

CRS Report for Congress

Received through the CRS Web

TANF Reauthorization: Side-By-Side Comparison of Current Law and Two Versions of H.R. 4

February 2, 2004

Vee Burke and Gene Falk
Domestic Social Policy Division

TANF Reauthorization: Side-By-Side Comparison of Current Law and Two Versions of H.R. 4

Summary

The House of Representatives and the Senate Finance Committee have approved two different versions of a bill to continue funding and revise the block grant Temporary Assistance for Needy Families (TANF), which was created in the 1996 welfare reform law. H.R. 4 is currently pending to amend TANF and provide funding for the program through FY2008. The House approved its version of H.R. 4 in February 2003; the Senate Finance Committee reported a substitute bill in September 2003. The Senate has yet to act on the bill. The 1996 law provided TANF funding through Fiscal Year (FY) 2002, and a series of laws have provided temporary extensions of the program. The latest extension runs through March 31, 2004.

The House-passed and Senate Finance Committee bills are very similar in terms of how they would continue funding under the TANF program. Both bills extend basic TANF funding at current levels (\$16.6 billion for the 50 states, the District of Columbia, and the territories) through FY2008 and extend supplemental grants provided to 17 states through FY2007. Both bills also would provide new, categorical grants for marriage promotion activities. The major difference in the funding provisions of the two bills is how they would provide extra contingency (recession-related) funding to the states. The House bill essentially extends the current law fund that provides matching grants to states that experience high and increased unemployment rates and food stamp caseloads. The Senate Finance Committee bill eliminates the requirements that states expend additional money to access contingency funds, instead basing extra funding on the cost of increased caseloads for states that meet revised unemployment or food stamp caseload criteria.

The two bills would also substantially revise TANF work participation standards that states must meet or be subject to a financial penalty. Under current law, 50% of TANF families with an adult or minor household head must participate, though the 50% rate is reduced by caseload reductions that have occurred since welfare reform. Both versions of H.R. 4 would raise this standard to 70%, though under both bills the standard may be reduced through credits (though the credits differ between the two bills). They also both eliminate a separate 90% participation rate requirement for two-parent families. Both bills raise the minimum hours required of family members to be considered full participants, though the House raises them more than does the Senate Finance Committee bill. The bills also differ in the activities countable toward the participation standards: the House narrows the list of activities countable, requiring recipients to spend at least 24 hours in work, community service, or work experience programs except for a short (usually three month) period when states may define what counts as activities themselves. The Senate Finance Committee bill keeps all activities on the current law list, and also allows states to count activities on an expanded list for three months (six months in some circumstances).

Both bills include non-TANF provisions relating to child support enforcement, responsible “fatherhood” programs, and transitional medical assistance (not addressed herein). This report will be updated as needed.

Contents

Introduction	1
Summary of the Similarities and Differences of the Two Bills	1
Funding Provisions	1
Basic Funding	2
Supplemental Grants	2
Contingency Funds	2
Uses of Grants and Program Requirements	3
Work Requirements	3
Participation Rate Standards	4
Hours Standards	4
Creditable Activities	5
Marriage Promotion Grants	5
Other Provisions	6
Detailed Comparison of TANF Provisions of the House and Senate Finance Committee Bill	6
Short Title, Findings and Statement of TANF Goals and Purposes	7
Short Title	7
Findings	7
TANF Financing Provisions	8
State family assistance grants	8
Supplemental grant for population increases in certain states	8
Bonus to reward employment achievement	9
Bonus to reward reductions in out-of-wedlock births	10
Contingency fund	10
Additional grants	12
<i>Social service capitalization</i>	12
Repeal of federal loan fund	13
Maintenance of effort	13
Funding for child care	14
Use of funds	14
General rules	14

Transfer of funds	15
<i>Carryover of funds</i>	15
<i>Use of funds for education</i>	15
Direct funding and administration by Indian tribes	16
Work Participation Requirements and Standards	16
Universal engagement and family self-sufficiency plan requirements	16
Sanctions against individuals for work refusal	19
Work participation requirements	20
<i>Caseload reduction credit</i>	20
<i>Employment credit</i>	21
<i>Calculation of participation rates</i>	23
<i>Penalty for failing participation rate</i>	24
Countable activities	25
<i>Listed in law or bill</i>	25
<i>State options for activities</i>	26
<i>Time limits on activities</i>	26
<i>Numerical limits</i>	27
<i>Parents as scholars</i>	28
Required hours of work activity	29
<i>Partial work credit</i>	30
<i>Extra work credit</i>	31
Marriage Promotion	31
TANF goals and purposes	31
Funding for marriage promotion matching grants	31
Allowable activities for marriage promotion grants	33
Research and demonstrations on marriage promotion	34
State Plans, Data Reporting, Research (Other than Marriage Promotion) and Other Provisions	34
State plan requirements	34
Performance measures	37
Rankings of states	37
Data collection and reporting	38
<i>Use of sample data</i>	40
<i>Monthly state reports</i>	40
<i>Annual state reports</i>	40
<i>Data elements</i>	40

HHS reports	41
Single audit reports	41
Research, evaluations, and national studies	42
<i>Research on state programs</i>	42
<i>Census Bureau study</i>	42
<i>General Accounting Office study</i>	43
Waivers and program coordination	43
Definition of assistance	45
Technical corrections	45
State option to make TANF programs mandatory partners with one-stop WIA centers	45
Sense of the Congress	45
Enforcing support of immigrants by sponsors	46
Extension through FY2003	46

List of Tables

Table 1. Comparison of Current Law with H.R. 4, as Passed by the House and as Reported by the Senate Finance Committee (TANF Provisions)	7
---	---

TANF Reauthorization: Side-By-Side Comparison of Current Law and Two Versions of H.R. 4

Introduction

The House of Representatives and the Senate Finance Committee have approved two different versions of a bill to continue funding and revise the block grant Temporary Assistance for Needy Families (TANF), which was created in the 1996 welfare reform law. The 1996 law provided TANF funding through Fiscal Year (FY) 2002, and a series of laws have provided temporary extensions of the program. The latest extension runs through March 31, 2004.

H.R. 4 is currently pending to amend TANF and provide funding for the program through FY2008. The House approved its version of H.R. 4 in February 2003; the Senate Finance Committee reported a substitute bill in September 2003. The Senate has yet to act on the bill.

Summary of the Similarities and Differences of the Two Bills

The bills have many similarities, with both extending basic funding at current levels through FY2008 and incorporating President Bush's proposal to provide categorical "marriage promotion" grants. They both also raise TANF work participation standards, though the two bills differ in terms of how much more work would be required and what activities count toward the participation standards. This report provides a comparison of the TANF provisions of H.R. 4 as it passed the House and was reported from the Senate Finance Committee. It does *not* address non-TANF provisions of both bills, such as revisions to the Child Care and Development Fund, Child Support Enforcement, Abstinence Education, and transitional Medicaid.

Funding Provisions

The House-passed and Senate Finance Committee bills have very similar funding provisions. The major difference in the funding provision between the two bills is that the Senate Finance Committee bill would completely revamp the TANF contingency (recession) funds, while the House-passed bill would make relatively minor revisions to the fund.

Basic Funding. The 1996 welfare reform law entitled states to a basic TANF block grant equal to peak expenditures in the pre-1996 welfare programs during the FY1992 to FY1995 period. It also established a *maintenance of effort* (MOE) requirement that states continue to spend at least 75% (80% if a state failed TANF work participation requirements) of what it spent in these programs in FY1994. The mid-1990s were the period when cash welfare caseloads were at their peak. Both the basic TANF grant and the MOE are legislatively fixed: they did not change when cash welfare caseloads declined in the mid- and late-1990s, nor did they increase when caseloads in some states increased during the recent economic slump. Neither the basic TANF block grant nor the MOE have been adjusted for inflation.

Both the House-passed and Senate Finance Committee versions of H.R. 4 would continue both the basic block grant and the MOE at their current funding levels (without inflation or caseload adjustment) through FY2008.

Supplemental Grants. During the consideration of legislation that led to the 1996 welfare law, fixed funding based on historical expenditures was thought to disadvantage two groups of states: (1) those that experience relatively high population growth; and (2) states that had historically low grant levels relative to poverty in the state. Therefore, additional funding in the form of supplemental grants was provided to states that met criteria of high population growth and/or low historic grants per poor person. Supplemental grants have been provided to 17 states: Alabama, Alaska, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Louisiana, Mississippi, Montana, New Mexico, Nevada, North Carolina, Tennessee, Texas, and Utah.

In FY2003, supplemental grants totaled \$319 million. Both the House-passed and Senate Finance Committee bills would continue supplemental grants for the same 17 states at the FY2003 funding level through FY2007 (unlike other grants, which expire in FY2008).

Contingency Funds. The fixed basic grant under TANF also led to concerns of inadequate funding during economic downturns. TANF includes a contingency fund, which is designed to provide extra matching grants to states that meet criteria of economic need (based on unemployment rates and food stamp caseloads) and have state expenditures in excess of their FY1994 level. Though some states met the criteria of economic need during the recent recession and its aftermath, no states drew contingency funds as states' spending from their own funds did not increase to above FY1994 levels.

The two bills differ substantially in their revisions to the TANF contingency fund. The House-passed version of H.R. 4 essentially would continue the fund on existing rules, with some relatively minor modifications: allowing some additional state spending to count toward meeting the FY1994 funding level threshold and modifications to increase grants for states that qualify for funds for only part of the year.

The Senate Finance Committee bill fully revamps the contingency fund. It would eliminate the requirement that states increase expenditures from their own funds above the regular TANF MOE level and eliminates the matching requirements.

It adds a new financial requirement that unspent TANF balances be below a certain threshold to qualify for contingency funds. The Finance Committee proposal would base contingency grants on a portion of the estimated cost of increased cash assistance caseloads. The Senate Finance Committee bill would also revise the criteria of economic need for a state.

Uses of Grants and Program Requirements. Federal TANF grants and MOE funds can be used for a wide range of benefits, services, and activities to assist low income families with children and to further TANF goals of reducing out-of-wedlock births and promoting two-parent families. TANF grants can also be transferred to other block grant programs: up to 30% of the grant can be transferred to the Child Care and Development Fund (CCDF) and to the Social Services Block Grant, though the limit on transfers to SSBG is set at 4.25% (though annual appropriations have restored the SSBG transfer limit to its original limit set in the 1996 welfare law of 10%). Within the overall 30% limit, federal TANF funds may also be used as the state match for federal reverse commuter grants if the program benefits welfare families.

