

## Side-by-Side Comparison of House and Senate Reauthorization Vehicles With CWDA Positions

	Current Law	House-Passed Bill, H.R. 4	Senate Finance Bill	CWDA Position
<b>FUNDING</b>				
<b>Basic TANF Block Grant Funding</b>	Frozen at \$16.5 billion a year through FY 2002.	Frozen at \$16.5 billion a year through FY 2008.	Frozen at \$16.5 billion a year through FY 2008.	At minimum, maintain \$16.5 billion a year through 2008. Ideally, increase block grant to reflect inflation since 1996 and provide annual increases for inflation through 2008. <i>(High Priority)</i>
<b>State Maintenance of Effort (MOE)</b>	State must spend at least 75 percent of the amount the state spent on AFDC-related programs in FY 1994. 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 does not need to be targeted to low-income families.	Whether a state is required to spend 75% or 80% of its historic level is based on its meeting or failure to meet the work participation requirement for the preceding fiscal year.	Generally prefer current law.
<b>Supplemental Grants</b>	\$319 million in FY 2002 for states with low TANF funding levels or high population growth.	\$319 million annually through FY 2007.	\$319 million annually through FY 2008.	No position, other than to support continuation of supplemental grants.
<b>Contingency Fund</b>	\$2 billion available to states that experience increases in food stamp caseloads or unemployment. Must meet 100% MOE requirement, excluding child care and separate state programs.	\$2 billion through FY 2008. Generally retains current law, except that spending on child care and separate state programs would count toward MOE requirement.	\$2 billion through FY 2008. Eligibility based on updated unemployment rate, or food stamp or TANF caseload increase criteria; unspent reserves must be less than 30% of grant. Eliminates 100% MOE requirement.	Continue contingency fund with updated eligibility criteria similar to Senate version, also eliminate 100% MOE requirement. Prefer Senate version, but either would be an improvement.
<b>Social Services Block Grant</b>	\$1.7 billion in FY 2002.	Funding frozen at \$1.7 billion annually.	Funding frozen at \$1.7 billion annually.	Increase SSBG funding.

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Child Care</b>	<p>Mandatory Funding: \$2.7 billion in FY 2002 (\$1.2 billion unmatched and \$1.5 billion in matching funds).</p> <p>Discretionary Funding: \$2.1 billion appropriated in FY 2002.</p>	<p>Mandatory: \$1 billion increase in matching funds over five years.</p> <p>Discretionary: Authorizes \$2.4 billion increase over five years. (Contingent on appropriation.)</p>	<p>Mandatory: \$1 billion increase in matching funds over five years.</p> <p>Discretionary: Current law, but discretionary funding level not within the jurisdiction of the Finance Committee.</p>	<p>If increased work requirements adopted, neither version has sufficient funding to meet increased child care demand. <i>(High Priority)</i></p>
<b>Bonuses</b>	<p>High Performance: \$200 million a year based on work, work supports, and family formation.</p>	<p>Eliminates high performance bonus. Replaces with new Employment Achievement Bonus (\$100 million a year until 2009). The Department of Health and Human Services in consultation with the states is to develop a formula to measure state performance in achieving the goals of employment entry, job retention, and increased earnings from employment for families receiving assistance, measured in absolute and relative terms.</p>	<p>Eliminates high performance bonus. Replaces with new Employment Achievement Bonus very similar, but not identical to, the H.R. 4 Employment Achievement Bonus. Under the Finance proposal, the states would also be measured on their progress toward the goal of "attachment to the workforce." Caps a state's bonus at 5% of its family assistance grant.</p>	<p>Prefer bonuses to be retained in current form. Not a high priority issue.</p>
<b>Nonmarital Birth Reduction Bonus</b>	<p>\$100 million a year.</p>	<p>Eliminates nonmarital birth reduction bonus.</p>	<p>Eliminates nonmarital birth reduction bonus.</p>	<p>No position.</p>
<b>Family Formation Programs</b>	<p>TANF funds may be used to support these activities; no dedicated TANF funding stream.</p>	<p>Competitive \$100 million annual matching grant program for "healthy marriage" promotion. States may use TANF funds to meet 100% state match.</p> <p>Provides \$1 billion over five years to HHS for research, demonstrations, and technical assistance, which must be "primarily" spent on marriage promotion activities.</p>	<p>Competitive \$100 million annual matching grant program for "healthy marriage" promotion. States may use TANF funds to meet 50% state match requirement.</p> <p>Provides \$1 billion over five years to HHS for research, demonstrations, and technical assistance, 80% of which must be spent on marriage promotion activities.</p>	<p>No position.</p>

