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Summary Comparison of Key Provisions in TANF Reauthorization Legislation and Proposals

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This document provides a summary comparison of key provisions in six reauthorization proposals. In addition to the House-passed bill and two Senate bills, it includes: an alternative to the House-passed bill offered by Rep. Cardin on the House floor; the Senate Finance “Tripartisan” Consensus proposal (Senators Breaux, Hatch, Jeffords, Lincoln, Rockefeller, and Snowe); the Senate “HELP” Principles (endorsed by 22 Democratic Senators, including members of the Health, Education, Labor and Pensions Committee). Additional issue-specific comparisons available from CLASP and CBPP provide a greater level of detail than this document.

	Current Law	House-passed Bill H.R. 4737	House Democratic Substitute	Senate Finance Tripartisan Consensus	Senate HELP Democratic Principles	Rockefeller Bill S. 2052	Bayh\Carper Bill S. 2524
FUNDING							
Basic TANF Block Grant Funding	Frozen at \$16.5 billion a year through FY 2002.	Frozen at \$16.5 billion through FY 2007.	Adjusted annually for inflation — \$18.7 billion in FY 2007 .	Frozen at \$16.5 billion through FY 2007.	Calls for increased funding but does not specify amount.	Increased by \$2.5 billion over five years — \$17.4 billion in FY 2007.	Frozen at \$16.5 billion through FY 2007.
State Maintenance of Effort (MOE)	State must spend at least 75 percent of the amount the state spent on AFDC-related programs in FY1994. MOE funds must be targeted to low-income families and meet TANF purposes.	MOE spending on non-marital pregnancy reduction and two-parent family formation <i>does not</i> need to be targeted to low-income families.	Amount states must spend to meet MOE requirement adjusted annually for inflation.	Generally supports continuation of MOE requirement.	Does not address.	Current law.	According to staff, intent was to specify that MOE spending on non-marital pregnancy reduction and family formation <i>does not</i> need to be targeted to low-income families. (Bill provides otherwise.)
Supplemental Grants	\$319 million in FY 2002 for states with low TANF funding levels or high population growth.	\$319 million annually through FY 2006.	\$319 million annually through FY 2007, plus \$1 billion over five years to under-funded states.	\$319 million annually through FY 2007.	Calls for increased funding generally for under-funded states, but does not specify amount.	\$473 million annually to extend supplemental grants and expand the number of states.	According to staff, intent was to provide \$319 million annually. (Bill provides otherwise.)
Contingency Fund	\$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 2007. Generally retains current law, except that spending on child care and separate state programs count toward MOE requirement.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate or food stamp caseload increase criteria. Eliminates 100% MOE requirement.	Contingency fund should be reauthorized and improved.	Does not address.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate, or food stamp or TANF caseload increase criteria. Eliminates 100% MOE requirement.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate, or food stamp or TANF caseload increase criteria. Eliminates 100% MOE requirement.

