



The **Carleson Center**  
for **Public Policy**

*“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

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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 14<sup>th</sup> -- 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.”<sup>1</sup>

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:

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<sup>1</sup> 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.<sup>2</sup>

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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<sup>2</sup> 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.]<sup>3</sup>

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.<sup>4</sup>

AFDC had resulted in welfare rolls soaring from 1 million families in 1965 to 5.1 million families in March of 1994.<sup>5</sup> 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.<sup>6</sup>

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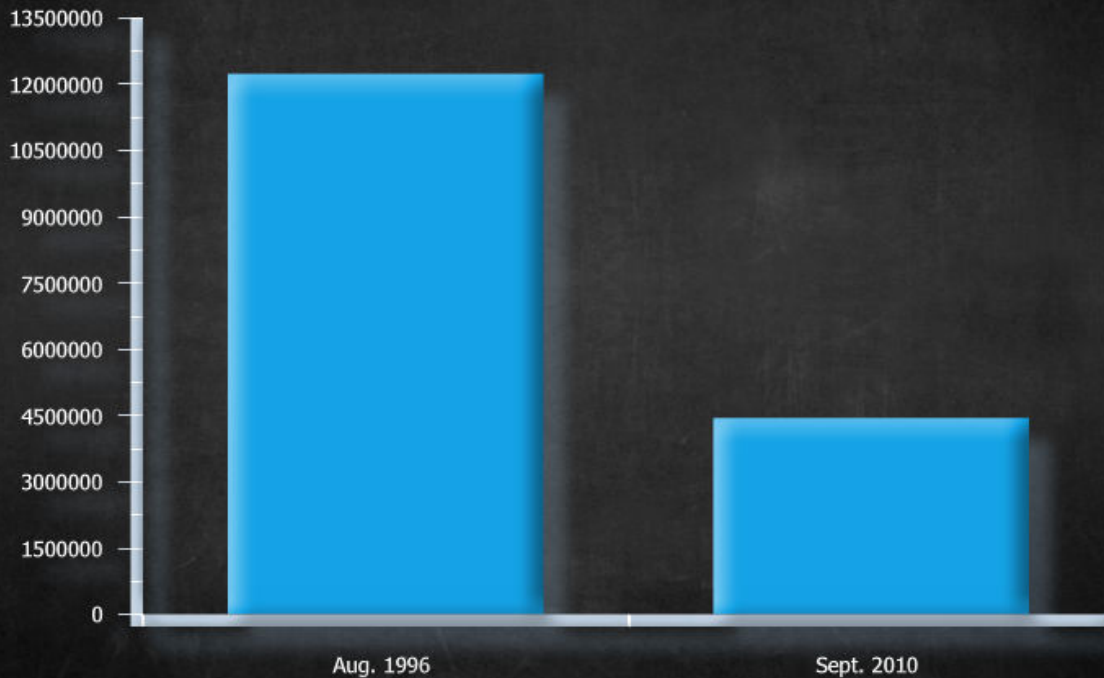
<sup>3</sup> Congressional Record, Dec. 12, 1995, p. S18436.

<sup>4</sup> Ron Haskins, *Work Over Welfare: The Inside Story of the 1996 Welfare Reform Law* (Washington, DC: Brookings Institution, 2006), p. 336.

<sup>5</sup> CRS Report RL32760, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.

<sup>6</sup> HHS Department, Administration for Children and Families, AFDC and TANF Historical Caseload Data Charts.

# TANF Enrollment



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.<sup>7</sup> 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

<sup>7</sup> 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.<sup>8</sup>

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

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<sup>8</sup> Ibid.

and increasing employment.”<sup>9</sup> 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.<sup>10</sup> 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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<sup>9</sup> 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.

<sup>10</sup> 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.”<sup>11</sup>

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)<sup>12</sup> -- which is more than double the \$36 billion spent in FY2008.<sup>13</sup> Between 2007 and 2010, the average SNAP/Food Stamp monthly benefit per participant grew from \$96 to \$134 – an almost 40% increase.<sup>14</sup> 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.<sup>15</sup>

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<sup>11</sup> 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.

<sup>12</sup> OMB, FY2012 Budget of the U.S. Government, Historical Tables pages 247-248.