Both bills would set the SSBG transfer limit permanently at 10%. However, the House bill would raise the overall transfer limit to 50%. The Senate Finance Committee bill would retain the current law 30% transfer limit.

Both bills include provisions to ease some rules regarding use of TANF funds. Both the House-passed and Senate Finance Committee versions of H.R. 4 would:

- Allow states to use carryover TANF funds for any TANF benefit and service. Current law restricts the use of carryover funds for the provision of “assistance.”
- Narrow the definition of “assistance” to exclude all child care and transportation aid. TANF funds spent on assistance trigger certain program requirements, such as work requirement, time limits, assignment of child support payments, and data reporting requirements. Under current regulations, child care and transportation aid for nonworking families is counted as assistance and triggers these requirements. The bills would eliminate such aid from the definition of assistance, freeing nonworking families who receiving only child care or transportation aid from these requirements.

Work Requirements

Both the House-passed and Senate Finance Committee bills substantially revise TANF work participation requirements that apply to both the states and to individuals. They both raise work participation rates that states must meet from the current law’s standard of 50% to 70%, raise the required hours of working of full credit and provide partial credit for participating families that do not meet the full credit standard, and revise the list of activities. However, the bills differ in how they do these three things.

Both bills also incorporate the Bush Administration's "universal engagement" proposal, which requires states to develop a self-sufficiency plan for all TANF adult recipient to monitor progress toward that plan. The House-passed bill also requires states to end benefits ("full family sanction") for families that fail to comply with work participation rules.

Participation Rate Standards. Current law requires states to have a specified percentage of their families with an adult recipient (or minor head of household) participating in creditable work activities. The current participation standard is 50%. States are subject to an additional participation rate standard for two-parent families, currently 90%. The participation rate standards may be reduced for caseload reduction (not attributable to policy changes) that have occurred since before enactment of welfare reform (FY1995). This "caseload reduction credit" has had a large effect on participation standards, reducing the standard considerably from its statutory rate. In FY2002, the standard was reduced to 0% for 22 states.

Both the House-passed and Senate Finance Committee bills raise the work participation standard for all families to 70% by FY2008 and eliminate the separate standard for two-parent families. Both bills also would revise the credits that reduce these standards from their statutory rate (i.e., reduce the 70% standard to a lower rate), but they do so in different ways.

The House-passed bill revises the current caseload reduction credit so that caseload change is measured from a more recent year (rather than the pre-welfare reform caseload level of 1995). Ultimately, caseload reduction would be measured based on the most recent four years. The House bill also includes a provision to give an additional credit to states that achieved a caseload reduction of 60% or more from FY1995 to FY2001.

The Senate Finance Committee bill retains the current caseload reduction credit for FY2004 and FY2005, but beginning in FY2006 would replace the caseload reduction credit with a credit for employed welfare leavers. The bill would also cap all credits against the participation standard, so that the minimum *effective* rate standard would be 10% in FY2004, 20% in FY2005, 30% in FY2006, 40% in FY2007, and 50% in FY2008.

Hours Standards. Current law requires that a family be considered participating only if it participates for a minimum number of hours per week in a month. Under current law, 20 hours is required for single parents with a pre-school child (under the age of six) and 30 hours is required for other families. Higher hours are set for the purposes of the two-parent work participation rate.

Both the House-passed and Senate Finance Committee bills raise the hours standards. The House-passed bill incorporates a 40-hour workweek standard for full credit, but would also provide "partial" credit for families with at least 24 hours of participation. No special lower hour standard would be provided for single parents with preschoolers.

The Senate Finance Committee bill also raises the hours standard for full credit, but by less than proposed in the House-passed bill. Single parents with a pre-school

child would be given full credit for participation at 24 hours per week, and other single parent families would be given full credit at 34 hours per week. Partial credit for single parent families would be provided at 20 hours per week. Higher hours requirements would apply to two-parent families.

Creditable Activities. Current law lists 12 activities that may be counted toward TANF work participation standards. The bulk of countable participation is in a subset of “core” activities focused on work, time-limited job search (countable for six weeks in a fiscal year, 12 weeks if criteria of economic need is met), time-limited vocational educational training (12 months in a lifetime), and community service and work experience. Except for teen parents without a high school diploma and recipients engaged in vocational educational training, educational activities are countable only for families who are also participating in “core” activities. Post-secondary education, other than that considered “vocational educational training,” does not count toward current law federal TANF work participation standards.

Both bills revise the list of countable activities, but in very different ways. The House-passed bill would narrow what counts as “core” activity by removing job search and vocational educational training from that list. Except for a limited period of time (see below), the House bill would require that families participate for at least 24 hours per week in work, community service, or work experience programs to be counted toward the state’s standard. For three months in a 24-month period (four months in the case of an educational program), states would be allowed to define activities that count toward the standards. These activities could include job search and vocational educational training or other types of activities (e.g., English for Speakers of Other Languages classes, substance abuse treatment or treatment for victims of domestic violence). States would also be allowed to determine the activities for which hours would count above the 24-hour per week standard.

The Senate Finance Committee bill retains the current law list of activities, including keeping time-limited job search and vocational educational training as “core” activities. However, it provides states with options to allow recipients to participate in an additional set of activities for three months in a 24-month period. In the case where that participation is in a rehabilitative activity, another three months of rehabilitation would be allowable if combined with a core work activity. The Senate Finance Committee bill would also allow these additional activities (and job search and vocational educational training to count without regard to their usual time limits) to count for hours above 24 hours per week spent in core activities.

The Senate Finance Committee bill also allows states to have up to 10% of its caseload enrolled in a special program of two- or four-year undergraduate education or vocational educational training. This program is modeled after the “Parents as Scholars” program that has operated in Maine using TANF MOE funds.

Marriage Promotion Grants

Current law allows states to use TANF funds for any activity “reasonably calculated” to achieve a TANF purpose. One of the statutory purposes of TANF is to end dependency of needy parents on government benefits, and one of the stated means to end such dependency is “marriage.” Another of the statutory purposes of

TANF is to promote the formation and maintenance of two-parent families. “Promoting marriage” is a currently allowable use of TANF funds.

Both the House-passed and Senate Finance Committee versions of H.R. 4 would carve out special “marriage promotion grants” from existing TANF funding. Both bills include \$100 million in competitively awarded matching funds for states, territories, and tribes for marriage promotion activities. The bills would allow states to use other federal TANF funds or state funds as the match for these new marriage promotion grants.

Both bills also would provide an additional \$100 million for research and demonstrations. The House-passed bill requires that these funds be used “primarily” for marriage promotion; the Senate Finance Committee bill requires that 80% of these funds be used for marriage promotion.

Marriage promotion activities listed in both bills are: public advertising campaigns on the value of marriage and skills needed to increase marital stability and health; education in high schools on the value of marriage; marriage education and marriage and relationship skills programs for nonmarried parents or expectant parents; pre-marital education on marriage for engaged couples; marriage enhancement and marriage skills training for married couples; divorce education programs; and marriage mentoring programs. Programs to reduce the disincentives to marriage in need-based programs could only be funded from these grants if offered in conjunction with other marriage activities. The language of the two bills is similar, though the Finance Committee bill has additional language requiring that organizations familiar with domestic violence issues be consulted in developing marriage promotion projects and language to clarify that marriage promotion activities are to be voluntary.

Other Provisions

Both the House-passed bill and Senate Finance Committee bill make some additional amendments to TANF provisions regarding state plans, data reporting, tribal TANF programs, and other provisions of TANF law. These provisions are included in the detailed bill comparison table shown below. The House-passed and Senate Finance Committee versions of H.R. 4 also include amendments to the Child Care and Development Fund, child support enforcement, the abstinence education program, and transitional Medicaid. These provisions are not addressed in this report.

Detailed Comparison of TANF Provisions of the House and Senate Finance Committee Bill

Table 1 provides a detailed comparison of the TANF programs of the House-passed and Senate Finance Committee reported versions of H.R. 4. The table provides references to where current law provisions are found in the Social Security Act (SSA). It also denotes the section number in each of the bills in which the provision is found.

Table 1. Comparison of Current Law with H.R. 4, as Passed by the House and as Reported by the Senate Finance Committee (TANF Provisions)

