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Welfare Reauthorization: A Side-By-Side Comparison of Current Law and Pending Welfare Reauthorization Proposals

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Summary

The 109th Congress is considering legislation to reauthorize and amend programs that were created or revised in the 1996 welfare reform law. Early in 2005, the Senate Committees on Finance and Health, Education, Labor, and Pensions (HELP) reported their welfare reauthorization legislation (respectively, S. 667 and S. 525). These bills have yet to see floor action and remain pending in the Senate. The House passed welfare reauthorization as part of its spending budget reconciliation bill (the House-passed version of S. 1932). The Senate-passed spending reconciliation bill does *not* include welfare reauthorization provisions.

Both the Senate Finance Committee bill and the House reconciliation bill would reauthorize through FY2010 and revise the block grant of Temporary Assistance for Needy Families (TANF). They both revise TANF work participation standards aimed to require more families on the welfare rolls to work or participate in job preparation activities. The Senate committee bill would allow a broad range of activities engaged in by recipients to count toward meeting these standards, while the House bill would narrow the focus of activities to work or "workfare" outside of a four-month period. Both the Senate committee and House reconciliation bills also would establish $200 million per year in grants to promote "healthy" marriages.

Both the Senate committee and House reconciliation bills would extend and increase funding for mandatory child care, though the size of the funding increase is a major difference between the two proposals — $6 billion over five years in the Senate committee bill and $0.5 billion over five years in the House bill. Both would also reauthorize the Child Care and Development Block Grant (CCDBG), increasing its authorization to $3.1 billion by FY2010, and would revise CCDBG rules, including those related to making school-readiness a program goal and increasing the percentage of funds to improve the quality of child care.

Both the Senate committee and House reconciliation bills would revise the Child Support Enforcement program to provide financing options for states to pay more collected child support to families on TANF or who have left the rolls. (Generally, federal and state governments keep child support collected for TANF families as reimbursement for their welfare costs.) The Senate committee bill would provide partial federal funding for child support passed through to families — up to $400 per month for one child and $600 per month for two or more children. The House bill would provide partial federal funding to states that increase the amount of passed-through child support. The House reconciliation bill also would reduce federal funding to the states to operate their child support programs. Both Senate committee and House bills would also establish "responsible fatherhood" programs to fund activities to increase the participation of noncustodial parents in their children's lives. The Senate committee bill would provide $50 million per year in mandatory funding (and authorize another $26 million per year); the House reconciliation bill would authorize (but not provide funding) for up to $20 million per year. This report will be updated as needed.

Contents

List of Tables

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Welfare Reauthorization: A Side-By-Side Comparison of Current Law, and Pending Welfare Reauthorization Proposals

Introduction

The 109th Congress is considering legislation to reauthorize and amend programs that were created or revised in the 1996 welfare reform law.[1] Early in the 109th Congress, the Senate Finance and Health, Education, Labor, and Pensions Committees approved and reported their welfare reauthorization legislation (respectively, S. 667 and S. 525). Neither bill has yet seen action in the full Senate. In the House, a welfare reauthorization proposal (H.R. 240), introduced by the House Republican Leadership, has also failed to reach the floor.

On November 18, 2005, the House passed its budget reconciliation bill (S. 1932), which includes welfare reauthorization legislation similar to that which passed the House in 2002 and 2003. (The House-passed version of S. 1932 is H.R. 4241 as amended and approved by the House.) Welfare reauthorization legislation was not included in the Senate-passed reconciliation bill.

This report compares the welfare reauthorization policies proposed in the Senate committee bills with those included in the House-passed budget reconciliation bill. It is *not* a comparison of welfare provisions in the House and Senate reconciliation bills. (Such a comparison, which displays House-passed welfare provisions with corresponding "No Provision" entries for the Senate-passed version of reconciliation, is available from the Congressional Research Service upon request.)

The original funding authority for the block grant of Temporary Assistance for Needy Families (TANF), the Child Care and Development Block Grant (CCDBG), abstinence education, and transitional medical assistance (TMA) under Medicaid expired on September 30, 2002. Funding and program authority for TANF, mandatory child care, abstinence education, and TMA have been continued by special temporary extension legislation since then, with the latest extension set to expire on December 31, 2005. CCDBG discretionary funding has been provided, absent authorization, in annual appropriation bills. Also included in "welfare reauthorization" legislation have been initiatives to create a responsible fatherhood grant program, revise the Child Support Enforcement program, amend child welfare

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[1] For a discussion of issues in reauthorizing welfare programs, see CRS Issue Brief IB10140 *Welfare Reauthorization, Overview of the Issues*, by (name redacted), et al. Updated regularly.

programs, and make some changes to Supplemental Security Income, as well as create new "superwaiver" authority.

Summary of Similarities and Differences in the Bills

Most of the welfare reauthorization provisions approved early in 2005 have counterparts in the House budget reconciliation bill. There are notable exceptions. S. 667 (the Finance Committee bill) would extend the abstinence education state grant program and revise and extend TMA through FY2010, whereas the House budget reconciliation bill includes none of those provisions. Further, the House reconciliation bill, unlike the Senate committee bills or the earlier House Republican Leadership welfare reauthorization bill (H.R. 240), includes some additional provisions that would reduce spending, including proposals to reduce federal matching funds for state Child Support Enforcement programs and to revise foster care and adoption assistance eligibility rules to negate a court ruling that expanded eligibility for these programs in certain states.

Table 1 summarizes what provisions are included in the Senate committee bills and the House reconciliation bill. Note that when provisions are included in both, they still may differ significantly in their details. These differences are the subject of the remainder of this report.

Table 1. Welfare Reauthorization Provisions Included in Senate Committee Bills and House Budget Reconciliation Bill

Provision	Senate-Committee Approved Legislation	House Budget Reconciliation Bill
Extend TANF funding through FY2005	Yes — S. 667.	Yes.
Revise TANF Work Requirements	Yes — S. 667.	Yes.
Establish "Marriage Promotion Grants" within TANF	Yes — S. 667.	Yes.
Increase Mandatory Child Care Funding	Yes — S. 667 increases mandatory child care funding by $6 billion over five years.	Yes — $0.5 billion increase over five years.
Reauthorize and amend the Child Care and Development Block Grant	Yes — S. 525.	Yes.
Establish "Responsible Fatherhood" programs.	Yes — S. 667.	Yes.

Provision	Senate-Committee Approved Legislation	House Budget Reconciliation Bill
Increase amount of child support passed-through to families receiving TANF.	Yes — S. 667.	Yes.
Reduce the federal share of funding for state child support programs.	No.	Yes.
Extend and revise child welfare demonstration authority	Yes — S. 667.	Yes.
Revise eligibility rules for foster care and adoption assistance.	No.	Yes.
Extend abstinence education state grants through FY2010.	Yes — S. 667.	No.
Extend transitional medical assistance (TMA) for families that leave welfare for work.	Yes — S. 667.	No.
Program integration waivers ("Superwaiver")	Yes — S. 667.	Yes.

Source: Congressional Research Service (CRS).

Temporary Assistance for Needy Families Block Grant

The Senate-committee and House welfare reauthorization proposals have many similarities, with both extending basic TANF funding at current levels through FY2010 and incorporating President Bush's proposal to provide categorical "marriage promotion" grants.[2] Both bills also raise TANF work participation standards, though the two differ in terms of how much more work would be required and what activities count toward the participation standards.

TANF Funding Provisions. Both the Senate-committee and House bills have very similar funding provisions, although they do differ in some details. The

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[2] The House budget reconciliation bill is organized by Titles reflecting each House committee's legislative change. TANF changes are found both in Title II, from the Education and Workforce Committee, and Title VIII of the bill, from the Ways and Means Committee. The two committees share jurisdiction over the TANF work requirements. In most respects, the committees reported identical legislative language amending TANF work requirements. The difference in the two committee's proposals — reflecting a new requirement that parents visit schools in the Education and Workforce provisions — is noted in **Table 2**.

major differences between the two proposals are in the contingency fund and bonuses.

Basic Funding. The 1996 welfare reform law (P.L. 104-193) 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 they spent in these programs in FY1994. Cash welfare caseloads were at their peak in the mid-1990s; 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 has been adjusted for inflation.

Both the Senate-committee and House proposals would continue both the basic block grant and the MOE at their current funding levels (without inflation or caseload adjustment) through FY2010.

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) those 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.

Currently, supplemental grants total $319 million per year. Both the Senate and House proposals would continue supplemental grants for the same 17 states at the current funding level through FY2009 (unlike other grants, which expire in FY2010).

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.

The two bills differ substantially in their proposed revisions to the TANF contingency fund. The House budget reconciliation bill would continue the fund under 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 proposal 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 would eliminate the matching

requirements. Instead, it requires that unspent TANF balances be below a certain threshold to qualify for contingency funds. The Senate committee proposal would base contingency grants on a portion of the estimated cost of increased cash assistance caseloads. It also would revise the criteria of economic need for a state.

Bonus Funds. Current TANF law provides "bonus funds" to states that rank high on a set of outcomes that seek to measure whether they are achieving the block grant's goals. It has a "High Performance Bonus" of $200 million per year for states that rank high in achieving employment and certain other outcomes, as well as a second $100 million per year bonus paid to the five states with the greatest reduction in out-of-wedlock birth ratios that also have a decline in abortions.