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Child Care	Mandatory funding: \$2.7 billion in FY 2002. Discretionary funding: \$2.1 billion in FY 2002.	Mandatory: \$1 billion increase over five years. Discretionary: Authorizes \$3 billion increase over five years. (Contingent on appropriation.)	Mandatory: \$11.25 billion increase over five years. Discretionary: Authorizes \$250 million increase in FY 2003 and funds “necessary” for FY 2004-2007. (Contingent on appropriation.)	Contains an assurance that CCDF should have sufficient funding to accommodate new work rates, but does not specify level.	Mandatory: \$11.25 billion increase over five years. Supports additional funding to address TANF changes.	Mandatory: \$5 billion increase over five years.	Mandatory: \$8 billion increase over five years.
Social Services Block Grant	\$1.7 billion in FY 2002.	Funding frozen at \$1.7 billion.	Funding frozen at \$1.7 billion.	\$5.5 billion increase over five years.	Does not address.	\$5.5 billion increase over five years.	\$2.4 billion increase over five years.
Bonuses	High Performance: \$200 million a year based on work, work supports, and family formation. Nonmarital Birth Reduction: \$100 million a year.	High Performance: Reduced to \$100 million a year; based only on work. Eliminates nonmarital birth reduction bonus.	Current law. Also provides \$150 million a year to states that reduce child poverty. Eliminates nonmarital birth reduction bonus.	Does not address.	Does not address.	Current law. Also provides bonus to states that reduce child poverty. Eliminates nonmarital birth reduction bonus.	Current law. Eliminates nonmarital birth reduction bonus.
Dedicated Funding for Family Formation-Related Purposes	TANF funds may be used to support these activities; no dedicated TANF funding stream. \$50 million in funds for “abstinence-only” education provided annually through FY 2002 via the Maternal and Child Health (MCH) Block Grant. Additional \$52 million in FY 2002 for “abstinence-only” education provided through the Community-Based Abstinence Education program and the Adolescent Family Life Act.	Competitive \$100 million annual matching grant program for “healthy marriage” promotion. States could use TANF funds to meet matching requirement. \$100 million annual fund to conduct research and demonstration projects, and provide technical assistance related to healthy marriage promotion. Authorizes \$20 million to fund fatherhood programs. (Contingent on appropriation.) “Abstinence-only” funding under the MCH Block Grant extended for five years.	\$100 million annual fund to provide grants for research, technical assistance, and demonstrations in the following areas: two-parent family formation; teen pregnancy reduction; non-custodial parents. Abstinence education funding under the MCH Block Grant extended for five years, but programs must be medically and scientifically accurate Broader state discretion over educational approach.	\$100 million grant program to promote healthy marriages and reduce nonmarital births. \$100 million annual fund for research, demonstrations, and technical assistance “primarily focusing on family formation and healthy marriage activities.” Both funds may be used for teen pregnancy prevention. Extends “abstinence-only” funding provided through the Community-Based Abstinence Education program and the Adolescent Family Life Act.	Asserts that states should have the flexibility to use abstinence education funds to provide comprehensive sex education that promotes abstinence and “provides medically-accurate information to reduce health risks and teen pregnancy.”	\$100 million annual fund for research, technical assistance, and demonstrations in the following areas: two-parent family formation; nonmarital and teen birth reduction; non-custodial parents. Does not reauthorize abstinence education funding.	\$50 million annual matching grant program for marriage and responsible parenting programs. \$200 million annual competitive matching grant program for non-custodial parent employment programs and \$30 million annual grant program to conduct policy reviews or demonstration projects related to non-custodial parents. \$100 million annual grant program for states to implement “abstinence-first” teen pregnancy prevention. Also provides funds for media campaigns and national centers.

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Other Dedicated Funding	No provision.	No provision.	\$150 million annual Employment Advancement Fund to provide grants to states for research, evaluation, and demonstration projects that focus on improving wages for low-income workers and enhancing employment prospects for recipients with barriers to employment. \$500 million grant program over five years to improve access to work support and benefit programs.	Does not address.	Does not address.	\$200 million grant program over five years to local public or nonprofit entities working with employers and training providers to promote business linkages designed to increase earnings or strengthen career pathways for low- income parents or to operate transitional jobs programs. \$150 million over five years to improve access to work support and benefit programs.	\$25 million annual grants for transitional jobs programs. \$50 million annually for state grants for administrative costs associated with new work requirements, enhancement of state administrative capabilities, or training. \$50 million annually for states that take option to provide TANF benefits to legal immigrants. \$50 million over five years for grants to improve access to work support and benefit programs.
WORK							
Universal Engagement	States must ensure that adults are “engaged in work” as determined by the state within 24 months.	States must require all parents and caretakers receiving assistance to engage in work or alternative self- sufficiency activities (as determined by the state). Every family with a “work-eligible” individual must have a plan within 60 days.	Current law.	Every family should have a specific individual plan that details steps and work supports needed to move the parent into meaningful work activities and self- sufficiency. Beginning in FY2004, every new TANF client must have a plan within 60 days.	Does not address.	Current law.	Current law.
Assessments	States must conduct an initial assessment of skills, prior work experience, and employability.	Similar to current law, but specifies that assessment may be conducted in “the manner deemed appropriate by the state.”	Similar to current law, but would require assessment to include physical or mental impairments, English proficiency, child care, and domestic violence.	Plan must include an assessment of the well- being of each child in the family.	Does not address.	Current law; also would require assessment of child well-being and child well-being plan for each child in the family.	Current law.