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Fatherhood Programs</b>	No provisions.	Establishes the Fatherhood Program, to include: (1) competitive grants to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities; (2)  Authorizes \$20 million annually to fund fatherhood programs. (Contingent on appropriation.)	Establishes the Responsible Fatherhood Program in the Social Security Act, subject to the charitable choice provisions of TANF. Authorizes: (1) a \$20 million grant program for up to 10 eligible states to conduct demonstration programs; (2) a \$30 million grant for eligible entities to conduct demonstration programs; (3) \$5 million for a nationally recognized non-profit fatherhood promotion organization to develop and promote a responsible fatherhood media campaign; and (4) a \$20 million block grant to states to conduct media campaigns.	No position.
<b>Abstinence Education</b>	\$50 million in funds for “abstinence only” education provided annually through FY 2002 via the Maternal and Child Health Block Grant (MCH). Additional \$52 million in FY 2002 for “abstinence only” education provided through the Community-Based Abstinence Education program and the Adolescent Family Life Act.	“Abstinence only” funding under MCH extended for five years.	“Abstinence only” funding under MCH reauthorized for five years.	No position.
<b>Carry Forward Funding</b>	Allows a state to spend funds carried forth from a prior fiscal year only on cash assistance.	Eliminates cash assistance requirement and allows states to designate unused dollars as a contingency reserve.	Eliminates cash assistance requirement and allows states to designate unused dollars as a contingency reserve.	Eliminate the cash assistance requirement. No position on the contingency fund provisions.

	Current Law	House-Passed Bill, H.R. 4	Senate Finance Bill	CWDA Position
<b>Other Dedicated Funding</b>	No provisions.	No provisions.	\$40 million annually for competitive grants to entities for the purpose of “capitalizing and developing the role of sustainable social services that are critical to the success of moving TANF recipients to work.”	No position.
<b>WORK REQUIREMENTS</b>				
<b>Universal Engagement</b>	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 Family Self-Sufficiency Plan within 60 days of opening an ongoing case.  Gives the state discretion to define activities for families, monitor and review progress, and modify plans as it deems appropriate.	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 Family Self-Sufficiency Plan within 60 days. There is a 12-month phase-in period for those receiving aid at the time the law is enacted.	Universal engagement requirement should be effective within 120 days of enrollment, rather than 60 days, so as not to interfere with up-front job search. <i>(High Priority)</i>
<b>Universal Engagement Penalties</b>	No provision.	States may be penalized for failure to meet the Family Self-Sufficiency Plan requirement, under existing penalty structure for failing to meet the participation rate.	States may be penalized for failure to meet the Family Self-Sufficiency Plan requirement, under existing penalty structure for failing to meet the participation rate.  Specifies that the penalty would be based on <u>substantial</u> noncompliance by a state.	Oppose separate penalty for failure to meet universal engagement provisions. Prefer this to be solely a state plan requirement. <i>(High Priority)</i>

