

September 22, 2003

**Key Provisions in TANF Reauthorization Bills Passed by the Senate  
 Finance Committee and the House**

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Work-related Provisions</b>			
<b>“Universal Engagement” Requirements</b>	States must ensure that adults are engaged in work as determined by the state within 24 months. State option to develop Individual Responsibility Plans for recipients.	<p>Eliminates 24-month “work-trigger” provision. Instead, states must develop self-sufficiency plans for each family within 60 days of TANF enrollment, and outline in their TANF plans how they intend to require parents and caregivers to engage in work or other sufficiency activities.</p> <p>Each self-sufficiency plan must contain activities designed to assist the family achieve their maximum degree of self-sufficiency, supportive services that the state intends to provide, steps to promote child well-being, and information about work support assistance for which the family may be eligible.</p> <p>HHS shall impose a financial penalty on states that fail to comply with the requirement to establish self-sufficiency plans, based on the degree of substantial noncompliance.</p>	<p>States must develop self-sufficiency plans for all parents and caretakers receiving assistance within 60 days of TANF enrollment. Plans must detail work activities.</p> <p>HHS directed to impose financial penalties on states that fail to comply with these requirements</p>

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Assessments</b>	States must conduct an initial assessment of skills, prior work experience, and employability within 30 days of a recipient's enrollment in TANF.	Similar to current law (although timeline for completion of assessment is unclear), but also requires states, in the manner they deem appropriate, to screen for and assess "work barriers," work support, other assistance and family support services, well-being of children, and activities or resources to improve child well-being..	Similar to current law, but specifies that assessment may be conducted in manner state deems appropriate.
<b>Participation Rates</b>	All-families rate: 50% in FY 2003 and thereafter.  Two-parent family rate: 90% in FY 2003 and thereafter.	55% in 2005, 60% in 2006, 65% in 2007, 70% in subsequent years.  Eliminates separate two-parent rate.	55% in 2005, 60% in 2006, 65% in 2007, 70% in 2008.  Eliminates separate two-parent rate.
<b>Participation Rate Credits</b>	Caseload reduction credit allows state to reduce participation rate by one percentage point for each one percentage point decline in caseload since FY 1995 that is not attributable to eligibility rule changes.	Replaces caseload reduction credit with employment credit based on the number of families who are employed after leaving ongoing cash assistance. Larger credit for families with higher earnings. Also provides a state option to include families not receiving cash assistance if they received short-term benefits and earned at least \$1,000 in the quarter after receiving the benefit, or received TANF-funded child care or transportation subsidies.  These credits are "capped" and cannot reduce a state's work rate by more than specified amounts (40% in FY04, declining to 20% in FY08).	Retains caseload reduction credit, but bases it only on recent declines in caseload.  Additional Asuper-achiever credit for states that reduced caseloads by more than 60% between 1995 and 2001.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Hours of Participation Required to Count Fully Toward All-Families Rate</b>	<p>Single parents with a child under age 6: 20 hours.</p> <p>Other single parents: 30 hours.</p> <p>Two-parent families: 35 hours, or 55 hours if the family receives federally subsidized child care.</p> <p>Teen parents: 20 hours a week in education related to employment, or satisfactory attendance at a secondary school or equivalent.</p> <p>No “partial credit” for families engaged in work activities, but not for a sufficient number of hours to count fully toward rate.</p>	<p>Single parents with a child under age 6: 24 hours.</p> <p>Other single parents: 34 hours.</p> <p>Two-parent families: 39 hours; 55 hours if the family receives federally subsidized child care.</p> <p>Teen parents: Current law.</p> <p>Partial credit for single parents who participate for 20 or more hours, and for two-parent families who participate for 26 or more hours (40 hours for 2-parent families receiving child care assistance).</p>	<p>160 hours a month, regardless of age of child and number of parents in household.</p> <p>Teen parents: Current law.</p> <p>Partial credit for adults who participate in at least 24 hours of Adirect work@ activities, but do not meet the 160-hour standard.</p>