The Senate Finance Committee bill scales back bonuses, by eliminating the $100 million per year bonus for reductions in out-of-wedlock births, and reducing and refocusing the "High Performance Bonus" on employment outcomes. Funding reductions are used to "pay for" grants to promote healthy marriages and responsible fatherhood initiatives (see a discussion of these initiatives, below). The House budget reconciliation bill eliminates both TANF bonuses, in part to pay for grants to promote healthy marriage and in part achieving budget reductions.

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. The limit on transfers to SSBG alone is set at 4.25% (though annual appropriations have restored the SSBG transfer limit to its original limit of 10% set in the 1996 welfare law). 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%. The House budget reconciliation bill would raise the overall transfer limit to 50%; the Senate Finance Committee proposal would retain the current 30% transfer limit.

Both bills include provisions to ease some rules regarding use of TANF funds. Both House and Senate committee bills 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 requirements, time limits, assignment of child support payments, and data reporting. 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 from these requirements nonworking families that receive only child care or transportation aid.

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

Both the Senate Finance Committee bill and House budget reconciliation bill would substantially revise TANF work participation standards. Both bills would raise work participation standards that states must meet from the current law's standard of 50% to 70%, raise the required hours of working to receive full credit and provide partial credit for participating families that do not meet the full credit standard, and revise the list of activities that recipients may participate in for states to receive credit toward TANF standards. However, the bills differ in how they do these three things.

Participation 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 reductions (not attributable to policy changes) that occurred since 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 FY2003, the standard was reduced to 0% for 20 states.

Both the Senate Finance Committee bill and the House budget reconciliation bill would raise the work participation standard for all families to 70% by FY2010, and eliminate the separate standard for two-parent families. Both bills would also change 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 bill would retain, but revise, the current law caseload reduction credit so that caseload change would be 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 FY2006 and FY2007, but beginning in FY2008 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 standard would be 10% in FY2006, 20% in FY2007, 30% in FY2008, 40% in FY2009, and 50% in FY2010. There is no such minimum effective standard in the House bill.

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 are required for single parents with a pre-school child (under the age of 6), and 30 hours are required for other families. Higher hours are set for the purposes of the two-parent work participation rate.

Both the Senate Finance Committee bill and the House budget reconciliation bill raise the hours standards. The House 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 to a lesser extent than proposed in the House 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 are met), time-limited vocational educational training (12 months in a lifetime), and community service and work experience. In meeting the general 30-hour-per-week standard, hours in educational activities are countable only for families who are also participating in at least 20 hours per week of "core" activities. Post-secondary education, other than that considered "vocational educational training," does not count toward current law federal TANF work participation standards.

The House budget reconciliation bill and the Senate Finance Committee bill differ significantly on the types of activities that are countable as core activities toward the participation standards. The House bill narrows the list of core activities by eliminating job search and vocational education. Instead, the bill would give states almost total discretion to define activities that would be countable for three months in a 24-month period (four months to complete training), but once those months are exhausted, the only activities that would count toward the "core" work participation standards are work, on-the-job training, community service, or work experience. Moreover, since job search and vocational education would be countable as sole or primary activities only during the three (or four) months that the state would have discretion, any weeks of participation in job search reduce the number of weeks that vocational education counts toward the participation standards.

On the other hand, the Senate Finance Committee bill retains the current law list of core activities. It too provides states additional discretion by permitting states to count an expanded list of activities for three months in a 24-month period (longer for rehabilitative activities). However, this additional discretion is provided in addition to, rather than instead of, six weeks of job search and 12 months of vocational educational training, which are retained as "core" activities.

Both the House budget reconciliation bill and the Senate Finance Committee bill would give states additional discretion in defining activities countable once a family

has met the "core" work requirement (generally, 24 hours per week in core activities). The House bill would allow states to define activities for families with at least 24 hours in core activities; the Senate Finance Committee bill would allow states to count an expanded set of activities for single-parent families with at least 24 hours per week in core activities.

The Senate Finance Committee proposal includes some additional options for counting participation in activities toward TANF work standards. It would allow states to have up to 10% of their 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. It also allows for participation in rehabilitative activities for disabled persons (including treatment of drug and alcohol abuse) if they combine rehabilitation with at least 10 hours of "core" activities and if the state develops a collaborative relationship between agencies and entities providing rehabilitative services and the state TANF agency. Additionally, the Senate Finance Committee bill allows caring for a disabled family member to count as a work activity under certain circumstances.

Marriage Promotion Grants and Family Formation Issues. 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 Senate Finance Committee and House budget reconciliation bills 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 budget reconciliation bill would require that these funds be used "primarily" for marriage promotion; the Senate Finance Committee bill would require 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 be funded from these grants only if offered in conjunction with other marriage activities.

Both bills have requirements that grantees of marriage promotion grants consider domestic violence issues and that participation in marriage promotion activities be voluntary. The Senate committee bill also includes a prohibition (not in the House bill) against states sanctioning families receiving TANF assistance for not participating in marriage promotion activities.

Child Care

While the House budget reconciliation legislation consolidates a package of provisions embodying "child care reauthorization" in a single bill[3], at this point, on the Senate side, reauthorization provisions remain divided between the two bills, S. 667 and S. 525 (The Caring for Children Act of 2005). The Finance Committee-passed bill (S. 667) contains the proposed mandatory funding appropriation for Child Care and Development Block Grant (CCDBG) programs, while the HELP Committee-passed bill (S. 525) includes proposed discretionary funding authorization, and all provisions relating to the reauthorization of the CCDBG Act. Therefore, in the child care section of **Table 2**, most provisions in the Senate column are drawn from S. 525, with the notable exception of the mandatory (or "entitlement") funding provision, which falls under the Finance Committee's jurisdiction, and is therefore included in S. 667. A summary of provisions included in both the House bill and Senate committee legislation follows, with more detail found in **Table 2**.

Discretionary Authorization. The discretionary portion of child care funding is *authorized* by the Child Care and Development Block Grant Act (as amended in 1996). Under current law, discretionary CCDBG funding is authorized at $1 billion annually. However, actual *appropriation* levels, determined during the annual appropriations process, have exceeded the authorized level (e.g., FY2005 = $2.1 billion). Both the House budget reconciliation bill and S. 525 propose to *authorize* discretionary funding at $2.3 billion in FY2006, rising by $200 million each year, up to $3.1 billion in FY2010.

Mandatory Appropriation. Mandatory funding for the CCDBG was preappropriated in Section 418 of the Social Security Act for FY1997-2002, as part of the welfare law of 1996 (P.L. 104-193). A series of temporary extensions have continued that funding at the FY2002 rate of $2.717 billion since the close of FY2002. (The most recent extension runs through December 31, 2005.)

The House budget reconciliation bill proposes to increase mandatory child care funding by $500 million over five years (FY2006- FY2010), appropriating $2.917 billion for FY2006, $2.767 billion for FY2007, $2.817 billion for FY2008, $2.867 billion for FY2009, and $2.917 billion for FY2010. (This reflects half of the $1 billion increase that had earlier been proposed in H.R. 240.) The Senate committee bill, S. 667, proposes to increase mandatory funding by $6 billion over five years

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[3] Child care provisions submitted to the House Budget Committee by the Committee on Ways and Means (i.e. the mandatory child care funding provisions) are found in title VIII of the budget reconciliation bill whereas provisions recommended by the Committee on Education and the Workforce (i.e. amendments to the CCDBG Act) are found in Title II.

(FY2006-FY2010), appropriating $3.617 billion for FY2006; $3.717 billion for FY2007; $3.917 billion for FY2008; $4.017 billion for FY2009; and $4.317 billion for FY2010. Puerto Rico would receive $75 million of the $6 billion, whereas under current law (as well as the House bill), Puerto Rico receives no mandatory child care funding.

Authority to Transfer TANF Funds. Under current law, states have the authority to transfer up to 30% of their annual TANF block grant to the CCDBG (only 20% if they choose to transfer 10% to the Social Services Block Grant). S. 667 would maintain current law, whereas the House bill would allow states to transfer up to 50% of their annual TANF grants to the CCDBG.

Use of Funds for Direct Services. Current law includes no provision requiring a given percentage of funds appropriated under the CCDBG Act to be spent on direct services. S. 525 would require that after the reservation of set-asides, at least 70% of the funds remaining be used to fund direct services (as defined by the state). The House bill has no comparable provision.

Option to Use Excess Funds for Increasing Payment Rates. S. 525 would allow states that receive funding above their FY2005 levels to use a portion of the excess to support payment rate increases for providers and to establish tiered payment rates. On a related note, the bill (S. 525) would also add to the statute stricter requirements to set payment rates in accordance with biennial market rate surveys.

Quality Set-Aside. Current law requires that at least 4% of each state's total CCDBG expenditures (from all sources — e.g., mandatory, discretionary, matching funds) be used for quality activities, described as providing comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care in the state.

Both the House budget reconciliation bill and the HELP Committee's S. 525 would raise the percentage of CCDBG funds that must be spent for quality activities to a minimum of 6%.

Definition of "Quality Activities". Both bills provide greater detail than current law in terms of defining what is classified as a "quality activity." In each, categories of activities are outlined to include school readiness activities (including activities to enhance early literacy); training and professional development for staff; and initiatives or programs to promote or increase retention of qualified staff. The categories reflect a new emphasis on school readiness as a goal of the CCDBG. The Senate committee bill (S. 525) also specifies that quality funds could be spent on evaluating and assessing the quality of programs, and their effectiveness in improving overall school preparedness. While S. 525 clearly states that quality funds must be spent for any of the six listed purposes, the House bill provides three broad categories, similar in topic to those in S. 525, with a fourth, more general category of "other activities as approved by the state."

