

COMPARISON OF KEY PROVISIONS IN TANF REAUTHORIZATION PROPOSALS

	Administration's Proposal ¹	HR 4 (House Bill, 2003) ²	S 2052 (Rockefeller, 2002) ³	S 2524 (Bayh/Carper, 2002) ⁴	S 2648 (Hutchinson, 2002) ⁵	WORK Act of 2002 (Senate Finance Committee Bill) ⁶
TANF Funding	Extends TANF block grant at the current level of \$16.5 billion through 2007.	Extends TANF block grant at the current level of \$16.5 billion through 2008.	<p>Extends the TANF block grant through 2007 and increases the grant by approximately \$500 million in 2003 and an additional \$225 million each year until 2007.</p> <p>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.</p>	<p>Extends TANF block grant at the current level of \$16.5 billion through 2007.</p> <p>Appropriates \$50 million per year to provide cash assistance and services to legal immigrants who were not previously eligible.</p>	Extends TANF block grant at the current level of \$16.5 billion through 2007.	Extends TANF block grant at the current level of \$16.5 billion through 2007.

¹ President Bush released his proposal in February 2002. The President made clear in January 2003 that the Administration was not modifying the proposal.

² As passed by the US House of Representatives on February 13, 2003.

³ As introduced March 21, 2002.

⁴ As introduced May 15, 2002.

⁵ As introduced June 19, 2002.

⁶ "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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State Spending Requirement	No change.	No change.	No change.	No change.	No change.	No change.
Contingency Fund	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.
Work Participation Rates	Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007. 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. Eliminates the separate participation rate for two-parent	Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2008. Redesigns the "caseload reduction credit" such that annual required participation rates are reduced when caseloads fall during the previous three-year period. This method would not reduce participation requirements for states whose caseloads do not continue to decline. Provides an additional "super achiever" credit for states whose caseloads declined	Maintains the minimum participation rate states must meet at 50 percent. Replaces the "caseload reduction credit" with a credit that reduces required participation rates based on the number of former welfare recipients who are working. Eliminates the separate participation rate for two-parent families.	Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007. 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. Eliminates the separate participation rate for two-parent families.	Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007. 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. Eliminates the separate participation rate for two-parent families.	Increases the minimum participation rate states must meet from 50 percent to 70 percent in 2007. 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. Eliminates the

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	families.	by at least 60 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.				separate participation rate for two-parent families.
Work Participation Requirements	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.
Work Participation Activities	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,	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,	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	Limits activities that count toward the first 20 hours of the work requirement to employment, work experience, on-the-job training, community service, job search, and vocational education or other job	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,	Allows the following activities to count toward the first 24 hours of the work requirement: employment, work experience, on-the-job training, job search,

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	<p>and other services as described below.</p> <p>Allows participation in substance abuse treatment, rehabilitative services, and work-related training to count toward the 24-hour requirement for up to three consecutive months.</p>	<p>and other services as described below.</p> <p>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.</p>	<p>requirement.</p> <p>Allows up to 5 percent of a state's recipients to combine work with post-secondary education through an optional "parents as scholars" program.</p>	<p>training.</p> <p>Allows states to exclude individuals 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.</p> <p>Allows half of the individuals in vocational education and training to count toward work participation rates for up to two years.</p>	<p>and other services as described below.</p> <p>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.</p>	<p>community service, providing child care for community service participants, and other activities as described below.</p> <p>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 the work requirement as full-time activities for up to three months.</p> <p>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.</p>

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Time Limits	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.
Sanction Policy	Maintains the 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. However, this exemption applies for only one year.	Maintains the 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 the 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 the 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.
TANF Goals And Purposes	Restates that the purpose of TANF is to "increase the flexibility of states in operating a	Changes the second TANF purpose to "end the dependence of needy families on	No change.	No change.	Changes the second TANF purpose to "end the dependence of needy families on government benefits	No change.

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	program designed to improve the well-being of children.”	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 “encourag[ing] the formation and maintenance of healthy two-parent married families, and encourag[ing] responsible fatherhood.”			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 “encourag[ing] the formation and maintenance of healthy two-parent married families, and encourag[ing] responsible fatherhood.”	
Family Formation	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.” Creates a matching grant program of \$100 million for states “to develop innovative approaches to promoting healthy	Replaces the Illegitimacy Reduction Bonus with Healthy Marriage Promotion Grants, which would provide \$100 million annually for fiscal years 2003 through 2008 in matching grants to fund marriage promotion and marriage education activities. Allows states to use TANF block grant funds to meet the match requirement.	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.	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. Allows state spending	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. Redirects \$100 million annually from	Replaces the the Illegitimacy Reduction Bonus with 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

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	marriage and reducing out-of-wedlock births.” States may use TANF block grant funds to meet the match requirement.	<p>Redirects \$100 million annually for fiscal years 2003 through 2008 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 toward states' spending requirements, including spending for families not eligible for TANF services.</p>		aimed at meeting any TANF purpose, including reducing teen pregnancy and promoting marriage, to count toward states' spending requirements.	<p>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 toward states' spending requirements, including spending for families not eligible for TANF services.</p>	<p>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-income non-custodial parents.</p>
Eligibility for Immigrants	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.	<p>Restores TANF eligibility to legal immigrants, regardless of date of entry.</p> <p>Gives states the option to use federal funds to provide Medicaid (Medi-Cal in California) and State Children's Health Insurance Program (SCHIP,</p>	<p>Gives states the option to provide TANF-funded cash assistance and services to legal immigrants, regardless of date of entry.</p> <p>Gives states the option to provide Medicaid and SCHIP eligibility to children and pregnant women who are legal</p>	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	<p>Gives states the option to provide TANF-funded cash assistance and services to legal immigrants, regardless of date of entry.</p> <p>Gives states the option to use federal funds to provide Medicaid and SCHIP</p>

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			Healthy Families in California) eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.	immigrants, regardless of date of entry.		eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.
Child Care	Extends annual Child Care and Development Fund entitlement funding at the FY 2002 level of \$2.7 billion.	Increases Child Care and Development Fund entitlement funding from \$2.7 billion to \$2.9 billion annually through 2008, 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.	Increases Child Care and Development Fund entitlement funding by \$8 billion over five years.	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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Child Support	<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>	No change.	Encourages states to pass through child support payments to current and former TANF recipients.	<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>