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Participation Rates	<p>“All-families” rate: 50% in FY 2002.</p> <p>Two-parent family rate: 90% in FY 2007.</p>	<p>55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007. Eliminates separate two-parent family rate.</p>	<p>55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007. Eliminates separate two-parent family rate.</p>	<p>55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007. Eliminates separate two-parent family rate.</p>	<p>Does not address.</p>	<p>Current law, except eliminates separate two-parent family rate.</p>	<p>55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007. Eliminates separate two-parent family rate.</p>
Participation Rate Credits	<p>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.</p>	<p>Limits caseload reduction to more recent declines in caseload.</p> <p>Additional “super-achiever” credit for states that reduced caseloads by more than 60% between 1996-2001.</p> <p>(Administration plan replaces caseload reduction credit with an employment credit.)</p>	<p>Replaces caseload reduction credit with employment credit based on number of families who are employed after leaving assistance. Larger credit for families with higher earnings.</p> <p>State option to phase-in change.</p>	<p>Replaces caseload reduction credit with employment credit based on number of families who are employed after leaving assistance. Larger credit for families with higher earnings.</p> <p>State option to phase-in change.</p>	<p>Supports the “concept of providing flexibility and credit to states that want to invest in moving more people into good full-time jobs.”</p>	<p>Replaces caseload reduction credit with employment credit based on number of families who are employed after leaving assistance. Larger credit for families with higher earnings.</p> <p>State option to phase-in change.</p>	<p>Phases-out caseload reduction credit by FY 2006. States could count employed leavers toward work rates for 12 months. Greater weight for families with higher earnings.</p> <p>Additional child support collection credit reduces work rate based on increases in child support collection rate.</p>
Hours of Participation Required to Count Toward All-Families Rate	<p>Single parents with a child under age 6: 20 hours.</p> <p>Other single parent families: 30 hours.</p>	<p>40 hours per week, regardless of age of child.</p> <p>Partial credit for adults who participate in at least 24 hours of “direct work” activities.</p>	<p>State option to increase required hours to 40 hours for adults with child age 6 or over.</p> <p>Partial credit for recipients engaged in at least half of required monthly hours.</p>	<p>Current law.</p>	<p>Current law.</p>	<p>Current law, except gives states partial credit for recipients engaged in at least half of required monthly hours.</p>	<p>40 hours for two-parent families and families with children age 6 or over; 20 hours for single parents with children under age 6.</p> <p>Partial credit for recipients engaged in at least 24 hours of primary work activities.</p>

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Countable Activities	<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; and 3) job search (six 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.</p>	<p>Primary: Increases hours to 24 and limits to paid or unpaid work, including on-the-job training, work experience, and community service. Adds requirement that work experience and community service be <i>supervised</i> to count. State may substitute other activities for three months in twenty-four.</p> <p>Secondary: Determined by state subject to such regulations as the Secretary may prescribe.</p>	<p>Increases hours in “primary” activities to 24.</p> <p>Expands education, training, and barrier removal activities, as detailed below.</p>	<p>Increases hours in “primary” activities to 24.</p> <p>Expands education, training, and barrier removal activities, as detailed below.</p>	<p>Expands education, training, and barrier removal activities, as detailed below.</p>	<p>Current law, except expands education and training activities as detailed below.</p>	<p>Primary: Current law, except adds job skills training.</p> <p>Secondary: Self-sufficiency activities, including any activity the state determines is reasonably related to meeting a TANF purpose.</p>
Education and Training	<p>Vocational education counts as a “primary” activity for up to 12 months.</p> <p>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.</p> <p>Education related to employment allowable as a secondary activity.</p>	<p>Eliminates vocational education as a primary activity, except that work-related education or training could count as a primary activity for not more than 4 consecutive months in a 24-month period to permit program completion.</p> <p>Eliminates 30% cap.</p>	<p>Vocational education counts as a primary activity for up to 24 months.</p> <p>Eliminates 30% cap.</p> <p>Includes GED and ESL in definition of vocational education.</p>	<p>Vocational education counts as a primary activity for up to 24 months.</p> <p>Removes teen parents from 30% cap.</p> <p>Allows basic education to count toward full work participation requirement for 3 months, plus 3 additional months if combined with work or job-readiness. No limit on basic education as a secondary activity.</p>	<p>Training and education should count toward work requirements, including vocational and post-secondary education, basic education, and ESL.</p>	<p>Vocational education counts as a primary activity for up to 24 months.</p> <p>Removes teen parents from 30% cap.</p> <p>State option to allow up to 5% of caseload to participate in post-secondary education.</p> <p>ESL may count as a work activity for the first 20 hours and any additional hours.</p>	<p>State option to allow 15% of families counted toward work rate to be engaged in vocational education as a primary activity for more than 12 months, but less than 25 months, if state certifies that a certificate or degree is likely to result.</p> <p>Removes teen parents from 30% cap.</p>
Barrier Removal and Other Activities	<p>Activities limited as specified above.</p>	<p>State-defined activities that meet a TANF purpose may count as a primary activity for no more than 3 consecutive months in any 24-month period.</p>	<p>Up to 6 months of participation in state-defined services designed to improve future employment may count as a primary or secondary activity.</p>	<p>States could count substance abuse treatment toward work participation requirement for 3 months, plus 3 additional months if combined work or job-readiness.</p>	<p>Time spent in barrier removal activities should count toward work requirements.</p>	<p>Current law.</p>	<p>See above.</p>

