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Revised Side-by-Side Comparison of Funding Provisions in TANF Reauthorization Legislation

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This document summarizes and compares selected funding provisions in current law and six TANF reauthorization proposals *as of June 5, 2002*:

- the bill passed by the House on May 16, 2002 (H.R. 4737);
- a Democratic substitute for H.R. 4737 offered by Rep. Cardin on the House floor;
- a list of provisions agreed to by a bipartisan group of Senate Finance Committee members (descriptions are based on an outline attached to an April 26, 2002 letter signed by Senators Breaux, Hatch, Jeffords, Lincoln, Rockefeller, and Snowe);
- a list of principles upon which Democratic members of the Senate Health, Education, Labor and Pensions Committee and other Senators agree (descriptions are based on a May 23, 2002 letter signed by 18 Senators);
- a bill introduced by Sen. Rockefeller (S. 2052); and
- a bill introduced by Senators Bayh and Carper (S. 2524).

For the proposals that have been described only in outline form, “does not address” is used to describe areas where the available materials are silent on a matter; “current law” is used to describe areas where materials state adherence to current law. The bill passed by the House is very similar to the Administration’s reauthorization plan; key differences are noted in the descriptions below. This document is part of a larger joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities, which includes side-by-side comparisons of other aspects of proposed TANF reauthorization legislation. Although this document provides a summary of the key funding provisions in these proposals, it does not address every detail of each proposal.

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Available Funding							
Basic TANF Block Grant	Funding frozen at \$16.5 billion for FY 1997 to FY 2002.	Funding frozen at \$16.5 billion a year for FY 2003 to FY 2007.	Funding adjusted annually for inflation. Basic block grant would increase to approximately \$18.7 billion in 2007.	Funding frozen at \$16.5 billion a year for FY 2003 to FY 2007.	Calls for increased funding to allow states to adequately support the needs of working individuals and families, but does not specify amount.	Funding increased by \$2.5 billion over five years. Basic block grant would increase to \$17.4 billion in 2007. This additional funding would be distributed based on state’s share of poor children.	Funding frozen at \$16.5 billion a year for FY 2003 to FY 2007.

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Supplemental Grants	<p>Supplemental grants for states with low historic federal grants per poor person and/or high population growth.</p> <p>Funding increased each year, from \$79 million in FY 1998 to \$319 million in FY 2001.</p> <p>A one-year extension was enacted for FY 2002 to provide supplemental grants at the FY 2001 level.</p>	<p>Reinstates supplemental grants for four years at FY 2001 funding level: \$319 million annually for FY 2003 through FY 2006. (The Administration proposed reinstating supplemental grants through FY 2007.)</p>	<p>Reinstates supplemental grants at FY 2001 funding level: \$319 million annually for FY 2003 through FY 2007.</p> <p>Provides almost \$1 billion in additional funds over five years to states with low per-poor-child block grant allocations. States would receive additional funding when their block grant allocation divided by their number of children below the poverty level is less than 75% of the national average of TANF funding per poor child. For a state to qualify for funding, unspent TANF funds from prior years must be less than 50% of state's annual grant.</p>	<p>Reinstates supplemental grants as suggested by the Administration.</p>	<p>Calls for increased funding in part to address the needs of historically underfunded states, but does not specify amount.</p>	<p>Provides \$473 million annually to extend supplemental grants and expand the number of qualifying states. The supplemental grants would be built into each state's base grant.</p> <p>States that received supplemental grants in FY 2002 continue to receive them at a slightly higher funding level. Provides similar grants to all states in which basic TANF grant per-poor-person was below national average in previous fiscal year. Once a state qualifies it continues to get at least its prior-year grant.</p>	<p>According to staff, the intent was to reinstate supplemental grants at the FY 2001 funding level: \$319 million annually for FY 2003 through FY 2007.</p> <p>The legislative language as drafted, however, has the effect of reinstating the supplemental grants under the formula that was in effect for FY 1998 through FY 2001, which would increase the grants by \$80 million annually to a level of about \$400 million in FY 2003 and \$480 million in FY 2004. Because, however, the drafted language provides \$800 million over five years, funding for supplemental grants would be entirely used up in FY 2004.</p>

