time. That is the way we run the welfare state.

In fiscal year 2011, total spending on these 69 programs was $940 billion, 75 percent of that was Federal spending, 25 percent was State spending, mainly State contributions required into Medicaid.

Combined Federal and State means-tested spending is now the second largest category in government spending overall in the Nation. It is exceeded only by Social Security and Medicare. It exceeds the cost of public education. Let me repeat that. It exceeds the cost of public education and it dwarfs the cost of national defense.

In the two decades before the current recession, means-tested welfare was the fastest growing component of government spending. We never heard that in the Washington Post. It grew more rapidly than Social Security and Medicare and the rate of increase dwarfed that of public education and national defense.

Despite the fact that means-tested welfare was at record levels when he took office, President Obama has increased this spending by a third, but this is a permanent, not a temporary, increase in spending. According to Obama's spending plans, means-tested welfare will not decline as the recession ends but will continue to grow rapidly for the next decade and will soon be over $1 trillion a year. He plans to spend $10 trillion over the next decade at least.

About half of this $950 billion goes to low income families with children. That is about $470 billion a year. If that amount of money were divided evenly among the lowest income, one-third of all families and children, which is about 15 million families, that comes to around $30,000 per family. The amount of money being put out there simply dwarfs one's understanding. To look at these programs one at a time completely misrepresents the type of assistance. There is virtually no family out there that only gets aid from one program. They get aid from many different programs.

The means-tested welfare system is a vast, hidden welfare state about which the public and legislators know virtually nothing. You can't debate it or make rational decisions solely on a piecemeal basis. You have to look at the aggregate spending.

I would also say simply the United States cannot afford to spend over $1 trillion a year on low income individuals, money which we will mainly borrow from the Chinese. We have to get this spending under some type of reasonable constraint. If we have to continue to spend, we certainly want to assist the poor but we have to have some reasonable constraint.

I would propose that we take this aggregate spending and when the recession ends, we should roll that spending back to the pre-recession level which was already a record level, already beyond anyone's understanding and then allow it to grow at inflation for the foreseeable future. That would be a reasonable compromise that would help us deal with our debt and our deficit but would continue to provide very generous assistance to low income persons.

Finally, I would say the biggest problem with these programs is not that they are inefficient, but that they generate poverty themselves. Every one of these programs will reward people for not working and it rewards people for not marrying and those are the two principle causes of child poverty. These programs generate need for themselves. The more money you put into them, the more people in need of aid you create and therefore, the more need for future spending you create.

We need a welfare system that changes those incentives and encourages individuals to work and become self sufficient and certainly encourages marriage rather than penalizes it. That is what Lyndon Johnson said when he launched the War on Poverty. He said, "I don't want to put people on the dole, I don't want to put people on government assistance. I want them to become prosperous and self sufficient. That is what we need to do."

Thank you.

[The prepared statement of Mr. Rector follows:]

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CONGRESSIONAL TESTIMONY

The Hidden Welfare State: 69 Means-tested Programs and Nearly a Trillion Dollars in Annual Spending

Testimony before

The Subcommittee on Regulator Affairs, Stimulus Oversight and Government Spending

Committee on Oversight and Government Reform

United States House of Representatives

June 1, 2011

Robert Rector
Senior Research Fellow
The Heritage Foundation

My name is Robert Rector. I am a Senior Research Fellow at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Summary

The means-tested welfare system consists of 69 federal programs providing cash, food, housing, medical care, social services, training, and targeted education aid to poor and low income Americans. Means-tested welfare programs differ from general government programs in that they provide aid exclusively to persons (or communities) with low incomes.

In FY2011, federal spending on means-tested welfare, plus state contributions to federal programs, will reach $940 billion per year. The federal share will come to around $695 billion or 74 percent, while state spending will be around $250 billion or 26 percent.

Combined federal and state means-tested welfare is now the second largest category of overall government spending in the nation. It is exceeded only by the combined cost of Social Security and Medicare. Welfare spending is greater than the cost of public education and is greater than spending on national defense.

In the two decades before the current recession, means-tested welfare was the fastest growing component of government spending. It grew more rapidly that Social Security and Medicare and its rate of increase dwarfed that of public education and national defense.

Despite the fact that welfare spending was already at record levels when he took office, President Obama has increased means-tested welfare spending by a third. This is a permanent, not a temporary, increase in spending. According to the President's budget plans, means-tested welfare will not decline as the recession ends but will continue to grow rapidly for the next decade. Obama plans to spend at least $10 trillion on means-tested welfare over the next ten years.

In FY 2008, means-tested welfare assistance amounted to around $7,700 for each poor and low income person in the U.S. population (those with non-welfare incomes below 200 percent of poverty.)

In FY 2011, total means-tested spending going to families with children will be about $470 billion. If this sum were divided equally among the lowest income one third of families with children (around 14 million families), the result would be around $33,000 per low income family with children.

Means-tested spending comprises a vast, hidden welfare state. The public is almost totally unaware of the size and scope of government spending on the poor. This is because Congress and the mainstream media always discuss welfare in a fragmented, piecemeal basis. Each of the 69 programs is debated in isolation as if it were the only program affecting the poor. This piecemeal approach to welfare spending perpetuates the myth that spending on the poor is meager and grows little, if at all.

The piecemeal, fragmented character of the hidden welfare system makes rational policy-making and discussion impossible. Sound policies to aid the poor must be developed holistically, with decision makers and the public fully aware of the magnitude of overall spending. To accomplish this, Congress should establish a cap or limit on the future growth of total means-tested spending.

When the current recession ends, or by 2013 at the latest, total means-tested welfare spending should be returned to pre-recession levels, adjusted for inflation. In subsequent years, aggregate welfare spending should grown no faster than inflation. This type of spending cap would save the taxpayers over $2 trillion dollars during its first decade. An aggregate welfare spending cap of this sort is contained in HR 1167, *The Welfare Reform Act of 2011* introduced by Congressman Jim Jordan (R-OH).

The Hidden Welfare State

Most discussion of government spending and deficits assumes that the federal budget consists of four principal parts: entitlements (meaning Social Security and Medicare); defense; non-defense discretionary spending; and interest. This perspective is misleading because it ignores the hidden welfare state: a massive complex of 69 federal means-tested anti-poverty programs.

Means-tested welfare spending or aid to the poor consists of government programs that provide assistance deliberately and exclusively to poor and lower-income people.[1] By contrast, non-welfare programs provide benefits and services for the general population. For example, food stamps, public housing, Medicaid, and Temporary Assistance to Needy Families are means-tested aid programs that provide benefits only to poor and lower-income persons. On the other hand, Social Security, Medicare, police protection, and public education are not means-tested; they provide services and benefits to persons at all income levels. Means-tested programs are anti-poverty programs: they are intended to increase the living standards of improve the capacity for self-support among the poor and near-poor.

The size of the federal means-tested aid system is particularly large because it is funded not only with federal revenue but also with state funds contributed to federal programs. Ignoring these matching state payments into the federal welfare system results in a serious underestimation of spending on behalf of the poor. Prior to the current recession, one dollar in seven in total federal, state, and local government spending went to means-tested welfare.

Combined federal and state means-tested welfare spending is in fact the second largest category of overall government spending in the nation today. The cost of means-tested welfare falls short of the combined cost of Social Security and Medicare but exceeds the cost of public education and national defense.

The 69 means-tested programs operated by the federal government provide a wide variety of benefits. They include:

[1] The only exception to this rule is a small number of means-tested programs that provide aid to low income communities rather than individuals.

12 programs providing food aid;
10 housing assistance programs;
10 programs funding social services;
9 educational assistance programs;
8 programs providing cash assistance;
8 vocational training programs;
7 medical assistance programs;
3 energy and utility assistance programs; and,
2 child care and child development programs.

A full list of these programs is provided at the end of this testimony. (Note: Social Security, Medicare, veterans programs, unemployment insurance and workmen's compensation are not considered means-tested aid and are not included in this list.)

In FY2011, federal spending on means-tested welfare, plus state contributions to federal programs, will reach over $940 billion per year. The federal share will come to around $695 billion or 74 percent, while state spending will be around $250 billion or 26 percent.

In recent years, 52 percent of total means-tested spending went to medical care for poor and lower-income persons, and 37 percent was spent on cash, food, and housing aid. The remaining 11 percent was spent on social services, training, child development, targeted federal education aid, and community development for lower-income persons and communities. Roughly half of means-tested spending goes to disabled or elderly persons. The other half goes to lower-income families with children, most of which are headed by single parents.

Welfare Spending: The Fastest Growing Component of Government Spending

For the past two decades, means-tested welfare or aid to the poor has been the fastest growing component of government spending, outstripping the combined growth of Medicare and Social Security spending, as well as the growth in education and defense spending. Over the 20-year period between FY 1989 and FY 2008, total means-tested spending increased by 292 percent over the period. The increase in combined Social Security and Medicare spending was 213 percent over the same period.

Means-tested spending on cash, food, and housing increased more rapidly (196 percent) than Social Security (174 percent). The growth in means-tested medical spending (448 percent) exceeded the growth in Medicare (376 percent).[2] The growth in means-tested aid greatly exceeded the growth in government spending on education (143 percent) and defense (126 percent). Aid to the poor is likely to continue to grow rapidly for the foreseeable future.

"Slashing" Spending on the Poor: The Perpetual Myth

Since the beginning of the War on Poverty, spending on the poor has increased 13-fold after

[2]Some have attributed the rapid growth in means-tested medical spending to inflation in medical prices. Medical prices only doubled during the period. The rest of the increase was due to expansions in the number of recipients and services provided.

adjusting for inflation. Yet throughout the steady 40-year climb in welfare spending, the Left has perpetually and shrilly claimed the opposite: that spending on the poor has been "slashed." A typical example of this occurred during the most recent presidential election cycle when candidate Barack Obama angrily proclaimed, "George Bush spent the last six years slashing programs to combat poverty."[3]

This charge was remarkable given that total annual means-tested spending actually increased by 68 percent under President Bush. Not only did total spending increase, but virtually every category of welfare aid increased dramatically: Cash spending grew by 67 percent, medical spending by 72 percent, food spending by 89 percent, housing by 34 percent, energy by 76 percent, targeted education by 50 percent, child development by 52 percent, and community development by 50 percent.[4] Of the nine categories of means-tested spending, eight increased dramatically. Only job training spending (which comprises one percent of total welfare) did not increase. After adjusting for inflation, total means-tested spending increased by 35 percent under President Bush. Cash, food, and housing grew by one-third. Although Obama's remarks were demonstrably false, he was never challenged by the press.

Obama's charges of "slashing" spending on the poor are symptomatic of the historic debate over welfare. Throughout the 40-year history of the War on Poverty, liberals have routinely charged that spending on the poor was being cut when in reality expenditures were climbing steadily to record levels. One oft-repeated ploy is to find one small program where spending has been recently trimmed, then denounce the cuts as evidence that overall spending on the poor is going down while conveniently ignoring the fact that spending in the other 68 means-tested programs is growing rapidly. The mainstream press generally amplifies this type of charge without challenge.

Throughout the War on Poverty, the mainstream press has treated spending on the poor as privileged and largely immune to criticism. Proposals to shave a minute fraction of spending growth off a single program, such as school lunch subsidies, have been met with a firestorm of media attention, but massive ongoing expansions in welfare overall are seldom, if ever, reported. As a result, means-tested aid has risen from 1.2 percent of GDP to 5.0 percent with virtually no public awareness or debate.

Growth of the Welfare State

Welfare spending has grown enormously since President Lyndon B. Johnson launched the War on Poverty. Welfare spending was 13 times greater in FY 2008, after adjusting for inflation, than it was when the War on Poverty started in 1964. (See chart 1.) Means-tested welfare spending was 1.2 percent of the gross domestic product (GDP) when President Johnson began the War on Poverty. In 2008, it reached 5 percent of GDP. Over the next decade, total means-tested spending is likely to average roughly 6 percent of GDP.

Annual means-tested welfare spending is more than sufficient to eliminate poverty in the United

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[3]Barack Obama, "Changing the Odds for Urban America," speech in Washington, D.C., July 18, 2007, at *http://www.barackobama.com/2007/07/18/remarks_of_senator_barack_obam_19.php* (August 27, 2009).

[4]All figures refer to combined federal and state spending between FY 2000 and FY 2008 in current dollars. Since candidate Obama was speaking in 2007, one might infer that he was commenting on FY 2006 spending levels. Perhaps spending was dramatically lower in 2006. Examining spending changes between 2000 and 2006 reveals nearly the same pattern presented in the main text: Overall spending increased by half, and every sub-category of spending except training and community development increased substantially faster than inflation.

States. The U.S. Census Bureau, which is in charge of measuring poverty and inequality in the nation, defines a family as poor if its annual income falls below official poverty income thresholds. If total means-tested welfare spending were simply converted into cash benefits, the sum would be nearly four times the amount needed to raise the income of all poor families above the official poverty line.

Since the beginning of the War on Poverty, government has spent $15.9 trillion (in inflation-adjusted 2008 dollars) on means-tested welfare. In comparison, the cost of all other wars in U.S. history was $6.4 trillion (in inflation-adjusted 2008 dollars).

Welfare Spending Increases under the Obama Administration

Table 1 shows the growth in means-tested spending over recent years. In FY 2007, total government spending on means-tested welfare or aid to the poor was a record high $657 billion. By fiscal year 2011, total government spending on means-tested aid will rise to $944 billion, nearly a fifty percent increase.

Table 1. Growth in Means-Tested Spending

	Federal Spending (in billions)	State Spending (in billions)	Total Spending (in billions)
FY 2007	$468.7	$189.2	$657.9
FY 2008	$522.3	$191.6	$714.1
FY 2009	$612.7	$167.2	$779.9
FY 2010	$695.3	$192.7	$888.0
FY 2011	$694.9	$249.4	$944.4

President Obama's increase in federal means-tested welfare spending during his first two years in office is two and a half times greater than any previous increase in federal welfare spending in U.S. history, after adjusting for inflation.

Obama's Welfare Spendathon Versus the Cost of the Iraq War

Under President Obama, government will spend more on welfare in a single year than President George W. Bush spent on the war in Iraq during his entire presidency. According to the Congressional Research Service, the cost of the Iraq war through the end of the Bush Administration was around $622 billion. By contrast, annual federal and state means-tested welfare spending will reach $888 billion in FY 2010. Federal welfare spending alone will equal $695 billion in that year.

While campaigning for the presidency, Obama lamented that "the war in Iraq is costing each household about $100 per month." Applying the same standard to means-tested welfare spending

reveals that welfare cost each household $638 per month in 2010.

Obama Plans Permanent Increases in Welfare

Supporters of the President's spending might counter that these spending increases are merely temporary responses to the current recession. But that is not the case; most of Obama's spending increases are permanent expansions of the welfare state. According to the long-term spending plans set forth in Obama's FY 2010 budget, combined federal and state spending will not drop significantly after the recession ends. In fact, by 2014, welfare spending is likely to equal $1 trillion per year.

According to President Obama's budget projections, federal and state welfare spending will total $10.3 trillion over 10 years (FY 2009 to FY 2018). This spending will equal over $100,000 for each taxpaying household in the U.S.

Means-Tested Welfare Spending on Lower-Income Persons

With 69 overlapping means-tested programs serving different low-income populations, it is difficult to determine the average level of benefits received by low-income persons. One way of estimating average welfare benefits per recipient would be to divide total means-tested spending by the total number of poor persons in the United States. According to the Census Bureau, there were 39.8 million poor persons in the U.S. in 2008. An additional 1.5 million persons lived in nursing homes. (These individuals, though mostly poor, are not included in the annual Census poverty and population survey.) Total means-tested spending in 2008 was $708 billion. If this sum is divided by 41.3 million poor persons (including residents in nursing homes), the result is $17,100 in means-tested spending for each poor American.

However, this simple calculation can be misleading because many persons with incomes above the official poverty levels also receive means-tested aid. Although programs vary, most means-tested aid is targeted to persons with incomes below 200 percent of poverty. Thus, a more a accurate sense of average total welfare spending per recipient can be obtained, if total welfare aid is divided among all persons within this larger group. Dividing total means-tested aid by all persons with incomes below 200 percent of poverty results in average welfare spending of $7,700 per person, or around $30,000 for a family of four.

Means-tested Spending on Families with Children

Another way of examining spending levels is to look at welfare spending on families with children. In FY 2011, total means-tested spending will be $940 billion. About half of this spending ($470 billion) will go to families with children. (Around one-third of this spending will go to medical care.)

If the $470 billion in welfare spending were divided equally among the lowest income one third of families with children (around 14 million families), the result would be around $33,000 per low income family with children.

In addition, most of these lower-income families have earned income. Average earnings within the whole group are typically about $16,000 per year per family, though in the midst of a

recession, earnings will be lower. If average welfare aid and average earnings are combined, the total resources is likely to come to between $40,000 and $46,000 for each lower-income family with children in the U.S. It is very difficult to reconcile this level of spending with conventional claims that millions of lower-income families are chronically hungry, malnourished, or ill-housed.

Conclusion

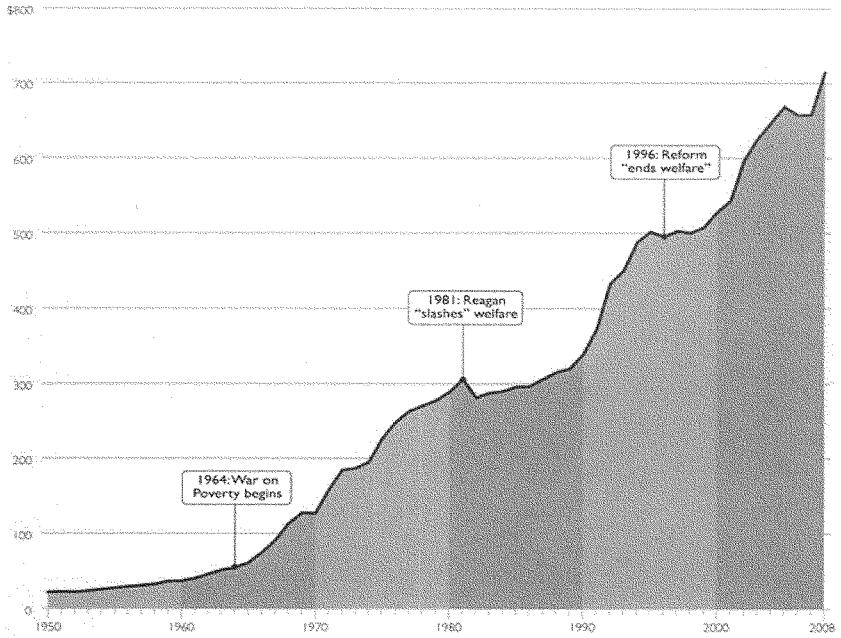
Means-tested spending comprises a vast, hidden welfare state. The public is almost totally unaware of the size and scope of government spending on the poor. This is because Congress and the mainstream media always discuss welfare in a fragmented, piecemeal basis. Each of the 69 programs is debated in isolation as if it were the only program affecting the poor. This piecemeal approach to welfare spending perpetuates the myth that spending on the poor is meager and grows little, if at all.