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Countable Work Activities</b>	<p>Primary activities that count toward first 20 hours: 1) paid or unpaid work, including on-the-job training, work experience, and community service; 2) vocational educational training (12 months); 3) job search (6 weeks); and 4) providing child care for other participants.</p> <p>Secondary activities that count toward remaining hours: 1) any of above activities; 2) job skills training; and 3) education related to employment; 4) satisfactory secondary school attendance or participation in GED program.</p>	<p>Primary: Increases hours to 24 and makes minor modifications to rules for counting job search. As described below, state may count participants placed in certain “barrier removal” and education activities for up to 6 months in 24 as long as these activities are combined with work or work-readiness activities during months 4-6.</p> <p>Secondary: Current law, plus substance abuse counseling or treatment, programs designed to remove work barriers, postsecondary education, adult literacy programs or activities, and programs or activities authorized under a waiver approved for any state after August 22, 1996.</p> <p>States may deem a single parent who provides care for a disabled child or dependent to be meeting all or part of a family’s work requirements.</p>	<p>Primary: Increases hours to 24 and <i>limits</i> countable activities to paid or unpaid work, including on-the-job training, supervised work experience, and supervised community service. State may count participants placed in other state-defined Aqualified activities for no more than 3 months in 24.</p> <p>Secondary: Determined by state subject to such regulations as the Secretary may prescribe.</p>