<sup>13</sup> 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.

<sup>14</sup> USDA, Supplemental Nutrition Assistance Program, Average Monthly Benefit Per Person.

<sup>15</sup> 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;<sup>16</sup> and in some cases completely eliminating the limit on household assets (from \$2,000-\$3,000 to \$10,000).<sup>17</sup>

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.<sup>18</sup>

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."<sup>19</sup>

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.<sup>20</sup>

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.<sup>21</sup>

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<sup>16</sup> 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.

<sup>17</sup> *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.

<sup>18</sup> *Michigan \$2 million lottery winner on food stamps*, Reuters, May 18, 2011.

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

<sup>20</sup> 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.<sup>22</sup> 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.<sup>23</sup>

### **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.<sup>24</sup> 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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<sup>21</sup> 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.

<sup>22</sup> Ibid.

<sup>23</sup> CRS Report R41625, *Federal Benefits and Services for People with Low Income: Programs, Policy, and Spending, FY20080-FY2009*, coordinated by Karen Spar.

<sup>24</sup> 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.<sup>25</sup>

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."<sup>26</sup>

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.<sup>27</sup> 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

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<sup>25</sup> 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.

<sup>26</sup> 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.

<sup>27</sup> *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.<sup>28</sup> 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.<sup>29</sup>

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.<sup>30</sup>

### **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.<sup>31</sup>

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

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<sup>28</sup> Ibid., p.136

<sup>29</sup> Ibid., p.137

<sup>30</sup> Ibid.

<sup>31</sup> 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.<sup>32</sup>

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.<sup>33</sup>

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.<sup>34</sup>

### **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.

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<sup>32</sup> Ibid., p.142

<sup>33</sup> Ibid., p.141

<sup>34</sup> 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.*

## **About the Carleson Center**

The Carleson Center for Public Policy (CCPP) promotes proven policies and educates the public about welfare reform, federalism and economic growth. The Center:

- Recognizes the need to build upon past results and promote innovative approaches to reform our increasingly burdensome entitlement programs;
- Works to extend the success of the 1996 welfare reform design to other federal programs, in particular Medicaid and Food Stamps;
- Endorses efforts to stimulate economic and job growth through proven practices and policies.

Guiding the agenda of the Carleson Center are veteran policy advisors to President Reagan — people who understand the dangers of micro-management — who have the experience and knowledge to help us return to policies that have been proven to work. Specifically, moving federal control of welfare programs to the states, and structuring our tax system to encourage economic growth and personal freedom.

The Carleson Center originates policy recommendations as well as endorses those of other entities. It conducts independent, nonpartisan research on reforming a range of domestic spending programs with a focus on welfare and other entitlement policy. Through concise reports, commentary and proposals the Center offers constructive advice to halt destructive policies and to reform public spending priorities based on the principles of federalism, limited government, responsible tax policy and free markets.

## **John Mashburn**

Mr. Mashburn spent 25 years on and off Capitol Hill as general counsel, policy director, legislative director and Of Counsel. He has worked for Senate Majority Leader Trent Lott, Senate Republican Conference Secretary Paul Coverdell, House Majority Whip Tom Delay, Sens. John Ashcroft and Jesse Helms and most recently worked for Sen. Judd Gregg while Sen. Gregg chaired the HELP and Budget Committees and the Homeland Security and Commerce, State, Justice Appropriations Subcommittees.

Mr. Mashburn is an expert on the Senate Rules and has worked on a wide variety of issues in Congress including the annual budget and appropriations bills as well as judiciary, transportation, finance, health, agriculture, telecommunications, housing, labor, education and social issues including the Anti-Drug Abuse and Fair Housing Acts of 1988, passage and repeal of the Catastrophic Health Care Act, the ISTEA Transportation Act of 1991, Clinton Health Care Reform in 1993, the Goals 2000: Educate America Act of 1994, the 1995 Rescissions Act, the Term Limits Constitutional Amendment in 1995, The Balanced Budget Act of 1998, the No Child Left Behind Act of 2001, the 9/11 Use of Force Resolution, the Patriot Act of 2001, the Homeland Security Act of 2002, and the PEPFAR Act of 2008.