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State Maintenance- of-Effort (MOE) Requirement	<p>States must spend an amount equal to at least 75 percent of the amount the state spent on AFDC-related programs in FY 1994 (80 percent in states that do not meet the work participation requirements).</p> <p>State MOE funds must be spent on activities that serve <i>low-income</i> families and meet one of the purposes of TANF.</p>	<p>Current law.</p> <p>Eliminates the requirement that state spending under purposes three (reducing non-marital pregnancy) and four (promoting the formation and maintenance of two-parent families) must be targeted to <i>low-income</i> families to count toward MOE requirement. (The Administration did not propose this change.)</p>	<p>MOE requirement adjusted annually for inflation.</p>	<p>Current law.</p>	<p>Does not address.</p>	<p>Current law.</p>	<p>According to staff of Senators Bayh and Carper and materials explaining the legislation, the intent was to eliminate the requirement that state spending under purposes three (reducing non-marital pregnancy) and four (promoting the formation and maintenance of two-parent families) must be targeted to <i>low-income</i> families to count toward MOE requirement.</p> <p>The legislative language as drafted, however, has the effect of entirely eliminating the MOE “new spending test” (which for non-AFDC activities allows states to count only spending <i>increases</i> since 1995) and continues to require that state MOE funds must be spent on activities that serve <i>low-income</i> families and meet one of the purposes of TANF.</p>

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Contingency Fund	<p>\$2 billion fund provided for FY 1997 to FY 2002.</p> <p>State becomes eligible for funds based on increase in the unemployment rate or the food stamp caseload.</p> <p>To receive contingency funds, a state must meet a higher MOE requirement equal to 100% of state spending on the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills Training programs in FY 1994. Spending on child care and separate state programs does not count.</p> <p>State receives federal matching funds for spending above the contingency fund MOE level. The state's match rate is equal to its Medicaid matching rate multiplied by the percentage of the year for which it qualified for contingency funds. If a state qualified for half the year, its match rate would be half its FMAP rate.</p>	<p>Reinstates fund at \$2 billion for FY 2003 to FY 2007.</p> <p>Current law.</p> <p>Current law except spending on child care and separate state programs counts toward contingency fund MOE requirement.</p> <p>Same as current law, except the state's FMAP rate is not reduced if the state qualifies for contingency funds for less than a year.</p>	<p>Reinstates fund and removes \$2 billion cap.</p> <p>State becomes eligible for funds based on unemployment rate or food stamp caseload increase criteria that have been revised to reflect current conditions and to make contingency funds more accessible in a recession.</p> <p>Eliminates additional MOE requirement.</p> <p>Match rate is increased to the greater of 75 percent or the FMAP rate and is not reduced if the state qualifies for contingency funds for less than a year.</p>	<p>Agrees with the Administration's proposal to reauthorize the fund and make improvements similar to those in the House-passed bill.</p>	<p>Does not address.</p>	<p>Reinstates fund at \$2 billion over five years.</p> <p>State becomes eligible for funds based on updated unemployment rate, insured unemployment rate, food stamp caseload, or TANF/MOE assistance caseload increase criteria. The criteria have been revised to reflect current conditions and to make contingency funds more accessible in a recession.</p> <p>Eliminates additional MOE requirement.</p> <p>State is reimbursed for estimated cost of assistance caseload increase at the higher of 75% or the FMAP rate plus 8 percentage points.</p>	<p>Reinstates fund at \$2 billion over five years.</p> <p>State becomes eligible for funds based on updated unemployment rate, insured unemployment rate, food stamp caseload, or TANF/MOE assistance caseload increase criteria. The criteria have been revised to reflect current conditions and to make contingency funds more accessible in a recession</p> <p>Eliminates additional MOE requirement.</p> <p>State is reimbursed for estimated cost of assistance caseload increase at the higher of 75% or the FMAP rate plus 8 percentage points.</p>

