

Waste Action Alert

*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Tom Price (R-GA), RSC Chairman*

Eliminate TANF Emergency Contingency Fund

April 14, 2010

Program or Item Targeted: “Emergency Fund” for the Temporary Assistance for Needy Families “TANF” program.

Cost of Program or Item: Total of \$5 billion FY 2009 and FY 2010, with an additional \$2.5 billion request in the President’s FY 2011 budget.

Background on Program or Item to Be Sunseted: Section 2101 of the so-called “stimulus” created a \$5 billion “emergency fund” for the Temporary Assistance for Needy Families (TANF) program. The TANF program is managed within the Office of Family Assistance within the U.S. Department of Health and Human Services.

Why This Program or Item Is Wasteful: The creation of the emergency fund for the TANF program threatens to undo the impact of the 1996 welfare reform law. Welfare reform replaced a system that rewarded states with more federal money as they increased their welfare caseloads to one that gave states a flat funding level. Since enactment of that law, welfare caseloads have fallen by more than 60%. The emergency fund for the TANF attaches strings in order for a state to receive funding that are rigged in favor of *expanding* welfare caseloads. Specifically, a state has to increase its welfare caseloads in order to receive any funding, and states receive an 80% match to cover all expenses associated with *increasing* their welfare caseloads. This provision in the “stimulus” bill recreates one of the worst features of the previous Aid to Families with Dependent Children (AFDC) program—the incentives for states to increase their welfare caseloads.

Legislative Steps Taken So Far: RSC Chairman Tom Price and Budget and Spending Taskforce Chairman Jim Jordan have introduced H.R. 1277, the Welfare Reform Restoration Act of 2009. This legislation repeals section 2101 of the “stimulus” bill, thus restoring the foundation of the 1996 welfare reform law. More information about H.R. 1277 can be found [here](#). To cosponsor, please contact Brad Watson at Brad.Watson@mail.house.gov.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail brad.watson@mail.house.gov.

If you have a bill or amendment to highlight in the next Waste Action Alert please contact ryan.tronovitch@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*“The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,
working to sunset programs that taxpayers shouldn’t be paying for.”*