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
Short Title, Findings and Statement of TANF Goals and Purposes			
Short Title	The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).	The Personal Responsibility, Work, and Family Promotion Act of 2003.	The Personal Responsibility and Individual Development for Everyone Act (PRIDE).
Findings	P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, made a series of findings related to marriage, responsible parenthood, trends in welfare receipt and the relationship between welfare receipt and nonmarital parenthood, and trends in and negative consequences of nonmarital and teen births. [Section 101 of PRWORA]	Makes a series of findings related to: (1) the success of the 1996 law in moving families from welfare to work and reducing child poverty; (2) progress made by the Nation in reducing teen pregnancy and births, slowing increases in nonmarital births, and improving child support collections and paternity establishment; (3) the flexibility provided by the 1996 law for states to develop innovative programs; and establishing the sense of Congress that increasing success in moving families from welfare to work and promoting healthy marriage and other means of improving child well-being are important government interests and the policies in federal TANF law (as amended by this bill) are intended to serve those ends. [Section 4]	No provision.
TANF goals and purposes	The purpose of TANF is to increase state flexibility in operating a program designed to: (1) assist needy families so that children may live in their homes or those of relatives; (2) end dependence of needy parents on government benefits; (3) reduce out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of two-parent families. [Section 401 of the Social Security Act (SSA)]	The overall purpose of TANF is to <i>improve child well-being by increasing</i> state flexibility in operating a program designed to: (1) provide assistance <i>and services</i> to needy families so that children may live in their homes or those of relatives, (2) end dependence of needy <i>families</i> on government benefits <i>and reduce poverty</i> ; (3) reduce out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of	Retains current law except for goal no. 4, which adopts language of House bill. [Section 103(d)]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<i>healthy, two-parent married families and encourage responsible fatherhood.</i> [New language in italics] [Section 101]	
TANF Financing Provisions			
State family assistance grants	Provides capped grants (entitlements to states and territories) through March 31, 2004. Nationally, annual family assistance grants total \$16.567 billion for the states, the District of Columbia (D.C.), and the territories. Each jurisdiction's annual grant equals the same share of the national total as in FY2002. (Section 403(a)(1) of the SSA), as amended by P.L. 108-40 and extended by P.L. 108-89 Also provides matching grants for the territories (Section 1108(b) of the SSA). (Original PRWORA formula based TANF grants on federal expenditures for TANF's predecessor programs in FY1992 through FY1995.)	Retains basic block grants, and extends them for FY2004 through 2008. (Section 102(a) Appropriates \$16.567 billion annually for family assistance grants to the states, D.C., and the territories. Provides that the annual grant of each jurisdiction shall equal its FY2002 proportion of the national grant total. [Section 102(b)]. Extends funding for matching grants to the territories through FY2008. [Section 102(c)].	Essentially the same as House bill, but language differs because of intervening passage of TANF extension law — P.L. 108-40. [Section 102]
Supplemental grant for population increases in certain states	Supplemental grants for (17) states with low historic federal grants per poor person and/or high population growth for FY1998-FY2001 (extended at FY2001 funding level for FY2002 by P.L. 107-147 and thereafter — through March 31, 2004 — by a series of laws. Grants grew each year, from \$79 million in FY1998 to \$319 million in FY2001. [Section 403(a)(3) of SSA] Requires the budget baseline to assume that no supplemental grants will be made after March 31, 2004. [Section 101(b)(1) of P.L. 108-89]	Reestablishes annual supplemental grants for FY2004 through FY2007, freezing them at the FY 2001 level (\$319 million). [Section 104] Requires the budget baseline to assume that no supplemental grants will be made after FY2007. [Section 104(3)]	Same as House bill [Section 104] Same as House bill. [Section 104(2)]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<p>Bonus to reward employment achievement</p>	<p>High performance bonus (\$200 million per year on average) for FY1999-FY2003. Caps a state's bonus at 5% of its TANF grant. [Section 403(a)(4) of the SSA]</p> <p>Bonus based on achievement of TANF goals, with formula developed by the Department of Health and Human Services (HHS) in consultation with the National Governors Association and the American Public Human Services Association. For FY1999-FY2001 performance, formula consisted of three work-related measures (job entry, job retention, and earnings gain). For FY2002 and FY2003 performance, formula adds family formation outcomes, child care affordability, and coverage by food stamps and Medicaid/SCHIP. [Section 403(a)(4) of the SSA]</p>	<p>Replaces the high performance bonus with a bonus to reward employment achievement (annual average of \$100 million appropriated for six years, FY2004 through FY2009). Caps a state's bonus at 5% of its family assistance grant. [Section 105(b)]</p> <p>Bonus to be based on absolute and relative progress toward goals of job entry, job retention, and increased earnings. Formula to be developed by HHS, in consultation with the states. [Section 105(b)]</p> <p>Makes tribal organizations eligible for the bonus and directs the Secretary to consult with tribal organizations regarding criteria for their awards. [Section 105(b)]</p> <p>Reduces FY2003 high performance bonus amount to \$100 million. [Section 105(a)]</p> <p>Provides that appropriated amounts unspent (as of the date of enactment) for high performance bonuses will be available through FY2004 for payment of high performance bonuses for bonus year 2003 — on terms in effect before repeal of that bonus. [Section 105(b)]</p>	<p>Same as House bill. [Section 105(a)]</p> <p>Same as House bill, except that it adds two new performance measures: workforce attachment and advancement. [Section 105(a)]</p> <p>Same as House bill. [Section 105(a)]</p> <p>No provision.</p> <p>No provision.</p>

CRS-10

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		For FY2004, employment achievement bonus may be based on three components of the repealed high performance bonus — job entry rate, job retention rate, and earnings gain rate. [Section 105(b)] Note: Reduction in annual bonuses from \$200 million to \$100 million per year helps finance grants for marriage promotion activities (see <i>Matching Grants for Marriage Promotion</i> , below).	For FY2004 and FY2005, employment achievement bonus may be based on three components of the repealed high performance bonus — job entry rate, job retention rate, and earnings gain rate. [Section 105(a)]
Bonus to reward reductions in out-of-wedlock births	Appropriated \$100 million yearly for bonuses to the five states with the largest percentage decline (over recent two years) in the out-of-wedlock birth ratio. To qualify, states had to reduce their abortion rate to below that of FY1995. [Section 403(a)(2) of the SSA]	Repeals the bonus, and uses the \$100 million per year to fund grants for marriage promotion activities (see <i>Matching Grants for Marriage Promotion</i> , below). [Section 103(b)]	Same as the House bill. [Section 103(b)]
Contingency fund	Capped matching grants (\$2 billion) provided in case of recession for FY1997-FY2001 (extended through September 30, 2002 by P.L. 107-147 and through March 31, 2004 by a series of laws). To qualify for contingency dollars, states must be “needy” and must spend under the TANF program a sum of their own dollars equal to their pre-TANF spending. The law provides two needy state triggers: 1) an unemployment rate for a three-month period that is at least 6.5% and is 10% or more above the rate for the corresponding period in either of the two preceding calendar years; or 2) a food stamp caseload increase of 10% over the FY1994-FY1995 level (adjusted for the impact of immigrant and food stamp constraints in the 1996 welfare law). Payments are capped at 20% of a state’s basic TANF grant and a state can draw down no more than one-twelfth of its grant in a given month. Under a reconciliation process, its	Reestablishes a \$2 billion contingency fund for FY2004 through FY2008. Eases access to the fund by permitting states to count child care spending and all spending in separate state programs toward MOE spending requirement. Eliminates the pro-rata reduction in the federal match rate for states that qualify for funds only for part of the year. Adjusts food stamp “needy state” trigger for policy changes made after passage of 1996 welfare law Effective date: October 1, 2003. [Section 106]	Appropriates such sums as are needed for contingency fund grants, up to \$2 billion over five years, FY2004-FY2008. Reduces the level of state spending required to qualify (from 100% of the state’s historic level to 75-80%, the standard TANF MOE) and eliminates the requirement for state matching funds. Entitles needy states to a contingency fund grant reflecting costs of TANF caseloads. Revises needy state definition. To trigger on as needy, a state must (1) have an increase (due in large measure to economic conditions) of 5% in the monthly average unduplicated number of families receiving assistance under its TANF program in the most recently concluded three-month period with data, compared with the corresponding period in either of the two most recent preceding fiscal years, and (2) meet one of three other conditions. They are: (a) for the most recent three-month period with data, the

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	<p>federal match rate is reduced if it received funds for fewer than 12 months in any year. [Section 403(b) of SSA]</p>		<p>average rate of seasonally adjusted total unemployment must be at least 1.5 percentage points or 50% higher than in the corresponding period in either of the two most recent preceding fiscal years; (b) for the most recent 13 weeks with data, the average rate of insured unemployment must be at least one percentage point higher than in the corresponding period in either of the two most recent fiscal years; or, (c) for the most recently concluded three-months with national data, the monthly average number of food stamp recipient households, as of the last day of each month, exceeds by at least 15% the corresponding caseload number in the comparable period in either of the two most recent preceding fiscal years, provided the HHS Secretary and the Secretary of Agriculture agree that the increased caseload was due, in large measure, to economic conditions rather than to policy change. A state that initially qualifies as needy because of its TANF caseload plus its food stamp caseload would continue to be considered needy as long as the state met the original qualifying conditions. A state that initially qualified as needy because of its TANF caseload plus its total or insured unemployment rate would not trigger off until its unemployment rate fell below the original qualifying level (disregarding seasonal variations in the case of the insured unemployment rate).</p> <p>The contingency fund grant equals the state's federal Medicaid matching rate times the benefit cost of an increase in the TANF family caseload above 5% in the most recently concluded three-month period with data, compared with the</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			<p>corresponding period in either of the two most recent preceding fiscal years. (The remaining cost of the increased caseload would have to be paid with state funds or other federal TANF funds.) A state's total contingency grant could not exceed 10% of its family assistance grant. To receive a contingency fund grant, a state must have spent 70% of its TANF grants (excluding welfare-to-work funds from the Department of Labor). Unexpended balances are the total amount of TANF grants not yet spent by the state as of the end of the preceding fiscal year minus current year expenditures through the end of the most recent quarter that exceed the pro rata share of the current fiscal year TANF grant. [Section 106]</p> <p>Repeals the fiscal penalty for failure of a state that receives contingency funds to meet the "super-MOE" requirement (100% of its historic spending level). [Section 106] However, specifies that a state could not be considered needy unless it has met the lesser TANF MOE spending requirement (75%-80%). [Section 106].</p>
<p>Additional grants <i>Social service capitalization</i></p>	<p>No provision.</p>	<p>No provision.</p>	<p>Authorizes appropriation of \$40 million for each of FY2004-FY2008 for grants to entities for the purpose of capitalizing and developing the role of sustainable social services needed for success in moving TANF recipients to work. Requires applicants to describe their strategy for developing a program that generates its own source of on-going revenue while assisting</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			TANF recipients. Administrative costs could not exceed 15% (except for computerization and information technology needed for tracking or monitoring required by TANF), but none of the other statutory rules regarding use of TANF funds would apply. Requires evaluation and report to Congress. [Section 119(a)]
<i>Car ownership grants</i>	No provision.	No provision.	Authorizes appropriation of \$25 million for each of FY2004-FY2009 for grants for low-income car ownership. Purposes: to improve employment opportunities of low-income families and provide incentives to states, Indian tribes, localities, and nonprofit groups to develop and administer programs that promote car ownership by low-income families. No more than 5% of the funds could be used for administrative costs of the Secretary in carrying out this program. Requires evaluation. [Section 119(b)]
Repeal of federal loan fund	Provides a \$1.7 billion revolving and interest-bearing federal loan fund for state welfare programs. [Section 406 of the SSA]	Repeals loan fund. [Section 108]	Same as House bill. [Section 108]
Maintenance of effort	Establishes a maintenance-of-effort (MOE) requirement that states spend at least 75% of what was spent from state funding in FY1994 on programs replaced by TANF. Nationally, this sum is \$10.4 billion. (MOE rises to 80% if state fails a work participation standard, see above.) [Section 409(a)(7) of the SSA]	Continues MOE requirement through FY2009, but raises the MOE percentage to 80% if the state failed TANF work participation standards of the <i>preceding</i> fiscal year. [Section 111(a)] Defines all state expenditures to reduce out-of-wedlock births and promote marriage and responsible fatherhood (including spending on	Same as House bill. [Section 111] Same as House bill, except that Senate bill specifies that two current law MOE limitations would apply. These provisions exclude from