Eligibility. Federal law currently requires that children eligible for services under the CCDBG must have family income that does not exceed 85% of the state

median (for a family of that size). However, states have the discretion to adopt income eligibility limits below this federal maximum. Both the House budget reconciliation bill and S. 525 propose to eliminate the federal maximum of 85% of state median income (SMI) from the CCDBG law, replacing it with a provision allowing states to set income eligibility levels (with no federal ceiling), with priorities based on need.

State Plan Requirements. Under current CCDBG law, states are required to submit plans every two years, certifying that their CCDBG programs include specified elements addressing areas such as parental choice, parental access, consumer education, licensing, and health and safety requirements.

Both the House budget reconciliation bill and the HELP Committee's S. 525 would amend current law to require that additional elements be certified in their state plans. Areas that would be modified or added relate to providing consumer education information; describing or demonstrating state coordination of child care services with other early childhood education programs; certifying compliance with the quality set-aside percentage requirement; and addressing special needs child care.

Unlike the House bill, S. 525 includes provisions requiring that in their state plans, states demonstrate that the process for redetermining eligibility occur no more frequently than every six months (with limited exceptions), and also that the state plan describe any training requirements in effect for child care providers. The Senate committee bill would also put into statute the requirement that the provider payment rates, described in the state plan, be set in accordance with a statistically valid and reliable biennial survey of market rates (without reducing the number of families served). State plans would also be required to include the results of those surveys and to contain a description of how the state will provide for timely payment to providers. Results of the survey would also be required to be made available to the public no later than 30 days after the survey's completion.

Data Collection and Reporting Requirements. Current law specifies a set of data reporting requirements for states to collect in the administration of their CCDBG programs. States collect data on a monthly basis and submit to the Department of Health and Human Services (HHS) disaggregated data on a quarterly basis. An aggregate report is required to be submitted to HHS on an annual basis.

S. 525 would retain the quarterly reporting in current law, but would amend the list of data elements that states would be required to collect on a monthly basis. (See **Table 2** for details.) It would also eliminate the separate annual report, instead requiring that the fourth quarterly report include information on the annual number and type of child care providers and the method of payment they receive. S. 667 would also extend CCDBG reporting to TANF-funded child care. The House bill would retain current law, containing none of these provisions.

Waivers in Response to Gulf Hurricanes. The House budget reconciliation bill would provide the Secretary of HHS with the authority to waive or modify certain CCDBG provisions for states affected by Hurricanes Katrina and Rita. Provisions that could be waived include those relating to the federal income eligibility limits, the work requirements, states' use of quality funds, and any

provision that prevents children designated as evacuees from receiving priority services over any children not already receiving CCDBG services. No similar provisions are included in S. 525.

Other Provisions. Titles II and III of S. 525 propose provisions that stand apart from CCDBG law or Section 418 of the Social Security Act. Title II of the bill contains provisions to enhance security at child care centers in federal facilities, and Title III would establish a small business child care grant program, through which competitive grants would be awarded to states for establishment and operation of employer-operated child care programs. The House budget reconciliation bill includes no similar provisions.

Responsible Fatherhood

To improve the long-term outlook for children in single-parent families, federal, state, and local governments, along with public and private organizations, are supporting programs and activities that promote the financial and personal responsibility of noncustodial fathers to their children and increase the participation of fathers in the lives of their children. These programs have come to be known as "responsible fatherhood" programs. Most fatherhood programs include media campaigns that emphasize the importance of emotional, physical, psychological, and financial connections of fathers to their children. Most fatherhood programs also include parenting education; responsible decision-making; mediation services for both parents; providing an understanding of the CSE program; conflict resolution, coping with stress, and problem-solving skills; peer support; and job-training opportunities (skills development, interviewing skills, job search, job-retention skills, job-advancement skills, etc.).

Sources of federal funding for fatherhood programs include TANF block grant funds, TANF state Maintenance-of-Effort (MOE) funding, welfare-to-work funds, Child Support Enforcement (CSE) funds, and Social Services Block Grant (Title XX) funds. Even so, the federal government does not currently earmark a specific amount of funding exclusively for responsible fatherhood programs.

Beginning with the 106th Congress, both the House and Senate have introduced a number of bills that contain responsible fatherhood provisions, but so far none of the bills have been passed by both Houses of Congress. In the 109th Congress, both S. 667 and the House budget reconciliation bill would include funding for responsible fatherhood grant programs.

S. 667 as approved by the Senate Finance Committee would establish five components for the responsible fatherhood program for FY2006 through FY2010. It would (1) appropriate $20 million for a grant program for up to 10 programs; (2) appropriate $30 million for grants for eligible entities (local government, local public agency, community-based or nonprofit organization, or private entity, including any charitable or faith-based organizations, or Indian tribe or tribal organization) to conduct demonstration programs; (3) authorize $5 million for a nationally recognized nonprofit fatherhood promotion organization to develop and promote a responsible fatherhood media campaign and establish a national clearinghouse to help states and communities in their efforts to promote both marriage and responsible fatherhood;

(4) authorize a $20 million block grant for states to conduct responsible fatherhood media campaigns (authorize $1 million of the $20 million for an evaluation); and (5) authorize $1 million for a nationally recognized nonprofit research and education fatherhood organization to establish a national resource center for responsible fatherhood.

The House Budget Reconciliation proposal as approved by the Committee on Ways and Means would establish four components for the responsible fatherhood program for FY2006 through FY2010. It would (1) authorize competitive grants for responsible fatherhood projects to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the four specified responsible fatherhood program objectives — eligible entities would be allowed to apply for either full service grants or limited purpose grants of $25,000 or less per fiscal year; (2) authorize funding for two multicity, multistate fatherhood demonstration projects to be developed and conducted by a national nonprofit fatherhood promotion organization; (3) authorize funding for an evaluation of the competitive grant projects and the multicity, multistate demonstration projects; and (4) authorize the Secretary of HHS by grant, contract, or cooperative agreement to carry out projects and activities of national significance relating to fatherhood promotion — such projects or activities could include collection and dissemination of information, media campaigns, technical assistance to public and private entities, and research. The bill would authorize $20 million for each of the years FY2006 through FY2010, and stipulates that no more 15% of the annual appropriations can be used for the multicity, multistate demonstrations, the evaluations, and the projects of national significance.

The Committee on Education and the Workforce shared jurisdiction with the Committee on Ways and Means with respect to fatherhood programs. The Committee on Education and the Workforce's fatherhood program is identical to that of the Committee on Ways and Means except that it would include five components rather than four and stipulate that no more than 35% of the $20 million annual authorization could be used for the multicity, multistate demonstrations, the economic incentives demonstrations, the evaluations, and the projections of national significance. In addition to the four components in the Ways and Means Committee proposal, the Committee on Education and the Workforce's proposal would authorize the HHS Secretary to make grants available for FY2006 through FY2010 for two to five demonstration projects that test the use of economic incentives combined with a comprehensive approach to addressing employment barriers to encourage noncustodial parents to enter the workforce and to contribute financially and emotionally to their children. The fatherhood demonstration projects would be developed and conducted by a national nonprofit fatherhood promotion organization that meets the qualifications specified in the bill. The bill would stipulate that out of the set-aside monies, at least $5 million is to be allocated for the economic incentive demonstration project. (**Note:** All of the responsible fatherhood provisions in both House Committee bills are included in the House-passed budget reconciliation bill.)

Child Support Enforcement

The CSE program, Part D of Title IV of the Social Security Act, was enacted in January 1975 (P.L. 93-647). The CSE program is administered by the Office of Child Support Enforcement (OCSE) in the Department of HHS, and funded by general revenues. All 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate CSE programs and are entitled to federal matching funds. The following families automatically qualify for CSE services (free of charge): families receiving TANF benefits (Title IV-A), foster care payments (Title IV-E), or Medicaid coverage (Title XIX). Collections on behalf of families receiving TANF benefits are used to reimburse state and federal governments for TANF payments made to the family. Other families must apply for CSE services, and states must charge an application fee that cannot exceed $25. Child support collected on behalf of nonwelfare families goes to the family (usually through the state disbursement unit).

Services. The CSE program provides seven major services on behalf of children: (1) parent location, (2) paternity establishment, (3) establishment of child support orders, (4) review and modification of support orders, (5) collection of support payments, (6) distribution of support payments, and (7) establishment and enforcement of medical support.

Enforcement Techniques. Collection methods used by CSE agencies include income withholding, intercept of federal and state income tax refunds, intercept of unemployment compensation, liens against property, security bonds, and reporting child support obligations to credit bureaus. All jurisdictions also have civil or criminal contempt-of-court procedures and criminal nonsupport laws. Building on legislation (P.L. 102-521) enacted in 1992, P.L. 105-187, the Deadbeat Parents Punishment Act of 1998, established two new federal criminal offenses (subject to a two-year maximum prison term) with respect to noncustodial parents who repeatedly fail to financially support children who reside with custodial parents in another state or who flee across state lines to avoid supporting them.

P.L. 104-193 required states to implement expedited procedures that allow them to secure assets to satisfy an arrearage by intercepting or seizing periodic or lump sum payments (such as unemployment and workers' compensation), lottery winnings, awards, judgements, or settlements, and assets of the debtor parent held by public or private retirement funds, and financial institutions. It required states to implement procedures under which the state would have authority to withhold, suspend, or restrict use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of persons who owe past-due support or who fail to comply with subpoenas or warrants relating to paternity or child support proceedings. It also required states to conduct quarterly data matches with financial institutions in the state in order to identify and seize the financial resources of debtor noncustodial parents. P.L. 104-193 authorized the Secretary of State to deny, revoke, or restrict passports of debtor parents. P.L. 104-193 also required states to enact and implement the Uniform Interstate Family Support Act (UIFSA), and expand full faith and credit procedures. P.L. 104-193 also clarified which court has jurisdiction in cases involving multiple child support orders.