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Sanctions and Sanction Review Procedures	States must sanction families that fail to comply with work requirements, but have discretion to partially reduce a family's grant or terminate assistance completely. No requirement to review sanctions.	States must terminate assistance completely for non-compliant families. (Not included in Administration plan). State plan must describe strategies state may take to address "services for struggling and noncompliant families and for clients with special problems."	Requires pre-sanction review process, including notice of sanction and steps required to come into compliance, an opportunity to meet with a caseworker or other individual, and consideration of whether barriers to employment contributed to the sanction.	HHS required to promulgate best practice standards on the most appropriate sanction procedures.	Does not address.	HHS required to promulgate best practice standards on the most appropriate sanction procedures.	Current law.
Transitional Jobs	No dedicated funding stream for transitional jobs.	Current law.	Current law.	Does not address.	Supports wage-based transitional jobs; no funding level specified.	\$200 million for transitional jobs and Business Link programs.	\$25 million annual grants for transitional jobs programs.
Other							
TANF Purposes	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.	Adds "improving child-well-being" as overall purpose and "reducing poverty" to 2 nd purpose. 4 th purpose: "encourage the formation and maintenance of <i>healthy, 2-parent married families and encourage responsible fatherhood.</i> "	Adds as a fifth purpose: "reduce the extent and severity of poverty and promote self-sufficiency among families with children."	Does not address.	Does not address.	Current law.	Current law.
Wage Subsidies	TANF-funded wage subsidies count toward the 60-month limit.	Current law.	Wage subsidies provided to a family do not count toward the 60-month limit if family's average weekly earnings for the month are at least \$100.	Does not address.	Working poor families should be eligible for income supplements, without requiring states to apply time limits.	State option to provide a wage subsidy without a time limit if family includes an individual working at least 30 hours a week.	Current law.
Legal Immigrants	States may not provide federally-funded TANF, Medicaid, or SCHIP benefits to legal immigrants during their first five years in the United States.	Current law.	State option to provide TANF-funded benefits to legal immigrants, and Medicaid\SCHIP to pregnant women and children.	State option to provide TANF-funded benefits to legal immigrants.	Calls for "full and immediate restoration" of TANF, Medicaid and SCHIP benefits.	Legal immigrants eligible for TANF in "same manner" as citizen; state option to provide Medicaid\SCHIP to pregnant women and children.	State option to provide TANF to legal immigrants, and Medicaid\SCHIP to pregnant women and children.

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Pass Though of Child Support to TANF Families	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, up to a \$50 increase or \$100 pass-through. Retains “pre-assistance assignment” (i.e., requirement to assign support owed to the family <i>before</i> it received assistance).	Requires federal government to waive its share to the extent that the state disregards the support in determining TANF benefits. Pre-assistance assignment requirement eliminated. State option to implement early.	Requires federal government to waive its share to the extent that the state disregards the support in determining TANF benefits. Pre-assistance assignment requirement eliminated. States option to implement early.	Does not address.	Does not address.	Requires federal government to waive its share to the extent that the state disregards the support in determining TANF benefits. State option to implement early.
Distribution of Child Support to Families who have Left TANF	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 option to pay all collected support to former TANF families; federal share is waived. Distribution rules based on collection date, not date support owed. Changes financed in part by an additional annual collection fee charged to families who never received TANF.	State must 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 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.	No provision.	No provision.	State option to 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
Transitional Medical Assistance (TMA)	Families receiving Medicaid for 3 of last 6 months who lose Medicaid eligibility because of earnings or child support are eligible.	Reauthorizes TMA for one year through FY 2003.	Permanently reauthorizes TMA with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA through FY 2007 with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA through FY 2007. States that TMA should be readily available to families leaving welfare to work.	Reauthorizes TMA through FY 2007 with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA through FY 2007 with new state options to extend eligibility and simplify participant reporting requirements.