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Barrier Removal and Other Activities</b>	Activities limited as specified above.	For up to six months in any 24-month period, states can count as a primary activity: substance abuse counseling or treatment, programs or activities designed to remove work barriers, postsecondary education, adult literacy programs or activities, and programs or activities authorized under a waiver approved for any state after August 22, 1996. During months 4-6, these activities must be combined with work-readiness activities or employment. These activities may count as secondary activities with no time limit.	State-defined activities that meet a TANF purpose may count as a primary activity for up to 3 consecutive months out of 24 and as a secondary activity with no time limit.
<b>Education and Training</b>	Vocational education counts as a primary activity for up to 12 months, provided that the number of recipients in vocational education and teen parents in school that a state may count toward work rates is capped at 30% of families that count toward work rates.  Education related to employment allowable as a secondary activity.	Provides state option to count postsecondary or vocational education as a work activity for more than 12 months, with participation in such programs capped at 10 percent of a state's caseload.  See "Barrier Removal" above for description of treatment of adult literacy programs.	Eliminates vocational education as a primary activity, except that work-related education or training could count as a primary activity for 3 months (or 4 months under very limited circumstances) in a 24-month period. Eliminates 30% cap.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Sanctions and Sanction Review Procedures</b>	<p>States must sanction families that fail to comply with requirements, subject to exceptions determined by state. States have discretion to partially reduce a family's grant or terminate assistance completely.</p> <p>No requirement to review a family's circumstances or plan before imposing a sanction.</p>	<p>Current law with two changes: 1) state plan must describe strategies state <i>may</i> take to address services for struggling and noncompliant families and for clients with special problems; and 2) state must review self-sufficiency plan before imposing a sanction.</p>	<p>States must terminate assistance to all family members completely if any family member is non-compliant for at least two months; sanction must continue for at least one month and until compliance.</p> <p>State plan must describe strategies state <i>may</i> take to address services for struggling and noncompliant families and for clients with special problems.</p>
<b>Funding</b>			
<b>Child Care Funding</b>	<p>Mandatory funding: \$2.7 billion in FY 2003 (\$1.2 billion unmatched and \$1.5 billion in matching funds). States must meet a child care MOE requirement and provide state match for some of these funds.</p> <p>Discretionary funding: \$2.1 billion appropriated in FY 2003.</p>	<p>Mandatory: Increase of \$200 million a year (\$1 billion over five years). Not specified if these will be matching funds.</p>	<p>Mandatory: Increase of \$200 million a year (\$1 billion over five years). These funds would require a state match.</p> <p>Discretionary: <i>Authorizes</i> the appropriation of an additional \$2.4 billion over five years, but does not actually appropriate any of this funding.</p>
<b>Basic TANF Block Grant Funding</b>	Frozen at \$16.5 billion a year through FY 2003.	Frozen at \$16.5 billion through FY 2008.	Frozen at \$16.5 billion through FY 2008.
<b>Supplemental Grants</b>	\$319 million in FY 2003 for states with low TANF funding levels or high population growth.	\$319 million annually through FY 2007.	\$319 million annually through FY 2007.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Contingency Fund</b>	\$2 billion available to states that experience specified increases in food stamp caseloads or unemployment. Must meet 100% MOE requirement, excluding child care and separate state programs.	\$2 billion through FY 2008. Eligibility based on updated unemployment rate, food-stamp caseload, or TANF-caseload increase criteria. Eliminates 100% MOE requirement.	\$2 billion through FY 2008. Generally retains current law, except that spending on child care and separate state programs count toward MOE requirement.
<b>Bonuses</b>	High Performance: \$200 million a year based on work, work supports, and family formation.  Nonmarital-Birth Reduction: \$100 million a year.	Replaces high-performance bonus with a \$100 million annual bonus to reward employment achievement.  Eliminates nonmarital-birth-reduction bonus.	Replaces high-performance bonus with a \$100 million annual bonus to reward employment achievement.  Eliminates nonmarital-birth-reduction bonus.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Dedicated Funding for Marriage-Promotion and Family Formation-Related Purposes</b>	TANF funds may be used to support these activities; no dedicated TANF funding stream.	<p>Provides \$500 million over five years for competitive matching grant program for Ahealthy marriage@ promotion. States may use TANF funds to meet what appears to be a 1:1 state match requirement.</p> <p>Provides an additional \$500 million over five years to HHS for research, demonstrations, and technical assistance, 80% of which must be spent on marriage promotion activities.</p> <p>Marriage-promotion funds must be used for following activities:  a) public advertising campaigns on marriage and the skills needed to increase marital stability; b) education in high schools on the value of marriage, relationship skills, and budgeting; c) marriage education and skills programs and relationship-skills programs, including parenting, financial management, conflict resolution, and career skills for unmarried pregnant women and expectant fathers; d) pre-marital education and marriage skills training for couples; e) marriage enhancement and marriage skills training; f) divorce reduction programs that teach relationship skills; g) marriage mentoring programs in at-risk communities; and h) programs to reduce disincentives to marriage in means-tested programs (if offered in conjunction with above activities).</p>	<p>Provides \$600 million over five years for competitive matching grant program for Ahealthy marriage@ promotion. States may use TANF funds to meet 1:1 state match requirement.</p> <p>Provides an additional \$500 million over five years to HHS for research, demonstrations, and technical assistance, which must be spent “primarily” on marriage promotion activities.</p> <p>Marriage-promotion funds must be used for following activities:  a) public advertising campaigns on marriage and the skills needed to increase marital stability; b) education in high schools on the value of marriage, relationship skills, and budgeting; c) marriage education and skills programs and relationship-skills programs, including parenting, financial management, conflict resolution, and career skills for unmarried pregnant women and expectant fathers; d) pre-marital education and marriage skills training for couples; e) marriage enhancement and marriage skills training; f) divorce reduction programs that teach relationship skills; g) marriage mentoring programs in at-risk communities; and h) programs to reduce disincentives to marriage in means-tested programs (if offered in conjunction with above activities).</p>

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Fatherhood Programs</b>	No provision.	<p>Authorizes, contingent on appropriation, \$75 million annually for fatherhood program: \$20 million for demonstration programs conducted by states; \$30 million for demonstration programs conducted by other entities; \$5 million for a responsible fatherhood media campaign; and a \$20 million block grant for states to conduct responsible fatherhood media campaigns.</p> <p>Purposes of demonstration grants are to promote responsible fatherhood through a) marriage promotion; b) parenting activities, and c) fostering economic stability of fathers.</p> <p>Entities receiving grants must consult with experts in domestic violence and describe in their grant application how the funded activities will address domestic violence issues.</p>	<p>Authorizes, contingent on appropriation, \$20 million annually for fatherhood programs. Up to 15% of funds may be used for multi-city, multi-state demonstration projects, specified projects of national significance, and evaluations. Remaining funds used for competitive grants to public and nonprofit community entities for demonstration service projects and activities designed to accomplish the following objectives: a) promoting responsible parenting through counseling and other methods; b) assisting fathers in taking full advantage of education and job training programs so they can support their families through activities such as outreach and information dissemination, and coordination with employment services and job training programs; c) improving fathers' family business management skills through education and counseling; and d) encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, and relationship skills programs, including child abuse and domestic violence programs.</p> <p>Grant applicants must describe how they will assess for, and intervene to resolve, domestic violence and child abuse.</p>
<b>TANF Purposes</b>	1) assist needy families; 2) end dependence of needy parents by promoting work and marriage; 3) reduce out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.	<p>Modifies 4<sup>th</sup> purpose to read as follows:          Encourage the formation and maintenance of <i>healthy, 2-parent married families and encourage responsible fatherhood.</i></p>	<p>Adds Improving child-well-being as overall purpose and Reducing poverty to 2<sup>nd</sup> purpose.</p> <p>4<sup>th</sup> purpose: Encourage the formation and maintenance of <i>healthy, 2-parent married families and encourage responsible fatherhood.</i></p>
<b>Other</b>			