The piecemeal, fragmented character of the hidden welfare system makes rational policy-making and discussion impossible. Sound policies to aid the poor must be developed holistically, with decision makers and the public fully aware of the magnitude of overall spending. To accomplish this, Congress should establish a cap or limit on the future growth of total means-tested spending.

When the current recession ends, or by 2013 at the latest, total means-tested welfare spending should be returned to pre-recession levels, adjusted for inflation. In subsequent years, aggregate welfare spending should grown no faster than inflation. This type of spending cap would save the taxpayers over $2 trillion dollars during its first decade. An aggregate welfare spending cap of this sort is contained in HR 1167, *The Welfare Reform Act of 2011* introduced by Congressman Jim Jordan (R-OH).

History of Total Welfare Spending

Spending in Billions of 2008 Dollars



Source: The Heritage Foundation, from current and previous OMB budget documents and other official government sources.

Chart 3 • SR 67 heritage.org

Welfare Spending, FY 2008, in Millions of Dollars

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Cash					
01	SSI/Old-Age Assistance	75-0406-0-1-609; 28-0406-0-1-609	43,872.00	5,146.00	49,018.00
02	Earned Income Tax Credit (refundable portion)	20-0906-0-1-609	40,600.00		40,600.00
03	Child Credit (refundable portion)	20-0922-0-1-999; 20-0922-0-1-609	34,019.00		34,019.00
04	AFDC/TANF	75-1501-0-1-609; 75-1552-0-1-609	7,889.40	7,582.00	15,471.40
05	Foster Care Title IV-E	75-1545-0-1-506; 75-1545-0-1-609/.01	4,525.00	4,040.00	8,565.00
06	Adoption Assistance Title IV-E	75-1545-0-1-506/.04	2,038.00	1,316.00	3,354.00
07	General Assistance Cash	None		2,625.00	2,625.00
10	General Assistance to Indians	14-2100-0-1-452; 14-2100-0-1-999	118.00		118.00
11	Assets for Independence	75-1536-0-1-506/3.06	24.00		24.00
Cash Total			**133,085.40**	**20,709.00**	**153,794.40**
Medical					
01	Medicaid	75-0512-0-1-551	201,426.00	150,666.65	352,092.65
02	SCHIP State Supplemental Health Insurance Program	75-0515-0-1-551	6,900.00	2,021.00	8,921.00
03	Medical General Assistance	None		4,900.00	4,900.00
04	Indian Health Services	75-0390-0-1-551	2,925.00		2,925.00
05	Consolidated Health Centers/Community Health Centers	75-0350-0-1-550/.10	2,021.00		2,021.00
06	Maternal and Child Health	75-0350-0-1-550.18	666.00	499.50	1,165.50
06	Healthy Start	75-0350-0-1-550/.19	100.00		100.00
Medical Total			**214,038.00**	**158,087.15**	**372,125.15**
Food					
01	Food Stamps	12-3505-0-1-605	39,319.00	3,482.00	42,801.00
02	School Lunch	12-3539-0-1-605/.91	7,863.00		7,863.00
03	WIC—Women, Infant and Children Food Program	12-3510-0-1-605	6,170.00		6,170.00
04	School Breakfast	12-3539-0-1-6050/1.91	2,307.00		2,307.00
05	Child Care Food Program	12-3539-0-1-605/2.91	2,029.00		2,029.00
06	Nutrition Program for the Elderly, Nutrition Service Incentives	12-3503-0-1-605; 75-0142-0-1-506/1.07	756.00	105.84	861.84
07	Summer Program	12-3539-0-1-605/3.01	312.00		312.00
08	Commodity Supplemental Food Program	12-3512-0-1-605; 12-3507-0-1-605/.91	141.00		141.00
09	TEFAP—The Emergency Food Assistance Program	12-3635-0-1-351; 12-3507-0-1-605/2.01; 12-4336-0-3-999	190.00		190.00
10	Needy Families	12-3505-0-1-605.06	54.00		54.00
11	Farmers' Market Nutrition Program	12-3507-0-1-605/4.01	20.00		20.00
11	Special Milk Program	12-3502-0-1-605/3.02	15.00		15.00
Food Total			**59,176.00**	**3,587.84**	**62,763.84**

Welfare Spending, FY 2008, in Millions of Dollars (cont.)

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Housing					
01	Section 8 Housing (HUD)	86-0302-0-1-604	24,467.00		24,467.00
02	Public Housing (HUD)	86-0304-0-1-604	7,526.00		7,526.00
03	State Housing Expenditures	None		2,085.00	2,085.00
04	Home Investment Partnership Program (HUD)	86-0205-0-1-999; 86-0205-0-1-604/.01	1,969.00		1,969.00
05	Homeless Assistance Grants (HUD)	86-0192-0-1-604/.01	1,440.00		1,440.00
06	Rural Housing Insurance Fund (Agriculture)	12-2081-0-1-371	1,312.00		1,312.00
07	Rural Housing Service (Agriculture)	12-0137-0-1-604	926.00		926.00
08	Housing for the Elderly (HUD)	86-0320-0-1-604	1,008.00		1,008.00
09	Native American Housing Block Grants (HUD)	86-0313-0-1-604	572.00		572.00
10	Other Assisted Housing Programs (HUD)	86-0206-0-1-999	584.00		584.00
11	Housing for Persons with Disabilities (HUD)	86-0237-0-1-604	320.00		320.00
Housing Total			**40,124.00**	**2,085.00**	**42,209.00**
Energy and Utilities					
01	LIHEAP Low Income Home Energy Assistance	75-1502-0-1-609/.01	2,663.00		2,663.00
02	Universal Service Fund—Susidized Phone Service for Low-Income Persons	27-5183-0-2-376	819.00		819.00
02	Weatherization	89-0215-0-1-999; 89-0215-0-1-272; 89-0224-0-1-999; 89-0321-0-1-270/.12	291.00	159.30	450.30
Energy and Utilities Total			**3,773.00**	**159.30**	**3,932.30**
Education					
01	Pell Grants	91-0200-0-1-502/1.01	18,000.00		18,000.00
02	Title One Grants to Local Education Authorities	91-0900-0-1-501	14,872.00		14,872.00
03	Special Programs for Disadvantaged (TRIO)	91-0201-0-1-502/2.01	885.00		885.00
04	Supplemental Education Opportunity Grants	91-0200-0-1-502/2.01	759.00		759.00
05	Migrant Education	91-0900-0-1-501/.13	425.00		425.00
06	Gear-Up	91-0201-0-1-502/2.02	303.00		303.00
07	Education for Homeless Children and Youth	91-1000-0-1-501/.09	64.00		64.00
06	LEAP, formerly State Student Incentive Grant Program (SSIG)	91-0200-0-1-502	64.00	64.00	128.00
07	Even Start	91-0900-0-1-501/.08	66.00		66.00
Education Total			**35,438.00**	**64.00**	**35,502.00**

Welfare Spending, FY 2008, in Millions of Dollars (cont.)

Categories		Budget Code	Federal Spending	State Spending	Total Spending
Training					
01	TANF Work Activities and Training	75-1552-0-1-609	1,963.58	540.00	2,503.58
02	Job Corps	16-0174-0-1-1504/.18	763.00		763.00
03	WIA Youth Opportunity Grants (formerly Summer Youth Employment)	16-0174-0-1-504	984.00		984.00
04	WIA Adult Employment and Training (formerly JTPA IIA Training for Disadvantaged Adults & Youth)	16-0174-0-1-504/.01	827.00		827.00
05	Senior Community Service Employment	16-0175-0-1-504	483.00	53.13	536.13
06	Food Stamp Employment and Training Program	12-3505-0-1-605/.03	351.00	166.00	517.00
07	Migrant Training	16-0174-0-1-504/.11	83.00		83.00
08	YouthBuild	16-0174-0-1-504/.24	60.00		60.00
08	Native American Training	16-0174-0-1-504/.10	53.00		53.00
Training Total			**5,567.58**	**759.13**	**6,326.71**
Services					
01	TANF Block Grant Services	75-1552-0-1-609	5,704.09	1,383.00	7,087.09
02	Title XX Social Services Block Grant	75-1534-0-1-506	1,843.00		1,843.00
03	Community Service Block Grant	75-1536-0-1-506/3.01	654.00		654.00
03B	Social Services for Refugees Asylees and Humanitarian Cases	75-1503-0-1-609/.01	592.00		592.00
04	Title III Aging Americans Act	75-0142-0-1-506	351.00		351.00
05	Legal Services Block Grant	75-0142-0-1-506	346.00		346.00
06	Family Planning	75-0350-0-1-550/.32	300.00		300.00
07	Emergency Food and Shelter Program	58-0103-0-1-605; 70-0707-0-1-605/1.01	154.00		154.00
08	Healthy Marriage and Responsible Fatherhood Grants	75-1552-0-1-609/.09	150.00		150.00
09	Americorps/ Volunteers in Service to America	95-2728-0-1-506/.04	93.00		93.00
Services Total			**10,187.09**	**1,383.00**	**11,570.09**
Child Care and Child Development					
01	Headstart	75-1536-0-1-506/1.01	6,877.00	1,719.25	8,596.25
02	Childcare and Child Development Block Grant	75-1515-0-1-609/.01	4,164.00	2,176.00	6,340.00
03	TANF Block Grant Child Care	75-1552-0-1-609	1,735.67	1,045.00	2,780.67
Child Care and Child Development			**12,776.67**	**4,940.25**	**17,716.92**
Community Development					
01	Community Development Block Grant	86-0162-0-1-451	7,849.00		7,849.00
02	Economic Development Administration (Commerce)	13-2050-0-1-452	238.00		238.00
03	Appalachian Regional Development	46-0200-0-1-452	74.00		74.00
04	Empowerment Zones, Enterprise Communities, Renewal Communities	86-0315-0-1-451	17.00		17.00
05	UDAG—Urban Development Action Grant	86-0170-0-1-451	3.00		3.00
Community Development Total			**8,181.00**	**0.00**	**8,181.00**
2008 Total			**522,346.74**	**191,615.37**	**714,121.41**

Source: The Heritage Foundation, from current and previous presidential budget and OMB documents, and other historical data from official government agency Web sites and resources.

Mr. JORDAN. Thank you. Appreciate that good testimony.
Mr. Mashburn.

STATEMENT OF JOHN MASHBURN

Mr. MASHBURN. As GAO points out in this report, in light of the Nation's fiscal outlook, there is widespread agreement that we need to look at not just near term steps, but at the long term fiscal sustainability of government fiscal policy and government programs. However, it should be pointed out that this just the latest in a long series of studies and reports over the past three decades regarding the need to reform and streamline the Federal Government programs to make them more efficient and responsive.

While a lot of the duplication and overlap exists at the Federal level, the multitude of Federal programs serving similar populations are usually administered by a small handful of agencies at the State level such as welfare, human services agencies or State work force agencies.

Much like the GAO report before us, Congress in the late 1980's was confronted with the recommendations of the so-called Grace Commission which President Reagan had established by Executive order in 1982. The survey was conducted by over 2,000 private sector executives, managers, experts and special consultants broken up into 36 task forces who submitted a 47 volume report with a two volume summary and made 2,478 recommendations. Presidents Reagan and Bush implemented those they could administratively via the executive branch but Congress essentially ignored those requiring legislative action, the ones that would have saved the most dollars.

The Clinton administration followed up with a National Performance Review in 1993 which offered approximately 380 major recommendations. Again, the Clinton administration implemented those that it could administratively in the executive branch but Congress generally failed to implement those that had to be done legislatively.

OMB then in 2004 under George W. Bush's administration, then implemented the Program Assessment Rating Tool, PART, to rate all Federal programs on their effectiveness, in an effort to ensure Federal programs were accountable and achieved the results for which they had originally been established.

PART evaluations then served as the basis for the Bush administration recommendations for eliminating or cutting 150 programs. Again, implemented or passed legislation to adopt very few of those recommendations.

In short, the executive branch for three decades under both Republican and Democratic Presidents have identified Federal programs, including welfare programs, that should be cut, eliminated or reformed. Congress, however, has failed to act on the vast majority of the recommendations. Hopefully, this hearing marks a different juncture in history.

As we look at the latest recommendations for eliminating wasteful, overlapping and inefficient government as part of Federal programs, or as GAO euphemistically puts it, "creating efficiencies that could put these agencies in a position to better assist program participants while deceasing administrative burdens," we should

keep in mind Ronald Reagan's overarching principle as he grappled with the problems of welfare reform in California in 1968.

"Welfare needs a purpose: to provide for the needy, of course, but more than, to salvage these, our fellow citizens, to make them self sustaining and as quickly as possible, independent of welfare. We should measure welfare's success by how many people leave welfare, not by how many are added."

When Ronald Reagan testified several years later as Governor before the Senate Finance Committee in February 1972, he said out several tenets he believed were necessary for welfare reform to succeed. They were: Given broad authority to utilize administrative and policy discretion, the States are better equipped than the Federal Government to administer effective welfare programs; a system, whatever it may be called, would not be an effective reform of welfare, but would tend to create an even greater human problem; a limit should be set on the gross income that a family would receive and still remain eligible for welfare benefits; for all those who are employable, a requirement be adopted that work in the community be performed as a condition of eligibility for welfare benefits without additional compensation; and the greatest single problem in welfare today is the breakdown of family responsibility and strong provisions should be made to insure maximum support from responsible parents.

The TANF block grant for welfare cash assistance was based on these principles and is one of Reagan's greatest legacies. The now undisputed success of the TANF block grant is a testament to the leadership of President Reagan and Bob Carleson, for whom the Carleson Center is named, who was Reagan's welfare policy adviser both when he was Governor and when he was President and Carleson continued his efforts toward block granting welfare even after Reagan left office.

Under Reagan's vision, welfare reform is not just about saving taxpayers' money, but moving beneficiaries from dependence to independence as was often said during debate on passage of the 1996 welfare reform law.

As Reagan was quoted during an address to the International Committee for the Supreme Soviet, USSR, September 17, 1990, "We have found in our country that when people have the right to make decisions as close to home as possible, they usually make the right decisions." I would note that was before the Soviets.

[The prepared statement of Mr. Mashburn follows:]

"Advancing the Reagan Agenda"

Statement before the United States House of Representatives

Committee on Oversight and Government Reform

Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending

Hearing on Duplication, Overlap and Inefficiencies in Federal Welfare Programs

John Mashburn

Executive Director

The Carleson Center for Public Policy

Chairman Jordan, Ranking member Kucinich and members of the subcommittee, thank you for holding this hearing and providing me the opportunity to discuss the Government Accountability Office (GAO) Report on government duplication related to specific welfare programs, the potential the report's recommendations provide for saving tax dollars and the role proposals -- such as H.R. 1167, the Welfare Reform Act of 2011 -- might play in reducing or eliminating such duplication in federal programs.

As GAO points out in this report, in light of the nation's fiscal outlook there is widespread agreement on the need to look at not just near term steps, but at the long term fiscal sustainability of government fiscal policy and government programs. However, it should be pointed out that this is the most recent in a long series of studies and reports over the past three decades regarding the need to reform and streamline federal government programs to make them more efficient and responsive to the needs for which they were established. What is not in the GAO report is that while a lot of duplication and overlap exist at the federal level, the multitude of federal programs serving similar populations are often administered by a single agency at the state level.

Much like the GAO report before us now, Congress in the late 1980s was confronted with the government efficiency recommendations of President Reagan's Private Sector Survey on Cost Control of the Federal Government -- the so-called Grace Commission. Reagan had called for the survey in an Executive Order in June, 1982 and the Commission submitted its report in January 1984. The survey was funded by private donations and was conducted by over 2000 private sector executives, managers, experts and special consultants broken up into 36 task forces who submitted a 47-volume report with a two volume summary and made 2,478 recommendations for reforming, consolidating and improving the federal government. Presidents Reagan and Bush, Sr. adopted most of the recommendations that could be implemented administratively, but Congress essentially ignored those requiring legislative changes to implement – the ones that would have saved the most tax dollars.

The Clinton Administration followed up with the National Performance Review in 1993 which offered approximately 380 major recommendations concerning federal government management reform, reorganization, and government downsizing. Again, the Clinton Administration implemented those that could be done administratively, but Congress generally failed to act on those that required legislation. OMB in 2004, under the George W. Bush Administration, then

implemented the Program Assessment Rating Tool (PART) to rate all federal programs on their effectiveness -- in an effort to ensure federal programs were accountable and achieved the results for which they had been originally established. PART evaluations then served as the basis for Bush Administration recommendations for eliminating or cutting 150 programs – very few of which Congress actually enacted into law.

Peter Ferrara -- in Chapter 5 of a forthcoming book titled, "America's Ticking Bankruptcy Bomb: *How the Looming Debt Crisis Threatens the American Dream and How We Can Turn the Tide Before It's Too Late*, to be released by Harper Collins on June 14th -- states that there are over 180 federal means-tested welfare programs with a present federal cost of almost $700 billion a year (FY2010), many of which are jointly financed between the federal and state governments.

In short, the Executive Branch for three decades under both Republican and Democrat Presidents and many private sector observers have identified federal programs -- including welfare programs -- that should be cut, eliminated, or reformed. Congress, however, has failed to act on the vast majority of the recommendations. This hearing hopefully marks the beginning of a different outcome in this regard.

As we look at the latest recommendations for eliminating wasteful, overlapping and inefficient government as part of federal welfare programs – or, as GAO euphemistically puts it, "creating efficiencies [that] could put these agencies in a position to better assist program participants while decreasing administrative burdens" – we should keep in mind Ronald Reagan's overarching principle as he grappled with the problems of California's broken welfare system in 1968.

> "Welfare needs a purpose: to provide for the needy, of course, but more than that, to salvage these, our fellow citizens, to make them self-sustaining and, as quickly as possible, independent of welfare... We should measure welfare's success by how many people leave welfare, not by how many are added."[1]

When Ronald Reagan testified several years later as Governor before the Senate Finance Committee in February, 1972, he set out several tenets he believed were necessary for welfare reform to succeed -- which Congress closely followed when it passed the Personal Responsibility and Work Opportunity Act of 1996 – often referred to as the 1996 Welfare Reform law. Reagan's tenets were:

[1] Governor's Conference on Medicaid, San Francisco, 1968.