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High Performance Bonus	A \$200 million annual High Performance Bonus gives awards to the highest-ranking states on job placement, job retention, and wage progression performance measures. Beginning in FY 2002, \$60 million of the \$200 million bonus will be awarded on the basis of additional measures related to the availability of child care, health insurance, and food stamps, as well as the marital status of parents.	Replaces high-performance bonus with a Bonus to Reward Employment Achievement funded at \$100 million a year. HHS must consult with the states to develop absolute and improvement performance measures of employment entry, job retention, and earnings increases. States would compete against performance in the previous year.	Current law.	Does not address.	Does not address.	Current law.	Current law.
Nonmarital Birth Reduction Bonus	\$100 million annually is awarded to up to five states that reduce the percentage of nonmarital births without an increase in the state's abortion rate above its 1995 level.	Eliminates nonmarital birth reduction bonus.	Eliminates nonmarital birth reduction bonus.	Does not address.	Does not address.	Eliminates nonmarital birth reduction bonus.	Eliminates nonmarital birth reduction bonus.
Poverty Reduction Bonus	No provision.	Current law.	Provides \$150 million annually to states that reduce child poverty (without increasing the average depth of child poverty).	Does not address.	Does not address.	Provides bonus to states that reduce child poverty (without increasing the average depth of child poverty). Bonus grows from \$25 million in FY 2003 to \$100 million in FY 2007.	Current law.

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<p>Dedicated Funding for Family Formation, Marriage Promotion, Fatherhood, Non-Custodial Parent Employment, and Teen Pregnancy Prevention Activities</p> <p>(See side-by-side comparison of family formation provisions for further details)</p>	<p>TANF funds may be used to support these activities but there is no dedicated TANF funding stream.</p> <p>\$50 million in matching funds for “abstinence-only” education was provided annually, for FY 1998 through FY 2002, through the Maternal and Child Health Services Block Grant. An additional \$52 million in FY 2002 for “abstinence-only” education was provided through the separately enacted Community-Based Abstinence Education program and the Adolescent Family Life Act.</p>	<p>Establishes three funds:</p> <p>1) A competitive \$100 million annual matching grant program to develop innovative approaches to promoting healthy marriages. States could use federal TANF funds to meet a dollar-for-dollar matching requirement. (The Administration’s proposal also would have allowed these funds to be used for reducing nonmarital births.)</p> <p>2) A \$100 million annual fund to conduct research and demonstration projects, and provide technical assistance related to “healthy marriage promotion” activities.</p> <p>3) Authorizes a \$20 million discretionary annual competitive grant and demonstration program to fund fatherhood programs. Discretionary funds are not actually available until they are appropriated.</p>	<p>Establishes a \$100 million annual fund to provide grants to states and localities for research, technical assistance, and demonstration projects in the following areas: promoting the formation of two-parent families; reducing teenage pregnancies; and increasing the ability of non-custodial parents to financially support and be involved with their children.</p> <p>Extends through FY 2007 the \$50 million annual abstinence education funding under the Maternal and Child Health Services Block Grant, but requires funded programs to be medically and scientifically accurate and based on a proven model. Gives states broader discretion over the educational approach. Requires HHS to conduct a comparative evaluation of abstinence education programs that prohibit education about contraception with abstinence programs that offer education about contraception.</p>	<p>Establishes two funds:</p> <p>1) A \$100 million grant program to develop innovative approaches to promoting healthy marriages and reducing nonmarital births.</p> <p>2) A \$100 million annual fund to conduct research and demonstration projects, and provide technical assistance “primarily focusing on family formation and healthy marriage activities.”</p> <p>Funds may be used for teen pregnancy prevention programs.</p> <p>Does not address funding for “abstinence-only” education under the Maternal and Child Health Services Block Grant. Extends current funding for “abstinence-only” education provided through the Community-Based Abstinence Education program and the Adolescent Family Life Act.</p>	<p>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.”</p>	<p>Establishes a \$100 million annual fund to provide grants to states and localities for research, technical assistance, and demonstration projects in the following areas: promoting the formation of two-parent families and reducing nonmarital births; reducing teenage pregnancies; and increasing the ability of non-custodial parents to financially support and be involved with their children.</p> <p>Does not reauthorize abstinence education funding.</p>	<p>Establishes seven funds:</p> <p>1) A \$50 million annual matching program for programs that promote marriage, sustain marriages, promote responsible parenting, or help fathers and their families avoid or leave cash assistance.</p> <p>2) A \$25 million annual grant program for media campaigns that promote the formation and maintenance of two-parent families, strengthen fragile families, and promote responsible fatherhood.</p> <p>3) \$50 million in FY 2003 to develop a national media campaign and information clearinghouse on responsible fatherhood.</p> <p>4) A \$200 million annual competitive matching grant program for states that offer court-supervised employment programs for non-custodial parents.</p>