CRS-14

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<p>behalf of non-TANF-eligible families) as countable toward required “maintenance-of-effort” (MOE) state spending. [Section 103(c)]</p> <p>Provides that spending (as the state match) from federal marriage promotion grants shall not be treated as state spending toward MOE requirements. [Section 111(b)]</p>	<p>MOE qualification spending in other state programs unless the sum exceeds the FY1995 amount spent in those programs and spending made to repay penalties imposed on the state. [Section 103(c)]</p> <p>TANF funds used as the state match for marriage promotion grants shall not be considered State spending countable toward the MOE requirement. [Section 103(b)].</p>
Funding for child care	<p>PRWORA created a mandatory child care block grant and appropriated \$13.9 billion for it over six years. [Section 418 of the SSA] It also authorized \$1 billion annually through FY2002 in discretionary funding under an expanded Child Care and Development Block Grant (CCDBG). [Section 603(a) of PRWORA] FY2003 appropriations totaled \$4.8 billion — \$2.7 billion in mandatory funds and \$2.1 billion in discretionary funds. (In addition, the welfare law permits states to transfer some TANF funds to the CCDBG.)</p>	<p>Increases mandatory child care funding by \$1 billion over five years, providing \$2.9 billion annually. [Section 208] Authorizes increased CCDBG funds for FY2004-FY2007. [Section 202(b)]</p> <p>No provision.</p>	<p>For mandatory child care, same as House bill. [Section 116 (a)] No provision for discretionary funding. (The Senate Health, Education, Labor and Pensions committee reported a separate bill, S. 880, to reauthorize discretionary CCDBG funding.)</p> <p>Sets aside \$10 million in mandatory child care funds for the Commonwealth of Puerto Rico. [Section 116(b)]</p>
Use of funds <i>General rules</i>	<p>States may use funds in any manner reasonably calculated to accomplish the TANF purpose. [Section 404 of the SSA]</p>	<p>No provision (maintains current law).</p>	<p>No provision (maintains current law).</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>Transfer of funds</i>	<p>States may use funds in any manner that they were authorized to use pre-TANF funds. [Section 404 of the SSA]</p> <p>A state may treat a family that has resided in the state for fewer than 12 months under the welfare rules of the state where they formerly lived. [Section 404 of the SSA]</p> <p>States may transfer up to 30% of TANF funds to the Child Care and Development Block Grant (CCDBG) and the Title XX Social Services Block Grant (SSBG). Specifies that a maximum of 4.25% of total transfers may go to SSBG, effective in FY2001 (but year-by-year Congress has restored the original 10% limit.) Also allows states to use TANF funds, within the overall 30% transfer limit, as matching funds for the Job Access transportation program for TANF recipients, ex-recipients, and persons at risk of becoming income-eligible for TANF. [Section 404 of the SSA]</p>	<p>States may use funds for any purposes or activities for which they were authorized to use pre-TANF funds. [Section 107(a)]</p> <p>Strikes provision permitting different treatment of families migrating into the state — found unconstitutional. [Section 107(b)]</p> <p>Increases the overall ceiling on transfers to 50%. [Section 107(c)] Sets limit on SSBG transfers at 10% (original limit in 1996 law) for FY2004 and each year thereafter. [Section 107(d)]</p>	<p>No provision (maintains current law).</p> <p>Same as House bill. [Section 107(a)]</p> <p>Retains overall transfer limit at 30%. Sets limit on SSBG transfers at 10%. [Section 107(b)]</p>
<i>Carryover of funds</i>	<p>Amounts may be spent without fiscal year limit for “assistance” (chiefly ongoing cash aid). For other benefits and services (“nonassistance”) amounts must be obligated in the year of award and spent in the following year. [Section 404 of the SSA]</p>	<p>Allows use of carry-over funds from TANF grants for any benefit or service without fiscal year limitation. Permits a state or tribe to designate some TANF funds as a contingency reserve. [Section 107(e)]</p>	<p>Same as House bill. [Section 107(c)]</p>
<i>Use of funds for education</i>	<p>States may use funds for educational activities (to promote a TANF goal or because these activities were allowed under pre-1996 law). However, only three educational activities may be counted toward state work participation rates: high school attendance, education directly related to work</p>	<p>No provision.</p>	<p>Allows states to use TANF funds to establish an undergraduate two- or four-year degree postsecondary program sometimes known as Parents as Scholars (PAS) or a vocational educational program. Following services could be provided in these undergraduate programs:</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	(both for high school dropouts only) and vocational educational training. Unless it is defined by the state as vocational educational training, postsecondary education is not a countable work activity. [Section 407(d) of the SSA]		child care, transportation, payment for books and supplies, other services provided under policies determined by the state to ensure coordination and lack of duplication. TANF funds could not be used for tuition. Participants in these educational programs could be counted toward state work participation standards. See <i>Countable Activities</i> .
Direct funding and administration by Indian tribes	Earmarks some TANF funds — amount equal to federal pre-TANF payments received by state attributable to Indians — for administration by tribes. Deducts these sums from state TANF grants. Also appropriates \$7.6 million annually for work and training activities (now known as Native Employment Works (NEW)) to tribes that operated a pre-TANF work and training program. [Section 412 of the SSA]	Continues Indian tribal assistance grants and NEW work/training grants through FY2008. [Section 114] No provision. for tribal improvement fund. However, see below for \$2 million annual setaside from research appropriation for demonstration projects to coordinate child welfare and TANF services to tribal families.	Same as House bill. [Section 113(a)] Authorizes appropriation of \$100 million for each of FY2004-FY2008 for a tribal TANF improvement fund. The fund could be used to provide technical assistance to tribes, award competitive grants to tribes, and conduct research to improve knowledge about tribal family assistance plans. [Section 113(b)]
Work Participation Requirements and Standards			
Universal engagement and family self-sufficiency plan requirements	State plan must require that a parent or caretaker engage in work (as defined by the state) after, at most, 24 months of assistance. [Section 402(a)(1)(ii) of the SSA]. Note: This requirement is not enforced by a specific penalty. (States may, but need not, establish an individual responsibility plan for each family in consultation	Repeals the 24-month work trigger. Requires state plans to outline how they intend to require parents and caretakers to engage in work or alternative sufficiency activities, as defined by the state — while observing the ban on penalizing work refusal by a single parent of a preschool child who is unable to obtain needed child care for specified	Same as House bill. [Section 110]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	<p>with the recipient.) [Section 408(b)(2) of the SSA]</p> <p>States must make an initial assessment of the skills, prior work experience, and employability of each recipient 18 or older or those who have not completed high school within 30 days. [Section 408(b)(1) of the SSA]</p>	<p>reasons — and to require families to engage in activities in accordance with family self-sufficiency plans. [Section 109(a)]</p> <p>Requires states, in a manner they deem appropriate, to assess the skills, work experience, and employability of each work-eligible person (a person who is married or a single household head and whose needs — except for sanction periods of more than three months — are included in determining the family’s TANF cash benefit) and to develop a family self-sufficiency plan for each family with such a person. Plans must be established within 60 days of opening a case (within 12 months for families enrolled at the time of enactment). [Section 109(b)]</p>	<p>Requires states to make an initial screening and assessment, in a manner they deem appropriate, of the skills, work experience, education, work readiness, work barriers and employability of each adult or minor child head of household recipient who has attained age 18 or who has not completed high school and to assess, in a manner they deem appropriate, the work support and other assistance and family support services for which families are eligible and the well-being of the family’s children and, where appropriate, activities or resources to improve their well being. Requires states, in a manner they deem appropriate, to establish a self-sufficiency plan for each family. Required plan contents: activities designed to assist the family achieve their maximum degree of self-sufficiency, requirement that the recipient participate in activities in accordance with the plan, supportive services that the state intends to provide, steps to promote child well-being and, when appropriate, adolescent well-being , information about work support assistance for which the family may be eligible (such as food stamps, medicaid, SCHIP, federal or state funded child care — including that provided under the Child Care and Development Block Grant and the Social Services Block Grant, EITC, low-income home energy assistance, WIC, WIA program, and housing assistance). The state must monitor the participation of adults and minor child household heads in the self-sufficiency plans and regularly</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<p>Imposes a penalty on state for failure to establish self-sufficiency plan by revising the penalty provision for failure to achieve work participation rate. Provides that failure to comply with self-sufficiency requirements or to achieve work participation standards will carry the same penalty — 5% reduction in TANF grant for first violation, reduced for the degree of noncompliance. [Section 109(b)] See <i>Penalty for failing participation rate</i>.</p>	<p>review the family’s progress, using methods it deems appropriate, and revise the plan when appropriate. Before imposing a sanction against a recipient for failure to comply with a TANF rule or a requirement of the self-sufficiency plan, the state must, to the extent that it deems appropriate, review the plan and make a good faith effort (defined by the state) to consult with the family. States must comply with self-sufficiency plan requirements within one year after enactment (for families then receiving TANF). For families not enrolled on the date of enactment, the deadline for self-sufficiency plans is the later of: 60 days after the family first receives assistance on the basis of its most recent application, or one year after enactment. Provides that nothing in the self-sufficiency plan provisions shall be construed to establish a private right or cause of action against a state for failure to comply with the provisions or to limit claims that might be available under other federal or state laws. Requires the General Accounting Office to submit a report to the Ways and Means and Finance Committees evaluating the implementation of the universal engagement provisions of the bill. [Section 110]</p> <p><i>Same as House bill, except that penalty must be based on the degree of substantial noncompliance and the Secretary is directed to take various factors into account in setting the penalty. These factors include the number or percentage of families for whom a self-sufficiency plan is not established in a timely fashion, duration of delays, whether the failures are isolated and nonrecurring, and the existence</i></p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<p>Sanctions against individuals for work refusal</p>	<p>If person in a family receiving TANF assistance refuses to engage in required work, the state shall reduce aid to the family pro rata (or more, at state option) with respect to the period of work refusal, or shall discontinue aid, subject to good cause and other exceptions that the state may establish. [Section 407(e) of the SSA]</p>	<p>If a person in a family receiving TANF assistance fails to engage in required activities and the family does not otherwise engage in activities in accordance with its self-sufficiency plan, the state must impose a penalty as follows: (a) If the failure is partial and does not last longer than one month, the state must reduce assistance to the family pro rata (or more, at state option) with respect to any period of failure during the month, or shall end all assistance to the family, subject to good cause exceptions that the state may establish. (b) If the failure is total and persists for at least two consecutive months, the state must end all cash payments to the family, including state-funded MOE payments, for at least one month and thereafter until the person participates, subject to good cause exceptions that the state may establish. (Exception: If a state constitution or a state statute enacted before 1966 obligated local government to provide assistance to needy parents and children, the state requirement is to control, but only for one year that begins with the date of enactment of this paragraph.) [Section 110(f)]</p>	<p>of systems to ensure establishment and monitoring of plans. Penalty may be reduced if the failure is due to circumstances that caused the state to meet the criteria for contingency funds or is due to extraordinary circumstances such as a natural disaster or regional recession. Requires Secretary, in a written report to Congress, to justify any waiver or penalty reduction due to extraordinary circumstances. [Section 110]</p> <p>No provision (maintains current law)</p>

