

## COMPARISON OF KEY PROVISIONS IN TANF REAUTHORIZATION PROPOSALS

	<b>Administration's Proposal</b>	<b>HR 4737 (House Bill)<sup>1</sup></b>	<b>S 2052 (Rockefeller)<sup>2</sup></b>	<b>S 2524 (Bayh/Carper)<sup>3</sup></b>	<b>S 2648 (Hutchinson)<sup>4</sup></b>	<b>WORK Act of 2002 (Senate Finance Committee Bill)<sup>5</sup></b>
<b>TANF Funding</b>	Extends TANF block grant at the current level of \$16.5 billion for the next five years.	Extends TANF block grant at the current level of \$16.5 billion for the next five years.	Extends the TANF block grant for the next five years and increases the grant by approximately \$500 million in 2003 and an additional \$225 million each year until 2007.  States with low block grants per poor person would receive a portion of the additional funds. The remaining funds would be distributed across all states based on the number of children in poverty. California's block grant would increase by approximately \$7.5 million in 2003, \$75 million in 2005, and \$150 million in 2007.	Extends TANF block grant at the current level of \$16.5 billion for the next five years.  Appropriates \$50 million per year to provide cash assistance and services to legal immigrants who were not previously eligible.	Extends TANF block grant at the current level of \$16.5 billion for the next five years.	Extends TANF block grant at the current level of \$16.5 billion for the next five years.

<sup>1</sup> HR 4737, passed by the US House of Representatives on May 16, 2002, combines and amends HR 4090 (Herger, R-CA) and HR 4092 (McKeon, R-CA), both of which were approved by separate House committees on May 2.

<sup>2</sup> As introduced March 21, 2002.

<sup>3</sup> As introduced May 15, 2002.

<sup>4</sup> As introduced June 19, 2002.

<sup>5</sup> "Work, Opportunity, and Responsibility for Kids (WORK) Act of 2002," as approved by the Senate Finance Committee on June 26, 2002, as a substitute for HR 4737. Based on Chairman Baucus' description and amendments.

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<b>State Spending Requirement</b>	No change.	No change.	No change.	No change.	No change.	No change.
<b>Contingency Fund</b>	Provides \$2 billion to reinstate the contingency fund. Allows broader range of expenditures to count toward states' matching requirement.	Provides \$2 billion to reinstate the contingency fund. Allows broader range of expenditures to count toward states' matching requirement.	Provides \$2 billion to reinstate the contingency fund and updates the rules for accessing the fund. Lowers states' matching requirement.	Provides \$2 billion to reinstate the contingency fund and updates the rules for accessing the fund. Lowers states' matching requirement.	Provides \$2 billion to reinstate the contingency fund. Allows broader range of expenditures to count toward states' matching requirement.	Provides \$2 billion to reinstate the contingency fund and updates the rules for accessing the fund. Lowers states' matching requirement.
<b>Work Participation Rates</b>	<p>Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007.</p> <p>Phases out the "caseload reduction credit," which reduces the percentage of welfare recipients that are required to participate in federally-defined work activities in each state. Allows states to count a limited number of former recipients who are employed toward the work participation requirement.</p> <p>Eliminates the separate participation rate for</p>	<p>Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007.</p> <p>Redesigns the "caseload reduction credit" such that annual required participation rates are reduced when caseloads fall during the previous three-year period. This would not reduce participation requirements for states whose caseloads do not continue to decline.</p> <p>Provides an additional "super achiever" credit for states whose caseloads declined by more than 60</p>	<p>Maintains the minimum participation rate states must meet at 50 percent.</p> <p>Replaces the "caseload reduction credit" with a credit that reduces required participation rates based on the number of former welfare recipients who are working.</p> <p>Eliminates the separate participation rate for two-parent families.</p>	<p>Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007.</p> <p>Phases out the "caseload reduction credit." Allows states to count recent former recipients who are working toward the participation rate. States would also be able to partially count certain non-custodial parents who receive employment services and who have children receiving TANF assistance. States would also receive credit for increasing child support collections.</p>	<p>Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007.</p> <p>Phases out the "caseload reduction credit," which reduces the percentage of welfare recipients that are required to participate in federally-defined work activities in each state. Allows states to count a limited number of former recipients who are employed toward the work participation requirement.</p> <p>Eliminates the separate participation rate for</p>	<p>Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007.</p> <p>Replaces the "caseload reduction credit" with a credit that reduces required participation rates based on the number of former welfare recipients who are working. States can also receive credit for using TANF funds for child care and transportation subsidies for working families. The total credit will be capped at 20 percent by 2007.</p> <p>Eliminates the</p>

