



March 1, 2024

Senator Mitch McConnell
317 Russell Senate Office Building
Senator Mike Crapo
239 Dirksen Senate Office Building

Dear Senators McConnell and Crapo - -

We are writing about the negative results which are expected if the current bill is enacted into law. We are Eloise Anderson, Chair of the Secretaries' Innovation Group, formerly Director of California Department of Social Services under Pete Wilson and Secretary of Wisconsin's Department of Children and Families for Scott Walker; and our executive director Jason Turner, welfare director under Wisconsin Governor Tommy Thompson and human services and workforce commissioner under New York City Mayor Rudy Giuliani.

The Secretaries' Innovation Group is a membership organization made up of state human services secretaries and workforce agency directors from states with Republican governors. We meet twice annually to trade ideas state-to-state and advance our policy objectives of work, healthy families, economic self-sufficiency and limited government. Over the life of the association we have had participation from 39 states, which is every state which has had a Republican governor since 2012.

Our association of Republican agency heads has a record of advancing pro-welfare to work initiatives, both among our member states and in our consultations with Ways and Means and House Agriculture. During the 2013 food stamp reauthorization, we proposed a work program which would permit states to keep some of the savings from those moved to work much as TANF (the Southerland Amendment). Our plan was enthusiastically advocated by then majority leader Eric Cantor and passed the House.

In a very good and useful analysis of the pending Child Tax Credit legislation AEI scholar Matt Weidinger summarized it very well - - The CTC expansion is rooted in desire to roll back work-based welfare. ¹ From the Heritage Foundation, Robert Rector's analysis notes the Ways

¹ <https://www.aei.org/articles/ctc-expansion-rooted-in-desire-to-roll-back-work-based-welfare/>

and Means bill expands harmful welfare and is not family tax relief.² He notes that 91.5 percent of the “family benefits” are cash welfare, not tax relief for working families.

What is the work orientation of human services secretaries and workforce directors from states with Republican governors?

Our secretary members reflect and implement the goals of their Republican governors. For the most part these governors are intent on growing the workforce and advancing state economic development, rather than extending and enhancing cash and benefits for those able to work but not employed. As a result our secretaries are very aware of national policies under which their ability to advance and require work from among their beneficiaries is affected. The current national environment, especially as it relates to FNS policies, is not conducive to maximizing employment. Adding unrestricted CTC benefits would make it worse and end the period of welfare reform as we have experienced it since the 1990s.

Are enhanced voluntary work programs the answer to expanded welfare under the CTC? Our secretary members generally report, and RTC research findings support, that voluntary work programs while benefits are ongoing are not sufficient to induce movement to active work programs or employment. From our long experience, the “law” of programs intended to advance employment demonstrates clearly that *benefits and obligations must be intertwined*. This is why TANF rolls declined, remaining low today whereas the food stamp caseload has grown substantially over twenty years.

The secretaries’ experience with CTC-like benefits during COVID

During the pandemic, the EITC was expanded and made available to individuals claiming to be self-employed (self-attestation) which exploded the level of fraud. Children’s social security numbers were traded and we learned what a high benefit open-ended cash program looks like in operational terms.

During this period, some of our secretaries reported that individuals subject to work requirements were ignoring these summonses to participate between the months of January through March. We learned that these beneficiaries were living on the substantial earned income tax credit for these months, whether they were actually employed or not. This phenomenon was made worse because this EITC benefit was mostly paid by the IRS in the form of a check paid by the formula. Unlike TANF and Food Stamps, benefits like the CTC do not require interaction with the state agency, neither human services nor workforce. Therefore, these beneficiaries do not experience case management or enforced obligations to participate. Many or most of these recipients, especially long term, accommodate themselves to living within the benefit amount.

The elements of running a robust program to maximize work requires active participation by the agencies, not just a check from the IRS

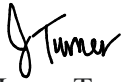
² <https://www.heritage.org/sites/default/files/2024-01/BG3811.pdf>

An effective work orientation requires the *active interaction between caseworkers and recipients*. Only this way will work obligations be transmitted, the merits of work promoted, and wrap-around services such as child care be directly provided as needed for participation. The IRS has no people in this game, they are absent from the lives of our beneficiaries. If the CTC as currently proposed were to become law, this generous amount would effectively make the agencies' efforts to create relationships with recipients who need benefits superfluous.

Sincerely,



Eloise Anderson, Chair



Jason Turner, Executive Director

414-839-6671

rusticator@gmail.com

secretariesinnovationgroup.org