CRS-20

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	Exception: a state may not penalize a single parent caring for a child under age six for refusal to work if the parent has a demonstrated inability to obtain needed child care that is appropriate, suitable, and affordable. [Section 407(e) of the SSA]	Continues this provision.	Same as House bill.
Work participation requirements	<p>For a minimum number of hours, a state must engage a specified percentage of families containing adult or teen parent recipients in creditable work activities. Since FY2002 the participation standard has been 50% for all families (and since FY1999 it has been 90% for the two-parent component of the caseload). [Section 407(a) of the SSA]</p> <p>Required participation rates may be reduced by a caseload reduction credit (see below).</p>	<p>For a minimum number of hours, a state must engage a specified percentage of families containing adult or teen parent recipients in direct work or alternative self-sufficiency activities chosen by the state. In FY2004 the standard is 50%, and it rises by five percentage points yearly (55% for 2005, 60% for 2006, 65% for 2007) to reach a peak of 70% for FY2008 and thereafter. [Section 110(b)]</p> <p>Required participation rates may be reduced by caseload reduction and “superachiever” credits (see below).</p> <p>Effective October 1, 2002, eliminates the separate standard for two-parent families. [Section 110(a)]</p>	<p>For a minimum number of hours, a state must engage a specified percentage of families containing adult or teen parent recipients in a creditable activity. Participation rates are the same as in the House bill. [Section 109(b)]</p> <p>Required participation rates may be reduced by caseload reduction or employment credits, but a cap is placed on these credits. Employment credits (or caseload reduction credits or a combination of the two) may not reduce participation standards below 10% for FY2004, 20% for fiscal year 2005; 30% for FY2006, 40% for FY2007, and 50% for FY2008 and thereafter. [Section 109(c)] (see below).</p> <p>Same as House bill. [Section 109(a)]</p>
Caseload reduction credit	Work participation standards are reduced by a caseload reduction credit: for each percent decline in the caseload from the FY1995 level (not attributable to policy changes), the work participation standard is reduced by one percentage point. [Section 407(3) of the SSA]	Measures caseload reduction from a moving base year (rather than from FY1995) and shortens the measuring interval. Also changes the eligibility criteria base year from FY1995 to the new moving base. For FY2004, the credit is based on the percent decline in the caseload from FY1996 (not	Retains current law caseload reduction credit for FY2004 and FY2005. Effective October 1, 2005, replaces the caseload reduction credit with an employment credit (subject to limits shown above). [Section 109(d)]

CRS-21

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<p>due to changes in eligibility criteria from FY1996); for FY2005, the base year is FY1998; for FY2006, FY2001. For FY2007 and every year thereafter, the measuring interval is four years. [Section 110(c)]</p> <p>Establishes a “superachiever” caseload reduction credit for a state with a reduction in FY2001 of at least 60% (for any reason) from FY1995 level. Places a cap on this credit (20 percentage points for FY2008, lesser amounts for earlier years). [Section 110(d)]</p>	No provision.
<i>Employment credit</i>	No provision.	No provision.	<p>Establishes a percentage point “employment” credit against the work participation standard (subject to limits described above). Essentially, the credit equals a multiple of the percentage of TANF families in a month who leave ongoing cash assistance with a job. It is calculated by dividing (a) twice the quarterly average unduplicated number of families (excluding child-only families) that received TANF assistance during the preceding fiscal year but who ceased to receive TANF — and did not receive cash assistance from a separate state-funded program — for at least two consecutive months following case closure during the applicable period (most recent four quarters with data) and were employed during the calendar quarter immediately after leaving TANF by (b) the average monthly number of families (again excluding child-only families) who received cash payments under TANF during the preceding fiscal year. At state option, calculations could include in the numerator: (1) twice the quarterly average number of families</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			<p>that received non-recurring short term benefits rather than ongoing cash and who earned at least \$1,000 in the quarter after receiving the benefit, and (2) twice the quarterly average number of families that included an adult who received substantial child care or transportation assistance. If both these options were taken, the denominator would be increased by twice the number of families that received non-recurring short-term benefits during the year and by twice the quarterly average number of families with an adult who received substantial child care or transportation assistance. In consultation with directors of state TANF programs, the Secretary is to define substantial child care or transportation assistance, specifying a threshold for each type of aid — a dollar value or a time duration. The definition must take account of large one-time transition payments. [Section 109(d)]</p> <p>Gives extra credit — as 1.5 families — to a family whose earnings during the preceding fiscal year equaled at least 33% of the state’s average wage. [Section 109(d)]</p> <p>Authorizes and requires the HHS Secretary to use information in the National Directory of New Hires to calculate state employment credits. If the TANF leaver’s employer is not required to report new hires, the Secretary must use quarterly wage information submitted by the state. To calculate employment credits for families who received non-recurring short term benefits and for those who received substantial child care and transportation assistance, the</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			<p>Secretary is to use other required data. By August 30 of each year, the HHS Secretary must notify each state of the amount of the employment credit that will be used in calculating participation rates for the immediately succeeding fiscal year. [Section 109(d)]</p> <p>Sets October 1, 2005 as the effective date for replacement of the caseload reduction credit by the employment credit, but permits states to have a one-year delay. If a state makes this choice, its adjusted work participation standard for fiscal year 2006 shall be determined by using both the caseload reduction credit and the employment credit (one-half credit for each). [Section 109(d)]</p>
<i>Calculation of participation rates</i>	<p>Participation rates equal the share of total families (with adult and teen parent recipients) who work sufficient hours in counted activities to be credited as a participant. The monthly participation rate, expressed as a percentage, equals (a) the number of all recipient families in which an individual is engaged in work activities for the month, divided by (b) the number of recipient families with an adult or teen parent recipient (but excluding families subject that month to a penalty for work refusal, provided they have not been penalized for more than three months). States also may exclude from work participation calculations single-parent families with children under one, if they are not required to work. States have the option to include in work</p>	<p>Participation rates equal the share of hours spent in creditable activities out of a potential total of 160 hours monthly per counted family. (A counted family is one whose household head receives TANF assistance.) Monthly participation rate, expressed as a percentage, is (a) the total number of countable hours, divided by (b) 160 times the number of counted families for the month. This means that a family would receive full work credit by working 160 hours a month, equivalent to a weekly average of 37 hours — 160/4.33. (The average month contains 4.33 weeks, not 4.) The bill specifies that if a family does not engage in a direct work activity for a weekly average of 24 hours, its countable hours for the month shall be zero. However, under some circumstances, allows</p>	<p>Participation rates equal the share of total families (with adult and teen parent recipients) who work in countable activities. The monthly participation rate, expressed as a percentage, equals (a) the number of all recipient families in which an individual is engaged in work activities for the month, divided by (b) the number of recipient families with an adult or teen parent recipient (but excluding families subject that month to a penalty for work refusal, provided they have not been penalized for more than three months). States also may exclude from work participation calculations families with children under one, if they are not required to work, and all families during their first month of TANF assistance. States have the option to include in</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	<p>participation calculations families in a tribal TANF program or NEW job training program. [Section 407(b) of SSA] [Note: except for teen parents, single parents with a child under six, and participants in a tribal program with different hour requirements, families must work an average of at least 30 hours weekly to be counted as working.]</p>	<p>credit for hours below 24. Allows credit for some hours above 40. See <i>Partial credit</i> and <i>Extra credit</i> below. [Section 110(e)]</p> <p>Permits states to exclude a new group from work participation calculations — families in first month of assistance. [Section 110(b)]</p> <p>Permits states to exclude all families with infants (not just single-parent families) from work participation calculations, but requires case-by-case determination of all work exclusions for parents of infants. [Section 110(b)]</p>	<p>work participation calculations families in a tribal TANF program or NEW job training program. Calculates weekly hours of work activity by dividing monthly hours by 4. Allows some credit for hours below or above the standard. See <i>Partial credit</i> and <i>Extra credit</i> below. [Section 109]</p> <p>Same as House bill, except that the exclusion is determined on a case-by-case basis. [Section 109(e)]</p> <p>Same as House bill, except that it allows exclusion of families of infants only for 12 months. [Section 109(e)]</p>
<i>Penalty for failing participation rate</i>	<p>Participation rates are enforced by a penalty on states: loss of 5% of the state’s basic grant for first year of violation (higher penalty for repeat violations). Penalty must be based on the degree of noncompliance and may be reduced if the noncompliance is due to circumstances that made the state needy under the contingency fund definition or due to extraordinary circumstances such as a natural disaster or regional recession. State must replace the amount of federal penalty funds with its own funds. [Section 409(a)(3) of SSA] In addition, the state’s MOE spending requirement rises from 75% to 80% of its historic level.</p>	<p>Retains penalty rate of current law (including increase in MOE requirement) for state failure to meet participation standards.</p>	<p>Provides that penalty (beginning for FY2005) must be based on the degree of <i>substantial</i> noncompliance. Directs the Secretary to take into account factors such as the degree to which the state missed the participation rate, the change in the number of persons engaged in work since the prior year, and the number of consecutive years in which the state failed to achieve the work rate. Penalty may be reduced if the failure is due to circumstances that caused the state to meet the criteria for contingency funds or is due to extraordinary circumstances such as a natural disaster or regional recession. Requires Secretary, in a written report to Congress, to</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			justify any waiver or penalty reduction due to extraordinary circumstances. [Section 110]
<p>Countable activities</p> <p><i>Listed in law or bill</i></p>	<p>Federal law lists 12 activities that count toward meeting the participation standards. Nine activities have priority status and must account for most weekly hours: unsubsidized jobs, subsidized private jobs, subsidized public jobs, work experience, on-the-job training; job search, community service; vocational educational training providing child care for certain TANF recipients. Three other activities can receive work credit: job skills training directly related to employment; education directly related to work (high-school dropouts only), and secondary school attendance (high school dropouts). On one occasion per person, a state may treat three or four days weekly of job search as a full week's participation. [Section 407(d) of the SSA] See <i>Required Hours of Work</i>.</p>	<p>Lists six "direct" work activities. Generally these six activities must account for most weekly hours: unsubsidized jobs, subsidized private jobs, subsidized public jobs, on-the-job training, supervised work experience, and supervised community service. [Section 110(e)]</p>	<p>Lists 17 countable activities. Continues current law list of 12 activities (treating the nine priority activities in current law as direct work [core] activities). Adds five "qualified" activities: postsecondary education (including a parents as scholars program, described below), adult literacy programs or activities, substance abuse counseling or treatment, programs or activities designed to remove work barriers, as defined by the state, and work activities authorized under any waiver for any state that was continued under Section 415 before the date of enactment of this bill. Under some conditions, treats some of the qualified activities as "rehabilitative" ones (see below).</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>State options for activities</i>	None	States may define any other activity as countable (generally for non-core hours) so long as it leads to self-sufficiency and is consistent with the purposes of TANF. [Section 110(e)]	Permits a state to deem a single parent caring for a dependent with a physical or mental impairment to be meeting all or part of the family’s work requirement. Permits a state to define countable work activities for persons complying with a family self sufficiency plan and living in areas of Indian country or an Alaskan native village with high “joblessness.” To qualify for this option, the state must include in its TANF plan a description of its policies for these areas. Also, as noted above, allows states to define work-barrier removal activities and to adopt activities authorized under any waiver for any state that was continuing before the date of enactment. [Section 109(f)]
<i>Time limits on activities</i>	Job search — six weeks usual maximum (with no more than four consecutive weeks). Period allowed for job search doubles to 12 weeks if the state meets the unemployment or increased food stamp caseload criteria for a needy state under the contingency fund or its unemployment rate is more than 50% of the national average. Vocational educational training, 12 month limit. [Section 407(d) of the SSA]	No provision (maintains current law). For three consecutive months within 24 months, persons may be deemed to meet the 24-hour weekly direct work requirement by engaging in short-term “qualified” activities chosen by the state to promote self-sufficiency (examples listed in the	Removes time limits on job search and vocational educational training for persons receiving qualified rehabilitative services. Deletes requirement that only four consecutive weeks of job search can be counted within the normal six week limit. Doubles the permissible length of job search if the state meets the unemployment rate or increased food stamp caseload criteria for a “needy state” under the contingency fund definition. [Section 109(f)] For three months in any 24-month period, a state may give work credit for any hours spent in one of the five “qualified” activities above — even if the person has not engaged for 24 hours weekly in direct work. To receive credit, the person