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		Extends through FY 2007 the \$50 million annual “abstinence-only” education funding under the Maternal and Child Health Services Block Grant.					<p>5) A \$30 million annual competitive grant program for states that conduct policy reviews or demonstration projects regarding increasing earnings, child support payments, and involvement with their children by non-custodial parents and coordination of services for non-custodial parents.</p> <p>6) A \$100 million annual grant program (\$50 million in FY 2003) for states to implement proven “abstinence-first” teen pregnancy prevention strategies.</p> <p>7) \$10 million annually to develop a national teen pregnancy prevention resource center.</p> <p>Does not reauthorize abstinence education funding.</p>

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Other Dedicated Funding	No provision.	Current law.	<p>Establishes a \$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 welfare recipients with barriers to employment.</p> <p>Establishes a \$500 million competitive matching grant program to improve access to benefit programs.</p>	Does not address.	Does not address.	<p>Provides \$200 million over the five years from FY 2003 through FY 2007 for competitive grants to local public or nonprofit entities working with employers and training providers to promote business linkages designed to increase the earnings or strengthen career pathways for low-income parents or to operate transitional jobs programs for current or former cash assistance recipients or noncustodial parents having difficulty paying child support.</p> <p>Provides \$150 million over the five years from FY 2003 through FY 2007 for grants to states, localities, or non-profits to improve the coordination of, or conduct outreach to low-income families or non-custodial parents to increase participation in, TANF, food stamps, Medicaid, SCHIP, CCDBG, child support, EITC, LIHEAP, WIC, WIA, and housing programs.</p>	<p>Establishes a \$50 million fund to provide grants to states, localities, or non-profits to improve the coordination of, or conduct outreach to low-income families or non-custodial parents to increase participation in, TANF, food stamps, Medicaid, SCHIP, CCDBG, child support, EITC, LIHEAP, WIC, WIA, and housing programs.</p> <p>Provides \$50 million annually, for FY 2003 through FY 2007, for the administrative costs associated with complying new work requirements, enhancement of the state's administrative capabilities, or caseworker training. Funds would be distributed based on each state's share of cash assistance recipients.</p> <p>Provides \$50 million annually, for FY 2003 through FY 2007, for states that elect to provide TANF assistance, benefits, or services to all qualified aliens to the same extent as they as they provide such assistance, benefits, or services to citizens. Funds would be distributed based on each electing state's share of low-income children in noncitizen families and share of growth in noncitizens since 1996.</p>

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Use of Funds							
TANF Purpose	The purpose of TANF is to increase state flexibility to 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.	Amends prefatory language to read: "The purpose of this part is to <i>improve child well-being by increasing</i> the flexibility of states in operating a program designed to . . ." Amends first purpose to read: "provide assistance <i>and services</i> to needy families so that children may be cared for in their own homes or in the homes of relatives." Amends second purpose to read: "end the dependence on needy <i>families</i> on government benefits <i>and reduce poverty</i> by promoting job preparation, work, and marriage." Amends fourth purpose to read: "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.

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Use of Prior-Year Funds	Prior-year TANF funds may be used only to provide assistance.	Prior-year TANF funds may be used to provide both assistance and <i>non</i> -assistance.	Prior-year TANF funds may be used to provide both assistance and <i>non</i> -assistance.	Prior-year TANF funds may be used to provide both assistance and <i>non</i> -assistance.	Does not address.	Prior-year TANF funds may be used to provide both assistance and <i>non</i> -assistance.	Prior-year TANF funds may be used to provide both assistance and <i>non</i> -assistance.
“Rainy Day” Funds	State “rainy day” funds are reported as unobligated federal funds until they are spent.	States may designate federal TANF funds as a contingency reserve for future needs and include in quarterly financial report to HHS.	Current law.	States may designate some or all of their current or prior-year federal TANF funds for placement in a “rainy day” fund.	Does not address.	Current law.	Current law.
“Grand-fathered” Activities	States that prior to 1996 were approved to spend state Emergency Assistance funds on certain activities outside the purposes of TANF, such as juvenile justice, were “grandfathered” so they could continue spending TANF funds on specific activities.	Modifies the “grandfather” clause to permit a state to use TANF funds for any purpose previously authorized under its Emergency Assistance plan. This change may broaden the authority of states to spend TANF on any child welfare or juvenile justice activity if the state was previously authorized to spend TANF for some child welfare or juvenile justice activity. (The Administration did not propose this change.)	Current law.	Does not address.	Does not address.	Current law.	Current law.