Financing. The federal government currently reimburses each state 66% of the cost of administering its CSE program. It also refunds states 90% of the laboratory costs of establishing paternity. In addition, the federal government pays states an incentive payment to encourage them to operate effective programs. P.L. 104-193 required the HHS Secretary in consultation with the state CSE directors to develop a new cost-neutral system of incentive payments to states. P.L. 105-200, the Child Support Performance and Incentive Act of 1998, established a new cost-neutral incentive payment system. The statutory limit of CSE incentive payments for FY2005 is $446 million.

S. 667 and House Budget Reconciliation Bill: Major Provisions Related to Child Support Enforcement. Over the years, the CSE program has evolved into a multifaceted program. While cost-recovery still remains an important function of the program, other aspects of the program include service delivery and promotion of self-sufficiency and parental responsibility.

The CSE program has helped strengthen families by securing financial support for children from their noncustodial parent on a consistent and continuing basis and by helping some families to remain self-sufficient and off public assistance by providing the requisite CSE services. Child support payments now are generally recognized as a very important income source for single-parent families. On average child support constitutes 17% of family income for households that receive it (2001 data). Among poor families who receive it, child support constitutes about 30% of family income (2001 data).

Both S. 667 and the House budget reconciliation bill would seek to improve the CSE program and raise collections so as to increase the economic independence of former welfare families and provide a stable source of income for all single-parent families with a noncustodial parent. Although both bills share identical objectives with respect to simplifying CSE assignment and distribution rules and strengthening the "family-first" policies started in the1996 welfare reform law, the approaches used differ. Both bills would revise some CSE enforcement tools and add others. This section of the report does not discuss all of the CSE provisions included in S. 667 and the House bill. For a description of all of the CSE provisions in S. 667 as reported by the Senate Finance Committee and the House budget reconciliation bill, see **Table 2** in the last section of this report.

The Congressional Budget Office (CBO) estimates that the Senate Finance Committee-reported bill would increase federal outlays in the CSE program by $628 million over the period FY2006-FY2010, whereas the House budget reconciliation bill would reduce federal outlays in the CSE program by $4.899 billion over the period FY2006-FY2010. The following two CSE provisions in the House bill comprise most of the budget reductions (i.e., savings): a phased-in reduction of the matching rate for administrative expenses from 66% to 50%, which saves $3.8 billion over the five-year period; and an elimination of the federal match when states spend CSE incentive payments (i.e., reinvest CSE incentive payments back into the program), saving $1.6 billion over the five-year period.

Assignment of Child Support Rights. As a condition of receiving TANF benefits, a family must assign their child support rights to the state. Assignment rules

determine who has legal claim on the child support payments owed by the noncustodial parent. The child support assignment covers any child support that accrues while the family receives TANF benefits as well as any child support that accrued before the family started receiving TANF benefits. Assigned child support collections are not paid to families, but rather this revenue is kept by states and the federal government as partial reimbursement for welfare benefits. Nonwelfare families who apply for CSE services do not assign their child support rights to the state and thereby receive all of the child support collected on their behalf.

An extremely important feature of the assignment process is the date on which an assignment was entered. If the assignment was entered on or before September 30, 1997, then pre-assistance and during-assistance arrearages are "permanently assigned" to the state. If the assignment was entered on or after October 1, 1997, then only the arrearages which accumulate while the family receives assistance are "permanently assigned." The family's pre-assistance arrearages are "temporarily assigned" and the right to those arrearages goes back to the family when it leaves TANF (unless the arrearages are collected through the federal income tax refund offset program).

Under S. 667 as reported by the Senate Finance Committee, the child support assignment would only cover any child support that accrues while the family receives TANF benefits. This would mean that any child support arrearages that accrued before the family started receiving TANF benefits would not have to be assigned to the state (even temporarily) and thereby any child support collected on behalf of the former-TANF family for pre-assistance arrearages would go to the family. The House bill includes a similar provision.

Distribution of Child Support. Distribution rules determine the order in which child support collections are paid in accordance with the assignment rules. In other words, the distribution rules determine which claim is paid first when a child support collection occurs. The order of payment of the child support collection is of tremendous importance because in many cases past-due child support (i.e., arrearages) are never fully paid.

TANF Families. While the family receives TANF benefits, the state is permitted to retain any current support and any assigned arrearages it collects up to the cumulative amount of TANF benefits which has been paid to the family. The 1996 welfare law (P.L. 104-193) repealed the $50 required pass through and gave states the choice to decide how much, if any, of the state share (some, all, none) of child support payments collected on behalf of TANF families to send the family. States also decide whether to treat child support payments as income to the family. While states have discretion over their share of child support collections, P.L. 104-193 required states to pay the federal government the federal government's share of child support collections collected on behalf of TANF families. This means that the state, and not the federal government, bears the entire cost of any child support passed through to (and disregarded by) families. As of August 2004, 18 states were continuing the $50 (or higher in one state) pass-through and disregard policy that had been in effect pre-1996.

Both bills would provide incentives (in the form of federal cost sharing) to states to direct more of the child support collected on behalf of TANF families to the families themselves (often referred to as a "family-first" policy), as opposed to using such collections to reimburse state and federal coffers for welfare benefits paid to the families. However, the approaches of the bills differ with respect to the amount of federal cost-sharing provided and whether to help states pay for the current cost of their CSE pass-through and disregard policies or to encourage states to establish such policies or increase the pass-through and disregard already in place.

Under S. 667 as reported by the Senate Finance Committee, the federal government would share in the costs of the entire amount of pass-through and disregard policies used by states. S. 667 would allow states to pay up to $400 per month in child support collected on behalf of a TANF (or foster care) family ($600 per month to a family with two or more children) to the family and would not require the state to pay the federal government the federal share of those payments. In order for the federal government to share in the cost of the child support pass-through, the state would be required to disregard (i.e., not count) the child support collection paid to the family in determining the family's TANF benefit.

Unlike S. 667, the House bill is intended to provide states with an incentive to increase their pass-through and disregard policies. The House budget reconciliation bill would allow states to increase the amount of collected child support they pay to families receiving TANF benefits and would not require the state to pay the federal government the federal share of the increased payments. The subsidized child support pass-through payments would be the amount above any payments the state was making on December 31, 2001. The House bill would limit the federal government's cost-sharing of the new pass-through payments to the greater of $100 per month or $50 per month more than the state previously was sharing with the family. In order for the federal government to share in the cost of an increase in the child support pass-through, the state would be required to disregard (i.e., not count) the child support collection paid to the family in determining the family's TANF benefit.

Former TANF Families. Pursuant to the 1996 welfare reform law (P.L. 104-193), beginning on October 1, 2000, states must distribute to former TANF families the following child support collections first before the state and the federal government are reimbursed (the "family-first" policy): (1) all current child support, (2) any child support arrearages that accrue after the family leaves TANF (these arrearages are called never-assigned arrearages), plus (3) any arrearages that accrued before the family began receiving TANF benefits. (Any child support arrearages that accrue during the time the family is on TANF belong to the state and federal government.)

One of the goals of the 1996 welfare reform law with regard to CSE distribution provisions was to create a distribution priority that favored families once they leave the TANF rolls. Thus, generally speaking, under current law, child support that accrues before and after a family receives TANF goes to the family, whereas child support that accrues while the family is receiving TANF goes to the state. This additional family income is expected to reduce dependence on public assistance by both promoting exit from TANF and preventing entry and re-entry to TANF.

S. 667 as reported by the Senate Finance Committee would give states the option of distributing to former TANF families the full amount of child support collected on their behalf (i.e., both current support and all child support arrearages — including arrearages collected through the federal income tax refund offset program). S. 667 would simplify the CSE distribution process and eliminate the special treatment of child support arrearages collected through the federal income tax refund offset program. Under S. 667 the federal government would share with the states the costs of paying child support arrearages to the family first.

Similarly, the House bill would give states the option of distributing to former TANF families the full amount of child support collected on their behalf. Under the House bill, the federal government would share with the states the costs of paying child support arrearages accrued while the family received TANF as well as costs associated with passing through to the family child support collected through the federal income tax refund offset program, if the state chose the "family-first" option.

Expansion of Collection/Enforcement Tools. Both bills would include identical or similar provisions with respect to (1) lowering the threshold amount for denial of a passport to a noncustodial parent who owes past-due child support; (2) easing the collection of child support from veterans' benefits; (3) allowing states to use the federal income tax refund offset program to collect past-due child support for persons not on TANF who are no longer minors; (4) authorizing the HHS Secretary to compare information of noncustodial parents who owe past-due child support with information maintained by insurers concerning insurance payments and to furnish any information resulting from a match to CSE agencies so they can pursue child support arrearages; and (5) allowing an assisting state to establish a child support interstate case based on another state's request for assistance (thereby enabling an assisting state to use the CSE statewide automated data processing and information retrieval system for interstate cases).

Additional provisions that would expand and/or enhance the ability of states to collect child support payments are contained in S. 667 as reported by the Senate Finance Committee. They include (1) authorizing the HHS Secretary to act on behalf of states to seize financial assets (held by a multi-state financial institution) of noncustodial parents who owe child support; (2) facilitating the collection of child support from Social Security benefits; (3) requiring that medical support for a child be provided by either or both parents; and (4) requiring the CSE agency to notify health care plan administrators under certain circumstances when a child loses health care coverage.