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<p>Numerical limits</p>	<p>No more than 30% of persons credited with work may consist of persons participating in vocational educational training or may be teen parents who are deemed to be working because of satisfactory attendance at secondary school or because of spending 20 hours weekly in education directly related to employment. [Section 407(c)(2)(D) of SSA]</p>	<p>bill are substance abuse counseling or treatment; rehabilitation treatment and services; work-related education or training directly enabling the family member for work; and job search or job readiness assistance). [Section 110(e)]</p> <p>On a case-by-case basis, and in order to permit a person to complete a certificate program or other work-related education or training program, a state may give direct work credit for engaging in a qualified program for a total of four months within a 24-month period. [Section 110(e)]</p> <p>Omits this provision from amended section on counting participation.</p>	<p>must engage for an average of at least 24 hours in a qualified activity, and the activity must be in her self-sufficiency plan. [Section 109(f)]</p> <p>In some cases a state may give work credit for a second three-month period (within the 24-month limit) — sometimes called the 3+3 plan — to persons engaged in a combination of qualified <i>rehabilitative</i> activities and priority work activities. Eligible for this period of extended time are persons whose family self-sufficiency plan requires engagement in one of three qualified <i>rehabilitative</i> services, namely, adult literacy programs or activities, participation in a program designed to increase proficiency in the English language, and substance abuse or mental health treatment. Total hours of their activity must average 24 hours weekly. [Section 109(f)]</p> <p>Continues the 30% cap, but provides that it does not apply to persons in a 3 + 3 program receiving qualified rehabilitative services or to persons engaging in vocational educational training as a supplementary activity after meeting the 24 hour “core” requirement. [Section 109(f)]</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>Parents as scholars</i>	States may use TANF funds and MOE state funds for postsecondary education. However, unless it is defined by the state as “vocational educational training,” postsecondary education is not creditable toward TANF work participation requirements.	No provision.	Allows states to establish a program (under Section 107) of undergraduate postsecondary education (parents as scholars) or vocational educational training for up to 10% of TANF families. Hours of participation in the program would be countable toward meeting state work requirements. Students could also receive credit for hours spent in one of the nine “direct” work activities of current law or in work study, practicums, internships, clinical placements, laboratory or field work, or other activities that would enhance their employability, as determined by the state, or in study time (at the rate of not less than one hour for every hour of class time and not more than two hours for every hour of class time. Students’ total time in education, core work, work study, laboratory or field work, study time, etc., would be countable against hours requirements. Also, students could be credited as one working family if, in addition to complying with the full-time educational participation requirements of their educational program, they engaged in one of the countable work activities above for at least the following number of hours: six hours weekly in the first year, eight hours in the second year, 10 hours in the third year, and 12 hours in the fourth and any later year. For good cause, states could modify these hour requirements. To be eligible for these programs, recipients would be required to maintain satisfactory academic progress (as

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			defined by the institution operating the program). With good cause exceptions, participants would be required to complete requirements of a degree or vocational educational training program within the normal time frame for full time students. [Section 107(d)]
Required hours of work activity	<p>Generally, to count toward the all-family rate, average weekly participation of 30 hours (20 hours in priority work activities) is required. However, in the case of single parents with a preschool age child (who constitute half of all TANF cases), the hours requirement is 20 per week. For two-parent families the standard is 35 hours (30 in priority work activity), but increases to 55 hours (50 in priority activities) if the family receives federally-subsidized child care. [Section 407(c)(1) of the SSA] For a single parent caring for a child under age six, 20 hours of participation satisfies the standard. [Section 407(c)(2)(B) of the SSA]</p> <p>Teen parents are deemed to meet the weekly hour participation standard by maintaining satisfactory attendance in secondary school (or the equivalent in the month) or by participating in education directly related to employment for an average of 20 hours weekly. [Section 407(c)(2)(C) of the SSA]</p>	<p>Generally, states must engage all families with a “work- eligible” member (married or single household head who receives TANF assistance) in a direct work activity or alternative self-sufficiency activity for an average of 40 hours weekly (the actual standard is 160 hours per month, equal to a weekly average of 37 hours) — of which 24 hours must be in one of the direct work activities listed in the law and up to 16 hours may be in a TANF-purposeful activity chosen by the state. [Section 110(e)]</p> <p>Essentially the same as current law. Teen parents are deemed to satisfy the (40-hour weekly) work rule by virtue of satisfactory school attendance (or the equivalent in the month) or by participating in education directly related to employment for an average of 20 hours weekly [Section 110(e)].</p>	<p>Establishes standard TANF work weeks as follows: 24 hours for a single parent with a child under age six; 34 hours for a single parent with a child over six (with 24 hours in a priority activity) 39 hours for a two-parent family (but 55 hours if that family receives federally funded child care) — with most hours in a priority activity. Families meeting the standard are counted as one family in calculating the state’s work participating rate. Those exceeding the standard receive extra credit, and some who fall short of the standard receive partial credit (see below). [Section 109(f)]</p> <p>Counted as one working family is a teen parent who maintains satisfactory school attendance or participates in education directly related to employment for an average of 20 hours weekly. [Section 109(f)]</p>

CRS-30

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>Partial work credit</i>	None	<p>Families who meet the 24-hour weekly direct work requirement but fail the 40-hour standard, receive credit for all hours worked (but zero credit unless meet the 24-hour direct work rule). Note: Generally, to receive any credit for hours below the standard, families must engage for all counted hours in one of the six direct work (core) activities. Exception, as noted above (time-limited activities) a state may give direct work credit for hours spent on education or training (as qualified activities) for up to four months in a 24-month period.</p>	<p>Families who meet core work requirements but fail the full standard receive partial credit as follows: Credited as .675 of a family are single parent families (with or without a child under six) who have 20-23 hours of work and two-parent families with 26-29 hours of work (40-44 hours if they receive federally subsidized child care). Counted as .75 of a family are single parent families without a preschool child who work 24-29 hours and two-parent families with 30-34 hours (45-50 if they receive child care). Counted as .875 of a family are single parent families without a preschool child who work 30-33 hours and two-parent families who work 35-38 hours (51-54 hours if they receive child care). [Section 109(f)] Note: generally, to receive any credit for hours below the 24 hour standard, a single parent family must engage for all these hours in one of the nine direct work activities and a two-parent family must spend all hours at or below 34 weekly in one of these activities (50 hours if the family receives federally funded child care and has no disabled member). However, as noted above (time-limited activities — a state may give work credit for any hours spent in one of the five qualified activities for up to six months in a 24-month period).</p>