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Non-supplantation	No provision.	Current law.	<p>States could not use federal TANF funds to replace state and local spending that does not meet the MOE requirement (that is, is not a qualified state expenditure that meets the new spending test).</p> <p>State must provide assurances that federal discretionary child care funds shall be used to supplement and not supplant state or local child care funds.</p>	Does not address.	Does not address.	Current law.	<p>Current law with regard to the TANF block grant.</p> <p>Certain funds must be used to supplement and not supplant other funds used to support similar activities:</p> <ul style="list-style-type: none"> • The \$50 million annual fatherhood matching grant funds. • The \$100 million annual (\$50 million in FY 2003), abstinence-first teen pregnancy prevention funds. <p>Funds used to provide supplemental housing benefits must be used to supplement and not supplant state expenditures on housing-related programs.</p>

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<p>Child Care and Development Fund (CCDF)</p> <p>(See side-by-side comparison of child care provisions for further details)</p>	<p>Mandatory funding, a portion of which must be matched with state funds, increased by an average of \$150 million annually from \$2 billion in FY 1997 to \$2.7 billion in FY 2002. Discretionary funding appropriated at \$2.1 billion in FY 2002.</p> <p>4% of all funds must be devoted to improving child care quality.</p> <p>Up to 30% of current-year federal TANF funds may be transferred to CCDF.</p>	<p>Increases mandatory matching funding by \$1 billion over five years with annual increase of \$200 million a year over FY 2002 level. (The Administration proposed freezing child care funding at the FY 2002 level.)</p> <p>Increases <i>authorization</i> for discretionary funds over current appropriation level by \$200 million in FY 2003, \$400 million in FY 2004, \$600 million in FY 2005, \$800 million in FY 2006, and \$1.0 billion in FY 2007. Discretionary funds are not actually available until they are appropriated. (The Administration proposed freezing funding at the FY 2002 level.)</p> <p>6% of all funds must be devoted to improving child care quality. (The Administration did not propose this change.)</p> <p>Increases limit on TANF transfers to 50% of state TANF grant. (The Administration did not propose this change.)</p>	<p>Increases mandatory matching funding by \$11.25 billion over five years with annual increases of \$1.25, \$1.75, \$2.25, \$2.75, and \$3.25 billion over FY 2002 level. Sets aside \$500 million annually for competitive matching incentive grants to improve child care quality.</p> <p>Increases discretionary <i>authorization</i> by \$250 million in FY 2003 and authorizes “such sums as may be necessary” for FY 2004 through FY 2007. Discretionary funds are not actually available until they are appropriated.</p> <p>Increases child care quality set-aside from 4% to 12%.</p> <p>Current law.</p>	<p>Contains an assurance that CCDF should have sufficient funding to accommodate increased work participation rates, but does not specify a funding increase.</p> <p>Does not address.</p> <p>Does not address.</p>	<p>Increases mandatory funding by \$11.25 billion over five years and supports funding beyond this investment to address any increased child care needs created by changes in TANF.</p> <p>Does not address.</p> <p>Does not address.</p>	<p>Increases mandatory matching funding by \$5 billion over five years with annual increase of \$1 billion a year over FY 2002 level.</p> <p>Current law.</p> <p>Current law.</p>	<p>Increases mandatory matching funding by \$8 billion over five years with annual increase of \$1.0 billion in FY 2003, \$1.4 billion in FY 2004, \$1.7 billion in FY 2005, \$1.9 billion in FY 2006, and \$2.0 billion in FY 2007.</p> <p>Current law.</p> <p>Current law.</p>

