

October 23, 2014

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The Honorable Dave Camp
Chairman
House Committee on Ways and Means
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
House Committee on Ways and Means
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

I'm writing to you regarding Congressional funding for rigorous studies of Temporary Assistance for Needy Families and related welfare programs. Due to a new Congressional Budget Office (CBO) scoring decision, such funding is no longer in the baseline for the first time since 1996, and thus not included in the current Continuing Resolution (CR). We urge you to restore the funding (approximately \$15 million) as part of a longer-term CR or omnibus spending bill for FY 2015, for reasons summarized below.

As background, the Coalition for Evidence-Based Policy is a nonprofit, nonpartisan organization, whose mission is to increase the effectiveness of government social spending through the use of rigorous evidence about "what works." We are unaffiliated with any social service programs, do not receive federal research funding, and have no financial interest in any policy ideas we support.

Because of longstanding federal research support, welfare is the one area of social policy where scientific evidence about what works both exists and has had major policy impact.

From the 1980s through the present, the Administration for Children and Families within the Department of Health and Human Services has used the welfare research funds to sponsor a large number of rigorous randomized controlled trials of innovative strategies for assisting welfare recipients – and those at risk of dependency – to move toward self-sufficiency by entering and maintaining employment.

Some highlighted findings from the randomized trials:

- **They have convincingly demonstrated the value of work-focused welfare reform strategies, as compared to strategies emphasizing remedial education.** Specifically, they have shown that reform models that emphasize short-term job-search assistance and training, and encourage participants to find work quickly, have larger effects on employment, earnings, and welfare dependence than reform models emphasizing remedial education. The work-focused models are also much less costly to operate.¹
- **The studies found three major work-focused reform models (two in California, one in Oregon) to be especially effective, each increasing employment and earnings 20-50% and generating net government savings in the tens of millions of dollars.** The government savings (e.g., from reduced welfare and food stamps payments) was \$2,500 to \$7,500 per person, or more than \$20 million in each of the three programs.²
- **Programs that combine mandatory participation in employment-focused services with earnings supplements for participants who do find work have been shown to raise overall income and move many out of poverty.** For example, the Minnesota Family Investment Program, employing such a strategy, was found not only to produce sizable gains (20-40%) in employment and earnings for single-parent, long-term welfare recipients, but also to reduce the percentage with overall income below the poverty line from 85% to 75%.³

These findings have had a major impact on policy and practice, paving the way for many of the work-focused welfare reforms of the past 20 years.

According to federal officials and others involved in the reform efforts, the study findings helped build political consensus for the strong work requirements in the 1996 federal welfare reform act, and shape many of the work-first state-level reforms that followed. The scientific rigor of the findings were critical to their policy impact.⁴ Work first and job club models found to be cost effective in these studies are now the mainstay of welfare systems in the United States, Canada, the United Kingdom, Australia, and much of Europe.

In addition, the findings regarding the value of earnings supplements have played a key role in state decisions to preserve and expand state earned income tax credit policies and, in the wake of the 1996 federal welfare reforms, to maintain or implement rules allowing welfare recipients to keep part of their benefits after going to work. Nearly every state now includes such supplement strategies as part of its welfare laws.

Because of its scientific rigor and policy impact, federal welfare research has served as an influential example for other policy areas.

Over the last decade, the example set by welfare research has helped to stimulate the much broader use of randomized controlled trials in other areas of social policy, to build credible, actionable evidence about how to improve people's lives. In areas such as aid to developing countries, education, child protection, and criminal justice, key leaders have pointed to welfare as the leading model of policymaking based on scientific evidence about what works.⁵

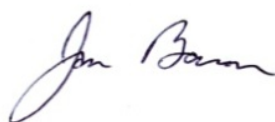
There is much more to learn. Ongoing evaluations being conducted with federal welfare research funds are addressing important policy and practical questions, such as –

- **Which types of job search assistance (e.g. self-directed versus one-on-one counseling) produce the largest impacts on employment and earnings?** Job search assistance is ubiquitous in TANF, yet we know little about which approaches are most effective. The ongoing Job Search Assistance Evaluation, a multi-site randomized controlled trial, is measuring the relative impact of specific job search strategies.⁶
- **How effective is occupational job training for low-income families that focuses on specific sectors or occupations with high labor demand?** This is a key question being addressed in the ongoing Innovative Strategies for Increasing Self-Sufficiency evaluation, a multi-site randomized controlled trial of promising sector-specific strategies for increasing employment and self-sufficiency.⁷

It would be a great loss indeed if, as a result of a \$15 million CBO scoring decision, this critically important national resource were de-funded. We strongly urge you to restore the funding.