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Pass Through of Child Support to TANF Families</b>	TANF recipients must assign to the state their right to unpaid support owed before and during the assistance period to repay cash assistance. States may keep or pass through support to TANF families, but must pay a share of collections to the federal government.	Requires federal government to waive its share of a pass-through increase for families that have received TANF benefits for less than five years, up to an amount equal to \$400, or \$600 for family with two or more children. Requirement to assign rights to unpaid support owed <i>before</i> receiving assistance eliminated for future assignments of support; state option to discontinue earlier assignments of pre-assistance arrears.	Requires federal government to waive its share of a pass-through increase, up to a \$50 increase or \$100 pass-through. Retains current-law assignment requirement, including requirement to assign rights to unpaid support owed <i>before</i> receiving assistance.
<b>Distribution of Child Support to Families who have Left TANF</b>	After a family leaves TANF, most support payments must be paid to the family, except support collected through federal tax offset, which is retained and shared by the state and federal government. Distribution rules based on date support is owed.	State may eliminate the tax offset exception and pay all collected support to former TANF families; federal share is waived. Provides funding and implementation flexibility to states.	State option to pay all collected support to former TANF families; federal share is waived. Distribution rules based on date support is collected, not date support is owed. Changes financed in part by an additional annual collection fee charged to families who never received TANF.
<b>Review and Adjustment of Child Support Orders</b>	States must review and adjust (if appropriate) child support orders every 3 years at the request of either parent, and in the case of TANF families, at the request of either parent or the state IV-D agency.	States must review and adjust child support orders of parents receiving TANF every 3 years, regardless of whether parent has requested a review.	States must review and adjust child support orders of parents receiving TANF every 3 years, regardless of whether parent has requested a review.

	<b>Current Law</b>	<b>Senate Finance Bill</b>	<b>House Bill (HR 4)</b>
<b>Use of TANF Funds to Assist Teen Parents</b>	States prohibited from using federal TANF funds to assist a teen parent who is not participating in high school or alternative education or training, or who is not in an adult supervised living arrangement, subject to limited exceptions (states allowed to define conditions that meet requirements)	State may use federal TANF funds to provide assistance for up to sixty days for a transitional compliance period to a teen parent not yet participating in education or training or not yet living in an approved arrangement.	Current law.
<b>Transitional Medical Assistance (TMA)</b>	Families receiving Medicaid for 3 of last 6 months who lose Medicaid eligibility because of earnings or child support are eligible.	Permanently reauthorizes TMA with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA for one year.
<b>“Superwaiver”</b>	No superwaiver provision in current law. Some program-specific waiver authority.	Up to ten states, with approval from HHS, could obtain waivers of federal law and rules related to TANF, Social Services Block, Grant, and Child Care Development Fund.	States, with approval by appropriate federal agencies, could obtain waivers of nearly all federal law and rules related to TANF, Food Stamp Program, public housing and most homelessness programs, Social Services Block Grant, Child Care Development Fund, most Workforce Investment Act programs, and adult basic education.
<b>Legal Immigrant Eligibility for TANF and Medicaid\CHIP</b>	Most legal immigrants ineligible for these programs during their first five years in the United States.	Current law.	Current law.