- Given broad authority to utilize administrative and policy discretion, the states are better equipped than the federal government to administer effective welfare reforms.
- A system of guaranteed income, whatever it may be called, would **not** be an effective reform of welfare, but would tend to create an even greater human problem.
- A limit should be set on the gross income that a family would receive and still remain eligible for welfare benefits.
- For all those who are employable, a requirement be adopted that work in the community be performed as a condition of eligibility for welfare benefits without additional compensation.
- The greatest single problem in welfare today is the breakdown of family responsibility and strong provision should be made to insure maximum support from responsible absent parents.[2]

The TANF block grant for welfare cash assistance was based on these principles and is one of President Reagan's greatest legacies. The now undisputed success of the TANF block grant is a testament to the leadership of President Ronald Reagan and to the career of Bob Carleson -- Reagan's welfare policy adviser and for whom the Carleson Center for Public Policy is named -- who were the first to begin the effort to block grant various welfare programs to the states while Reagan was governor of California, continued when Reagan became President and even after Reagan left office.

Under Reagan's vision, Welfare Reform is not just about saving taxpayers' money, but moving beneficiaries from "dependence to independence" as was often said during debate on passage of the 1996 Welfare Reform law.

As Congress now considers its response to the spending duplication and inefficiencies identified in the GAO's report, it should look at the lessons of the 1996 Welfare Reform law and consider combining many of the programs identified by the GAO as serving similar purposes and populations into block grants to the states -- not only as a means for saving administrative and other costs, but also as a means for improving the effectiveness of the programs for the beneficiaries themselves.

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[2] Testimony of California Governor Ronald Reagan before the Senate Finance Committee, Feb. 1, 1972; Robert B. Carleson, edited by Susan A. Carleson and Hans A. Zeiger, *Government is the Problem: Memoirs of Reagan's Welfare Reformer*, (Alexandria, VA: American Civil Rights Union, 2009), photo plates 5-6.

Reagan and every leader that has ever tried to reform federal or state programs for low-income individuals has had to endure harsh criticism and counter dire predictions. For example, Senator Pat Moynihan in opposing the welfare conference report in late December, 1995 predicted on the Senate floor that:

> "Hundreds of thousands — I said hundreds of thousands — of these children live in households that are held together primarily by the fact of welfare assistance. Take that away and the children are blown to the winds. A December 6 administration analysis concludes that the welfare conference agreement *will force 1.5 million children into poverty*." [Emphasis added.][3]

In fact, the opposite occurred. Since Welfare Reform's passage, national welfare cash assistance caseloads have declined by 66% from FY1996 to FY2010 — while holding federal and state spending on welfare combined essentially stable at 1994 spending levels of approximately $27 billion a year. According to Ron Haskins at the Brookings Institution, by FY2000 just 4 years after passage, the total income of never married mothers formerly on welfare increased by 24 percent, poverty among female headed households declined by one-third (or 4.2 million single mothers and children), and the percentage of families in deep poverty (i.e. half of the poverty level) declined by 35 percent. Most of the decline in poverty was attributed to increased employment and earnings of female headed families.[4]

AFDC had resulted in welfare rolls soaring from 1 million families in 1965 to 5.1 million families in March of 1994.[5] Under TANF, the welfare rolls have been reduced to less than 2 million families and from 12.3 million individuals in 1996 to 4.2 million in 2010 – a reduction in the welfare rolls of almost 66 percent.[6]

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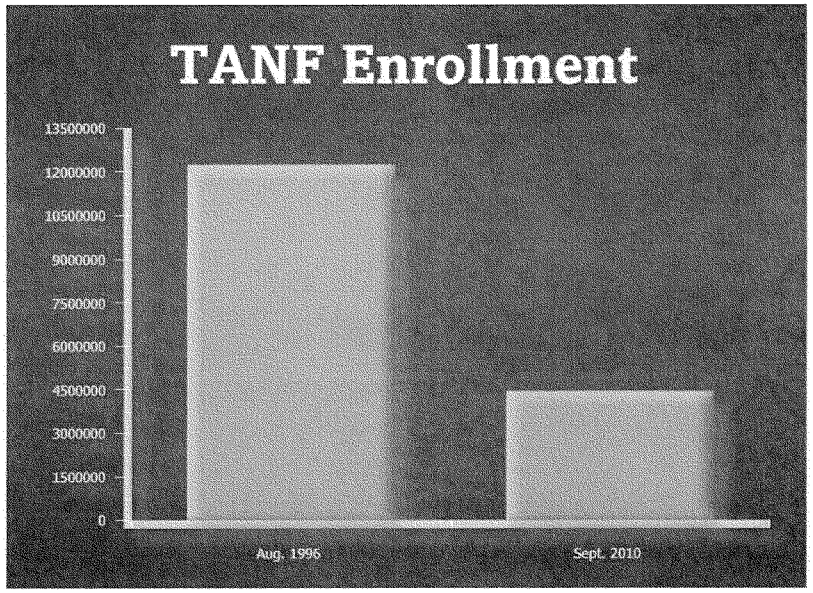
[3] Congressional Record, Dec. 12, 1995, p. S18436.
[4] Ron Haskins, *Work Over Welfare: The Inside Story of the 1996 Welfare Reform Law* (Washington, DC: Brookings Institution, 2006), p. 336.
[5] CRS Report RL32760, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.
[6] HHS Department, Administration for Children and Families, AFDC and TANF Historical Caseload Data Charts.



The 1996 welfare law is now regarded as a major domestic policy success. Experts across the spectrum agree that the reform law turned a failing and dysfunctional cash welfare program into an effective and successful jobs program for the poor, and millions of families have moved from welfare to work with no increase in poverty.

Federal taxpayers have also benefited as the amount of federal block grant dollars has remained the same: $16.7 billion per year since 1996. States and territories contribute an additional $10 to $11 billion a year in welfare spending for a combined national expenditure of approximately $27 billion a year on welfare — exclusive of any spending on Food Stamps, Medicaid, SSI, public housing and numerous other federal and state programs that assist the poor.[7] While the block grant amount has declined in value by almost 26 percent from FY1997 to FY2010, according to the Congressional Research Service (CRS) because the block grant was not indexed for inflation, the 74% of the value

[7] CRS Report RL32760, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.

remaining only has to serve 44% of the caseload that was served by the same dollar amount in FY1996 when the funding level was set.[8]

Most explanations for the welfare reform bill's success focus on how it changed incentives for individuals. Some commentators emphasize the law's "sticks," its various requirements designed to ensure that welfare recipients work for their benefits and that the benefits are time-limited. Others point to its "carrots," the additional resources provided to needy working families, such as child care, transportation and employment assistance as well as income supplements in some states.

While each of these explanations has merit, neither would have been possible without the complete reversal in incentives for state governments. In our view, welfare reform succeeded primarily because of the fundamental restructuring of the federal cash welfare program from an open-ended entitlement for individuals (where the federal government reimbursed states for up to 80 percent of the cost of each new enrollee) into a block grant that is both a cap and a floor for federal welfare assistance to the states. This has important policy implications for current fiscal and policy debates involving not just welfare, but other federal programs to assist the poor such as Food Stamps, Medicaid, Supplemental Security Income (SSI), and housing assistance.

The key point again is that the economic incentives for the states under TANF differ radically from the program it replaced, Aid to Families with Dependent Children. Under AFDC, states were paid more money for each new person enrolled and thus had an incentive to increase their welfare rolls. Under the block grant, federal funding remains the same regardless of caseload — it generally does not increase or decrease. If states reduce their rolls, they can keep the savings and use the money for enhanced services such as child care, transportation, or job training assistance, at the state's option, for the remaining low-income persons on the rolls who may be harder to train or prepare for employment. Thus the states had a powerful economic incentive to transform their welfare offices into work-promotion centers, which in turn drove welfare reform's positive results for both low-income families and taxpayers.

As the Heritage Foundation has noted, "This simple fix shifted the mindset of state agencies from an emphasis on increasing enrollment and processing checks to a new focus on shrinking caseloads

[8] Ibid.

and increasing employment." [9]Together with the repeal of an individual entitlement to benefits, the shift to block grants gave states the flexibility to continually redesign their welfare systems, determining not only who is eligible for benefits, but also the scope, amount and duration of the benefits.

While TANF did have work requirements, they were not effectively enforced prior to the law's reauthorization in 2006, because the caseload work participation requirement on the states was reduced to almost nothing by a "caseload reduction credit" the original TANF law gave states that reduced their welfare rolls. Prior to the 2006 amendments to TANF, which closed this "loophole," the effective caseload work participation requirement never exceeded six percent nationally, and in 17 states and two territories it was effectively zero.[10] And yet, the main measures of the reform's success — shrinking caseloads, rising employment, falling poverty — were all quite visible by 2001, five years before the work requirements could have had any real effect.

For a time, it was also fashionable to argue that the success of the reform was due more to the tremendous economic growth of the late '90s than to any aspect of the reform itself. But a number of studies have since found that economic growth was not the major factor in the welfare reform law's success. And tellingly, the national welfare rolls have continued to decline, relative to population, right through the two recessions that began in 2001 and 2007 respectively. With the exception of 1972 and 1973, when stringent reforms were enacted in California under Gov. Reagan and in New York under Gov. Rockefeller, AFDC rolls had never declined before, and typically rose during economic downturns — as does the current federal Food Stamp program which, like the old AFDC, is an open-ended, means-tested entitlement that provides economic incentives for welfare bureaucracies to increase the rolls.

Federal Domestic Food Assistance Programs

Because it was an open entitlement program, newly inaugurated President Reagan approved sending a proposal to block grant the Food Stamp and related programs to Congress on January 6, 1981:

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[9] Katherine Bradley and Robert Rector, "Confronting the Unsustainable Growth of Welfare Entitlements: Principles of Reform and the Next Steps," Heritage Foundation Backgrounder #2427, Heritage Foundation, Washington, DC June 24, 2010, p. 5.

[10] HHS, Administration for Children and Families, Office of Family Assistance, TANF Annual Reports to Congress.

"That a comprehensive nutritional block grant program be proposed to replace the 13 individual categorical USDA programs. That the program be administered by the states under broad federal guidelines with limited planning and reporting requirements." [11]

Many in Congress also proposed converting the Food Stamp program into a block grant during consideration of the 1996 Welfare Reform law. Of course, the Budget Resolution (H. Con. Res. 34) recently passed by the House of Representatives also proposes turning the Food Stamp program into block grant to the states.

The Food Stamp program (officially called the Supplemental Nutrition Assistance Program or SNAP) has now grown to be the fourth largest means-tested program for low income individuals -- just behind Medicaid, the Earned Income Tax Credit (EITC), and the Supplemental Security Income (SSI) program. The federal government spent $53.8 billion on the SNAP program in FY2009, providing benefits to 38.2 million individuals in 17.5 million households. This was more than a 20 percent increase over the 31.1 million recipients in 14 million households for FY2008. Nearly 42 million Americans were receiving Food Stamps in FY2010, which is an increase of over a third since November 2008. The Administration's FY2012 Budget reports that the federal government spending on SNAP rose to $70.5 billion in FY2010 (a 31% increase over FY2009) and estimates spending to climb to $78.5 billion for FY2011 (46% over FY2009)[12] -- which is more than double the $36 billion spent in FY2008.[13] Between 2007 and 2010, the average SNAP/Food Stamp monthly benefit per participant grew from $96 to $134 – an almost 40% increase.[14] The Food Distribution Program on Indian Reservations and separate nutrition assistance grants for Puerto Rico, American Samoa, and the Northern Marianas totaled another $2.1 billion in federal spending.[15]

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[11] Robert B. Carleson, edited by Susan A. Carleson and Hans A. Zeiger, *Government is the Problem: Memoirs of Reagan's Welfare Reformer*, (Alexandria, VA: American Civil Rights Union, 2009), photo plate 17.

[12] OMB, FY2012 Budget of the U.S. Government, Historical Tables pages 247-248.

[13] Peter Ferrara, *America's Ticking Bankruptcy Bomb: How the Looming Debt Crisis Threatens the American Dream and How We Can Turn the Tide Before It's Too Late*, to be released by Harper Collins June 14, 2011, p. 137.

[14] USDA, Supplemental Nutrition Assistance Program, Average Monthly Benefit Per Person.

[15] CRS Report R41067, *The Federal Response to Calls for Increased Aid from USDA's Food Assistance Programs,* by Joe Richardson.

The American Recovery and Reinvestment Act of 2009 (ARRA) increased the average household SNAP benefit by 15% and expanded eligibility for the program by eliminating the 3-month time limit on benefits for able-bodied adults without children; increasing the household income dollar limits and disregards;[16] and in some cases completely eliminating the limit on household assets (from $2,000-$3,000 to $10,000).[17]

In fact, a man who recently won $2 million from the Michigan lottery has maintained his eligibility for SNAP assistance even after receiving his new found wealth. The income he receives from investing the remaining money [after purchasing an expensive new home, car, and other assets] leaves him eligible under federal rules for food assistance. Michigan has been working with federal officials for two or three months on ways to close the loophole. "We are actively seeking a change to the food assistance policy, which is a federal policy, to ensure that those who are truly needy qualify," according to a state human services department spokeswoman.[18]

Access to the program was also expanded by granting states greater discretion to disregard the federal requirement for face-to-face interviews to determine initial eligibility and recertification. As a result, almost all states can now skip the face-to-face recertification interview, thus "effectively allow[ing] states to make virtually any household eligible for SNAP."[19]

The Food Stamp program is identified in the GAO report as the largest of 18 different and overlapping federal domestic food and nutrition assistance programs that cost $62.8 billion in FY2008. In FY2010, federal spending for food and nutrition assistance overall was $99.3 billion.[20]

As GAO points out, overlap among programs can lead to the "inefficient use of federal funds, duplication of effort, and confusion among those seeking services" and the administrative costs for these 18 programs consume 10 to 25 percent of the taxpayer dollars spent on them. [21]

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[16] CRS Report R41374, *Reducing SNAP (Food Stamp) Benefits Provided by ARRA: P.L. 111-226 & P.L. 111-5,* by Joe Richardson, Jim Monke, Gene Falk.

[17] Ibid., the ARRA increase in Food Stamp benefits was slightly scaled back (by about 1.5%) as part of subsequent laws in order to increase spending on child nutrition programs and Medicaid.

[18] *Michigan $2 million lottery winner on food stamps*, Reuters, May 18, 2011.

[19] CRS Report R41067, *The Federal Response to Calls for Increased Aid from USDA's Food Assistance Programs,* by Joe Richardson.

[20] Peter Ferrara, *America's Ticking Bankruptcy Bomb: How the Looming Debt Crisis Threatens the American Dream and How We Can Turn the Tide Before It's Too Late*, to be released by Harper Collins June 14, 2011, p. 138.

Congress should consider whether some of the 17 other federal food and nutrition assistance programs identified by the GAO could be folded into a Food Stamp Block Grant for the states based on the model established by the successful 1996 TANF block grant. As with TANF, such a block could serve not only as a means for saving administrative and other costs, but also as a means for improving the effectiveness of the programs for the beneficiaries themselves.

At a minimum, low-income food assistance programs that could be combined into such a block grant include the Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program since individuals eligible to purchase groceries under these programs are generally also eligible for the Food Stamp program as GAO points out in the report.[22] On that basis, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) which provides benefits for the purchase of specific categories of groceries should also be incorporated into a Food Stamp block grant program.[23]

Federal Homelessness Programs

In regard to Homelessness Programs, the GAO report identified over 20 federal programs costing $2.9 billion in FY2009 and acknowledges that a first step to preventing and ending homelessness is coordinating other mainstream programs including housing programs.[24] Federal housing assistance in general totaled almost $77 billion in FY2010 including expenditures for over 1 million public housing units and rental assistance for 4 million private housing units under the Section 8 program. In addition housing assistance for low income individuals is also available under the Rural Rental Assistance, Rural Housing Loan, Rural Rental Housing Loans, Home Investment Partnership (HOME), Community Development Block Grant, Housing for Special Populations (Elderly and Disabled), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Shelter Grant, the

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[21] GAO Report to Congress, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP, March 2011, p. 125.
[22] Ibid.
[23] CRS Report R41625, *Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending, FY20080-FY2009*, coordinated by Karen Spar.
[24] GAO Report to Congress, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue,* GAO-11-318SP, March 2011, p. 131.

Supportive Housing, the Single Room Occupancy, the Shelter Plus Care, the Home Ownership and Opportunity for People Everywhere (HOPE) and other federal programs.[25]

GAO's Report also states that agencies may face challenges in coordinating plans, programs, and activities because of individual agency regulations that could prohibit the sharing of budgetary or other program information and that coordination is further complicated by the fact there is no common data standard and uniform performance measures across all the homelessness programs.

As a result, GAO acknowledges that there may be potential benefits in terms of efficiency and effectiveness to "consolidating or eliminating federal programs that deliver services to those experiencing homelessness."[26]

Again, combining and block granting some of the homelessness and other housing programs to the states would likely result in greater efficiency and less cost to the taxpayers -- and better outcomes for the programs' intended beneficiaries.

Transportation Services for Disadvantaged Individuals

GAO identified 80 programs across eight different federal departments that provide transportation services or assistance to elderly, disabled or poor citizens by providing them bus tokens, transit passes, taxi vouchers, mileage reimbursement, or direct vehicle services from a government agency or community non-profit. However, GAO could only document the level of federal expenditures in 23 of the programs -- due to a failure of the government agencies to track such transportation expenditures separately – and those programs total spending amounted to $1.7 billion for such transportation services in FY2009.[27] Since these programs constituted a little over a quarter of the programs identified, a rough calculation of the overall federal cost of such services would be two to four times the amount for the 23 programs – or somewhere between $3.4 and $6.8 billion.

The report points out that 50 of the 80 programs are in three federal departments – HHS, Labor, and Education – and yet there is often little coordination or consistent standards for the programs within

[25] Peter Ferrara, *America's Ticking Bankruptcy Bomb: How the Looming Debt Crisis Threatens the American Dream and How We Can Turn the Tide Before It's Too Late*, to be released by Harper Collins June 14, 2011, p. 138.
[26] GAO Report to Congress, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP, March 2011, pp. 131-132.
[27] Ibid., p.135

departments, much less across departments, and there are no federal requirements mandating that the programs or departments do so or to even inventory such programs and their expenditures within an agency.[28] The bulk of the coordination that has occurred among such transportation programs was found to have been achieved at the state and local level instead.[29]

GAO's major recommendation as a first step is that federal requirements be put in place to require federal agencies to participate in coordinated planning. The agencies should also be required by Congress at a minimum to maintain adequate records and tracking of services and expenditures such that the taxpayers are able to know how, to how many, and how much each of these programs spends each year to provide transportation services to recipients and at what cost per recipient. It is hard to reform programs when even GAO is unable to ascertain how much and in what manner federal tax dollars are being spent by a program.