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Assessments</b>	States must conduct an initial assessment of skills, prior work experience, and employability.	Similar to current law; requires assessment in “the manner deemed appropriate by the state.”	Expands assessment to include “work barriers” and specifies that assessment is to be conducted in “the manner deemed appropriate by the state.”	Prefer to delay assessment until after completion of job search activities. Note that Center for Budget and Policy Priorities thinks the timeline for completion of assessment is unclear in the Finance bill. <i>(High Priority)</i>
<b>Participation Rates</b>	“All Families” Rate: 50% in FY 2002.  Two-Parent Family Rate: 90% in FY 2002.	50% in 2004, 55% in 2005, 60% in 2006, 65% in 2007, 70% in 2008.  Eliminates separate two-parent family rate.	50% in 2004, 55% in 2005, 60% in 2006, 65% in 2007, 70% in subsequent years.  Eliminates separate two-parent family rate.	Prefer current law on percentage requirement.  Support elimination of separate two-parent family rate.
<b>Participation Rate Credits</b>	Caseload reduction credit allows state to reduce participation rate by one percentage point for each one percentage point decline in caseload since FY 1995 that is not attributable to eligibility changes.	Limits caseload reduction to more recent declines in caseload.  Additional “super-achiever” credit for states that reduced caseload by more than 60% between 1995 and 2001.	Replaces caseload reduction credit with employment credit based on number of families employed after leaving assistance. Larger credit for higher earnings. Credit for using TANF funds directly for child care and transportation subsidies to working families. Total credit capped (40% in 2004 declining to 20% in FY 2008 unless state meets two contingency fund triggers.  Also creates option to receive credit for diverted individuals who are later employed.	Prefer Senate version. <i>(High Priority)</i>
<b>Exclusions from Participation Rates</b>	State option to exclude a single parent caring for a child under age 1 from the work rates.	Current law, plus state may exclude a family in the first month of receiving assistance.	Current law, plus 1) state may exclude a family in the first month of receiving assistance and 2) state may exclude families with a child under 1 year of age, on a case-by-case basis and subject to a 12-month lifetime limit.	Would prefer House version. Lifetime limit in Senate version impossible to track. <i>(Medium Priority)</i>

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Hours of Participation Required to Count Toward All-Families Rate</b>	Single parent with a child under age six: 20 hours. Other single-parent families: 30 hours. Two-parent families: 35 hours; 55 hours if family receives federally-funded child care.	40 hours per week, regardless of age of child and number of parents in household. Determination of whether family meets requirement is based on a 160-hour month.  Partial credit for adults who participate in at least 24 hours of “direct work” activities.	Single parents with a child under age 6: 24 hours.  Other single parents: 34 hours.  Two-parent families: 39 hours, or 55 if the family receives subsidized child care.  Partial credit for single parents who participate in 20 or more hours but do not meet the 24-hour standard and for two-parent families who participate in 26 or more hours (40 hours for those receiving child care funds).	Maintain state flexibility to set work week, within existing federal requirements. <i>(High Priority)</i>
<b>Countable Activities</b>	“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; 3) job search (6 weeks); and 4) providing child care for other recipients.  “Secondary” activities that count toward remaining hours: 1) any of above activities; 2) job skills training; and 3) education related to employment.	Primary: Increases hours to 24 and <i>limits</i> to paid or unpaid work, including on-the-job training, work experience, and community service. Requires work experience and community service to be supervised in order to count. State may substitute other activities for 3 months in 24.  Secondary: Determined by state, subject to such regulations as the Secretary may prescribe.	Primary: Increases hours to 24. Job search may be counted for 8 weeks rather than 6 weeks. State may substitute barrier removal activities for 6 months in 24.  Secondary: Current law, plus substance abuse counseling/treatment, programs designed to remove barriers, and any programs/activities approved under a waiver since August 22, 1996.	Prefer Senate version. <i>(High Priority)</i>
<b>Exemptions</b>	No provisions.	No provisions.	States may deem a single parent who provides care for a disabled child or dependent to be meeting all or part of a family’s work requirements.	Prefer Senate version.

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Barrier Removal and Other Activities</b>	Activities limited as described above.	State-defined activities that meet a TANF purpose may count as a primary activity up to 3 consecutive months out of 24, and as a secondary activity with no time limit.	For up to six months in any 24-month period, states can count as a primary activity: substance abuse counseling or treatment programs or activities designed to remove work barriers, programs approved under a waiver since August 22, 1996, and educational activities detailed below.	Prefer Senate version. <i>(High Priority)</i>
<b>Education and Training</b>	<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 three months in a 24- month period to permit program completion (or four months under very limited circumstances).</p> <p>Eliminates 30% cap.</p>	<p>Current law, except that adult basic education and post-secondary education may be counted as a primary activity for three months in a 24-month period.</p> <p>Provides state option to count post-secondary or vocational education as a work activity for more than 12 months, with participation in such programs capped at 10 percent of a state’s caseload.</p>	<p>Support extension of vocational education to 24 months. Support inclusion of post-secondary education as a primary or secondary activity for up to 10 percent of caseload. <i>(High Priority)</i></p>
<b>Sanctions and Sanction Review Procedures</b>	<p>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.</p> <p>No requirement to review sanctions.</p>	<p>States must terminate assistance completely for non-compliant families.</p> <p>State plan must describe strategies state may take to address “services for struggling and noncompliant families and for clients with special problems.”</p>	<p>Current law.</p> <p>State plan must describe strategies state may take to address services for struggling and noncompliant families and for clients with special problems.</p>	<p>Oppose requirement for full-family sanctions.</p> <p>No position on other issues.</p>