Thank you for your consideration of this matter. Please let me know if you have any questions or would like additional information.

Sincerely,



Jon Baron
President, Coalition for Evidence-Based Policy

References

¹ Howard S. Bloom, Carolyn J. Hill, and James A. Riccio, "Linking Program Implementation and Effectiveness: Lessons from a Pooled Sample of Welfare-to-Work Experiments," *Journal of Policy Analysis and Management*, vol. 22, no. 4, Autumn 2003, pp. 551-575.

² These are 2014 dollars. The program models are: (i) the Riverside Greater Avenues for Independence (GAIN) Program (Stephen Freedman, Daniel Friedlander, Winston Lin, and Amanda Schweder, *The GAIN Evaluation: Five-Year Impacts on Employment, Earnings, and AFDC Receipt*, Working Paper 96.1, MDRC, July 1996; James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program*, MDRC, September 1994); (ii) Los Angeles Jobs-First GAIN (Stephen Freedman, Jean Tansey Knab, Lisa A. Gennetian, and David Navarro, *The Los Angeles Jobs-First GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center*, MDRC, June 2000); and (iii) Portland Job Opportunities and Basic Skills (JOBS) Training Program (Susan Scrivener, Gayle Hamilton, Mary Farrell, Stephen Freedman, Daniel Friedlander, Marisa Mitchell, Jodi Nudelman, Christine Schwartz, *National Evaluation of Welfare-to-Work Strategies: Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program*, MDRC, May 1998; Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, Anna Gassman-Pines, Sharon McGroder, Martha Zaslow, Jennifer Brooks, Surjeet Ahluwalia, Electra Small, and Bryan Ricchetti, *National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs*, MDRC and Child Trends, December 2001).

³ Lisa A. Gennetian, Cynthia Miller, and Jared Smith, *Turning Welfare into a Work Support: Six-Year Impacts on Parents and Children from the Minnesota Family Investment Program*, MDRC, July 2005. Cynthia Miller, Virginia Knox, Lisa A. Gennetian, Martey Dodoo, Jo Anna Hunter and Cindy Redcross, *Reforming Welfare and Rewarding Work. Final Report on the Minnesota Family Investment Program – Volume 1 Effects on Adults*, MDRC, September 2000. Lisa A. Gennetian and Cynthia Miller, *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program—Volume 2 Effects on Children*, MDRC, September 2000.

⁴ Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence*, Russell Sage Foundation, 2013, chapters 9 and 10. Ron Haskins, "What Works Is Work: Welfare Reform and Poverty Reduction," *Northwestern Journal of Law and Social Policy*, vol. 4, no. 1, 2009, pp. 29-60. Ron Haskins, in *Rigorous Evidence: The Key To Progress Against Crime and Substance Abuse? Lessons From Welfare, Medicine, and Other Fields*, Proceedings of a National Policy Forum Sponsored by the U.S. Department of Justice and Coalition for Evidence-Based Policy, June 14, 2004, pp. 30-36. Judith M. Gueron, "Building Evidence: What It Takes and What It Yields," *Research on Social Work Practice*, vol. 17, no. 1, January 2007, pp. 134-142.

⁵ Judith M. Gueron and Howard Rolston, op. cit. no. 4, pp. 455-471.

⁶ Information on the Job Search Assistance Evaluation can be found on the HHS Administration for Children and Families website at <http://www.acf.hhs.gov/programs/opre/research/project/design-options-of-the-search-for-employment-dose>.

⁷ Information on the Innovative Strategies for Increasing Self-Sufficiency evaluation can be found on the HHS Administration for Children and Families website at <http://www.acf.hhs.gov/programs/opre/research/project/innovative-strategies-for-increasing-self-sufficiency>.