In the alternative, instead of "coordinating" and standardizing the programs as recommended by GAO in light of the federal agencies defaulting in this area, Congress could consolidate the programs and again block grant the funding to the states – where the GAO report indicates the real initiative in coordinating and improving services from these programs has already been taken on.[30]

Multiple Employment and Training Programs

GAO identified 47 federal programs that spent $18 billion to provide job training, job search, and job counseling programs most of which were administered by the HHS, Labor and Education Departments – the three largest being HHS's TANF employment and training program and the Employment Service and Workforce Investment Adult programs within the Department of Labor.[31]

Many of the programs provided the same services to the same populations through separate but parallel administrative structures but the full extent of such duplication was unknown due to the limited data kept by the federal agencies involved. States spent about $160 million to administer the TANF program. Department of Labor officials could not provide a specific figure for the administrative costs of the WIA Adult program but estimated them at $56 million and that the

[28] Ibid., p.136
[29] Ibid., p.137
[30] Ibid.
[31] Ibid., p.140

agency spent $4,000 on average for each recipient. They also admitted to GAO that they do not collect any data on the administrative costs associated with the Employment Service program.[32]

While in most states the TANF program was administered by a state's human services bureaucracy, the Employment Service and WIA Adult programs were generally under the authority of the state workforce and employment agencies. However, some states have taken the initiative to co-locate TANF and Employment Service and WIA Adult services in one stop centers. Three states – Florida, Texas and Utah – actually consolidated the state agencies that administer the programs to reduce costs and improve the program's benefits for recipients.[33]

GAO recommendations for improving the programs are to create financial incentives or requirements for states to coordinate and/or colocate such services in one stop centers and for the agencies to keep better records. As is the case with the transportation services programs, at least some states have taken the initiative to reduce costs and improve services for program beneficiaries by consolidating, streamlining or merging these programs at the state level. Congress should do the same at the federal level and provide funding for such services as part of a combined block grant for the states.[34]

Recurring Themes in GAO Report

The entire report – and not just the selected parts of it that are the subject of this hearing -- is replete with comments from GAO stating that one federal agency after another does not keep adequate or sufficiently detailed records to enable GAO to ascertain how many taxpayer dollars are spent on a specific program, or to distinguish how much is spent to administer programs as opposed to actually providing services or benefits to a program's intended beneficiaries. A recurring theme among GAO's recommendations for reducing costs or improving the efficacy of federal programs is to mandate or otherwise increase coordination within or between federal agencies providing similar if not duplicative services to low income, disabled, elderly or other Americans who need the government services the taxpayer dollars were intended to provide.

[32] Ibid., p.142
[33] Ibid., p.141
[34] Ibid., p.142

Too often it falls to the states to provide such coordination or streamline such programs at the state level. The red tape, lack of accountability, and apparent indifference of the government agencies at the federal level evidenced by this GAO report bear out the maxim behind Ronald Reagan's belief in providing services to low income, elderly, and disabled Americans via block grants to the states:

> "We have found, in our country, that when people have the right to make decisions as close to home as possible, they usually make the right decisions."
>
> *From Reagan's Address to the International Committee for the Supreme Soviet of the U.S.S.R., Sept. 17, 1990.*

Mr. JORDAN. Thank you, Mr. Mashburn.

They have just called votes but we want to hear from Ms. Hamler-Fugitt and then we will recess and come back for questions.

STATEMENT OF LISA HAMLER-FUGITT

Ms. HAMLER-FUGITT. Good afternoon, Chairman Jordan, Ranking Member Kucinich and distinguished members of the committee. I would like to thank you for the opportunity to testify today.

I represent the Ohio Association of Second Harvest Foodbanks, Ohio's largest charitable response to hunger. We provide food, funding, training, technical assistance and Ohio Benefit Bank services to a network of 3,000 food pantries, soup kitchens and homeless shelters. Eighty percent of our charities are faith-based, volunteer-driven, operating on budgets of less than $25,000 a year. Half of all the food we distribute comes as a result of Federal and State funding.

Over the last decade, the number of Ohioans in poverty has grown by a staggering 46 percent and the effects of the great recession are still with us: deeper poverty, lower fixed incomes, minimum wages, part-time employment and many are suffering from long term unemployment.

In the last quarter of 2010, our charities served nearly 2.1 million Ohioans and half of those we served were children and the elderly, yet every day more hungry Ohioans are standing in our lines and their limited budgets are now being further shattered by rapidly rising food and fuel costs. It is bad out there. Those who were already hanging by their fingertips are now falling into the abyss and the organizations that we serve are begging for crumbs and praying for a miracle.

Mr. Chairman, the GAO produced a very balanced report and I support many of its findings, but there are some real world realities to these findings that must be highlighted. One, program overlap does not always mean duplication. Some of these critical programs already have fixed funding, eligibility and enrollment caps and cannot respond to increased need, particularly in a weak economy. Many families who struggle with hunger are not poor enough to qualify for support. The consequences of increasing hunger and malnutrition are severe, including lowered productivity, educational achievement and astronomical health care costs.

SNAP, the largest USDA program, served nearly 42 million Americans. One in seven Americans received food stamps in February. It has the lowest eligibility of all Federal nutrition programs and the maximum benefits lasts less than 2½ weeks out of every month.

The GAO reports describes the Commodity Supplemental Food Program as one of the duplicative programs citing that many seniors eligible for this program are also eligible for SNAP, yet seniors with limited mobility and transportation barriers may not be able to purchase food at a grocery store and therefore, benefit from both a box of food provided through the Emergency Assistance Program and CSFP as well as home-delivered meals.

In Ohio, a fortunate 20,463 seniors receive a 40 pound box of government food valued at $18.77 a month. The waiting list for this

program is long and many of our food banks report that seniors in their communities call and ask for the CSFP box of a recipient that they know has gone into a nursing home or worse yet, other non-participating seniors will read the obituaries and if they see the name of someone they know who has received CSFP, they ask if they can receive the deceased recipient's box of food. This is hardly a case of people getting too many benefits. Rather, it shows people do not have enough to eat.

Another example of the real world reality of vulnerable Ohioans is that one out of every two babies born in Ohio is potentially eligible for WIC, a modest supplemental program like SNAP, it is not intended to meet the participants' entire nutritional needs. In fact, a study conducted by the University of Cincinnati Children's Hospital found that 65 percent of the families reported they had run out of formula and did not have money to buy more and 39 percent of the families studied were already on WIC and SNAP, yet were at risk of hunger.

All too often these programs do not always reach the poor because of rules and requirements that are confusing, requiring families in need to produce multiple documents and verifications multiple times at multiple agencies, using precious time and gas money, traveling and sitting in waiting rooms of agencies that would be better spent keeping a job and finding a new one and it does not make sense for people with limited mobility.

We agree with GAO that programs are decentralized, lack coordination and data sharing, all of which are required to improve efficiencies and effectiveness. I would like to briefly share our association's experience in reducing efficiencies and unnecessary overlap while ensuring that people receive access to benefits.

Our association met this challenge head on. We implemented the Ohio Benefit Bank and Internet-Based Application Assistance Program which streamlines program access and reduces barriers by providing a single application platform of more than 20 programs. We have joined together nine State agencies and four Federal agencies and have leveraged public and private resources establishing yes, over 1,100 not-for-profit and faith-based and community partners and recruited some 4,300 counselors reaching people where they work, live, play and pray.

Again, we believe that in order to prevent duplicative efforts in costs, investments are needed to upgrade and integrate systems used to determine and maintain eligibility across all health and human service lines.

Again, I thank you for the opportunity and would be pleased to answer any questions you may have.

[The prepared statement of Ms. Hamler-Fugitt follows:]

SHARECorps

HarvestCorps

51 North High Street
Suite 761
Columbus, Ohio 43215
Ph: 614-221-4336
Fax: 614-221-4338
www.oashf.org

Testimony

Lisa Hamler-Fugitt
Executive Director
Ohio Association of Second Harvest Foodbanks

Hearing on Duplication, Overlap and Inefficiencies in Federal Welfare Programs

Committee on Oversight and Government Reform
Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending
United States House of Representatives

June 1, 2011

Chairman Jordan, Ranking Member Kucinich, and distinguished members of the Committee, thank you for the opportunity to testify before you today about the GAO report on duplication and overlap among federal social welfare and related programs.

I'm Lisa Hamler-Fugitt, Executive Director of the Ohio Association of Second Harvest Foodbanks (OASHF). Our organization represents Ohio's 12 Feeding America/Second Harvest Foodbanks. Last year alone, we provided over 135 million pounds of food, funding, training, technical assistance, and Ohio Benefit Bank Services to a network of 3,000 non-profit and faith-based food pantries, soup kitchens, homeless shelters, and supplemental food assistance providers. Eighty percent of our agencies are faith-based charities, operating on annual budgets of less $25,000, who are largely volunteer-driven. To help support the efforts of Ohio's emergency food assistance network, OASHF sponsors the largest state-based (AmeriCorps/VISTA) National Service Programs in the Nation, providing the boots on the ground for our statewide network.

The food we distribute through our network comes from a variety of sources: 40 percent is donated from industry, retail, and local food drives; 25 percent is from Ohio's state funded food programs (Ohio Food and Agricultural Clearance Programs); 22 percent is TEFAP (The Emergency Food Assistance Program); 10 percent is purchased with private contributions/donations; and three percent is from the Commodity Supplemental Food Program (CSFP).

I appreciate that the GAO looked into the question of whether there is duplication in government programs and that the Committee called a hearing to air GAO's findings. It is, and has always been, crucial that each tax dollar is spent wisely and prudently. While I have thoughts to share with the Committee on the entire report, the focus of my testimony will be on the section of the report that covers the federal nutrition programs. With respect to the other areas covered by the report, e.g., homelessness, job training, and transportation programs, I can speak to these areas as someone who witnesses the daily experiences of our clients who use these programs and how they continue to struggle, even with the benefits that are available to them.

Programs with overlapping purposes or services do not necessarily mean that families are receiving more help than they need. Too often, the programs and supports available to families and seniors do not reach them or fail to address the enormous problems so many families and individuals face in this economy. This is typically because the programs are difficult to access due to confusing rules and requirements and because many key services, such as housing, child care and job training, have fixed funding and cannot respond to increased need, particularly during a weak economy. When key programs do reach Ohioans, they are a powerful weapon against poverty and hardship. We must do more to improve how programs and agencies work together to ensure that these programs are accessible to the families and individual they are intended to serve.

Our food bank network provided emergency food to nearly 2.1 million Ohioans in the last quarter of 2010 and during that same period over 1.7 million of our states' residents were enrolled in SNAP[i] and 825,469 school children (44 percent) received free or reduced priced meals[ii]. Despite our efforts and the tremendous effort of our county and state agencies to provide access to federal nutrition programs, we continue to witness families and individuals who struggle with hunger throughout Ohio even as they rely on multiple programs to put enough food on the table.

PAPER PLATE: *To Whom it May Concern: My name is Tonya. I am a mother of three young children. When I was first divorced I had no job. I was on food stamps and medical cards. I did have help from the food pantry on and off. Now a year later I have a full time job. I don't get child support. I am a couple dollars over the limit for food stamps. Without the food pantry my children would be constantly hungry. My son has low iron. My other son is special needs. I am forced to buy a lot of pasta because I have to pay bills and medicine. We need the food pantry to survive and be healthy. Please help us.*-- Tonya, Second Harvest Foodbank of Clark, Champaign, and Logan Counties

The effects of the recent and devastating recession are still with us and the people we serve who are struggling with poverty, fixed low incomes, minimum wages, part-time employment, and long term unemployment. The U.S. Bureau of Labor Statistics found that the number of Ohioans earning $7.25 an hour, or the minimum

wage, has surged 118 percent since 2007.[iii] In a recent analysis by the U.S. Bureau of Economic Analysis, Ohio ranked 50th out of all states for income growth in the past 50 years.[iv] While Ohio added about 31,000 new jobs last year, almost half were in retail, food service or temping—jobs that pay less than the manufacturing and construction jobs that they have replaced.[v] Over the past decade the number of Ohioans who are poor grew by a staggering 46.1%.[vi]

> PAPER PLATE: *Our family can't find a good job. We have 20+ years, intelligence, military experience. We lost our house and land; 115+ acres and a 4 bedroom home. We moved in with my father and now are on food stamps and WIC. Without this program we would be hungry. We used to be your middle class and now we are humbly accepting this food. Mother with 4 kids and baby on the way, and veteran.*--
> Anonymous, The West Ohio Foodbank

Figure 1. Poverty rate trends for Ohio and United States, 1981-2009

	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09
Ohio	12.7	12.8	13.4	13.5	12.8	12.8	12.7	12.4	10.6	11.5	13.4	12.5	13.0	14.1	11.5	12.7	11.0	11.2	12.0	10.0	10.5	9.8	10.9	11.6	12.3	13.3	13.1	13.4	15.2
U.S.	14.0	15.0	15.2	14.4	14.0	13.6	13.5	13.0	12.8	13.5	14.2	14.8	15.1	14.5	13.8	13.7	13.3	12.7	11.9	11.3	11.7	12.1	12.5	12.7	12.6	13.3	13.0	13.2	14.3

Source: U.S. Census Bureau, Current Population Survey (1981-2005) and American Community Survey (2006-2009)

Mr. Chairman, the GAO produced a very balanced report and I support many of its findings. However, there are some real world realities to their findings that must be highlighted. For one, it is crucial to recognize that program overlap does not always mean duplication. People who struggle to afford an adequate diet may be better served by different types of programs and rarely are the value of benefits provided by any one given program sufficient to support the food needs of an individual or family.

For example, SNAP benefits often fall far short of what a family requires and do not last the whole month. Thus, families that receive SNAP may also turn to food banks to fill in the gaps.

PAPER PLATE: *"The food pantries mean a lot to my family because it helps supplement the hunger in my family. We do not get enough food stamps to ensure my family has food every day, and on the weekend when my 3 children are home all day. Please keep the pantries in the community."*--Diana Lake, Second Harvest Foodbank of Clark, Champaign, and Logan

A 2010 study found that in Ohio, low-income families continued to be food insecure despite accessing several food assistance programs. For example 42% of the households standing in our food lines receiving SNAP benefits in the study were at risk of hunger and another 42% had cut back on the number or size of their meals. Additionally, among households with children ages 0-3 years, 58% participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Among households with school-age children, 63% and 55%, respectively, participate in the federal school lunch and school breakfast programs and 14% participate in the summer food program.[vii] These benefits are provided to families that ask for help and these families have to exert a significant amount of effort in order to access and maintain these benefits. So, it is crucial that we recognize that the food assistance programs that we already have do not provide enough to meet all the nutritional needs of families.

The GAO report describes CSFP (Commodity Supplemental Food Program) as one of the federal nutrition programs that is duplicative because many of the seniors eligible for CSFP are also eligible for SNAP yet seniors with limited mobility or transportation barriers may not be able to purchase food in grocery stores and therefore can benefit from food boxes provided by TEFAP and CSFP or congregate and home-delivered meals.

PAPER PLATE: *"The food pantry helps my elderly father make it through the month in food. He only gets a small amount of food stamps and without the food pantry he would not make it. They give good portions and are very polite in doing so. Thank You!"*--Anonymous, Second Harvest Foodbank of Clark, Champaign, and Logan

Each month in FY2010, 20,463 Ohio seniors received a 40 pound box of commodity foods from CSFP that cost USDA $18.77 per box. In Ohio, the waiting list for CSFP is long. This is because many Ohio seniors only qualify for a $16 monthly SNAP benefit, despite having very low, fixed-incomes. Many of our food banks report that seniors in their communities call and ask for the CSFP box of a recipient they know that has gone into a nursing home or worse yet, other non-participating seniors will read the obituaries and if they see the name of someone they know who received CSFP, they ask if they can receive the deceased recipients' box of food.

One of our clients, Kitty Locker, is a 64-year-old recipient of CSFP from Lima, Ohio. Each month her only income is a Social Security check of $580.00, yet she does not receive SNAP. She is diabetic and spends $250.09 on one prescription. She says the box of commodity food she receives each month from the food bank helps her a lot. "I worked. I thought it was enough. But it's not. The box doesn't give you detergent, toilet paper, or body soap, but it gives you food so that I can buy those other things." Kitty has lived in this small community her whole life. This food keeps Kitty out of a nursing home which costs an average of $5,000 a month in Ohio.

In other cases, a programs' design may be supplemental to other supports. For example, the Special Supplemental Food Program for Women, Infants and Children (WIC) provides nutritious foods, counseling on healthy eating, and health care referrals to low-income pregnant and postpartum women, infants, and children under age five who are at nutritional risk. An extensive body of research documents WIC's high degree of effectiveness in improving birth outcomes, reducing child anemia, and improving participants' nutrition and health.[viii] While many of WIC's participants are also receiving SNAP benefits, WIC is not intended to meet its participants' entire nutritional needs. Instead, the program supplements SNAP to address the particular needs of the WIC population.

> A study conducted by the University of Cincinnati Children's Hospital Medical Center found that 14 percent of the families surveyed were diluting infant formula to make it last. Sixty-five percent reported they had run out of formula and did not have money to buy more. More than a third (39%) of the families studied were already on WIC *and* food assistance, yet were still at-risk of hunger.[ix]

> PAPER PLATE: *"Coming to the food bank will help me to buy diapers and formula for my newborn. Thank you."*--Anonymous, The Cleveland Foodbank

The need caused by unemployment, poverty, poor health and lack of supportive services in Ohio overwhelms the notion that some of our neighbors might be getting duplicative or too much help through these programs. The fact that food insecurity (or risk of hunger) remains at very high levels confirms that too few, not too many, resources are being made available for the families that need them.

That said, I believe it is critical to find ways to simplify and streamline eligibility rules so that families who participate in one program can be easily enrolled into all the other low-income programs for which they are eligible. For example, states and school districts have been working to cut red tape and streamline enrollment into the school lunch program by automatically enrolling children from families receiving SNAP and TANF through a process known as direct certification. Children in households receiving SNAP benefits are eligible for free school meals and school districts are required to work with the SNAP administrators to enroll them automatically, using the direct certification

process noted above. Parents who have already completed a lengthy and detailed SNAP application should not have to complete another application; schools should not have to process unnecessary paperwork. In school year 2009-2010, approximately 72 percent of children enrolled in SNAP were directly certified for free school meals, which represents a significant administrative savings for schools, state agencies and families.[x] I hope USDA continues to work with states and school districts to build on this success until they can demonstrate that 100 percent of children on SNAP are successfully enrolled in the school meals program without any additional redundant paperwork from families or for schools to process.

