



October 13, 2011

**Open Letter to Congressional Joint Select Committee on Deficit Reduction**  
**United States Congress**  
**Washington, DC 20510**

When Congress passed the Budget Control Act of 2011, it created an opportunity for addressing major reforms in health and human services that is truly unique. The Joint Select Committee on Deficit Reduction has been given carte blanche authority in designing a package of recommendations to reduce the federal deficit by at least \$1.2 trillion over the next ten years.

The American Public Human Services Association (APHSA) would like to make three recommendations to the Joint Select Committee:

- Do no harm to those programs that provide support to our most vulnerable populations
- Consider reforms that provide for long-term improvements in outcomes and savings
- Provide states with more flexibility and options in administering federal programs

APHSA is a nonprofit, bipartisan organization representing state and local human services professionals for more than 80 years. Our member agencies are responsible for implementing federally funded, state-administered human services programs, many of which are entitlement programs. Through a wide array of social programs for individuals and families the federal government funds and state agencies administer a network of support. This support system includes food assistance, housing, employment training, child protection, child support and care for the elderly and disabled.

APHSA recognizes that the Joint Select Committee has a difficult job and will by necessity have to look at entitlement programs for savings. APHSA strongly urges the Joint Committee to look for reforms that improve outcomes, provide for additional flexibility to states to address local issues, and be more efficient in how funds are allocated.

**Do No Harm**

One of the roadblocks Congress faces every year in trying to reduce the deficit is the high percentage of the federal budget that is not discretionary spending. In fiscal year 2010 approximately 60 percent of the federal budget was funded through "mandatory" spending, meaning that it was not subject to debate and amendment in the normal appropriations process. Furthermore, over the last several years timely reauthorizations of programs have been infrequent and as a result many programs are outdated inasmuch as they do not reflect changes in our economy and social structure. The Committee now has an opportunity to update the structure of these programs, give them a proper focus in achieving

meaningful outcomes, make them responsive to real needs, and provide opportunities for alignment and efficiency.

President Obama appointed a commission co-chaired by Erskine Bowles and former Sen. Alan Simpson which released a report in December 2010, *The Moment of Truth: Report of the National Commission on Fiscal Responsibility and Reform*. That report contained five critically important guiding principles, one of which was:

Protect the Truly Disadvantaged

- Focus benefits on those who need them
- Ensure an affordable and sustainable safety net

The report stated “We must ensure that our nation has a robust, affordable, fair, and sustainable safety net. Benefits should be focused on those who need them the most. About 20 percent of mandatory spending is devoted to income support programs for the most disadvantaged. These include programs such as unemployment compensation, food stamps, and Supplemental Security Income (SSI).” APHSA urges the Joint Select Committee to adopt the same guiding principle.

When Congress passed the Budget Control Act which created the Joint Select Committee, it put in place an automatic sequestration of federal spending should the President not sign a deficit reduction bill into law by January 15, 2012. Congress properly exempted several human services programs from sequestration. This exemption recognizes that our most vulnerable populations cannot afford to see cuts in human services programs such as Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP). However, the carte blanche given to the Joint Select Committee means that these very same human services programs are subject to major cuts should the members of the Committee so decide. APHSA encourages the Joint Select Committee members to uphold the spirit of compassion and community responsibility behind exempting human services programs from sequestration and not vote to reduce benefits in programs that serve our most vulnerable populations.

### **LONG-TERM SAVINGS**

APHSA recognizes that certain reforms can be made (and must be made) in human services programs that make them more efficient, less bureaucratic and less cumbersome. Congress has faced this situation in the past and passed legislation that successfully reduced federal expenditures and continued to provide needed assistance to individuals and needed opportunities to move toward self-sufficiency. In the 1990s Congress passed welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that included creation of the TANF program and the child care block grant program. Today these programs show multiple benefits from the flexibility built into them and the ability of states to target these funds toward specific outcomes—this in spite of the fact that Congress has not increased funding since 1996.