Other Provisions. Both bills include provisions that would (1) require states to review and if appropriate adjust child support orders of TANF families every three years; (2) require the HHS Secretary to submit a report to Congress on the procedures states use to locate custodial parents for whom child support has been collected but not yet distributed; (3) establish a minimum funding level for technical assistance; (4) establish a minimum funding level for the Federal Parent Locator Service; and (5) designate Indian tribes and tribal organizations as persons authorized to have access to information in the Federal Parent Locator Service.

S. 667 includes provisions that would (1) increase funding for the CSE access and visitation program; (2) require states to adopt a later version of the Uniform Interstate Family Support Act (UIFSA) so as to facilitate the collection of child support payments in interstate cases; and (3) allow the state of Texas to continue to operate its CSE program for automatic monitoring and enforcement of court orders on behalf of nonwelfare families without applying for a federal waiver.

The House budget reconciliation bill includes provision that would (1) establish a $25 annual fee for individuals who have never been on TANF but receive CSE services and who received at least $500 in any given year; (2) gradually reduce the general CSE federal rate of 66% to 50% (over the period FY2007-FY2010); and (3) eliminate the federal match on CSE incentive payments that states, in compliance with federal law, reinvest back into the CSE program.

Other Programs

In addition to reauthorizing and modifying the programs discussed above, the Senate welfare reauthorization bill (S. 667) and the House budget reconciliation bill would modify some other programs:

- ***Transitional Medical Assistance (TMA)***, which is a program that extends at least six and up to 12 additional months of Medicaid coverage for families leaving welfare for work. Authority for the TMA program is scheduled to expire on December 31, 2005 at which time, absent congressional action, four months of Medicaid coverage to such families would be provided. S. 667 would extend 12-month TMA through the end of FY2010 and provide state options to reduce required beneficiary reporting of income to continue to receive TMA after six months and allow for up to 24 months of TMA. The House reconciliation bill would not extend TMA beyond December 31, 2005.[4]

- ***State abstinence education grants.*** The program providing grants to states for abstinence-only education is scheduled to expire on December 31, 2005. S. 667 would extend this program through FY2010. The House budget reconciliation bill would not include an extension of this program.

- ***Child welfare programs.*** Both S. 667 and the House budget reconciliation bills would extend the authority for states to operate child welfare "waiver" programs through FY2010. The House bill would add additional instructions to HHS regarding waiver approval policies and availability of waiver reports. The Senate committee bill would allow Indian tribes to receive direct federal funding to operate foster care and adoption assistance programs and would also permit Puerto Rico to receive limited additional federal foster care funds.

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[4] For a discussion of the TMA program and issues, see CRS Report RL31698, *Transitional Medical Assistance (TMA) Under Medicaid*, by (name redacted).

The House budget reconciliation bill includes two provisions intended to reduce federal outlays for foster care and adoption assistance: 1) it seeks to nullify a court rule (known as the Rosales case) that expands eligibility for foster care in certain states; and 2) it limits the period of time partial federal reimbursement of foster care costs can be provided for children who are placed with relatives who are not licensed to provide foster care, and it requires states seeking this partial federal matching on behalf of children who are at "imminent risk" of removal from their homes to redetermine the status of these children as "candidates" for foster care every six months.

- ***Supplemental Security Income (SSI).*** Both S. 667 and the House budget reconciliation bill would require that a certain percentage of disability determinations by state disability agencies be reviewed by the federal government. S. 667 would also extend the period of SSI eligibility for refugees and asylees from seven to nine years. The House bill attempts to achieve budget reductions by requiring that certain back payments be paid in installments over time, rather than in one lump sum.

Detailed Comparison of Senate Committee Bills and the House Budget Reconciliation Bill

Table 2 provides a detailed comparison of welfare and related provisions in the two Senate committee bills (S. 667 and S. 525) and the House budget reconciliation bill. For the Senate proposals, the table notes both the bill and section numbers. The House budget reconciliation bill is organized by Titles reflecting each House committee's legislative changes. The welfare and related proposals are found both in Title II, from the Education and Workforce Committee, and Title VIII of the bill, from the Ways and Means Committee. In most respects, the committees reported identical legislative language. In those cases, **Table 2** provides both section references for identical provisions. In cases where the two committees reported different provisions, the table separately indicates the Education and the Workforce and Ways and Means provisions.

The House budget reconciliation bill is an omnibus bill that includes many provisions unrelated to welfare reform programs. Those provisions are not discussed in this report and not shown on the table. Further, S. 667 makes a number of changes to the earned income and child tax credits. The tax provisions of S. 667 are also not addressed in this report or shown on the table.

Table 2. Comparison of Current Law with S. 667/525 and the House Budget Reconciliation Bill Welfare Provisions

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Temporary Assistance for Needy Families (TANF) Block Grant			
Findings and Goals and Purposes of TANF			
Findings	P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), 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]	No provision.	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; (4) further progress to be made in promoting work, strengthening families, and enhancing state flexibility to build on the success of welfare reform; and (5) 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 8204]
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	Revises goal no. 4 to "encourage the formation and maintenance of *healthy* two-parent *married* families, and *encourage responsible fatherhood*." [New language in italics] [Section 103(d) of S. 667]	The overall purpose of TANF is to *improve child well-being by increasing* state flexibility in operating a program designed to: (1) provide assistance *and services* to needy families so that children may live in their homes or those of relatives, (2) end dependence of needy *families* on government

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	and maintenance of two-parent families. [Section 401 of the Social Security Act (SSA)]		benefits *and reduce poverty*; (3) reduce out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of *healthy, two-parent married families, and encourage responsible fatherhood*. [New language in italics] [Section 8101]
TANF Financing Provisions			
State Family Assistance Grants	Provides capped grants (entitlements to states and territories). 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]	Retains basic block grants, and extends them through FY2010 at current funding levels. 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(a) of S. 667]	Same as S. 667. [Section 8102(b)]
	Also provides matching grants for the territories [Section 1108(b) of the SSA].	Extends funding for matching grants to the territories through FY2010. [Section 102(b) of S. 667]	Same as S. 667. [Section 8102(c)]
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. Grants grew each year, from $79 million in FY1998 to $319 million in FY2001. Grants frozen at $319 million since FY2001. [Section 403(a)(3) of SSA]	Extends supplemental grants for FY2006 through FY2009, at current funding levels ($319 million). [Section 104 of S. 667]	Same as S. 667. [Section 8104]
Bonus to Reward Employment Achievement	High-performance bonus of $200 million per year on average. [Section 403(a)(4) of the SSA]	Replaces the high-performance bonus with a bonus to reward employment achievement. Employment achievement bonuses would total $50 million for each of FY2006 through FY2008, and $100 for each of FY2009 through FY2011. [Section 105 of S. 667]	Eliminates the high-performance bonus. [Section 8105]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	Maximum bonus for a state equals 5% of its family assistance grant. 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 later years, formula adds family formation outcomes, child care affordability, and coverage by food stamps and Medicaid/SCHIP. [Section 403(a)(4) of the SSA]	Maximum bonus for a state equals 5% of its family assistance grant. [Section 105 of S. 667] Bonus to be based on absolute and relative progress toward the goal of workforce attachment and advancement. [Section 105 of S. 667]f Makes tribes eligible for the bonus, setting aside 2% of total employment achievement bonus dollars for them, and directs the Secretary to consult with them regarding criteria for their awards. [Section 105 of S. 667] Reduces FY2005 high-performance bonus amount to $0. [Section 702 of S. 667] For FY2006 and FY2007, 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 of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
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 *Matching Grants for Marriage Promotion*, below). [Section 103(b) of S. 667]	Repeals the bonus beginning in FY2006, and uses the $100 million per year to fund grants for marriage promotion activities. [Section 8103(b)]
Contingency Fund	Capped matching grants (maximum $2 billion) provided in case of recession. 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. [Section 403(b) of the SSA]	Appropriates such sums as are needed for contingency fund grants, up to $2 billion over five years, FY2006-FY2010. To qualify for contingency grants, a state must be "needy," have sufficiently low TANF balances, and have an increase in its assistance caseload of over 5%.	Appropriates such sums as needed for contingency fund grants, up to $2 billion over five years, FY2006-FY2010. To qualify for contingency grants, states must be "needy" and must spend under the TANF program a sum of their own dollars equal to their pre-TANF spending.
Needy State Eligibility Criteria	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). [Section 403(b)(5) of the SSA]	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 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	Retains current law needy state triggers, but revises the food stamp trigger, requiring that the FY1994-FY1995 caseload base be readjusted for policy changes made after passage of 1996 welfare law. [Section 8106(c)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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, must exceed 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). [Section 106(b) of S. 667]	
Financial Eligibility Requirements	Before drawing contingency grants, a state must expend within the TANF program 100% of what it spent on TANF predecessor programs in FY1994. Both TANF spending and FY1994 base spending exclude child care expenditures. States then must provide matching funds to	Eliminates the requirements that a state spend 100% of what it spent in FY1994 and provide matching funds. Instead, requires that unspent balances be 30% or less of cumulative TANF grants to be eligible for contingency funds. [Section 106(b) of S.	Retains current law requirements that states expend 100% of what they spent on TANF predecessor programs in FY1994 and provide matching funds. Allows states to count spending in separate state maintenance of effort programs toward these spending