PAPER PLATE: *"To Whom It May Concern: If it wasn't for this church I wouldn't know what to do. I am on SSI plus food stamps. It is hard to make a living, and I go hungry sometimes. Thank God for the church because I can eat. Thank you."* --Beverly A Bloomfield, The Cleveland Foodbank

It is important to be concerned about the appearance of duplication of services that can be caused when there are multiple programs with seemingly similar purposes delivered by different agencies. I hope that I have addressed concerns that you may have with respect to duplication amongst the federal nutrition programs. Despite the number of federal nutrition programs operated primarily by the United States Department of Agriculture, these are supplemental programs, meaning low-income people must supplement these modest benefits with additional income, use multiple programs and/or turn to faith-based and non-profit food charities in order to find enough food to feed themselves and their families - or go hungry. It is equally important, however, to ensure that low-income Americans are accessing the federal benefits for which they are eligible. What we see every day in our communities is that many low-income families do not receive the benefits they need because of administrative hurdles to accessing benefits. For example, often low-income people must travel to multiple agencies and offices to complete different applications, all in an effort to meet their food needs. Others are not eligible for food assistance due to complex rules, and their incomes aren't low enough to qualify for modest and often low benefits.

PAPER PLATE: "*We need food. The food for the most part is great. The family has had to cut down greatly on food due to only $49.00 a month in food stamps. All the food is highly appreciated. Thank you so much."* --Elizabeth, The Cleveland Foodbank

We know that not all low-income households are enrolled in the benefits for which they are eligible. For example, USDA estimated that only 70 percent of individuals eligible for SNAP in Ohio participated in the program in 2008. They also estimated that only 64 percent of eligible people in working families participated in

SNAP during the same time period[xi] and that only 36% of eligible Ohio seniors participate in SNAP. [xii]

PAPER PLATE: *"This is my first time here. I am so thankful to have heard about your food bank. I applied for food stamps 35 days ago and have not heard anything yet. Thank you. This is a blessing."*--R. Gavin, The Cleveland Foodbank

To combat this problem, in Ohio we have developed a way to streamline program access and reduce barriers to various nutrition, work support, health care, and tax credits programs through a program called The Ohio Benefit Bank (OBB). The OBB is an internet-based application assistance program that provides free tax assistance and access to 20 programs on a single application platform. Since 2006, OASHF has leveraged private and public resources to recruit and establish more than 1,170 non-profit, faith-based, and community partner organizations that provide one-stop OBB services to reach people where they work, live, play, and pray.

Today, nearly 4,300 trained volunteer counselors located in all 88 counties help their low-income neighbors navigate tax credits, nutrition, education, and work support programs for which they are potentially eligible. Since this partnership began, OASHF has brought together nine state agencies and four federal agencies, linking 237,459 low-income individuals to potentially more than $481.4 million in resources to help them meet their basic needs. *The Ohio Benefit Bank is the largest public/private application assistance program currently operating nationally.*

Our organization has been working for years in an effort to integrate and streamline programs utilizing technology in order to assist the struggling Ohioans we serve. Our effort at streamlining the application process is focused on ensuring that low-income families receive the crucial supports for which they are eligible. We are concerned that there are many low-income families that are not getting the benefits that they need because the process for accessing benefits is too complex and burdensome to navigate. Our experiences provide the basis for my testimony, observations, and recommendations today.

PAPER PLATE: *"I utilize the food pantry as my child's disorders (ADHD) require us to purchase more expense food than our food stamps provide. We have utilized a variety of pantry items to deal with his disorder and buy less medication for this child."*--Joanne, Second Harvest Foodbank of Clark, Champaign, and Logan

In Ohio, five different state agencies administer and issue nearly $3.7 billion in nutrition assistance benefits alone (ODJFS-Ohio Department of Job and Family Services, ODE-Ohio Department of Education, ODH-Ohio Department of Health, ODA-Ohio Department of Aging and ODoD-Ohio Department of Development). I suspect it is similar in other states as well where the 18 different USDA domestic nutrition programs, 20 homelessness programs, and employment and training programs are administered among numerous state agencies. Billions of dollars are spent each year enhancing and maintaining complex, independent systems for each of these agencies, rather than developing a unified, integrated online system utilizing a central database to store participant information, process and issue benefits for all domestic food assistance programs. An example of this can be seen in the Social Security Administration system used to administer SSI/SSDI benefits.

PAPER PLATE: *"I am out of work due to a health issue that has been going on over 1 year. Only income is Long Term Disability. Savings is exhausted, 401K will soon be exhausted. No more health insurance. No help anywhere. Everything is still pricy. I got turned down for food stamps even though Long Term Disability does not pay my bills. I live alone and am feeling the hardship hit harder every day. The foodbank is a blessing for those of us who have no money to buy food. Thanks foodbank for all that you do, but we still need help with our health issues."* --Anonymous, The Cleveland Foodbank

Such an effort would require a significant investment to update data management systems. States such as Ohio operate data management systems that were developed over 50 years ago. Ohio's CRIS-E (Client Registry Information System Enhanced) main frame system operates on COBOL (Common Business Oriented Language), one of the earliest high-level programming languages. Today's IT graduates are not even trained in COBOL, yet IT systems in Ohio and across the nation use this programming language. This antiquated system lacks inter-operability to track client participation across multiple and different programs and agencies.

Nationwide, increasing demand is being placed on these systems as program participation skyrockets. SNAP participation reached nearly 44.2 million in February 2011, an all-time record level in the aftermath of the Great Recession.[xiii] State budgets, including Ohio's, are being slashed and funding to maintain or even update these systems is scarce. These incompatible systems are responsible for issuing tens of billions in domestic food assistance, employment and training, transportation, and basic needs programs. For example, the state of Ohio uses one computer system to support eligibility determinations for Medicaid and SNAP, but a completely different system to determine eligibility for child care. Unfortunately, the child care system (which is relatively new) was not built to take advantage of the current and extensive information that our human services department already maintains for families enrolled in SNAP and Medicaid.

We believe that in order to prevent duplicative efforts and costs, investments are needed to upgrade and integrate the systems used to determine and maintain eligibility across basic human and health services. Many states have undertaken efforts such as these — over half the states offer multi-program, online applications and services that allow households to maintain their eligibility for multiple programs through the use of technology that links their information to different state systems. Unfortunately, Ohio is not one of these states.

PAPER PLATE: *"Very helpful. God sent them very good people. I get NO food stamps and it helps a lot."*--Nina Moss, The Cleveland Foodbank

Despite my strong belief that we are wasting administrative resources by requiring families to reapply for individual benefits at different agencies and through different computer systems, I would like to point out that administrative costs for these programs are not as high as GAO suggests. SNAP federal administrative costs have dropped as a share of benefits (to only about 5%) in 2010. In large part this is because program participation rose and resources for states administration did not. These programs have administrative costs to ensure program integrity, which is a key concern of Congress and is very important for sustaining public support. Also it is not clear that such efforts would reduce total federal costs. SNAP and other programs do not currently serve all eligible households. So, while improving connections across programs is important because it would be more efficient and would reduce hardship, it probably would not save money if more eligible households were connected to benefits as a result.

PAPER PLATE: *"Denied food stamps need help with food!"*--Anonymous, The Cleveland Foodbank

Another example of OASHF and our members' commitment to systems integration is our effort to implement Virtual Case Manager, an internet-based statewide data collection and tracking system that will operate on swipe card and bar code technology. This system will be used to determine eligibility for state and federal TEFAP (The Emergency Food Assistance Program) and CSFP (Commodity Supplemental Food Program), as well as the OFPACP (Ohio Food and Agricultural Clearance Programs). These programs are operated as public/private partnership with food banks, food pantries, and the Ohio Department of Job and Family Services. The Virtual Case Manager system will provide real time data reporting on who is being served and household demographics including income and participation in other federal programs.

It is OASHF's goal to implement this system statewide by 2013, to ensure we have complete participation data on who we serve, what the circumstances of our clients are, and whether or not our clients participate in multiple government and/or

private sector food and basic needs programs contained and reported on in this GAO study.

As I mentioned, I do not have expertise in homelessness or job training programs and cannot speak to the details of the GAO report. But, our organization serves thousands of low-income Ohioans who are homeless or in need of job training. Here again, the issue our clients are facing is not that there are too many redundant services but that there aren't enough services to help in their time of need. Through our Paper Plate Project, food banks and agencies throughout Ohio have given Ohio's voiceless citizens an avenue to express why they are standing in our food lines. The previous and the following quotes are just a few of the more than 25,000 plates that we have received over the past six months.

PAPER PLATE: *"The economy is terrible right now. Those that want to work cannot find a job. We have to choose between medicine and food to eat. My blood pressure is high due to the stress of life. When I take 1 step forward, I go 2 steps backward. I fear for my grandchildren."*
--Anonymous, Cleveland Foodbank

PAPER PLATE: *"Please don't cut the food pantries. So many families would go hungry without their help and wouldn't have clean clothes without the laundry and health supplies. Our elderly cannot survive on Social Security alone because you don't give them enough food stamps and don't cover medical enough. If we didn't have these places to help out a lot of people would do without."* --Anonymous, Second Harvest Foodbank of Clark, Champaign, and Logan

PAPER PLATE: *"I need St. Vincent DePaul food pantry to remain open because I have been unemployed, and I need the food because the food stamps do not last all month long. I wouldn't know what to do if it were to close. Please keep it open."* --Karen Hampsten, The Cleveland Foodbank

In closing, food insecurity remains at very high levels, which confirms that too few, not too many resources are being made available to struggling families who desperately need them. We applaud Congress for requesting GAO to conduct this research and to report the findings. I urge members of this committee to carefully consider implementing many of the recommendations and move quickly to prioritize the changes that would result in the largest and most immediate cost savings and program integration.

Recommendations:

- Congress should facilitate the ability for states to integrate streamlined enrollment of eligible people across several key programs: SSI/SSDI, Medicaid, Medicare and Domestic Food Programs. This could be supported by:
  - allowing for data sharing and interconnected data systems, and
  - providing the Social Security Administration with the ability and mandate to directly enroll low-income seniors and person with disabilities in all federal nutrition programs for which they are eligible.

- Recipients of Unemployment Compensation should be notified about federal employment and training programs that are available to them for additional education to enhance their skills.

- The United States Department of Agriculture should require states to provide a comprehensive plan for how they will ensure that eligible individuals will be enrolled in all domestic food programs rather than individual, program-specific efforts. In support of that effort, USDA could provide information to states and localities about how best to cross-leverage their outreach efforts.

- The federal government should measure states' success with enrolling eligible individuals in a core package of programs, such as SNAP, Medicaid and school meals rather than assess participation by individual programs. Agencies could establish a national standard for multi-benefit application assistance programs and create incentives and funding to maximize participation by eligible low-income families and individuals in income-enhancing programs. States and local governments that create seamless enrollment systems to connect those most in need to available supports should be recognized and rewarded. Their best practices could be promoted in other locations.

- Expand efforts and resolve to: strengthen and create interdepartmental coordination, universal application, single agency consolidation and facilitate streamlining of public benefits, eligibility and applications processes. These efforts will free up administrative funding that can be directed to increasing benefits levels and support expansion of eligibility standards.

Respectfully submitted,
Lisa Hamler-Fugitt, executive director
Ohio Association of Second Harvest Foodbanks
51 North High Street, Suite 761
Columbus, Ohio 43215
614/221-4336 ext 222
Lisa@oashf.org
www.oashf.org
www.ohiobenefits.org

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Mr. JORDAN. Let me thank all our witnesses.

We will be back in probably 25 minutes. There are 9 minutes left in this vote, so we have to go vote. I appreciate your patience.

We stand in recess.

[Recess.]

Mr. JORDAN. Ms. Dalton, in Mr. Rector's testimony, he talked about 69 different programs, but I look at some of the things in your report and you talk about 47 Federal employment training programs, 18 different food programs. Do we have any idea what the real number is? Is it 69 or 169, 3,000,000? What is the number of programs?

Ms. DALTON. We looked at functional areas and tried to identify as many programs as we could in those areas. That is where you are seeing the numbers of 20, 40, 82, 47 in the employment and training area. One of the difficulties is trying to define what a program is. There is not agreement on exactly what a program is, so there may be some differences in definition.

Mr. JORDAN. Did you categorize them the way I think we have, programs providing food aid, housing, social service programs, education programs, basic cash assistance programs, vocational training, job training programs, medical programs, energy and utility assistance type programs and then child care programs. Did you put them in the same broad categories?

Ms. DALTON. We did very broad categories. In some cases, for example, employment and training, we would include the full range of employment and training services. It may be targeted toward youth or targeted toward adults.

Mr. JORDAN. If you had to hazard a guess, what would your number be? I have been using 70.

Ms. DALTON. Certainly if you accumulated the numbers that we talked about today, it is in the hundreds.

Mr. JORDAN. Hundreds, so more than 70. Would you agree with the concept Mr. Rector raised that is in the legislation I have introduced and some Members have co-sponsored, saying it would be helpful if we at least had an aggregate number of what the government spends each and every year on the 100-plus means-tested social welfare programs?

Ms. DALTON. I think it certainly would be good to have a number of how many programs there are, what exactly are we spending and what are we getting for that money.

Mr. JORDAN. It would be good to know the real number of programs and the various agencies, the total we spend, the aggregate number and most importantly, are these things working. Just for the committee and the record, can you tell how many are having success with the people they intend to help?

Ms. DALTON. Certainly in some of the areas, there is some information about the success of the programs.

Mr. JORDAN. Give me a number. Of the 100-plus programs, how many programs? Is it single digits? Is it 20, 50? What is the number based on your report and the work you have done, of the 100-plus programs, are actually helping the people they are supposed to help?

Ms. DALTON. It would be difficult for me to give you a specific number.

Mr. JORDAN. Because you can't give a number? You have no idea?

Ms. DALTON. No.

Mr. JORDAN. No clue?

Ms. DALTON. I know it is not in the single digits, but beyond that, I couldn't tell you.

Mr. JORDAN. Twenty percent?

Ms. DALTON. It is really hard to tell.

Mr. JORDAN. Less than 50 percent?

Ms. DALTON. I really wouldn't want to hazard a guess.

Mr. JORDAN. All right. Thank you.

Mr. Rector, you talked about the wrong incentives we have. Not only do we not know how many programs there are or how much money we spend, but all those programs across agencies, we send the wrong incentive. I have often said that the welfare system particularly says to the single mom out there, don't get married, don't get a job, have more kids and you get more money. Is that a fair assessment? Is that across the board in these 100 plus programs sending the wrong message? Elaborate on that a bit more if you could.

Mr. RECTOR. All of these programs have an anti-marriage effect because they are means-tested. The way that works is that in a means-tested program, the more earned income there is in the household, the lower the benefits will be. It is automatic. What is the first way then to have a lower amount of earned income is not to have a married husband in the household. If you have a married husband in the household, his income is automatically counted toward eligibility. So each and every one of these programs in almost every circumstance, the family will get less money as a result of being married to an employed man. The net result has been that basically these programs have supplanted fathers as bread winners throughout about a third of the U.S. population.

When Lyndon Johnson started the War on Poverty in 1964, 7 percent of American children were born outside marriage. Today, that number is 43 percent. Forty percent of the births in the United States are paid for by Medicaid. Almost all of those are nonmarital births. There is an incentive right there to begin with.

Basically, for many blue collar families, if the couple is married and the man does not have a good health insurance policy, which is quite probable, then the cost of the childbirth to that married couple will be borne by the couple. On the other hand, if they separate, then Medicaid is almost inevitably going to pick up the full cost. From the beginning, the moment a child is conceived, the State is saying as long as you don't get married, you are on our dime but if you are married to a working man, basically, you have to shoulder these costs.

All of these programs have an anti-marriage effect and most of them have a very strong anti-work effect and as a result, we basically have done the opposite of what Lyndon Johnson said we should be doing. He said, I don't want to put people the dole. In fact, I was reading this marvelous thing in the 1964 economic report of the President where they were first talking about the War on Poverty where it actually says, we could wipe out all the poverty in the United States for $20 billion a year. We could pick up this

money and give it to people and they would no longer be poor but we are not going to do that because it would be wrong.

What happened is we completely changed it and then got in the business of giving people support rather than trying to make them capable of supporting themselves more effectively. In particular, we basically displaced marriage in the low income community. The single, strongest cause of poverty in the United States today is the lack of marriage. Our society is dividing into two castes. In the upper part, you have married couples, children raised by married couples both of whom have a college education. In the bottom 40 percent of our population is mothers who are not married and have a high school degree or less. That is the poverty population and it is about over $300 billion a year in welfare assistance there as well.

Mr. JORDAN. Thank you.

The gentlelady from New York.

Ms. BUERKLE. Thank you, Mr. Chairman. Our apologies to all the witnesses for the temporary recess we had.

My first question is for Ms. Dalton and then I have a question for the entire panel. This is a followup to the chairman's question.

You talk about measuring outcomes and understanding the effect of these programs. I think that is so very important because when we talk about these programs, it is not an unwillingness on anyone's part to provide what we need for the neediest but the issue is, this is not our money. This is the American peoples' money. We must be responsible stewards of that money. I think we need to understand the impact studies.

You stated that 5 out of the 47 programs have completed an impact study since 2004 and that in those five programs any positive effects tended to be small, inconclusive or restricted to short term impacts. I want to be sure that I understand what you are saying. Basically, for the vast majority of the 47 employment training programs run by the Federal Government, using $18 billion of taxpayer money, there is little or no information about whether or not these programs actually work?

Ms. DALTON. All the employment and training programs, there is some performance information that is collected. The most common measure is entered employment, did the person get a job, but that information alone really doesn't tell you the impact of the program, did the person get a job, did they retain the job, are they making a sustainable wage. That is the type of information really gets at impact. That requires some pretty thorough study.

You are also trying to see whether or not the particular program is the causal agent of creating the impact. In these areas where you have multiple services coming from different programs, it is difficult to isolate it, but it is important to know that because then you have a better idea of what is really working and where do you want to invest your money.

Ms. BUERKLE. Thank you. My next question is for all four of the panelists.

The GAO's testimony today states the Federal Government spent about $90 billion on domestic food and nutrition assistance in fiscal year 2010. This is an update to the $62 billion for fiscal year 2008. That is a 44 percent increase over 2 years.

I would like to hear from each of you on this. Is this a temporary increase, is this a result of the financial crisis or do we have reason to believe that these increases in other social welfare programs will continue to increase?

Ms. DALTON. Much of the increase is, in fact, due to an increase in benefit levels that was included in the Recovery Act. My understanding is that increase will end in November 2013. A large percentage of that increase is due to the Recovery Act legislation and will recede to prior levels in November 2013.

Ms. BUERKLE. Do we have any idea of the dollar amount?

Ms. DALTON. I can get that for you.