Individual human services programs each have distinct niches they fill, which when properly combined and aligned can create a seamless network of supports for employment and for dignified living for those unable to work. While providing different benefits and services, these programs are interrelated inasmuch as individuals often move from one program to another as their situations change. To a large degree, human services programs are preventive in nature since they can keep individuals and families from falling lower down the ladder. This array of programs is highly dynamic and interactive; individual and families often need help from more than one program, and as their situations change, their

eligibility for different programs change as well. As a result, reducing funding for one program--which will result in a lower utilization of that program--can often increase the utilization of another program, which could easily increase expenses over the long term, not decrease them.

The interdependence of benefits requires a broader vision of human services than the independent focus on single programs can provide. APHSA has identified four critical outcome areas in which human services programs operate to support individuals and families:

- Employment and Achieving Independence
- Well-being of Children and Youth
- Healthier Families and Communities
- Stronger Families and Communities

Like many other countries, the United States must come to grips with the reality that heavily regulated national safety network programs are inefficient and too expensive and are therefore untenable in their current design. A new paradigm is needed that maximizes efficiencies, reduces federal expenditures, allows for more flexibility for state agencies to respond to the needs of citizens, and still maintains an acceptable level of accountability that they are operating properly and in accordance with the intent of Congress.

The new financial realities facing the United States and the world make it essential that we have efficient, cost-effective and outcome-driven human services programs that work in conjunction with each other and that are oriented toward meaningful change in people's lives, not just process compliance. Paradoxically, at a time when the federal government and the states need to be investing in new technologies, infrastructure and innovative ideas, their budgets largely prohibit such expenditures. We urge the Joint Select Committee to realize that targeted up-front investments such as these will be necessary to realize the long-term savings potential of an outcomes-focused human services system. APHSA urges the membership of the Joint Select Committee to be more visionary and consider suggestions that result in better outcomes and lower expenditures over the long-term investment. State and local human services agencies know that increasing need and decreasing budgets are on a collision course that must be addressed and avoided.

#### **PROVIDE STATES WITH MORE FLEXIBILITY**

The recently passed child welfare waiver bill provides an example where reforms are needed. H.R. 2883, the Child and Services Improvement and Innovation Act, was signed into law on September 30, 2011. An alternate structure of how Child Welfare benefits are administered would give state agencies and more importantly, case workers, who have firsthand knowledge of a child's needs, the ability to decide the best course of action. Only then can state agencies achieve the outcomes we all support and desire. Federal funding is concentrated on foster care while states must also be concerned with a broader program of services that include prevention, protection and post-permanency. Consequently, state and local funding constitute more than 50 percent of total expenditures dealing with child welfare designed to promote the well-being of vulnerable children.

The National Association of Public Child Welfare Administrators (NAPCWA), an affiliate of APHSA, has recommended three goals for comprehensive child welfare finance reform that the Joint Select Committee should consider:

- Expand covered services by allowing states to use Title IV-E funds on services other than foster care

- Expand covered populations by delinking IV-E eligibility from the 1996 AFDC standards
- Maintain federal investment in Title IV-B and IV-E to meet the needs of children who come to the attention of the child welfare system and their families.

APHSA has shared a more detailed comprehensive child welfare finance reform policy proposal with both the Senate Finance Committee and the House Ways and Means Committee. These recommendations have received the support of a number of child welfare advocate organizations. APHSA recognizes that some of these recommendations may increase federal expenditures in the short term, but we believe that the net long-term impact of better addressing the needs of the nation's most vulnerable children is worth it financially and fulfills one of the most essential obligations of a government in providing for the general welfare of its citizens. In fact, providing for a more comprehensive approach to meeting the needs of children will result in better outcomes, thus reducing the need for additional human services in the future as more children become less dependent on the social safety network.