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Social Services Block Grant (SSBG)	<p>In 1995, SSBG was funded at \$2.8 billion. The 1996 welfare law reduced SSBG funding to \$2.38 billion between 1996 and 2002 but restored funding to \$2.8 billion in 2003. Further cuts were made in subsequent legislation and SSBG was funded at \$1.7 billion in FY 2002.</p> <p>States have been permitted to transfer 10% of the TANF grant to SSBG each year since FY 1997, but under current law the limit would have decreased to 4.25% for future years.</p>	<p>Funding frozen at FY2002 level of \$1.7 billion a year.</p> <p>Increases limit on TANF transfers to 10% of state grant beginning in FY 2003.</p>	<p>Funding frozen at FY2002 level of \$1.7 billion a year.</p> <p>Current law.</p>	<p>Increases funding to \$2.8 billion a year — \$1.1 billion more than FY2002 level; does not address timing of increase.</p> <p>Increases limit on TANF transfers to 10% of state grant; does not address timing of increase.</p>	<p>Does not address.</p> <p>Does not address.</p>	<p>Increases funding to \$2.8 billion a year — \$1.1 billion more than FY2002 level — providing an additional \$5.5 billion over the five years between FY 2003 and FY 2007.</p> <p>Increases limit on TANF transfers to 10% of state grant beginning in FY 2003.</p>	<p>Gradually increases funding to \$2.8 billion a year — \$1.1 billion more than FY2002 level — providing an additional \$2.4 billion over the five years between FY 2003 and FY 2007.</p> <p>Increases limit on TANF transfers to 10% of state grant beginning in FY 2003.</p>

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Transitional Medical Assistance (TMA)	<p>Families who have received Medicaid for at least 3 of the last 6 months and become ineligible for Medicaid because of earnings or child support are eligible for transitional medical assistance. If TMA eligibility is based on child support, the family is eligible for four months. If TMA eligibility is based on earnings, the family is eligible for six months, plus an additional six months if family income stays below 185% of poverty. In order to retain eligibility throughout the full 12-month period, families must submit written reports of their earnings and child care expenses in the 4th, 7th, and 10th months.</p> <p>TMA expires at the end of FY 2002.</p>	Reauthorizes TMA for one year through FY 2003.	Reauthorizes TMA on a permanent basis and provides the following additional state options: (1) states may waive some or all of the requirements to report income in the 4 th , 7 th , and 10 th months of eligibility; (2) states may provide TMA to families who have received Medicaid for fewer than 3 out of the last 6 months; (3) states may extend TMA eligibility beyond 12 months for up to an additional 12 months; and (4) states that provide Medicaid to families (including parents) with income at or above 185% of poverty may eliminate TMA as a separate Medicaid eligibility category.	Reauthorizes the TMA program through FY 2007 and provides the following additional state options: (1) states may waive some or all of the requirements to report income in the 4 th , 7 th , and 10 th months of eligibility; (2) states may provide TMA to families who have received Medicaid for fewer than 3 out of the last 6 months; (3) states may extend TMA eligibility beyond 12 months for up to an additional 12 months; and (4) states that provide Medicaid to families (including parents) with income at or above 185% of poverty may eliminate TMA as a separate Medicaid eligibility category.	Supports reauthorization of TMA through FY 2007 and states that TMA should be readily available to families leaving welfare to work.	Reauthorizes the TMA program through FY 2007 and provides the following additional state options: (1) states may waive some or all of the requirements to report income in the 4 th , 7 th , and 10 th months of eligibility; (2) states may provide TMA to families who have received Medicaid for fewer than 3 out of the last 6 months; (3) states may extend TMA eligibility beyond 12 months for up to an additional 12 months; and (4) states that provide Medicaid to families (including parents) with income at or above 185% of poverty may eliminate TMA as a separate Medicaid eligibility category.	Reauthorizes the TMA program through FY 2003 and provides the following additional state options: (1) states may waive some or all of the requirements to report income in the 4 th , 7 th , and 10 th months of eligibility; (2) states may provide TMA to families who have received Medicaid for fewer than 3 out of the last 6 months; (3) states may extend TMA eligibility beyond 12 months for up to an additional 12 months; and (4) states that provide Medicaid to families (including parents) with income at or above 185% of poverty may eliminate TMA as a separate Medicaid eligibility category.