Ms. BUERKLE. I would appreciate that.

Mr. Rector.

Mr. RECTOR. I can get you the exact numbers on that. I believe that food stamps goes down slightly a few years from now, but overall, food assistance, I believe, grows at more than the rate of inflation for the foreseeable future.

Overall, when you look at cash, food, housing, medical care and social services, there is no decline in government spending even as the recession ends. I can provide you those numbers but they in the back of President Obama's budget where no one would look at them, but they are all there. In fact, all the spending continues to grow quite rapidly as far out as the President can project it.

A lot of people regard spending on the poor or welfare spending like it is a roller coaster that in a recession, it goes up and in good times, it comes back down. If you look at the back of my testimony, this is the picture of welfare spending adjusted for inflation since 1950, since the Korean War. You don't see too much coming down there. It is more like the Alps slope, it goes up rapidly or goes up at a moderate pace. It never comes down. There are only about 2 years in this entire period where it actually came down.

The nature is that during a recession, this money gets pumped up—we have pumped it up by 30 percent over the last 2 years—and then it never comes back down. I believe that is what the Nation simply cannot afford to in the future.

Ms. BUERKLE. Thank you.

I apologize, Mr. Mashburn, I am out of time.

Mr. JORDAN. Go right ahead.

Ms. BUERKLE. Thank you, Mr. Chairman.

Mr. Mashburn.

Mr. MASHBURN. As Ms. Dalton mentioned, ARRA, our stimulus bill, as many call it, increased the SNAP benefits by about 15 percent. In addition, the reasons the numbers might not come down is it also expanded eligibility and many of those expansions of eligibility are proposed in the President's fiscal year 2011 and his new fiscal year 2012 budgets, such as it eliminates the 3-month time limit on benefits for able bodied adults without children, so they are just free. They don't have any limits, so now food stamps are available to able bodied men who aren't working as long as they don't' have children.

It increases the household income dollar limits and disregards the amount of money people can make but the income disregards, the things you don't count as income, has also gone up. The EITC used to be disregarded for 3 months. I think the President's pro-

posal disregards it for 12 months. If you disregard it for 12 months, you have completely disregarded it. That is a $5,000 a month benefit and it is not income.

As long as those asset tasks and other eligibility requirements that restricted the caseload to the truly needy keep expanding, I don't see how you are ever going to get the program to fall. Just this month, a man won $2 million in the Michigan State Lottery. He is eligible for food stamps. He was on food stamps before and he is still eligible. Michigan has been trying for 2 or 3 months to get him off, but they are restricted by the Federal asset test—there is no asset test.

Even though he bought a new house, a new car, the income he has comes in from the remaining part of his winnings he has left after the house, the car and everything else, is less than the eligibility cutoff for his benefits. The State Human Services Department spokesperson mentioned it is a Federal policy. We have been trying but we can't do it which is why a lot of people are proponents of block grants because you can see the State knew that wasn't right and wanted to do something. It is the feds that are keeping them from doing the right thing.

Ms. BUERKLE. Thank you, Mr. Mashburn.

Ms. Hamler-Fugitt.

Ms. HAMLER-FUGITT. Food stamp participation has grown by 60.4 percent since February 2008. It is at an all time record high. Expenditures are up directly as a relation to the economy and the number of individuals who now find themselves in many cases working but earning wages that don't lift them or their families out of poverty. In many cases, it has been the long term unemployed, many who have been unable, despite their best efforts, to find employment in their area.

Certainly we are concerned and again, this is a supplemental program. Individuals who are suffering from hunger and food insecurity don't first turn to the SNAP Program. They use five to seven different other coping strategies before they ever ask for help. They are selling their personal possessions on ebay, Craigslist and at yard sales; they are sending their children to the homes of friends and neighbors in order to eat. The last place they turn is to the public welfare office.

Ms. BUERKLE. Thank you very much and thank you, Mr. Chairman. I yield.

Mr. JORDAN. The gentleman from Ohio.

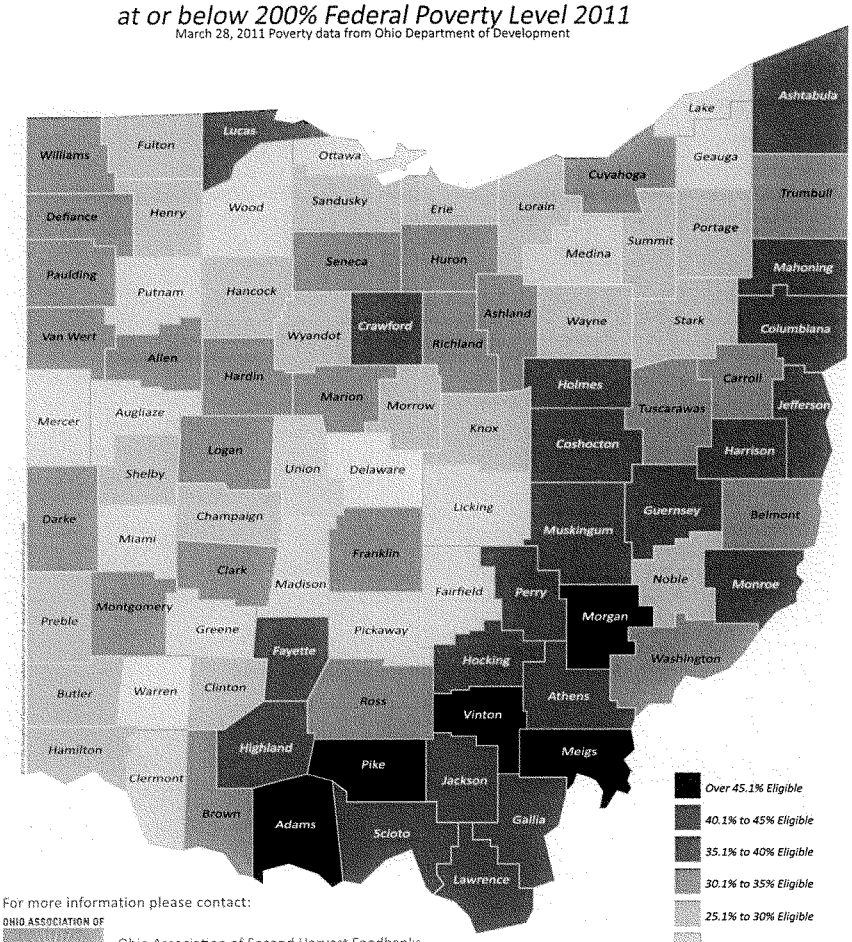
Mr. KUCINICH. Mr. Chairman, again, I want to thank you for holding this hearing and for inviting Ms. Hamler-Fugitt, who plays such a critical role in providing food to families across our State, to testify at this hearing.

The statistics she has provided to this committee are shocking. Yesterday, when I met with her, she showed me this map of Ohio which I would like to enter into the record with unanimous consent.

Mr. JORDAN. Without objection.

[The information referred to follows:]

Population by County
at or below 200% Federal Poverty Level 2011
March 28, 2011 Poverty data from Ohio Department of Development



For more information please contact:

OHIO ASSOCIATION OF Second HARVEST

Ohio Association of Second Harvest Foodbanks
Lisa Hamler-Fugitt, Executive Director
51 North High Street, Suite 761 Columbus, Ohio 43215
(p) 614.221.4336
(f) 614.221.4338
(c) 614.271.4803
www.oashf.org

Population by County at 200% Federal Poverty Level 2011

County	Population below 200% FPIG	Population July 2009	Percent Eligible for Emergency Food
ADAMS	12,822	28,043	45.7%
ALLEN	33,768	104,357	32.4%
ASHLAND	18,124	55,044	32.9%
ASHTABULA	39,175	100,767	38.9%
ATHENS	27,924	63,026	44.3%
AUGLAIZE	10,159	46,699	21.8%
BELMONT	23,440	68,066	34.4%
BROWN	13,748	44,003	31.2%
BUTLER	97,840	363,184	26.9%
CARROLL	9,469	28,539	33.2%
CHAMPAIGN	11,178	39,713	28.1%
CLARK	47,016	139,671	33.7%
CLERMONT	45,635	196,364	23.2%
CLINTON	12,888	43,058	29.9%
COLUMBIANA	37,901	107,722	35.2%
COSHOCTON	13,894	35,767	38.8%
CRAWFORD	15,403	43,403	35.5%
CUYAHOGA	430,086	1,275,709	33.7%
DARKE	15,648	51,814	30.2%
DEFIANCE	11,669	38,432	30.4%
DELAWARE	19,752	168,708	11.7%
ERIE	21,860	76,963	28.4%
FAIRFIELD	32,949	143,712	22.9%
FAYETTE	10,049	28,117	35.7%
FRANKLIN	354,880	1,150,122	30.9%
FULTON	11,280	42,402	26.6%
GALLIA	13,747	30,694	44.8%
GEAUGA	19,952	99,060	20.1%
GREENE	35,425	159,823	22.2%
GUERNSEY	14,842	40,054	37.1%
HAMILTON	244,129	855,062	28.6%
HANCOCK	21,027	74,538	28.2%
HARDIN	10,501	31,818	33.0%
HARRISON	5,792	15,268	37.9%
HENRY	7,587	28,648	26.5%
HIGHLAND	15,673	42,178	37.2%
HOCKING	10,723	28,912	37.1%
HOLMES	15,942	41,854	38.1%
HURON	19,486	59,849	32.6%
JACKSON	14,663	33,440	43.8%
JEFFERSON	25,200	67,691	37.2%
KNOX	17,850	59,637	29.9%
LAKE	49,458	236,775	20.9%
LAWRENCE	26,666	62,744	42.5%

Population by County at 200% Federal Poverty Level 2011

LICKING	39,447	158,488	24.9%
LOGAN	14,444	46,582	31.0%
LORAIN	81,335	305,707	26.6%
LUCAS	162,654	463,493	35.1%
MADISON	9,662	42,539	22.7%
MAHONING	83,401	236,735	35.2%
MARION	22,863	65,655	34.8%
MEDINA	28,462	174,035	16.4%
MEIGS	10,865	22,838	47.6%
MERCER	9,792	40,666	24.1%
MIAMI	25,150	101,256	24.8%
MONROE	5,497	14,058	39.1%
MONTGOMERY	174,688	532,562	32.8%
MORGAN	7,297	14,288	51.1%
MORROW	9,900	34,642	28.6%
MUSKINGUM	31,870	84,884	37.5%
NOBLE	4,055	14,311	28.3%
OTTAWA	8,921	40,945	21.8%
PAULDING	5,835	18,994	30.7%
PERRY	13,524	35,359	38.2%
PICKAWAY	13,172	54,734	24.1%
PIKE	12,549	27,722	45.3%
PORTAGE	42,533	157,530	27.0%
PREBLE	11,768	41,422	28.4%
PUTNAM	7,118	34,377	20.7%
RICHLAND	38,767	124,490	31.1%
ROSS	25,187	75,972	33.2%
SANDUSKY	17,398	60,071	29.0%
SCIOTO	33,922	76,334	44.4%
SENECA	18,046	56,152	32.1%
SHELBY	13,820	48,990	28.2%
STARK	113,671	379,466	30.0%
SUMMIT	157,708	542,405	29.1%
TRUMBULL	70,964	210,157	33.8%
TUSCARAWAS	29,862	91,137	32.8%
UNION	7,883	48,903	16.1%
VAN WERT	8,693	28,496	30.5%
VINTON	6,493	13,228	49.1%
WARREN	31,683	210,712	15.0%
WASHINGTON	20,791	61,048	34.1%
WAYNE	34,162	114,222	29.9%
WILLIAMS	11,539	37,816	30.5%
WOOD	31,055	125,380	24.8%
WYANDOT	6,515	22,394	29.1%
Ohio	**3,462,181**	**11,542,645**	**30.0%**

Mr. KUCINICH. It shows that in Ohio today, 70 of Ohio's 88 counties now have more than 25 percent of the residents eligible for emergency food. I look at our State and I think of all of us who serve it. We are representing counties in which 30 to 35 percent of the population is at or below 200 percent Federal poverty level which is the threshold for eligibility for food assistance programs.

We share a desire to ensure our constituents in Ohio and across the country that we are able to put enough food on the table so the children don't go hungry and the elderly aren't forced into even more unfortunate circumstances, trying to find available supplemental food. Families are still struggling with hunger even as they rely on current Federal food assistance programs and local resources.

I would like to make a commitment to you today, Mr. Chairman, to work together to determine how we can best streamline these programs to eliminate administrative inefficiencies, but as we have this conversation about finding program inefficiencies, I am very concerned that we don't weaken programs' ability to meet needs either by reducing benefits or cutting eligibility for those who need assistance.

I am letting you know that I look forward to working with you so that we can ensure that these critical food programs are protected from further budget cuts and from current levels of food assistance. Can we do something together on that, Mr. Chairman?

Mr. JORDAN. I thank the gentleman for his focus. Our job is to make the assistance work better and ultimately help the people the programs are intended to help and by so doing, you save money for the taxpayer at this critical time in America's fiscal situation. That is our focus as conservatives. We want to help those who need help and by so doing, you save money.

Mr. KUCINICH. Thank you, Mr. Chairman.

There is a real weight that is put on us because we have to make sure that as we analyze these programs in our desire to streamline them, that we don't inadvertently lowering the available benefits at a time of highest demand. That is one of the reasons Ms. Hamler-Fugitt came forward in her testimony that is so important to people she serves. This, again, is trying to make sure that people who are hungry have some resource, somewhere so they are not left out.

We can get an ideology about how this happens, and I might agree with you on some of those things, but I am concerned that we stay focused on wherever there are programs that are working and feeding people that we keep doing it.

I want to say to Ms. Hamler-Fugitt, you said there have been two problems with food assistance and other service programs available in Ohio. First, do you not believe they are adequately funded? That is obvious from your pitch. Is that right?

Ms. HAMLER-FUGITT. That is correct, sir.

Mr. KUCINICH. You believe that some of the different rules and application processes are causing eligible and needy people to miss out on benefits for which they are eligible, is that right?

Ms. HAMLER-FUGITT. That is correct, sir.

Mr. KUCINICH. What can we do to make accessing benefits simpler and more efficient?

Ms. HAMLER-FUGITT. One is that we have to align and integrate the systems that manage them. I think certainly the frustration and my own frustration in reading the GAO report is that we lack data. We lack data because we have antiquated systems that were developed on a COBOL platform which is more than 50 years old. IT graduates are not trained in COBOL. In fact, in our State, we need to bring people out of retirement to reprogram basic systems. I see the chairman smiling, he remembers this at the State.

We need to invest in technology that is available. We have worked on this at the State level. We need to mandate that both the Federal and the State agencies with jurisdiction over these programs work together, ensuring that we are not writing redundant rules and regulations. We need to ensure access points, but also at the same time, maintain integrity.

In our shop, data equals dollars. It is very clear to me that is what we are missing. We have undertaken independent research on our benefit bank. In fact, we have been working with the Voinovich School at Ohio University to evaluate not only the impact of integrating programs and service delivery, but also doing longitudinal studies on those who are participating in the programs so we can make informed decisions about where we go.

To blame the poorest of the poor, the hungriest of the hungry, because of the failure to collect adequate information is unconscionable.

Mr. KUCINICH. Thank you very much.

Mr. JORDAN. Ms. Hamler-Fugitt, you said participation in your programs is up currently?

Ms. HAMLER-FUGITT. Yes, sir.

Mr. JORDAN. By what percentage?

Ms. HAMLER-FUGITT. We are up nearly 47 percent.

Mr. JORDAN. So a few years back when the economy was in a much better situation, you had much fewer participants in your program, much less need for your food assistance program?

Ms. HAMLER-FUGITT. It has been climbing, not as drastically as it has in the past few years as a direct result of the great recession, but it has been climbing since the onset of welfare reform. Certainly we saw many folks who left the system, did not know that other supportive services were available.

Mr. JORDAN. Do you anticipate as the economy improves your numbers going down? Has that been the pattern in the past? Have you seen in good economic times, you have less and in bad economic times, you have more participants?

Ms. HAMLER-FUGITT. No, unfortunately, we haven't.

Mr. JORDAN. You don't anticipate when the economy improves—which we all hope it does sooner rather than later—any less participants in your program?

Ms. HAMLER-FUGITT. I don't. If you look at the data, Ohio currently ranks 50th out of all States in income growth.

Mr. JORDAN. I am going back to the point Mr. Rector made. Most people assume when the economy improves, there is less need for social services.

Ms. HAMLER-FUGITT. It would be so if the jobs that are coming back paid a livable wage, but certainly what we have seen is surge in minimum wage jobs being created in the State and over half of

the 31,000 jobs that were created over the last year came in the retail sector were paying minimum wage or slightly above minimum wage.

Mr. JORDAN. You said there has been a higher growth rate in the last few years but it was growing even in 2005 and 2006. Is any of that attributable to a broader definition of who qualifies? How does it work?

Ms. HAMLER-FUGITT. On the Food Stamp Program, we certainly have made some changes and I would say that some of those policy changes have brought in more people. It has also been about education, assuring people standing in our food lines that the Food Stamp or the SNAP Program was available. We have been pretty aggressive in our outreach. Our goal is we want people standing in grocery store checkout lines instead of food pantry lines, making healthy decisions for themselves and their families.

Mr. JORDAN. Would you agree that it would help if we knew how many social welfare programs actually exist in the Federal Government, how much we spend totally and whether those programs are actually helping the people they are intended to help?

Ms. HAMLER-FUGITT. Yes, sir, Mr. Chairman. That is good government.

Mr. JORDAN. Mr. Mashburn, talk to me a bit more about this whole block grant concept. It seems to me you get the dollars to the local level to people like Ms. Hamler-Fugitt who will actually work with the folks on the State and local level. That makes a lot of sense and how it was used with TANF. Give me the broader perspective on the block grant concept.

Mr. MASHBURN. The block grant concept as far as TANF was concerned, initially was a bare bones block grant which was you sent an amount of money to the States, you didn't do a maintenance effort requirement on the States and in the negotiations—the Clinton administration and others—there was a maintenance of effort requirement imposed on the States. Then the Governors came in and said, if you are going to require us to keep spending what we are spending, you at the Federal level have to keep spending what you are spending. You guaranteed that level at the Federal level, you didn't index for inflation.

That had a strange effect in that the State bureaucracies knew they were going to get a guaranteed amount of money and knew if they reduced the rolls, they weren't going to lose any of that money. Whatever savings they had, they were required to spend it on a harder to place population.

That had a lot of the effect and changing the welfare bureaucracies from basically a caseload enrollment center into employment agencies, getting people trained, getting people off the rolls. The work requirement changed the attitudes and the motives of the recipients, but the funding mechanism through the capped but guaranteed level of Federal spending changed the motivations and the economic incentives for bureaucracies themselves. They didn't have to worry about losing money.