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	draw down contingency grants (see *Contingency Grant Amounts*, below). [Section 403(b)(5) and Section 409(a)(10) of the SSA]	667]	requirements. State child care spending also would count toward this requirement, but would also be added to base FY1994 spending. [Section 8106(d) and 8106(e)]
Contingency Fund Grant Amounts	Payments are capped at 20% of a state's basic TANF grant. A maximum advance grant of one-twelfth of its total maximum grant is allowed in a given month. [Section 403(b)(3)] A state's annual contingency fund grant amount is the Medicaid matching rate times expenditures it made in excess of 100% of FY1994 expenditures. This annual amount is prorated for the number of months the state is eligible for continency grants. If a state received advance grants that are greater than the annual amount for which it is entitled, the state must remit any excess back to the federal Treasury. [Section 403(b)(6)]	A state's total contingency grant could not exceed 10% of its family assistance grant. 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 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.) [Section 106(a) of S. 667]	Retains current law's 20% maximum grant, advance grant, and annual grant based on the Medicaid matching rate times expenditures made in excess of 100% of the FY1994 level. Eliminates the proration of the annual grant for part-year eligibility for contingency funds. [Section 8106(d)]
Tribal Eligibility for Contingency Funds	No provision. Tribes are not eligible for contingency fund.	Sets aside $25 million of the contingency fund appropriation for grants to Indian tribes with approved tribal TANF plans. The Secretary of HHS, in consultation with tribes, shall determine the criteria for access to the fund. [Section 106(a) of S. 667]	No provision (retains current law).
Additional Grants			
Social Service Capitalization	No provision.	Authorizes appropriation of $40 million for each of FY2006-FY2010 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	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		applicants to describe their strategy for developing a program that generates its own source of on-going revenue while assisting 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) of S. 667]	
Car Ownership Grants	No provision.	Authorizes appropriation of $25 million for each of FY2006-FY2010 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) of S. 667]	No provision.
Transitional Jobs/business Links Grants	No provision.	Authorizes appropriations of $200 million for each of FY2006-FY2010 for business links and transitional jobs programs. Grants are to be awarded jointly by the Secretaries of HHS and Labor to fund programs to promote "business linkages" and the "transitional jobs." Business linkages are programs designed to improve the wages of	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		eligible individuals by improving jobs skills in partnership with employers and providing supports and services at or near the worksite. Eligible grantees are private organizations, local workforce investment boards, states, localities, Indian tribes, and employers. Individuals eligible to be served by these programs are TANF recipients, former recipients, individuals with a disability, or noncustodial parents having difficulty in paying child support obligations who also have limited proficiency in the English language or other barriers to employment. "Transitional jobs" programs combine subsidized, time-limited, wage-paying supported work in the public or nonprofit sectors with skill development and activities to remove barriers to employment. Eligible grantees are private organizations, local workforce investment boards, states, localities, and Indian tribes. Individuals eligible to be served by these programs are TANF recipients, former recipients, individuals with a disability, or noncustodial parents having difficulty in paying child support obligations who also have limited proficiency in the English language or other barriers to employment.	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		Requires a minimum of 40% of funds appropriated to be used for business linkages and also a minimum of 40% to be used for transitional jobs. Benefits and services provided under these programs are not considered assistance. The bill also requires an evaluation, and sets aside $3 million for the Secretaries to produce assessments of these programs. [Section 119(c) of S. 667]	
Domestic Violence Prevention Grants	No provision.	Authorizes $20 million per year for FY2006 through FY2010 for competitive matching grants (at a 75% federal matching rate) to states, Indian tribes, and tribal organizations for the development and dissemination of best practices for addressing domestic violence; implementing voluntary skills programs, including caseworker training, technical assistance, and voluntary services for victims of domestic violence; programs of relationship and financial management skills; and broad-based income support as a means to reduce domestic violence. Grantees must consult with organizations with demonstrated expertise in providing aid to victims of domestic violence. Requires the Secretary of HHS to evaluate activities under this grant. [Section 114(e) of S. 667]	No provision.
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 the loan fund. [Section 108]	Repeals the loan fund effective October 1, 2006. [Section 8108]
Maintenance of Effort	Establishes a maintenance-of-effort (MOE) requirement that states spend at least 75% of	Continues MOE requirement through FY2010, but raises the MOE percentage to	Same as S. 667. [Section 8111]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	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]	80% if the state failed TANF work participation standards of the *preceding* fiscal year. [Section 111(a) of S. 667]	
		Defines state expenditures to reduce out-of-wedlock births and promote marriage and responsible fatherhood (including spending on behalf of non-needy families) as countable toward required MOE state spending. Subjects this spending to two requirements applicable to MOE funds: (1) for activities not a part of the pre-1996 welfare program, expenditures must be above FY1995 levels to be countable toward the MOE; and (2) expenditures used to compensate for federal penalties are not countable toward the MOE. [Section 103(d) of S. 667]	Defines all state expenditures to reduce out-of-wedlock births and promote marriage and responsible fatherhood (including spending on behalf of non-needy families) as countable toward required MOE state spending. [Section 8103(c)]
		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) of S. 667].	Provides that spending (as the state match) from federal marriage promotion grants shall not be treated as state spending toward MOE requirements. [Section 8111(b)]
Use of Funds			
General Rules	States may use funds in any manner reasonably calculated to accomplish the TANF purpose. [Section 404 of the SSA]	No provision (maintains current law).	Same as S. 667. (No provision, retains current law.)
	States may use funds in any manner that they were authorized to use pre-TANF funds. [Section 404 of the SSA]	No provision (maintains current law).	States may use funds for any *purposes or activities* for which (rather than any manner that) they were authorized to use pre-TANF

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
			funds. [Section 8107(a)]
	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]	Strikes provision permitting different treatment of families migrating into the state — found unconstitutional. [Section 107(a) of S. 667]	Same as S. 667. [Section 8107(b)]
Transfer of Funds	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]	Retains overall transfer limit at 30%. Sets limit on SSBG transfers at 10% (original limit in 1996 law). [Section 107(b) of S. 667]	Increases the overall ceiling on transfers to 50%. [Section 107(c)] Sets limit on SSBG transfers at 10% for FY2006 and each year thereafter. [Section 8107(d)]
Carryover of Funds	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]	Allows use of carryover 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(c) of S. 667]	Same as S. 667. [Section 8107(e)]
Use of Funds for Education	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 (both for high school dropouts only) and vocational educational	Allows states to use TANF funds to establish an undergraduate two- or four-year postsecondary degree program sometimes known as Parents as Scholars (PAS) or a vocational educational program. Following services could be provided in these undergraduate programs: child care, transportation, payment for books and	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	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]	supplies, other services provided under policies determined by the state to ensure coordination and lack of duplication. Participants who are also TANF cash assistance recipients in these educational programs could be counted toward state work participation standards. See *Countable Activities*. [Section 107(d) of S. 667]	
Direct Funding and Administration by Indian Tribes	Allows Indian tribes to administer their own family assistance (TANF) programs. Earmarks some TANF funds — amount equal to federal pre-TANF payments received by state attributable to Indians — for administration by tribes at their option. Sums used for tribal family assistance programs are deducted from state TANF grants. [Section 412(a) of the SSA]	Continues the authority for tribes to operate TANF programs through FY2010. [Section 113(a) of S. 667]	Same as S. 667. [Section 8114(a)]
Tribal Work Programs	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(b) of the SSA]	Provides $12.6 million annually for NEW programs through FY2010. [Section 113(a) of S. 667] Tribes operating NEW programs may incorporate these services into a plan under the Indian Employment, Training and Related Services Demonstration Act of 1992. This permits the tribe to use a single plan, budget, and reporting format for services incorporated into the plan. [Section 113(c) of S. 667]	Extends the authority and funding for NEW programs at current levels ($7.6 million annually) through FY2010. [Section 8114(b)]

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Tribal Capacity Grants	No provision.	Appropriates $80 million for the period FY2006-FY2010 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) of S. 667]	No provision.
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 with the recipient.) [Section 408(b)(2) of the SSA]	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 reasons — and to require families to engage in activities in accordance with family self-sufficiency plans. [Section 110(a) of S. 667]	Same as S. 667. [Section 2011; Section 8109(a)]
	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]	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-	Requires states, in a manner they deem appropriate, to assess the skills, work experience, and employability of each work-eligible person (see definition below) and requires states 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 on October 1, 2005). [Sections 2011(b) and 8109(b)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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 to 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 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	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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 Government Accountability 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(a) of S. 667]	
		Imposes a penalty on states for failure to establish self-sufficiency plans by revising the penalty provision for failure to meet TANF work participation standards. Provides failure to comply with self-sufficiency requirements and/or achieve work participation standards would result in a penalty of up to a 5% reduction in the TANF grant for the first violation (more for subsequent violations), based on the degree	Imposes a penalty on state for failure to establish self-sufficiency plan by revising the penalty provision for failure to achieve work participation standard. Provides failure to comply with self-sufficiency requirements and/or achieve work participation standards would result in a penalty of up to a 5% reduction in the TANF grant for the first violation (more for subsequent violations). (The bill does not contain the "substantial

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		of *substantial* noncompliance. 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 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(a) of S. 667]	noncompliance" language of S. 667.) [Sections 2011(b) 8109(b)] See *Penalty for Failing Participation Rate*, below.
Sanctions Against Individuals for Work Refusal	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]	No provision (maintains current law).	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 or 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