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	two-parent families.	percent from 1995 to 2001. California would not be eligible for this credit since its caseload declined by 44 percent between 1995 and 2001.  Eliminates the separate participation rate for two-parent families.		Eliminates the separate participation rate for two-parent families.		two-parent families. separate participation rate for two-parent families.
<b>Work Participation Requirements</b>	Increases the number of hours per week families must participate in work-related activities to 40.	Increases the number of hours per week families must participate in work-related activities to 40.	Maintains the work requirements at 20 hours a week for single-parent families with young children and 30 hours a week for other single-parent families.	Increases the number of hours per week families must participate in work-related activities to 40.	Increases the number of hours per week families must participate in work-related activities to 40.	Maintains the work requirements at 20 hours a week for single-parent families with young children and 30 hours a week for other single-parent families.  Allows states to exempt caretakers of family members with disabilities from work requirements.
<b>Work Participation Activities</b>	Limits activities that count toward the first 24 hours of the work requirement to employment, on-the-job training, supervised work experience, supervised community service, and other services as described below.	Limits activities that count toward the first 24 hours of the work requirement to employment, on-the-job training, supervised work experience, supervised community service, and other services as described below.	Allows vocational education to count toward the work participation requirement for up to two years. English as a Second Language (ESL) classes may also count toward the requirement.  Allows up to 5	Limits the following activities that count toward the first 20 hours to work, work experience, on-the-job training, community service, job search, and vocational education or other job training.  Allows states to exclude individuals	Limits activities that count toward the first 24 hours of the work requirement to employment, on-the-job training, supervised work experience, supervised community service, and other services as described below.	Allows the following activities to count toward the first 24 hours of the work requirement: employment, work experience, on-the-job training, job search, community service, providing child care for community service participants, and

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	Allows participation in substance abuse treatment, rehabilitative services, and work-related training to count toward 24-hour requirement for up to three consecutive months.	Allows participation in substance abuse and rehabilitation treatment and job search to count toward the 24-hour requirement for up to three months. Allows participation in work-related training or education to count toward the 24-hour requirement for up to four months.	percent of a state's recipients to combine work with post-secondary education through an optional "parents as scholars" program.	who are participating in substance abuse treatment or mental health or domestic violence counseling for up to three months within a 24-month period for the purpose of calculating work participation rates.  Allows half of the individuals in vocational education and training to count toward work participation rates for up to two years.	Allows participation in state-defined activities to count toward the 24-hour requirement for up to three months. Allows participation in work-related training or education to count toward the 24-hour requirement for up to 12 months.	other activities as described below.  Allows participation in "rehabilitative services," such as substance abuse treatment, mental health treatment, vocational rehabilitation services, adult basic education, and English proficiency classes, to fulfill work requirement as full-time activities for up to three months.  Allows vocational and post-secondary education to fulfill the work requirement without a time limit. Caps participation in these programs at 10 percent of a state's caseload.
<b>Time Limits</b>	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.	Stops the five-year time limit "clock" while families are working, engaged in work experience or community service, or participating in a "parents as scholars" program.	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.

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<b>Sanction Policy</b>	Maintains current requirement for states to penalize families that do not comply with participation requirements. States can reduce or discontinue cash grant payments to noncompliant families.	Requires states to discontinue all cash grant payments to families with an adult who does not comply with participation requirements for two consecutive months.  Excludes California from this requirement due to an exemption for states that have constitutional or statutory provisions adopted prior to 1966 that require local governments to provide assistance to needy families.	Maintains current requirement for states to penalize families that do not comply with participation requirements. States can reduce or discontinue cash grant payments to noncompliant families.	Maintains current requirement for states to penalize families that do not comply with participation requirements. States can reduce or discontinue cash grant payments to noncompliant families.	Requires states to discontinue all cash grant payments to families with an adult who does not comply with participation requirements for two consecutive months.	Maintains current requirement for states to penalize families that do not comply with participation requirements. States can reduce or discontinue cash grant payments to noncompliant families.
<b>TANF Goals And Purposes</b>	Restates that the purpose of TANF is to "increase the flexibility of states in operating a program designed to improve the well-being of children."	Changes the second TANF purpose to "end the dependence of needy families on government benefits and reduce poverty by promoting job preparation, work, and marriage."  Changes the fourth purpose from "encourag[ing] the formation and maintenance of two-parent families" to "encoura[ing] the	No change.	No change.	Changes the second TANF purpose to "end the dependence of needy families on government benefits and reduce poverty by promoting job preparation, work, and marriage."  Changes the fourth purpose from "encourag[ing] the formation and maintenance of two-parent families" to "encoura[ing] the	No change.