They also weren't able to count of being given more money like under AFDC where every time you enrolled a new recipient, you got 80 percent of your costs from the Federal Government.

Mr. JORDAN. Let me ask one more question for both you and Mr. Rector.

The first piece of legislation I got passed as a member of the Ohio General Assembly was time limits for able bodied adults receiving cash assistance. We argued at the time, and I think we were proven right, deadlines influence behavior. If able-bodied adults know there will come a point where they will no longer be eligible for the benefit, in this case, it was cash assistance, it influenced what they did. It was amazing no one got kicked off the program because they found work, they found opportunities. They had the right incentive in place to actually find employment prior to the deadline. Deadlines influence behavior. Deadlines change things.

Do you think we need to move more in that direction with many of these programs, both Mr. Mashburn and Mr. Rector?

Mr. RECTOR. That is the basic point about whether these programs accomplish their goals. The problem is that in 95 percent of these programs, the goal is to give people stuff. That is the only goal and the government can give away a lot of things. It has given away $16 trillion since the beginning of the War on Poverty. When you give people free food or free housing, they have something they didn't have before.

The problem is that in doing this, we have created a culture of dependency and the more money you give, the more dependent people you generate. The work ethic goes down and marriage disappears as the welfare checks serve as a substitute for the husband. That is why you can never stop spending in these programs. The more you spend, the more you need for assistance you generate.

In all of these programs, you need to basically say, we want to assist you, but we want to assist you in such a way that we encourage the best efforts on your part. We are going to require you to prepare for work or take a job. We are going to create a welfare system that isn't hostile to marriage. By the way, we are also going to tell young people that if you don't want to be poor, the No. 1 thing you can do in the United States is be married before you have a child. It is more effective than graduating from high school.

No one ever knows that. Suppose we never told high school dropouts that dropping out of high school was bad for them. In terms of the No. 1 cause of poverty, which is non-marital birth, we never tell anyone about that. We need to create a system that supports but at the same time encourages positive behavior.

None of these programs have that objective, except for TANF perhaps. Therefore, they can succeed but what they are succeeding in is giving people assistance and making future generations dependent on welfare.

The other thing we need to be very careful about is exaggerated statements about need. As I have indicated, and these figures are correct, we are spending close to $30,000 when you take all these programs together for each low income family with children. If we are spending that amount of money and still have all these kids with empty stomachs, I am a critic of the government but my goodness, that would be worse than anything I could possibly imagine.

The reality is when we look closer at this, and I agree that food assistance needed to go up during the recession. It has gone up but

if you look at the USDA data, which has a survey of food security and hunger, it shows during 2009 of all the poor people and the poor children in the United States, only 4 percent of them had any disruption of food intake that might relate to hunger; 96 percent of poor children did not experience that; 80 percent of poor adults did not experience any disruption of food intake at any point during the year. It is right in these reports which are national surveys. I think that is good. That is not something I am complaining about.

As we look at spending of the dollar, we have to be realistic in understanding what the nature of the need is and not to constantly exaggerate and constantly say all we need is more money.

Mr. JORDAN. Let me ask Ms. Hamler-Fugitt one question and then I will go to Mr. Mashburn.

Ms. Hamler-Fugitt, what percentage of the people you serve come from single parent homes?

Ms. HAMLER-FUGITT. We don't track that data, Mr. Chairman.

Mr. JORDAN. Hazard a guess.

Ms. HAMLER-FUGITT. Don't track the data.

Mr. JORDAN. You sort of have a feeling. Getting to Mr. Rector's point, is it that we have a system that encourages people not to be married? I am just curious if that is what you are seeing in the food side of things versus some of the other programs?

Ms. HAMLER-FUGITT. I would agree that certainly looking at the latest census data that has come out on the community survey, we are seeing an increase in poverty among single female heads of households. I do want to make a statement that in welfare reform, there was a lot of work we did at the State level, as you know, with the Governor's Office of Faith-Based and Community Initiatives around looking at these issues and incentives including around family formation. I think to some degree the States have done a good job.

Mr. JORDAN. Mr. Mashburn, then Mr. Kucinich.

Mr. MASHBURN. I would just point out there is another GAO report that came in February 2010, Temporary Assistance to Needy Families. Fewer eligible families have received cash assistance since the 1990's. When you first look at that, it sounds like there are a lot of people out there eligible for benefits that aren't receiving them and the government ought to do something about it to make sure they receive it.

When you did into the report, they mention you go from 57 million eligible families in 1995 down to 53 million eligible families in 2005 which is a lot less than the reduction in the TANF caseload over that period of time. You realize that the way they count non-participation is a person found a job on their own, the government found them a job before they got on TANF, there are people not participating because they can actually make more money in some of the other welfare programs if they don't take the TANF benefits because TANF benefits count toward your eligibility and your level of benefits in other programs like SNAP.

Finally, a lot of the non-participants didn't like the hassle of having to prove to the taxpayers that they were deserving of help from the taxpayers because they didn't like having to go to the job interviews, the work requirements, all the other stuff so they just said,

I won't take TANF. I will get SNAP or some of these other benefits. Those were counted as non-participants.

If you have a job and you are not participating, you may in the income eligibility framework to be eligible for TANF, but the fact you got a job and you are self-sustaining doesn't mean the government needs to sign you up for TANF and get you to quit your job.

Mr. KUCINICH. Mr. Rector, I just want to make sure that I heard you correctly. Did you say that welfare checks are substitutes for husbands?

Mr. RECTOR. In a large part, what welfare assistance has done is to supplant the role of the male earner in the home. The numbers are just there.

Mr. KUCINICH. You said welfare checks substitute for husbands? Did you say that?

Mr. RECTOR. Yes.

Mr. KUCINICH. I just have to say that seems like somewhat of a simplistic formulation. Do you really mean that to be what you say for the record because if you do, we have to go a bit deeper into this.

Mr. RECTOR. Let us go deeper into it. That may be a little bit crude but yes, I would absolutely say that welfare, not just cash checks but the whole system, has served as a substitute for the role of the male breadwinner in the home. In fact, without that massive level of assistance, there is no possible way that we could have gone from a 7 percent out of wedlock birth rate in 1965 to a 42 percent rate today simply because these low income mothers would not be able to sustain those children without government assistance.

Mr. KUCINICH. These low income mothers, do you want to tell me a little bit about what these low income mothers should be doing?

Mr. RECTOR. I would be very happy to. A lot of people confuse non-marital births with teen pregnancy. Only about 7 percent of these births occur to girls under 18. It is mainly young adult women, 19 to 25. Most of these births are intentional, the mother desires to have a child, the mother sees having a child as an important role and goal in her life. The data I am reading now comes from something called The Fragile Family Survey, out of Princeton University. It is very important to understanding this phenomenon.

These mothers are actually also quite sympathetic toward the idea of marriage in the wrong term. They would like to have a husband, a house in the suburbs, a couple kids and a mini-van, a dog, very traditional goal. What has happened is that we have developed a culture where they think it is not important to be married before bringing children into the world, that you have children first and then you look to get married.

I am not making this up. I can come to your office and give you books and books on this, all written basically by liberal scholars. Our understanding of this has increased greatly.

Mr. KUCINICH. So what do you propose? Do you propose that we don't feed these children?

Mr. RECTOR. No, that wouldn't work very well.

Mr. KUCINICH. What do you propose?

Mr. RECTOR. What I would propose is that each of these programs, as I tried to explain earlier, does have a penalty that if you

do get married, you lose some benefits. We ought to try to soften that a bit.

Mr. KUCINICH. How would you soften it?

Mr. RECTOR. You could either reduce the benefits that go to the single parent or you could increase the benefit.

Mr. KUCINICH. Why would you reduce anybody's benefits in a period where people are having trouble making ends meet? I don't interrupt you, don't interrupt me.

Mr. RECTOR. Fine.

Mr. KUCINICH. I want to submit for the record an article from the New York Times dated March 21, 2011. The headline says, "Many low wage jobs seen as failing to meet basic needs." I am going to read just a few quotes from this. "Hard as it may be to land a job these days, getting one may not be nearly enough for basic economic security. Many of the jobs being added in retail, hospitality and home health, to name a few categories, are unlikely to pay enough for workers to cover the cost of fundamentals like housing, utilities, food, health care, transportation and in the case of working parents, child care."

It also says "A single worker with two young children needs an annual income of $57,756, just over $27 a hour, to attain economic stability. A family with two working parents and two young children needs to earn $67,920 a year or about $16 a hour per worker. That compares with the national poverty level of $22,050 for a family of four. The most recent data from the Census Bureau found that 14.3 percent of Americans were living below the poverty line in 2009."

There is one other quote I want to read. "The numbers will not come as a surprise to working families who are struggling. Tara, a medical biller who declined to give her last name, said she earns $15 a hour while her husband works in building maintenance and makes $11.50 a hour. The couple live in Jamaica Queens and have three sons, aged 9, 8 and 6. 'We try to cut back on a lot of things,' she said, but the couple has been unable to make ends meet on their wages and visit the River Fund Food Pantry in Richmond Hill every Saturday."

We have a jobless recovery where the Fed is printing money out of nothing and giving it to banks, banks not loaning money to mainstreet so jobs can be created. I have never in my time seen so many people standing in line to get food even in my own neighborhood in Cleveland. We have to be very careful about engaging in sophistry while people are not just struggling to make ends meet but people are starving.

I respect all the witnesses, you are very kind to be here and testify but there is a point at which, Mr. Chairman, some of this testimony is a bit tough to take.

Mr. JORDAN. But would the gentleman agree that it is important for programs to have the right incentives in place and would the gentleman agree, and I think he would, that many of these 100 plus programs do encourage the wrong kind of behavior. We can disagree on what the remedy is but I think the gentleman would agree that when you have incentives in place that don't encourage the pursuit of work, maybe encourage more children to be borne

out of wedlock, wouldn't you agree that we at least need to try to figure out a way to address that?

Mr. KUCINICH. I think the purpose of this hearing that deals with attempting to streamline programs, I think is a great idea, absolutely. I think we should all agree with that. When testimony moves from that into value judgments on people, particularly single women who find themselves in extraordinary circumstances, I would bet there are probably a number of Members of Congress raised by one parent families, in particular single women, who find themselves in extraordinary circumstances. The mother's first concern is to feed her kids. That is No. 1, even before the roof.

Mr. JORDAN. Would the gentleman answer the question? Don't you think we do need to at least try to address the incentive situation in these programs?

Mr. KUCINICH. I think we ought to give people jobs. Jobs create work. There ought to be work, not welfare, for those who are able to work. That is fundamental. When you have Wall Street accepting that a certain amount of unemployment is necessary for the proper functioning of the economy, I think that is a moral question.

Mr. JORDAN. Would the gentleman also agree that when you have over 100 different means-tested social welfare programs, we can't determine the exact number, according to the GAO; we can't determine how many of those programs are successful; and we don't have any idea what the aggregate cost is or what we are spending on all those programs, that is a problem as well?

Mr. KUCINICH. I think we have to sort out those things while we keep feeding people.

Mr. JORDAN. I thank the gentleman.

I will yield now to the gentlelady from New York.

Ms. BUERKLE. Thank you, Mr. Chairman.

Mr. Mashburn, I want to go back to your testimony and the line of questioning with the chairman. I just have a quick question.

Do you think if we talk about block grants for food assistance programs, there should be some requirement and attach work to it as we did with welfare programs?

Mr. MASHBURN. Certainly.

Ms. BUERKLE. Why do you think that?

Mr. MASHBURN. It provides an incentive for people. It doesn't rob their dignity from them; they work for some of their benefits. At the same time, it keeps people from abusing and gaming the system. As I mentioned earlier, some of the people don't enroll in the TANF program even though they are eligible; they enroll in the other welfare programs because they get more benefits from the other programs. It is because they don't want to have to go through the work requirements and all the other hassles, which is mentioned in the report, hassle of applying for the benefits and complying with the requirements.

If it is too much hassle to do that, that you don't want to take TANF, the same situation being in food stamps, if you are not willing to go through the process to justify the fact that you need help from the taxpayers and your fellow citizens, and that is too much of a hassle, in my view, I don't believe you deserve food stamps to at least go through that process. Work requirements and other requirements like that, whether it is community service or something

like that, ensures they are not getting free money from the government, they are giving something back in return. That does give them dignity as individuals.

Ms. BUERKLE. Thank you.

Mr. Rector, I want to go back to the line of questioning with my colleague, Mr. Kucinich. You were starting to talk to us about a study done at Princeton. We got into the line of questioning about how we could not penalize. Going to the chairman's point, I think we want to make sure everyone gets what they need, but we also know there are always unintended consequences. You started to talk about how we can soften that so we don't discourage single women from getting married.

Mr. RECTOR. First of all, let me clarify I am not talking about ripping food away from people in the middle of a recession. I think everything I was talking about here is long term and I think I have been very clear that most of these reforms would have to take place as the recession eases.

You do find you are giving about 75 percent of the assistance that goes to children, means-tested assistance is going to single parent households. The welfare state basically exists to support single parenthood. That is an unintended consequence.

If you had gone back to the 1960's, at that point, Daniel Patrick Moynihan warned us about this and everyone said, that is not going to happen. It was much worse than he ever dreamed it could be and it is now affecting basically the whole bottom third of the population. You are giving a lot of assistance now to able-bodied parents who don't work, you can begin to make the system more rational by requiring that all able-bodied recipients in these programs should work or prepare for work as a condition for getting aid. That would greatly rationalize the system.

You can also provide somewhat greater assistance, less discrimination against married couples but let me talk about the consequence of that. In this Fragile Family Survey, we actually have data about the mother but we also have data about the father which is pretty unusual in social science because we are not very interested in fathers in this country.

The reality is if you take these 40 percent of births out of wedlock, this is the road to poverty in the United States, 70 to 75 percent of child poverty occurs in single parent families. If you took these mothers and actually married to the actual father of the child, not a hypothetical, not somebody I dreamed up, in two-thirds of the cases, the income the father would bring into that home would bring the family completely out of poverty. In many cases, the mother wouldn't even have to work. This is the strongest anti-poverty weapon in the United States today.

When you survey these women, you find they are not hostile to marriage. In fact, they would like to get married but they actually have this pattern of saying, I want to have a child first, then I am going to start to look around for a husband, I will get married later on. We ought to begin to explain that if you want your child to not be poor, that set of decisionmaking is probably not the best route for you to go down.

We ought to explain the single largest cause of child poverty in the United States is having a child without being married and they

might want to look at other options to meet their own goal, not to meet my social values or your social values, but to actually meet their own personal goals of which marriage is a substantial part. Not being poor is also another substantial part.

No where in the welfare system do we ever provide these at risk young people, both men and women, with this information. I think it is a national tragedy.

Ms. BUERKLE. Thank you. I yield back.

Ms. HAMLER-FUGITT. Mr. Chairman, if I could make a point of note to correct statements that both Mr. Rector and Mr. Mashburn made. There are work requirements for both SNAP and cash assistance. Let me be crystal clear, people who receive these benefits must work off those benefits and in my system, thousands of individuals come into a food pantry, a soup kitchen or a food bank every day and they work hard for those benefits.

Mr. JORDAN. Mr. Cummings.

Mr. CUMMINGS. Mr. Rector, I live among the people you just talked about and I think unless you are a woman, and unless you sit in a woman's place, I think you make some pretty strong statements talking about women not wanting to be married and making a choice to have a baby first. I am sitting here and I can't believe what I am hearing.

Be that as it may, Ms. Hamler-Fugitt, one of the things we are trying to get at in this hearing is whether certain Federal programs are redundant or wasteful. We must strive to eliminate unnecessary duplication and streamline delivery benefits but I hope that the Republican idea of duplicative food assistance programs is not breakfast, lunch and dinner.

Help us think about this the right way from the perspective of families and seniors who are eligible for these programs. I would like to ask you these questions. Are Ohio families you work with being overfed?

Ms. HAMLER-FUGITT. No, sir, they are not.

Mr. CUMMINGS. Can they take a budget cut as the Republican majority's budget imposes on food assistance they receive?

Ms. HAMLER-FUGITT. No, sir, they can't. With rising food and fuel costs, they are making choices about who eats tonight and who doesn't eat.

Mr. CUMMINGS. Do you deal with the school lunch program at all?

Ms. HAMLER-FUGITT. Yes, sir. We work all of the Federal nutrition programs through our Ohio Benefit Bank, ensuring that people know about the programs and helping to streamline the application process. I also want to say that this isn't only just the greatest generation, this is the next generation that we are losing their ability to not only for our greatest generation to live out their golden years with a little bit of dignity to be able to feed themselves, but we are sacrificing our future to allow hunger and malnutrition to exist at the rates they do in this country.

Mr. CUMMINGS. While rich folks get the tax breaks.

Let me go to something, Ms. Hamler-Fugitt. The other day I was thinking about when I was a little boy. My mother and father had limited education, and by the way, they worked every day, Mr. Rec-

tor, every day, from sun up to sun down. My mother was a domestic for $7.50 and car fare. My father was a laborer.

We used to get graham crackers and milk every morning. They worked hard and they were able to educate, on a domestic salary and a laborer's salary, seven children, one of whom is a Member of the Congress of the United States of America today. I think what Ms. Hamler-Fugitt is trying to say is that we have to make sure that we take care of our people and we take care of our children. If I did a rewind, if I took some of the positions that I guess you are taking, I wouldn't be here today, nor would my fellow brothers and sisters be achieving the things they achieve.

Going back to you, Ms. Hamler-Fugitt, are they enrolled in multiple job training programs, these folks you see or is there a waiting list for job programs?

Ms. HAMLER-FUGITT. Yes. Again, with welfare reform and not only passage of the Personal Responsibility Work and Opportunity Reconciliation Act but the Work Force Investment Act, these were devolved and a lot of what has happened in the fragmented system is that they were not only devolved to the States but they were also devolved to the county level were a county-operated the system. It is the luck of the draw.

Mr. CUMMINGS. A lot of people are trying to train for jobs that aren't even there, is that right?

Ms. HAMLER-FUGITT. We are seeing record enrollment in community colleges where people are trying to get new skills and upgrade their skills, but again, there are limited slots available to these programs. I would like to speak to one in particular.

Mr. CUMMINGS. While you are talking about that, I want you to answer this. Do all homeless individuals have access to shelter and are they getting two beds for the night because of duplicative assistance?

Ms. HAMLER-FUGITT. As to the homelessness question, no. They do not have two beds and in fact, many now find themselves, if they are lucky, have a family or friend that has taken them in; we have seen household demographics increasing substantially because families have lost their homes. The shelters are full. In the State of Ohio, we have families who are sleeping in cars at roadside rests in the State of Ohio and I suspect it is the same in your State.