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			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 has one year to comply with this requirement. [Sections 2012(f) and 8110(e)]
	Exception: a state may not penalize a single parent caring for a child under age 6 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]	No provision (retains current law).	Same as S. 667.
Work Participation Standards	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]	A state must engage a specified percentage of families containing adult or minor heads of households in the assistance unit in creditable activities. Participation standards are 50% in FY2006 55% in FY2007 60% in FY2008 65% in FY2009 70% in FY2010. [Section 109(b) of S. 667]	A state must engage a specified percentage of families with a work-eligible person in direct work or alternative self-sufficiency activities chosen by the state. Participation standards are same as S. 667. A work-eligible person is defined as a household head who is in the assistance unit, or would be in the unit if not sanctioned. [Sections 2012(b) and 8110(a)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	Required participation rates may be reduced by a caseload reduction credit (see below).	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% in FY2006 20% in FY2007 30% in FY2008 40% in FY2009 50% in FY2010. [Section 109(c) of S. 667]	Required participation rates may be reduced by caseload reduction and "superachiever" credits (see below).
		Effective October 1, 2002, eliminates the separate standard for two-parent families. Also forgives states penalized for failing the two-parent standard in FY2002-FY2004. [Section 109(a) of S. 667]	Effective October 1, 2005, eliminates the separate standard for two-parent families. [Sections 2012(a) and 8110(a)]
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]	Retains current law caseload reduction credit for FY2006 and FY2007 (subject to the limits shown above). Effective October 1, 2007, replaces the caseload reduction credit with an employment credit (subject to limits shown above). [Section 109(d) of S. 667]	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 FY2006, the credit is based on the percent decline in the caseload from FY1996 (not due to changes in eligibility criteria from FY1996); for FY2007, the base year is FY1998; for FY2008, FY2001. For FY2009 and every year thereafter, the measuring interval is three years. [Sections 2012(c) and 8110(b)]
		No provision.	Establishes a "superachiever" caseload reduction credit for a state with a reduction in

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			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). [Sections 2012(d) and 8110(c)]
Employment Credit	No provision.	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 with an adult or minor head of household recipient who leaves welfare and was employed in the following quarter; by (b) the average monthly number of families with an adult or minor head of household recipient who received assistance during a recent four-quarter period. At state option, calculations could include in the numerator: (1) twice the quarterly average number of families 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 and earned at least $1,000 in the quarter. If both these options were taken, the denominator would be increased by twice the number of	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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) of S. 667] 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) of S. 667] 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 Secretary is to use other required data. By August 31 of each year, the HHS Secretary must notify each state of	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		the amount of the employment credit that will be used in calculating participation rates for the immediately succeeding fiscal year. [Section 109(d) of S. 667] Sets October 1, 2007 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 FY2008 shall be determined by using both the caseload reduction credit and the employment credit (one-half credit for each). [Section 109(d) of S. 667]	

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Study of the Employment Credit	No provision.	Requires the Secretary of HHS to conduct a study of the design of the employment credit and report to the Senate Finance Committee and House Ways and Means Committee by September 30, 2009. [Section 109(d)]	No provision.
Calculation of Participation Rates	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 recipient or minor head of household. The annual participation rate, which is compared against the participation standard, is the average of the monthly participation rates. [SSA, Section 407(b)(1)]	Similar to current law, except that states are given partial, full, or extra credit for families depending on the average number of hours per week in which they engage in activities. (See *Hours*, below).	Participation rates equal the share of hours spent in creditable activities out of a potential total of 160 hours monthly per counted family. 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. [Sections 2012(b) and 8110(a)]
Infant Exemption from the Work Participation Rate	States may exempt the parent of a child under age 1 from work and exclude them from the calculation of work participation rates. Exclusion is limited to 12 months in a lifetime. [SSA, Section 407(b)(5)]	Permits states to exclude all families with infants (not just single parent families) from work participation calculations on a case-by-case basis. Limits this exclusion to 12 months in a lifetime. [Section 109(e) of S. 667]	Similar to S. 667, but does not include the 12-month in a lifetime limit on this exclusion. [Sections 2012(b) and 8110(a)]
Excluding Families in Their First Month of Assistance from the Work Participation Rate	No provision.	Permits states to exclude a new group from work participation calculations — families in first month of assistance. Determination is made on a case-by-case basis. [Section 109(e) of S. 667]	Similar to S. 667, but does not specify that the exclusion is to be made on a case-by-case basis. [Sections 2012(b) and 8110(a)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Treatment of Sanctioned Families in the Work Participation Rate	States may exclude from the work participation rate calculation families subject to sanctions for refusal to comply with work requirements. Exclusion is limited to three months in a 12-month period. [Section 407(b)(1) of the SSA]	No provision, retains current law.	Same as S. 667. [Sections 2012(b) and 8110(a)]
Penalty for Failing Participation Rate	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.	Provides that penalty (beginning for FY2007) must be based on the degree of *substantial* 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 justify any waiver or penalty reduction due to extraordinary circumstances. [Section 110(a) of S. 667]	No provision, retains current law.

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	States that fail to meet work participation standards may file a corrective compliance plan with the Secretary of HHS. The corrective compliance plan outlines what the states will do to correct or discontinue its failure to meet the standards. The Secretary may not impose the penalty if the state corrects the violation of the work standards. [Section 409(c) of the SSA]	If the Secretary accepts a state's corrective compliance plan for failure to meet work participation standards and the state has at least a 5 percentage point improvement in its work participation rate over the previous year, the Secretary shall not impose a financial penalty on the state. [Section 111(b) of S. 667]	No provision.
Countable Activities			
"Core" Activities. Activities Countable as Sole or Primary Work Activities of Recipients.	Federal law lists nine priority activities that must account for most weekly hours: — unsubsidized jobs; — subsidized private jobs; — subsidized public jobs; — work experience — on-the-job training; — job search (usual limit, six weeks per fiscal year) — community service; — vocational educational training (limited to 12 months in a lifetime); — providing child care for participants in community service programs. [Section 407(d) of the SSA]	Retains current law list of nine priority activities as "direct work" activities.	Lists six "direct" work activities: — unsubsidized jobs; — subsidized private jobs; — subsidized public jobs; — on-the-job training; — supervised work experience, and — supervised community service. [Sections 2012(e) and 8110(d)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Qualified Activities. Activities that May Substitute for, or be in Conjunction with, Core Activities for a Limited Period of Time.	No provision.	For three months in a 24-month period, seven additional activities may substitute for, or be in conjunction with, direct work activities: — postsecondary education; — adult literacy programs or activities; — substance abuse counseling or treatment (including drug or alcohol abuse counseling or treatment); — programs or activities designed to remove work barriers, as defined by the state; — work activities authorized under any waiver for any state that was continued under Section 415 before the date of enactment of this bill; — money management classes; and — parenting skills classes. [Section 109(c) of S. 667]	For three months within a 24-month period, persons participating in short-term "qualified" activities chosen by the state to promote self-sufficiency may substitute for or be in conjunction with direct work activities (examples listed in the 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). A fourth month in the 24-month period is allowed if needed to complete an education or training program. [Sections 2012(e) and 8110(d)]
Supplemental Activities. Activities Countable Generally Only in Conjunction with "Core" or "Qualified" Activities.	For most recipients, hours of participation in these activities are countable only in conjunction with participation in priority activities (and with a minimum number of hours in priority activities). Federal law lists three such activities: — job skills training directly related to employment; — education directly related to employment; and — progress toward completion of secondary school.	Retains current law list of three supplemental activities, and adds: marriage education, marriage skills training, conflict resolution, and programs to promote marriage. [Section 109(g)] Also permits states to count all "qualified activities" (see above), as well as job search and vocational educational training (beyond the usual time limits) as supplemental activities once a family has the minimum number of hours of "direct work" participation. [Section 109(g) of S. 667]	*House Ways and Means Committee Provision:* 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. States may only count up to 16 hours per week of these activities toward a family's total hours. [Section 8110(d)] *House Education and Workforce Provision:* Same as above (Ways and Means provision), except it also requires work-eligible persons

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	[Section 407(d) of the SSA] See *Required Hours of Work*, below.		with minor children in school to make at least two verified visits to the school per school year, and have those hours counted as part of the 16 hours per week allowed for supplemental activities. [Section 2012(e)]
Postsecondary Education	No provision. Postsecondary education not classified as "vocational educational training" is not countable toward TANF work participation standards.	Three months of postsecondary education is countable as a "qualified activity" (see above). Allows states to establish a program (under Section 107) of undergraduate postsecondary education (parents as scholars) or vocational educational training for TANF recipients, former recipients, and other low income parents. For TANF recipients, 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	No provision. However, postsecondary education may be a state-defined "qualified" or "supplemental" activity.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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 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) of S. 667]	
Special Rules for Rehabilitative Activities	No provision.	Recipients engaged in qualified activities considered rehabilitative (adult basic education, or substance abuse treatment) for three months, may have an additional three months (known as the 3+3 program) of participation in those activities counted if combined with direct work activities. [Section 109(f) of S. 667]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		Additionally, if a recipient has treatment of disabilities or substance abuse in her family self-sufficiency plan and the state has developed collaborative relationships with rehabilitation agencies, the recipient may continue to have participation in such activities countable without time limit if combined with a minimum of 10 hours of participation in a direct work activity. [Section 110(b) of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Caring for a Disabled Family Member	No provision.	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. [Section 109(f) of S. 667]	No provision.
Work Activities in Indian Areas of High Joblessness	No provisions.	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) of S. 667]	No provision.
Numerical Limits on Vocational Education and Teen Parents	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]	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 "direct work" requirement. [Section 109(f) of S. 667]	No numerical cap on educational activities.
Required Hours of Work Activity	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	Establishes standard TANF work weeks as follows: 24 hours for a single parent with a child under age 6; 34 hours for a single parent with a child over 6 (with 24 hours in a priority activity) 39 hours for a two-parent	Establishes a 160-hour-per-month work standard. [Sections 2012(b) and 8110(a)] Generally, states must engage all families with a "work- eligible" member in a direct work