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<b>Family Formation</b>	<p>Eliminates the Illegitimacy Reduction Bonus and redirects the annual \$100 million to fund research and provide technical assistance on “family formation and healthy marriage activities.”</p> <p>Creates a matching grant program of \$100 million for states “to develop innovative approaches to promoting healthy marriage and reducing out-of-wedlock births.” States may use TANF block grant funds to meet the match requirement.</p>	<p>Replaces the Illegitimacy Reduction Bonus with Healthy Marriage Promotion grants, which would provide \$100 million annually in matching grants to fund marriage promotion and marriage education activities. States would be able to use TANF block grant funds to meet the match requirement.</p> <p>Redirects \$100 million annually from the High Performance Bonus to fund research, demonstrations, and technical assistance, primarily for marriage promotion activities.</p> <p>Allows spending on activities to reduce non-marital births and promote marriage to count</p>	<p>Replaces the Illegitimacy Reduction Bonus with a family formation fund, which would provide \$100 million annually to conduct research, provide technical assistance, and promote best practices to encourage two-parent families, reduce teenage pregnancy, and increase the involvement of non-custodial parents with their children.</p>	<p>Authorizes \$25 million annually for media campaigns to promote responsible fatherhood, \$50 million annually for programs to promote marriage and parenting, and \$200 million annually in grants to improve the employment of non-custodial parents. Appropriates \$50 million in 2003 and \$100 million annually in subsequent years for teenage pregnancy prevention programs.</p> <p>Allows state spending aimed at meeting any TANF purpose, including reducing teen pregnancy and promoting marriage, to count toward states’ spending requirements.</p>	<p>Replaces the Illegitimacy Reduction Bonus with Healthy Marriage Promotion grants, which would provide \$100 million annually in matching grants to fund marriage promotion and marriage education activities. States would be able to use TANF block grant funds to meet the match requirement.</p> <p>Redirects \$100 million annually from the High Performance Bonus to fund research, demonstrations, and technical assistance, primarily for marriage promotion activities.</p> <p>Allows spending on activities to reduce non-marital births and promote marriage to count</p>	<p>Repeals the Illegitimacy Reduction Bonus and creates a Healthy Marriage Promotion grant program, which would provide \$200 million annually to fund marriage promotion and marriage education activities, teenage pregnancy prevention programs, broad-based income support strategies for low-income working parents, and dissemination of best practices for addressing domestic violence.</p> <p>Requires 25 percent state match.</p> <p>Provides \$25 million annually beginning in FY 2004 to improve employment of and services for low-</p>
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		toward states' spending requirements, including spending for families not eligible for TANF services.			toward states' spending requirements, including spending for families not eligible for TANF services.	income non-custodial parents.
<b>Eligibility for Immigrants</b>	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	Restores TANF eligibility to legal immigrants, regardless of date of entry.  Gives states the option to use federal funds to provide Medicaid (Medi-Cal in California) and State Children's Health Insurance Program (SCHIP, Healthy Families in California) eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.	Gives states the option to provide TANF-funded cash assistance and services to legal immigrants, regardless of date of entry.  Gives states the option to use federal funds to provide Medicaid and SCHIP eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	Gives states the option to provide TANF-funded cash assistance and services to legal immigrants, regardless of date of entry.  Gives states the option to use federal funds to provide Medicaid and SCHIP eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.
<b>Child Care</b>	Extends annual Child Care and Development Fund entitlement funding at FY 2002 level of \$2.7 billion.	Increases Child Care and Development Fund entitlement funding from \$2.7 billion to \$2.9 billion through 2007, for a total increase of \$1 billion.	Increases annual entitlement funding to \$3.7 billion for the next five years, for a total increase of \$5 billion.	Provides an additional \$8 billion over five years for Child Care and Development Fund entitlement funding.	Increases Child Care and Development Fund entitlement funding from \$2.7 billion to \$2.9 billion through 2007, for a total increase of \$1 billion.	Increases annual entitlement funding to \$3.7 billion for FY 2003 through FY 2005 and \$4.0 billion for FY 2006 and FY 2007, for a total increase of \$5.5 billion.

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<b>Child Support</b>	<p>Encourages states to direct up to \$100 per month to current welfare recipients from child support collected on their behalf. Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Requires parents who receive child support through a child support agency and who have never received TANF benefits to pay a \$25 annual fee.</p>	<p>Encourages states to direct up to \$100 per month to current welfare recipients from child support collected on their behalf. Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Requires parents who receive child support through a child support agency and who have never received TANF benefits to pay a \$25 annual fee.</p>	<p>No change.</p>	<p>Encourages states to pass through child support payments to current and former TANF recipients.</p>	<p>Encourages states to direct up to \$100 per month to current welfare recipients from child support collected on their behalf. Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Requires parents who receive child support through a child support agency and who have never received TANF benefits to pay a \$25 annual fee.</p>	<p>Encourages states to direct up to \$600 per month to current welfare recipients from child support collected on their behalf.</p> <p>Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Allows states to count delinquent child support payment passed through to former TANF families toward the state spending requirement.</p>