CRS-31

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>Extra work credit</i>	None	Counts all hours worked above the 40 — hour full weekly standard, provided 24 hours are spent in direct work (or, for a limited time, in certain other qualified activities) and no more than 16 hours are in non-priority activities. [Section 110(c)]	Families who exceed the standard hourly work requirement receive extra credit, as follows. Credited as 1.05 of a family are single-parent families who work 35-37 hours and two-parent families who work 40-42 hours (56-58 hours if they receive child care). Credited as 1.08 of a family are single parent families who work 38 or more hours and two-parent families who work 43 or more hours (59 or more hours if they receive child care). [Section 109(f)]
Marriage Promotion			
TANF goals and purposes	Two purposes relate to marriage. One goal is to end dependency of needy parents on government benefits, with one of the stated means of accomplishing the goal specified as marriage. A second purpose is to encourage the formation and maintenance of two-parent families.	The stated purpose of promoting the formation and maintenance of two-parent families is modified to read: encourage the formation and maintenance of <i>healthy, two-parent married families and encourage responsible fatherhood</i> . [New language in italics] [Section 101]	Same as House bill. [Section 103(d)]
Funding for marriage promotion matching grants	No provision for special grants states may use TANF block grants to promote formation and maintenance of two-parent families (program goal no. 4) and to promote marriage as a means of ending dependence on government benefits (goal no. 2).	Appropriates \$100 million annually for FY2003 through FY2008 for 50% competitive matching grants to states, territories and tribal organizations for programs to promote and support healthy, married two-parent families. Note: Grants are funded by repeal of out-of-wedlock birth bonus in current law. [Section 103(b)]	Appropriates \$100 million annually for FY2004 through FY2008 for 50% competitive matching grants to states, territories, Indian tribes, and tribal organizations for programs to promote and support healthy, married two-parent families. Note: Grants are funded by repeal of out-of-wedlock birth bonus in current law. [Section 103(b)]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<p>Makes funds appropriated for FY2003 available to the Secretary through FY2004 for grants for FY2003). [Section 103(b)]</p> <p>Provides that federal TANF funds used for marriage promotion must be treated as state matching funds for marriage promotion grants (Section 111(b)(1) See <i>Maintenance of Effort</i> for treatment of TANF spending on behalf of marriage promotion.</p> <p>No provision.</p>	<p>Makes funds appropriated for each of FY2004 through FY2008 available to the Secretary until expanded.</p> <p>Also, permits grantees to use funds without fiscal year deadline. [Section 103(b)]</p> <p>Provides that federal TANF funds used for marriage promotion may be treated as state matching funds for marriage promotion grants (Section 103(b). See <i>Maintenance of Effort</i> for treatment of TANF spending on behalf of marriage promotion.</p> <p>Provides that general rules governing uses of TANF block grant funds (other than administrative limit) shall not apply to marriage promotion grants. [Section 103(b)]</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<p>Allowable activities for marriage promotion grants</p>		<p>Grants may be used for many activities, including advertising campaigns; education in high schools; marriage education, marriage skills and relationship skills programs that may include parenting skills, financial management, conflict resolution, and job and career advancement for non-married pregnant women and expectant fathers; pre-marital education and marriage skills training for engaged couples and individuals and couples interested in marriage; marriage enhancement and marriage skills training programs for married couples; divorce reduction programs; marriage mentoring programs; and programs to reduce marriage disincentives in means — tested programs, if offered in conjunction with any other listed activity.</p> <p>No provision.</p>	<p>Lists same activities as House bill, but specifies that participation must be voluntary in marriage education, marriage skills and relationships skills programs, pre-marital education and married skills training, marriage enhancement and divorce reduction programs, and marriage mentoring programs. Also, allows marriage education, marriage skills, and relationship skills programs for non-married recent parents.</p> <p>Forbids award of a grant unless the applicant has consulted with experts in domestic violence or with community domestic violence coalitions in developing [marriage promotion] programs or activities. Application must describe how the program/activities will deal with issues of domestic violence and how the grantee will ensure that participation in the marriage promotion program is voluntary. [Section 103(b)]</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
Research and demonstrations on marriage promotion	No special provision to fund research or demonstrations. However, available TANF research funds (see <i>Research and Demonstrations</i> , below) and other research funds provided to the Department of Health and Human Service may be used to evaluate marriage promotion initiatives.	Appropriates \$102 million each for FY2003 through FY2008 for research and demonstration projects and for technical assistance to states, tribal organizations, and other entities chosen by the Secretary. Specifies that these funds must be spent primarily on activities allowed under marriage promotion grants (see above). (Sets aside \$2 million yearly for demonstration projects for coordination of child welfare and TANF services to tribal families at risk of child abuse or neglect.) Provides that funds appropriated for FY2003 shall remain available through FY2004. [Section 115(a)]	Appropriates \$100 million each for FY2004 through FY2008 for research and demonstration projects and for technical assistance to states, tribal organizations, and other entities chosen by the Secretary. Specifies that 80% of these funds must be spent on research and demonstration projects, or for providing technical assistance, in connection with activities allowed under marriage promotion grants (see above). [Section 114(a)] Forbids Secretary to pay these research funds to an entity that has not consulted with domestic violence experts in developing marriage promotion programs (see above). [Section 114(a)]
State Plans, Data Reporting, Research (Other than Marriage Promotion) and Other Provisions			
State plan requirements	Each state must outline (generally in a plan effective for three fiscal years), how it intends to: conduct a program providing cash assistance to needy families with children and providing parents with work and support services; require caretaker recipients to engage in work (at state definition) after 24 months of aid or sooner, if then judged work-ready; ensure that caretakers engage in work in accordance with the law; take steps deemed necessary by the state to restrict use	Adds requirement that each state describe what it will do to end dependence of needy families on government benefits and reducing poverty by promoting job preparation and work and; encourage formation and maintenance of healthy, two-parent married families, encourage responsible fatherhood, and prevent and reduce the incidence of out-of-wedlock pregnancies. Adds requirement that each state describe any strategies that it is undertaking to deal with (a) employment retention	Essentially the same as House bill. [Section 101]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	<p>and disclosure of information about recipients; establish goals and take action to prevent/reduce the incidence of out-of-wedlock pregnancies; and conduct a program providing education and training on the problem of statutory rape. In addition, the plan must indicate whether the state intends to treat families moving into the state differently from others; indicate whether the state intends to aid noncitizens; set forth objective criteria for benefit delivery and for fair and equitable treatment; and provide that, unless the governor opts out by notice to HHS, the state will require a parent who has received TANF for two months and is not work-exempt to participate in community service employment. In the plan the state must certify that it will operate a child support enforcement program and a foster care and adoption assistance program and provide equitable access to Indians ineligible for aid under a tribal plan. It must certify that it has established standards against program fraud and abuse. It must specify which state agency or agencies will administer and supervise TANF. In addition, the state may opt to certify that it has established and is enforcing procedures to screen and identify recipients with a history of domestic violence, to refer them to services, and to waive program rules for some of them. [Section 402(a) of the SSA]</p>	<p>and advancement for recipients; (b) efforts to reduce teen pregnancy; (c) services for struggling and noncompliant families and for clients with special problems; and (d) program integration, including the extent to which employment and training services are provided through the One-Stop Career Center System created under the Workforce Investment Act of 1998. Requires each state to describe strategies to improve program management and performance. [Section 112].</p> <p>Strikes provision requiring goals to reduce out-of-wedlock pregnancies and replaces it with requirement that states establish specific numerical performance goals, measures, measurement methodology, and plans to improve outcomes regarding each of TANF's four goals.</p> <p>Specifies that performance measures must be consistent with criteria used by the Secretary in establishing targets for the performance achievement bonus.</p> <p>Strikes provision requiring community service after two months of benefits unless state opts out. [Section 112].</p>	

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
	<p>Authorizes states to administer and provide TANF services through contracts with charitable, religious, or private organizations and to pay recipients by means of certificates, vouchers, or other disbursement forms redeemable with these organizations. Stipulates that any religious organization with a contract to provide welfare services shall retain independence from government and requires states to provide an alternative provider for a beneficiary who objects to the religious character of the designated organization. [Section 104 of PRWORA]</p> <p>States must certify that they will provide equitable access to TANF to Indians who are ineligible for tribal family assistance programs. [Section 402(a) of the SSA]</p>	<p>Requires state plans to describe strategies and programs to engage religious organizations in the provision of TANF-funded services. [Section 112]</p> <p>Requires tribal family assistance plans to provide assurance that the state in which the tribe is located has been consulted regarding the plan and its design. [Section 112]</p> <p>Requires plan to describe how the state intends to encourage equitable treatment of healthy, married two-parent families under TANF. [Section 103(a)]</p> <p>No provision.</p> <p>No provision.</p>	<p>If state is undertaking efforts to engage faith-based organizations in providing TANF-funded services or that otherwise relate to the charitable choice provision of PRWORA, requires state plans to describe these strategies and programs. [Section 101(a)]</p> <p>Same as House bill. [Section 101(c)]</p> <p>Same as House bill. [Section 101(c)]</p> <p>Requires the plan to include a report detailing progress toward full engagement. [Section 101(a)]</p> <p>If state provides TANF-funded transportation aid, requires certification by the governor that state and local transportation officials and planning bodies have been consulted in development of the plan. [Section 101(a)]</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		No provision.	Requires the HHS Secretary to develop a proposed Standard State Plan Form for use by states not later than nine months after date of enactment of the bill. Requires states to make drafts of proposed plans (and plan amendments) available to the public through a state-maintained Internet website and through other means found appropriate by the state available to the public proposed plan states also must make TANF state plans in effect for any fiscal year available to the public, by the above means. [Section 101(b)].
Performance measures	No provision. (However for the purpose of awarding performance bonuses, the Secretary is to develop a formula in consultation with the national Governors Association and the American Public Welfare Association.)	Requires the Secretary, in consultation with the states, to develop uniform performance measures to judge the effectiveness and improvement of state programs in accomplishing TANF purposes. [Section 112(c)]	Same provision. [Section 101(d)]
Rankings of states	Directs HHS Secretary to rank states in order of success in moving recipients into long-term private jobs and reducing the proportion of out-of-wedlock births and in both cases to review programs of the three states with highest and lowest ratings. [Section 413(d) and(e) of the SSA]	Deletes “long-term” qualifier from private job measure. Adds employment retention and ability to increase wages to factors used for rankings. [Section 112(d)] No provision.	Same as House bill except that it adds three other new ranking factors: the degree to which recipients have workplace attachment and advancement, reducing the overall welfare caseload, and, when a practicable method of calculation becomes practicable, diverting persons from making formal applications to TANF. [Section 101(e)] In ranking states, Secretary must take into account the average number of minor children living at home in families with income below the