	Current Law	House-Passed Bill, H.R. 4	Senate Finance Bill	CWDA Position
<b>OTHER ISSUES</b>				
<b>TANF Purposes</b>	1) Assist needy families; 2) end dependence of needy parents by promoting work and marriage; 3) reduce out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.	Adds “improving child well-being” as overall purpose and “reducing poverty” to second purpose. Changes fourth purpose to “encourage the formation and maintenance of healthy, two-parent married families and to encourage responsible fatherhood.”	Changes fourth purpose to “encourage the formation and maintenance of healthy, two-parent married families and to encourage responsible fatherhood.”	Would support House change to second purpose.  No position on Senate change.
<b>Wage Subsidies</b>	TANF-funded wage subsidies count toward the 60-month limit.	Current law.	Current law.	Current law.
<b>Legal Immigrants</b>	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.	Current law.	Support allowing states to provide Medicaid and SCHIP benefits to recent legal immigrant children and pregnant women. <i>(Medium Priority)</i>
<b>Two-Parent Family Eligibility</b>	No provision.	States must outline in state plans how they intend to encourage equitable treatment of married, two-parent families in their TANF programs.	States must outline in state plans how they intend to encourage equitable treatment of married, two-parent families in their TANF programs.	No position.
<b>Pass Through of Child Support to TANF Families</b>	TANF recipients must assign to the state their right to unpaid support owed before and during the assistance period to repay cash assistance. States may keep or “pass through” support to TANF families, but must pay a share of collections to the federal government.	Requires federal government to waive its share of a pass-through increase, up to a \$50 increase or \$100 pass-through. Retains “pre-assistance assignment,” that is, the requirement to assign support owed to the family before it received assistance.	For families that include an adult who has received TANF benefits for not more than five years after enactment of the bill, the federal government would be required to waive its share of child support collections passed through to TANF families by the state and disregarded by the state, up to \$400 per month in the case of a family with one child and up to \$600 a month for a family with two or more children.	No position.

	<b>Current Law</b>	<b>House-Passed Bill, H.R. 4</b>	<b>Senate Finance Bill</b>	<b>CWDA Position</b>
<b>Distribution of Child Support to Families Who Have Left TANF</b>	After a family leaves TANF, most support payments must be paid to the family, except support collected through federal tax offset, which is retained and shared by the state and federal government. Distribution rules based on date support is owed.	State 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.	Arrearage payments are passed through to former TANF families regardless of the source of the collected funds. Makes other changes to pre-assistance arrearages. Provides funding and implementation flexibility to states.	No position.
<b>Transitional Medical Assistance (TMA)</b>	Families receiving Medicaid for 3 of last 6 months who lose Medicaid eligibility because of earnings or child support are eligible for TMA.	Reauthorizes TMA for one year through FY 2004.	Permanently reauthorizes TMA with new state options to extend eligibility and simplify participant reporting requirements.	Prefer Senate version.
<b>Use of SCHIP Funds for Childless Adults</b>	No provision.	No provision.	Specifies that SCHIP funds cannot be spent for childless adults.	No position.
<b>Superwaivers</b>	No superwaiver provision in current law. Some program-specific waiver authority.	States, with approval by appropriate federal agencies, could obtain waivers of federal law and rules related to TANF, Food Stamps, public housing and most homelessness programs, Social Services Block Grant, Child Care Development Fund, most Workforce Investment Act programs, and adult basic education.	States, with approval by appropriate federal agencies, could obtain waivers of federal law and rules related to TANF, Social Services Block Grant, and Child Care Development Fund.  Unclear whether there are any limitations on which provisions in these programs can be waived.	No position.