Mr. CUMMINGS. In the United States of America?

Ms. HAMLER-FUGITT. Yes, sir.

Whether there are sufficient job training programs, there is a program where we are seeing more seniors than ever trying to reenter the work force. Despite their efforts of working hard, thinking they had saved enough for their golden years, they are attempting to re-enter the work force.

There is a program called the Ohio Senior Community Services Employment Program that is designed specifically to help older adults aged 55 and older to access meaningful job training, on the job training. There are a limited number of slots. I can tell you from firsthand experiences, we get calls every day from seniors begging to get into this program and it pays a modest $7.25 an hour.

Mr. CUMMINGS. Mr. Chairman, thank you for your courtesy. I see my time has expired.

Mr. JORDAN. Just one last question for Mr. Mashburn. If, in fact, social welfare spending for these 100-plus programs, we can't determine the exact number, it has steadily increased. That is true over the 40 some years. If it has always been increasing, why the terrible results? If all we have been doing is increasing money for this all along, doesn't it make sense to look at it differently and figure out if we can combine programs, make it work more efficiently?

If we keep doing the same thing, we will keep spending the same amount of money and Ms. Hamler-Fugitt will have more people coming to her needing food and assistance because obviously it is not working the way it was supposed to.

Mr. MASHBURN. She talked about it devolving to the State level and the county level. If there are work requirements in the program in Ohio, it is probably because either the State or the county has required it.

As far as the money spent, you keep spending the money unless you start giving people incentives and help them find jobs so they don't need the system. If you just support them in their status quo in the system, you don't train them and there is no penalty for staying, you will have the caseloads you have plus future caseloads as well which is why the spending keeps going up.

Mr. JORDAN. Ms. Dalton, has the GAO ever come forward with what you recommend? We know the problem, we don't know what we are spending, we know it is a lot and it has been $16 trillion over the last 50 years. We know we are spending a lot, we can't determine the number of programs, we don't know which are ultimately successful. We do know the food program is working in Ohio, but we don't know everywhere else what is going on. Is the GAO going to come forward with recommendations on what to do?

Ms. DALTON. We are not going to make specific recommendations. The discussion here has shown that this is really a policy issue. We do talk about the need for good data, the need to rationalize the system. It is a system that in all the areas I discussed, it evolved over time with very good intentions but now we have 80 programs here, 40 programs there. There is a need to look at what do we want to achieve, who do we want to serve and what is the best way to achieve that. I think those are the three basic questions that need to be answered to design the programs to achieve those.

Mr. JORDAN. Ms. Buerkle has one last question and we will be done.

Ms. BUERKLE. For an organization that receives Federal dollars, is there no requirement that they track their results? Does anyone know the answer to that question?

Mr. RECTOR. I do. Basically, for example, with job training, there are not requirements and when you do have a requirement, for example, to run a controlled experiment, the programs are not very effective. I would also say when you do have information in the political system, it tends to get disregarded.

I would reference you all to a report called the 2009 Annual Homeless Assessment Report which is prepared by HUD for the Congress. I will give you a copy of that. It says very different things than you just heard here and happens to be a survey of

every homeless shelter in the United States conducted on a scientific basis.

It shows actually no increase in the use of homeless shelters over the last 3 years and the average homeless shelter in the United States on any given night has a vacancy rate of 10 percent. If we are not going to use information like that, I suspect we could cut these reports out and make things up.

Mr. KUCINICH. Would the gentlelady yield?

Ms. BUERKLE. Yes, sure.

Mr. KUCINICH. Just for a moment. May I ask the gentleman a question? Are you saying that there has been no increase in homelessness or just that there is no increase in the use of homeless shelters?

Mr. RECTOR. The report shows neither increase which I also find surprising, but more importantly, it basically shows the level of homelessness is relatively low and that the homeless shelters on average on a continuing basis have vacancies.

Ms. BUERKLE. Thank you.

Ms. Dalton, you appear to have a comment.

Ms. DALTON. Yes. There are a couple points I want to make in terms of determining whether the programs are effective and what they are required to do.

Most of the programs do have requirements to present some performance information. Whether or not it is the right information or whether it is integrated is oftentimes not done. There is a new law that the Congress passed last year called the Government Performance and Results Act, Modernization Act. That act is requiring improved performance reporting by Federal agencies and most importantly, it's targeting coordinated performance information trying to get information about programs that work together.

It will be important to implement that act properly. I think that may at least start us on a path to some quality performance information.

Ms. BUERKLE. Thank you very much. I yield.

Mr. JORDAN. Let me thank our witnesses again for a good discussion.

We are adjourned.

[Whereupon, at 4:49 p.m., the subcommittee was adjourned.]

[The supplemental prepared statement of Hon. Dennis J. Kucinich and additional information submitted for the hearing record follow:]

Supplemental Statement of Rep. Dennis J. Kucinich on Homelessness
Ranking Member, Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending
Hearing on: "Duplication, Overlap and Inefficiencies in Federal Welfare Programs"
June 1, 2011

The harsh reality of homelessness burdens an unacceptable number of Americans. The depressed wages, stagnant unemployment, and unrelenting housing costs accompanying the Great Recession have caused a heightened risk of homelessness for more and more Americans. This reality threatens the revitalization of the American economy.

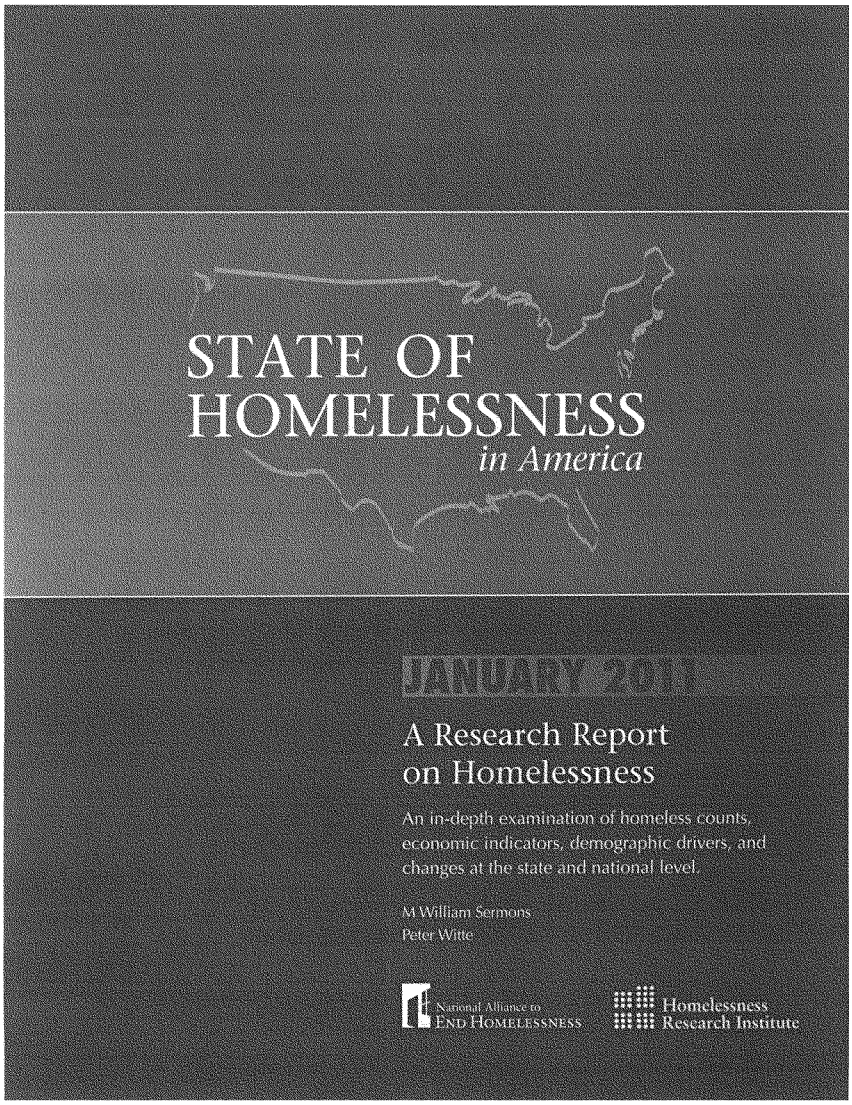
As the National Alliance to End Homelessness *State of Homelessness in America* Report – issued on January 11, 2011 and attached hereto – found, "[t]he nation's homeless population increased by approximately 20,000 people from 2008 to 2009 (3 percent increase). There were also increased numbers of people experiencing homelessness in each of the subpopulations examined in this report: families, individuals, chronic, unsheltered."

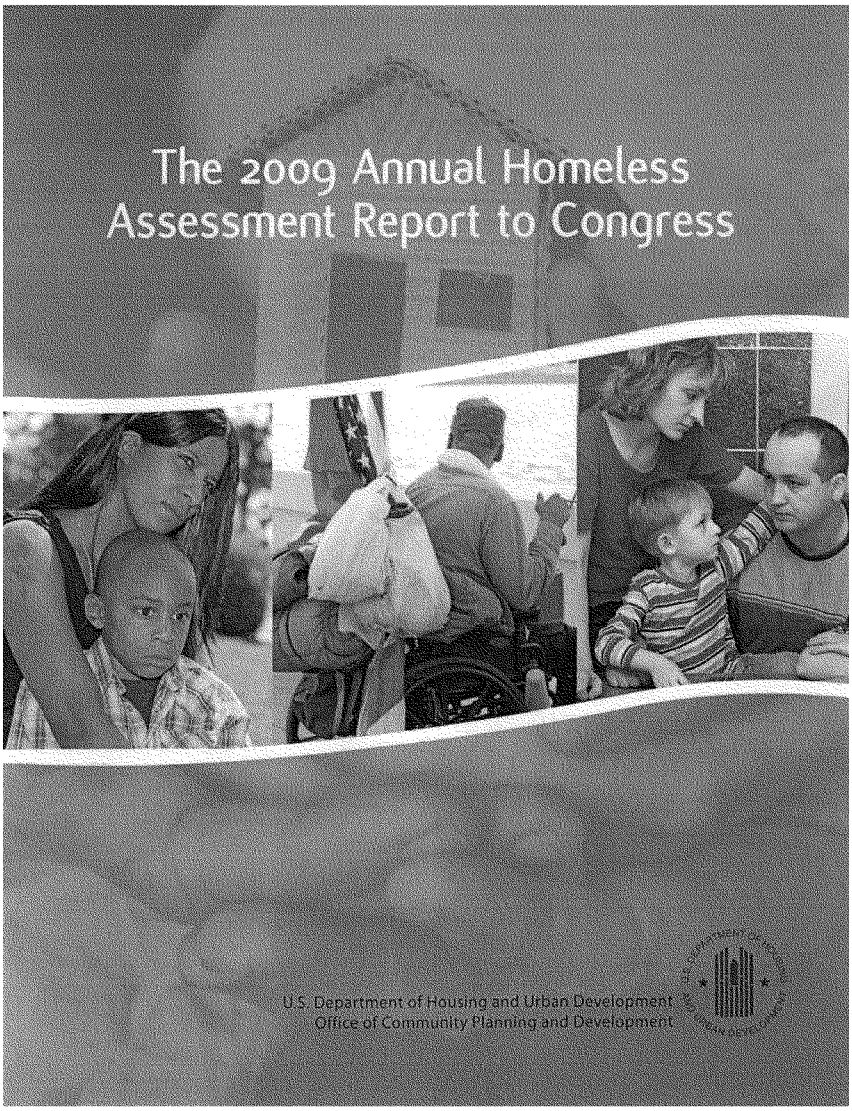
The 2009 Annual Homeless Assessment Report to Congress, also attached to this statement for inclusion in the record, refutes the testimony of Mr. Robert Rector, in his conclusion that there has been "neither" an increase in homelessness nor the level of use of shelters, or that the level of homelessness is "relatively low."

The findings in the HUD report reflect a shifting of HUD priorities from allocating resources and prioritizing temporary homeless shelters to assisting the homeless in finding permanent housing. But the need for places to sleep has certainly not declined. In fact, recent data indicates spikes in homelessness, particularly among families. As the National Coalition for the Homeless points out in the attached *MicroAnalysis of Data from HUD's Reporting on Homelessness*, from 2008 to 2009, the number of families experiencing homelessness increased by over 3,200 households (4 percent increase since 2008, overall 13 percent increase since 2007).

In July, 2010, Secretary Shaun Donavan, stated "[o]ur recently released Annual Homeless Assessment Report found that any given night in America, more than 640,000 men, women, and children are without housing—that while we continue to make progress reducing chronic homelessness, family homelessness in rural and urban areas alike has risen by 30% over the last two years."

Homelessness remains a critical problem that needs continued support and funding for programs that create strong, sustainable, inclusive communities and quality affordable homes for all.


STATE OF
HOMELESSNESS
in America
JANUARY 2011
A Research Report
on Homelessness
An in-depth examination of homeless counts, economic indicators, demographic drivers, and changes at the state and national level.
M William Sermons
Peter Witte
National Alliance to
END HOMELESSNESS
Homelessness
Research Institute


The 2009 Annual Homeless
Assessment Report to Congress
U.S. Department of Housing and Urban Development
Office of Community Planning and Development

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MARTHA

March 31, 2011

Many Low-Wage Jobs Seen as Failing to Meet Basic Needs

By MOTOKO RICH

Hard as it can be to land a job these days, getting one may not be nearly enough for basic economic security.

The Labor Department will release its monthly snapshot of the job market on Friday, and economists expect it to show that the nation's employers added about 190,000 jobs in March. With an unemployment rate that has been stubbornly stuck near 9 percent, those workers could be considered lucky.

But many of the jobs being added in retail, hospitality and home health care, to name a few categories, are unlikely to pay enough for workers to cover the cost of fundamentals like housing, utilities, food, health care, transportation and, in the case of working parents, child care.

A separate report being released Friday tries to go beyond traditional measurements like the poverty line and minimum wage to show what people need to earn to achieve a basic standard of living.

The study, commissioned by Wider Opportunities for Women, a nonprofit group, builds on an analysis the group and some state and local partners have been conducting since 1995 on how much income it takes to meet basic needs without relying on public subsidies. The new study aims to set thresholds for economic stability rather than mere survival, and takes into account saving for retirement and emergencies.

"We wanted to recognize that there was a cumulative impact that would affect one's lifelong economic security," said Joan A. Kuriansky, executive director of Wider Opportunities, whose report is called "The Basic Economic Security Tables for the United States." "And we've all seen how often we have emergencies that we are unprepared for," she said, especially during the recession. Layoffs or other health crises "can definitely begin to draw us into poverty."

According to the report, a single worker needs an income of $30,012 a year — or just above $14 an hour — to cover basic expenses and save for retirement and emergencies. That is close to three times the 2010 national poverty level of $10,830 for a single person, and nearly twice the federal minimum wage of $7.25 an hour.

A single worker with two young children needs an annual income of $57,756, or just over $27 an hour, to attain economic stability, and a family with two working parents and two young children needs to earn $67,920 a year, or about $16 an hour per worker.

That compares with the national poverty level of $22,050 for a family of four. The most recent data from the Census Bureau found that 14.3 percent of Americans were living below the poverty line in 2009.

Wider Opportunities and its consulting partners saw a need for an index that would indicate how much families need to earn if, for example, they want to save for their children's college education or for a down payment on a home.

"It's an index that asks how can a family have a little grasp at the middle class," said Michael Sherraden, director of the Center for Social Development at Washington University in St. Louis, who consulted on the project and helped develop projections for how much income families need to devote to savings. "If we're interested in families being able to be stable and not have their lives disrupted and have a little protection and backup and be able to educate their children, then this is the way we have to think."

The numbers will not come as a surprise to working families who are struggling. Tara, a medical biller who declined to give her last name, said that she earns $15 an hour, while her husband, who works in building maintenance, makes $11.50 an hour. The couple, who live in Jamaica, Queens, have three sons, aged 9, 8 and 6.

"We tried to cut back on a lot of things," she said. But the couple has been unable to make ends meet on their wages, and visit the River Fund food pantry in Richmond Hill every Saturday. With no money for savings, "I'm hoping that I will hit the lotto soon," she said.

To develop its income assessments, the report's authors examined government and other publicly available data to determine basic costs of living. For housing, which along with utilities is usually a family's largest expense, the authors came up with "a decent standard of shelter which is accessible to those with limited income" by averaging data from the Department of Housing and Urban Development that identified a monthly cost equivalent for rent at the fortieth percentile among all rents paid in each metropolitan area across the country.

They chose a "low cost" food plan from the nutritional guidelines of the Department of Agriculture, and calculated commuting costs "assuming the ownership of a small sedan." For health care, they calculated expenses for workers both with and without employer-based benefits.

Ms. Kuriansky said that the income projections do not take into account frills like gifts or meals out. "It's a very bare-bones budget," she said.

Obviously, the income needs change drastically depending on where a family lives. Ms. Kuriansky said the group was working on developing data for states and metropolitan areas.

The report compares its standards against national median incomes derived from the census, and finds that both single parents and workers who have only a high school diploma or only some college earn median wages that fall well below the amount needed to ensure economic security.

Workers who only finished high school have fared badly in the recession and the nascent recovery. According to an analysis of Labor Department data by Cliff Waldman, the economist at the Manufacturers Alliance, a trade group, the gap in unemployment rates more than doubled between those with just a high school diploma and those with at least a four-year college degree from the start of 2008 through February.

For some of the least educated, Mr. Waldman fears that even low wages are out of reach. "Given the needs of a more cognitive and more versatile labor force," he said, "I'm afraid that those that don't have the education are going to be part of a structural unemployment story."

Even for those who do get jobs, it may be hard to live without public services, say nonprofit groups that assist low-income workers. "Politicians are so worried about fraud and abuse," said Carol Goertzel, president of PathWays PA, a nonprofit that serves families in the Philadelphia region. "But they are not seeing the picture of families who are working but simply not making enough money to support their families, and need public support."

In New York, Áine Duggan, vice president for research, policy and education at the Food Bank for New York City, estimates that about a third of the group's clients are working but not earning enough to cover basic needs, much less saving for retirement or an emergency. She said that among households with children and annual incomes of less than $25,000, 83 percent of them would not be able to afford food within three months of losing the family income. That is up from 68 percent in 2008 at the height of the recession.

As the nation's employers add jobs, it is not yet clear how many of them are low wage jobs, especially those that do not come with benefits, like health care. Manufacturing, for example, has been relatively strong and tends to pay higher wages.

Over the last year, wages adjusted for inflation have been essentially flat. "If we were creating more low-paid jobs," said John Ryding, chief economist at RDQ Economics, "we would expect more of a decline in real wages."