Title II of H.R. 2883 renews child welfare waiver authority for states for fiscal years 2012 through 2014, during which time the U.S. Department of Health and Human Services can approve up to 10 new waiver applications, for programs lasting generally up to five years. APHSA strongly supports this waiver provision but would argue that it should not be limited to just 10 states, and that the goals outlined in the waivers are the same goals the NAPCWA proposal would address if finance reform was enacted. Waivers that provide for general conditions to be met—such as requiring states to demonstrate that they have implemented or plan to implement at least two child welfare improvement policies specified in the bill—are a much preferred approach to administering human services programs. Since the waiver provisions do not allow for states to spend additional federal funds, allowing all states to apply for a waiver would be cost neutral while improving outcomes as states focus resources where they are most needed. In doing so, fewer children currently in the program will need assistance in the future.

Another program that is overly regulated and overly prescriptive, and that could realize greater efficiencies and impacts, is the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program. SNAP is one of the most unnecessarily complex and labor-intensive programs funded by the federal government. According to the House Budget Committee, federal spending on food stamps has quadrupled over the past 10 years. And yet in 2010, due in part to the program's complexity, 17.2 million households (or 14.5 percent, approximately one in seven), were food insecure, the highest number ever recorded in the United States.

In July of this year, Audrey Rowe, Administrator of the Food and Nutrition Service for the U.S. Department of Agriculture testified before the House Agriculture Subcommittee on Nutrition and Horticulture. During her testimony she stated that USDA nutrition "programs are a critical safety net for every American, designed to ensure that, whatever other challenges they face due to economic disruption, natural disaster, or personal challenges such as disease and disability, they need not experience food insecurity and hunger." The high percentage of Americans who are food insecure is one indicator among many that SNAP should become a far more effective tool in helping to address the nation's economic and nutritional well-being.

Congress has frequently examined the SNAP program and has made a number of changes to it over the years – many of them helpful and many of them supporting options that have made the program more accessible and less burdensome to administer. In its current configuration, SNAP is too complex to mesh well with other human services programs. As a result, states find it difficult to integrate SNAP into a fully operational system of outcomes-based human services. Reforms that allow states the flexibility to

use SNAP in these more effective ways must be a part of the Joint Select Committee's recommendations.

States should have the ability to find new ways to help move all human services participants toward independence through the full integration of human services programs and other funding streams. Current SNAP law and regulations do not support these outcomes in the most effective manner. Addressing hunger, and the conditions that lead to it, is not just an imperative for society's well-being; it is a fiscally responsible thing to do as well. To reduce the number of food-insecure families and individuals, state agencies should be allowed to design programs using federal funding that comply with broad guidelines but are flexible enough to support a broad spectrum of needs.

SNAP must adopt new means of assessing eligibility, determining benefit levels, verifying reported information and integrating with other programs. These means must be consistent with changes now being planned for programs like Medicaid and other health services that would use a common income base, central online verification hub, and a reorientation to outcomes as the basis for performance assessment. Widespread use of modern, real-time, consumer-oriented business processes must become the norm and not the exception.

APHSA understands that the Farm Bill reauthorization scheduled for next year, which reauthorizes SNAP, may become part of the Joint Select Committee's work this fall. APHSA encourages the Joint Select Committee to strongly consider steps to strengthen the SNAP program through maximum state flexibility coupled with accountability for improved program outcomes.

#### **CONCLUSION**

APHSA recognizes the extremely difficult task the Joint Select Committee members are facing. The challenges facing America in addressing its fiscal situation, and the need for transforming how programs are administered and benefits are delivered are considerable. To successfully address these issues the Joint Select Committee must take advantage of this unique opportunity and act with bold resolve to produce a package of recommendations that include solutions to long term chronic inefficiencies that waste money and manpower and leave our vulnerable populations wanting for assistance.

With an annual budget of nearly \$4 trillion, America is not short of resources. We only need to use those resources more wisely. The recommendations outlined above are designed to help the Joint Select Committee view possible solutions with a more open lens. We offer our assistance in addressing any of the aforementioned issues.

Sincerely,

A handwritten signature in black ink that reads "Tracy L. Wareing". The signature is written in a cursive, flowing style.

Tracy L. Wareing  
Executive Director