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
			poverty line and the amount of TANF funding provided to each state for these families. [Section 101(e)]
Data collection and reporting	<p>States are required to collect monthly, and report quarterly, disaggregated case record information (but may use sample case record information for this purpose) about recipient families in the TANF program. [Section 411(a) of the SSA]</p> <p>Required family information includes:</p> <ul style="list-style-type: none"> — county of residence, — whether a member received disability benefits, — ages of members, — size of family and the relation of each member to the family head, <ul style="list-style-type: none"> — employment status and earnings of the employed adult, — marital status of adults; — amount of unearned income received by family members; — citizenship of family members; — number of families and persons receiving aid under TANF (including the number of two-parent and one-parent families); — total dollar value of assistance given; — total number of families and persons aided by welfare-to-work grants (and the number whose participation ended during a month); <ul style="list-style-type: none"> — number of noncustodial parents who participated in work activities; — for each teenager, whether he/she is the parent of a child in the family. 	<p>Requires quarterly reports to cover families in MOE-funded separate state programs, as well as those in TANF state programs. Permits the Secretary to limit use of sampling by designating core elements that must be reported for all families. [Section 113(a)]</p>	<p>Same as House bill. [Section 112(a)]</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<i>Use of sample data</i>	For quarterly reports, permits states to submit disaggregated case record data information on a sample of families. [Section 411(a) of the SSA]	parents were not then married, whether the paternity of the child has been established. Requires quarterly reports to include the number of families and persons who became ineligible to receive TANF during the month (broken down by the number that lost eligibility because of earnings, changes in family composition that result in higher earnings, sanctions, time limits, or other specified reasons). [Section 113(c)]	Same as House bill. [Section 112(c)]
<i>Monthly state reports</i>	No provision.	Authorizes Secretary to designate core data elements that must be reported for all families. [Section 113(b)] Requires states to submit monthly reports on the number of families and persons receiving assistance. [Section 113(e)]	Same as House bill. [Section 112(b)] Same as House bill except that it also requires monthly reports on the number of families and persons receiving assistance under separate state programs funded with MOE dollars. [Section 112(e)].
<i>Annual state reports</i>	Regulations require states to annually submit a program report (by December 31 of each year) providing financial eligibility rules for all programs funded by TANF or state MOE funds. For each MOE program, reports are to include the name, purpose, and eligibility criteria.	Requires states to submit an annual report on characteristics of the state TANF program and other state programs funded with MOE funds. Required information: program name and purpose, description of program activities, sources of funding, number of beneficiaries, sanction policies, and any work requirements. [Section 113(e)] Beginning with FY2005, states must submit to HHS an annual report on achievement and improvement under numerical performance goals and measures.	Same as House bill. [Section 112(e)] Same as House bill. [Section 112(e)]
<i>Data elements</i>	The HHS Secretary shall prescribe regulations to define data elements for required state reports and	The HHS Secretary shall prescribe regulations needed to define data elements and to collect	Same as House bill. [Section 112(d)]

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
HHS reports	<p>shall consult with the Secretary of Labor in defining data elements regarding programs operated with welfare-to-work funds.</p> <p>Requires the HHS Secretary to make annual reports to Congress that include state progress in meeting TANF objectives (increasing employment and earnings of needy families and child support collections, and decreasing out-of-wedlock pregnancies and child poverty), demographic and financial characteristics of applicants, recipients, and ex-recipients; characteristics of each TANF program; and trends in employment and earnings of needy families with children.</p> <p>Requires the HHS Secretary to submit to four committees of Congress annual reports on specified matters about three groups: children whose families lost TANF eligibility because of a time limit, children born after enactment of TANF to teen parents, and persons who became teen parents after enactment. [Section 413(g) of the SSA]</p>	<p>necessary data and shall consult with the National Governors Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements. [Section 113(d)]</p> <p>Sets July 1 of each fiscal year as the deadline for the report. Deletes applicant families from the report. Adds requirement to report on characteristics of MOE-funded programs. [Section 113(f)]</p>	<p>Same as House bill. [Section 112(f)]</p>
Single audit reports	<p>TANF payments to states are subject to the Single Audit Act.</p>	<p>The Secretary, within three months of receiving an audit from a state, shall analyze it to identify the extent and nature of problems related to the state's oversight of contracts between nongovernmental entities and the state TANF program. [Section 113(g)]</p>	<p>No provision.</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
<p>Research, evaluations, and national studies</p> <p><i>Research on state programs</i></p>	<p>Requires HHS Secretary to conduct research on effects, costs, and benefits of state programs. Provides that Secretary may help states develop innovative approaches to employing TANF recipients and shall evaluate them. For six years, appropriates \$15 million yearly and directs how it shall be divided. [Section 413(h) of the SSA. (Note: In subsequent appropriation acts, Congress has rescinded these provisions and appropriated research funds on a less prescriptive basis under Section 1110 of the Social Security Act, which deals with cooperative research and demonstration projects.)</p>	<p>Continues these provisions and appropriates \$15 million annually for them through FY2008. [Section 115]</p>	<p>Same as House bill. [Section 114(b)]</p>
<p><i>Census Bureau study</i></p>	<p>Directs the Census Bureau to expand the Survey of Income and Program Participation (SIPP) to obtain data with which to evaluate TANF's impact on random national sample of recipients. Appropriates \$10 million annually for seven years. [Section 414 of the SSA]</p>	<p>Appropriates \$10 million annually for FY2004 through FY2008 to the Census Bureau. Directs the Bureau to implement or enhance a longitudinal survey of program participation to permit assessment of outcomes of continued reform on the economic and child well-being of low-income families with children, including those who received TANF-funded aid or services. Survey content should include information needed to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency, beginning and ending of spells of assistance, work, earnings, and employment stability. To the extent possible, survey is to provide state representative samples. Funds are to remain available through FY2008 for this survey. [Section 116(a)]</p>	<p>Same as House bill. [Section 115(a) and (c)] provision.</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		No provision.	Requires the secretary of Commerce to make reports to the Ways and Means and Finance Committees on the well-being of children and families, based on data collected in the above study. First report is due two years after enactment; the second one, five years after enactment. [Section 115(b)]
<i>General Accounting Office study</i>		Directs the General Accounting Office to study the combined effect of the phase-out rates for federal programs that provide support to low-income persons and families moving from welfare to work, at all earning levels up to \$35,000 per year, for at least five states, including Wisconsin and California. Study is to include any potential disincentives to marry or achieve independence that are created by the combined phase-out rates. Report is due to Congress not later than one year after enactment. [Section 116(b)]	No provision.
Waivers and program coordination	Permits the HHS Secretary to waive compliance with requirements for TANF state plans (and for child support plans), but not for any other part of TANF law (including work standards, time limits, funding rules, and penalties). [Section 1115 of the SSA]	Creates “superwaiver” authority for states (or portions of a state) to coordinate rules of specified programs for low-income families. Covers these 10 programs and activities: TANF, Welfare-to-Work grants, SSBG, Job Opportunities for Low-Income Individuals (JOLI), Title I of WIA (excluding JOB Corps), Adult Education and Family Literacy Act, CCDBG, U.S. Housing Act (excepting Section 8 rental assistance and set-asides for the elderly and disabled), Homeless Assistance Act; and the food stamp program. Specified provisions (including non-financial food stamp rules and any funding restriction in an appropriations act) could not be waived. Also non-waivable: Civil rights provisions, program	Creates “superwaiver” authority for up to 10 states (including any portion of a state) to coordinate rules of three specified programs for low-income families (all under jurisdiction of the Finance Committee): TANF, SSBG, child care entitlement funds. Essentially the same as in the House bill are most provisions, including: application procedures, rules for cost neutrality, non-waivable provisions, program purposes, and project duration. Evaluation rules are more detailed. Applicants must give assurances that they will obtain an evaluation by an independent contractor and that random assignment of clients to services and control groups will be used to the maximum extent feasible. [Section 114(c)]

CRS-44

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
		<p>purposes or goals, state spending requirements, health or safety rules, labor standards, and others. Funds could not be transferred from one account to another, and projects could not increase federal costs. Waivers would be valid for up to five years. Purposes: supporting working persons and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families. Applications to waive specific provisions of two or more programs could be made by the head of a state entity or a sub-state entity administering the programs. Waiver approval would be required by each relevant Secretary. In general, an application would be deemed approved unless disapproved within 90 days. Requires annual reports to Congress. Applicants must give assurance that they will conduct ongoing and final evaluations. [Section 601]</p> <p>Authorizes five states to replace food stamps with demonstrations of food assistance block grant projects. [Section 602]</p> <p>Not later than six months after enactment, requires the Secretaries of HHS and Labor to submit a joint report describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act and TANF law. [Section 115(d)]</p>	<p>No provision..</p> <p>No provision.</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
Definition of assistance	<p>Receipt of assistance by a parent or other caretaker relative triggers work and time limit rules. Law does not define the term. By regulation, assistance is defined as ongoing aid to meet basic needs, plus support services such as child care and transportation subsidies, for unemployed recipients. It excludes non-recurrent short term benefits.</p> <p>Federally-funded “assistance” to a family with an adult is limited to 60 months; states <i>may</i> impose shorter time limits. By regulation, assistance is defined as ongoing aid to meet basic needs, plus support services such as child care and transportation subsidies, for unemployed recipients. It excludes non-recurrent short term benefits.</p>	<p>Defines “assistance” to mean payment, by cash, voucher, or other means, to or for an individual or family to meet a subsistence need, <i>but not including costs of transportation or child care</i>. It excludes non-recurrent short-term benefits. [Section 117]</p>	<p>Same as House bill. [Section 117]</p>
Technical corrections		<p>Makes a number of technical corrections to current law. [Section 118]</p>	<p>Same as House bill [Section 120]</p>
State option to make TANF programs mandatory partners with one-stop WIA centers	<p>The Workforce Investment Act (WIA) makes TANF an optional partner with one-stop employment training centers.</p>	<p>Makes state TANF programs mandatory partners with one-stop employment training centers established under the Workforce Investment Act unless the governor of a state decides otherwise and so notifies the Secretaries of Health and Human Services and Labor. [Section 120].</p>	<p>No provision.</p>
Sense of the Congress		<p>Provides that it is the sense of Congress that a state welfare-to-work program should include mentoring. [Section 121]</p>	<p>No provision.</p>

	Current Law	H.R. 4 (House-passed)	H.R. 4 (Senate Finance Committee)
Enforcing support of immigrants by sponsors	Requires sponsors of immigrants to sign a legally enforceable affidavit of support. Deems all income and resources of a sponsor (and the sponsor's spouse) as available to the sponsored alien until he or she becomes naturalized or meets a work test. [Sections 421 and 423 of the SSA]	Not later than March 31, 2004, requires the HHS Secretary, in consultation with the Attorney General, to submit a report on the enforcement of affidavits of support and sponsor deeming required by P.L. 104-193. [Section 115(c)]	No provision.
Extension through FY2003		Except as otherwise provided in this Act and the amendments made by it, activities authorized by the TANF part of the Social Security Act (SSA) and by Section 1108(b) of the SSA (TANF and child welfare in the territories) shall continue through FY2003, in the manner authorized, and at the level provided, for FY2002. [Section 122].	No longer relevant.