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	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 6, 20 hours of participation satisfies the standard. [Section 407(c)(2)(B) of the SSA]	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 participation rate. Those exceeding the standard receive extra credit, and some who fall short of the standard receive partial credit (see below). Average weekly hours are computed by dividing monthly hours of participation by 4. [Section 109(f) of S. 667]	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.
Special Rule for Teen Parents	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]	Essentially the same as current law. Families with a teen parent who maintains satisfactory school attendance or participates in education directly related to employment for an average of 20 hours weekly are counted as one working family toward the participation standards. [Section 109(f) of S. 667]	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 [Sections 2012(e) and 8110(d)].
Partial Work Credit	None.	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	Families who meet the 24-hour weekly direct work requirement but fail the 40-hour standard, receive pro-rata credit for all hours worked (but zero credit unless they meet the 24-hour direct work rule). [Sections 2012(b) and 8110(a)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		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) of S. 667]	
Extra Work Credit	None.	Families that 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) of S. 667]	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. [Sections 2012(e) and 8110(d)]
Other Requirements with Respect to Families Receiving Assistance			
Drug Testing	States are given the authority to test welfare recipients for use of controlled substances and sanction recipients who test positive for controlled substances. [Section 902 of the Personal Responsibility and Work Opportunity Reconciliation Act.]	No provision (retains current law).	States are required to test applicants and recipients of TANF for use of drugs if the state has a reason to believe he or she has recently used a controlled substance. If the applicant or recipient tests positive for drug use, or if the state otherwise determines that he or she has recently used drugs, the state must ensure that the family self-sufficiency plan addresses the use of the substance; suspend cash assistance to the family until a subsequent test shows no drug use; and

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
			require the applicant or recipient to undergo periodic drug tests (every 30 or 60 days) as a condition of receiving cash assistance. Requires states to terminate participation in the program of a family for three years if a recipient member fails the drug test at least three consecutive times (states may set a laxer requirement, allowing failure of the drug test for up to six consecutive times). The Secretary of HHS is required to penalize a state that does not comply with this requirement. The penalty is a minimum of 5% of the state's block grant, and a maximum of 10% of the state's block grant, with the Secretary determining the exact penalty amount. [Section 8122]
Eligibility for Teen Parents	Federal TANF funds cannot be used to assist an unmarried teen parent (under the age of 18) who does not reside in the home of her parents or in another adult supervised setting. The state must assist such a teen parent in locating a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement unless the state determines that the individual's living arrangement is appropriate.	Permits states to use federal TANF funds to assist an unmarried teen parent for up to 60 days. Adds transitional living youth projects to the accepted living situations for a teen parent receiving TANF assistance. [Section 110(b) of S. 667]	No provision (retains current law).
Displacement of Regular Workers	A recipient may fill a vacant employment position. However, no adult in a work activity that is funded in whole or in part by federal funds may be employed or assigned when	Provides that an adult recipient cannot displace any employee or position (including partial displacement), fill any unfilled vacancy, or perform work when any	No provision (retains current law).

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	another person is on layoff from the same or any substantially equivalent job, or if the employer has ended the employment of any regular employee or otherwise caused an involuntary reduction in its workforce in order to fill a vacancy with a TANF recipient. These provisions do not preempt any provision of state or local law that provides greater protection against displacement. States are required to have a grievance procedure to resolve complaints of displacement of permanent employees.	individual is on layoff from the same job or substantially equivalent job. TANF work activities cannot impair existing contracts or services; be inconsistent with any law, regulation, collective bargaining agreement; or infringe on the recall rights or promotional opportunities of any worker. TANF work activities must be in addition to any activity that would otherwise be available and not supplant the hiring of a non-TANF worker. Requires states to have a grievance procedure for resolving complaints, including the opportunity for a hearing, and sets time standards for the process. It provides remedies for a violation of the non-displacement provisions, including termination and suspension of payments, prohibition on placement of the participant, reinstatement of the employee, or other relief to make the aggrieved employee whole. These provisions do not preempt or supersede any state or local law that provides greater protection. [Section 119(c) of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Disregard of Months Toward the TANF Time Limit for Months Living in Indian Country Areas with Joblessness	Federal TANF grants may not be used to aid a family with an adult who has received 60 months of assistance. Months in which an adult lives in Indian Country with a jobless rate of 50% or more are not counted toward the 60 month time limit.	Modifies this exclusion, providing that months in which an adult lives in Indian Country with a jobless rate among adult recipients of 40% or more are not countable toward the time limit. The 40% threshold is dropped down to 35% if the state meets any of the needy state criteria under the contingency fund or if the tribe meets criteria for contingency funds. Modifications do not apply to Alaska. [Section 110(c) of S. 667]	No provision (retains current law).
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 *healthy two-parent married families, and encourage responsible fatherhood*. [New language in italics] [Section 103(e) of S. 667]	The stated purpose of promoting the formation and maintenance of two-parent families is modified to read: encourage the formation and maintenance of *healthy, two-parent married families, and encourage responsible fatherhood*. [Section 8101]
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 FY2005 through FY2010 for 50% competitive matching grants to states, Indian tribes, and tribal organizations for programs to promote and support healthy married two-parent families. [Section 103(b) of S. 667]	Appropriates $100 million annually for FY2006 through FY2010 for 50% competitive matching grants to states, territories, and tribal organizations for programs to promote and support healthy, married two-parent families. Similar to S. 667, but does not include "Indian tribes" as a potential grant recipient. [Section 8103(b)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		Makes funds appropriated for each of FY2006 through FY2010 available to the Secretary until expended. Also, permits grantees to use funds without fiscal year deadline. [Section 103(b) of S. 667]	
		Provides that federal TANF funds used for marriage promotion may be treated as state matching funds for marriage promotion grants [Section 103(b) of S. 667]	Provides that federal TANF funds used for marriage promotion must be treated as state matching funds for marriage promotion grants. [(Section 8111(b)(1)]
		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) of S. 667]	No provision.
Allowable Activities for Marriage Promotion Grants	No provision. (TANF and MOE funds may be used for marriage promotion activities.)	Grants may be used for: advertising campaigns; education in high schools; voluntary 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; voluntary pre-marital education and marriage skills training for engaged couples and individuals and couples interested in marriage; voluntary marriage enhancement and marriage skills training programs for married couples; voluntary divorce reduction programs; voluntary marriage mentoring programs; programs to reduce marriage disincentives in means-tested	Grants may be used for: 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; programs to reduce marriage disincentives in means-tested programs, if offered in conjunction with any other listed activity. [Section 8103(b)]

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		programs, if offered in conjunction with any other listed activity. [Section 103(b) of S. 667]	
Domestic Violence Provisions	No provision.	Forbids award of a healthy marriage promotion grant unless the applicant consults with organizations that have demonstrated expertise in working with survivors of domestic violence; the application describes how the program/activities will deal with issues of domestic violence; establishes written protocols that provide for the identification of instances and risks of domestic violence; specifies procedures for making service referrals and providing protections. [Section 103(b) of S. 667]	Forbids the award of a healthy marriage promotion grant unless the applicant agrees to consult with experts in domestic violence or relevant community domestic violence coalitions and the application describes how the program/activities will deal with issues of domestic violence. [Section 8103(b)]
Requirements for Voluntary Participation	No provision.	Requires that participation in marriage promotion activities (other than media campaigns and high school education) is voluntary. Requires that the application for the grant describe what the grantee will do to ensure that participation in programs and activities is voluntary.	Same as S. 667. [Section 8103(b)]
		Applications for healthy marriage promotion grants must state what will be done to ensure that potential participants are informed that participation is voluntary.	Same as S. 667. [Section 8103(b)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Voluntary Participation and Recipients of TANF Assistance		Grantees must provide assurances that, with respect to recipients of TANF assistance, they are informed that participation is voluntary, that they may choose to disenroll from the program at any time, and they may be reassigned to other activities. Recipients of cash assistance may not be sanctioned for withdrawing from, or failing to participate in marriage promotion activities. [Section 103(b) of S. 667]	No provision.
Performance Goals/reporting Requirements	No provision.	Requires grantees to establish performance goals that clarify the primary objective of funded programs is to increase the incidence and quality of healthy marriages and not solely to expand the number or percentage of married couples. Requires grantees to submit annual reports to the Secretary of HHS that describe the written protocols established to identify domestic violence, identify who was consulted in the development of the protocols, describe who provided training for grantees on domestic violence, and describe implementation issues with respect to domestic violence.	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		The Secretary of HHS is required to submit a report to Congress every six months providing: the name of each program or activity funded with marriage promotion grants; description of types of services offered under the program; criteria for the selection of programs or activities funded with the grant; total number of individuals served by the programs; total number of individuals who completed the program; and total number of individuals who did not complete the program; and summaries of written domestic violence protocols, who the grantees consulted with regard to domestic violence, and training provided to grantees on domestic violence. [Section 103(b) of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Research and Demonstrations on Marriage Promotion	No special provision to fund research or demonstrations. However, available TANF research funds (see *Research and Demonstrations*, below) and other research funds provided to the Department of Health and Human Services may be used to evaluate marriage promotion initiatives.	Appropriates $100 million each for FY2005 through FY2010 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). Provides that all appropriated funds shall remain available until expended. [Section 114(a) of S. 667]	Appropriates $102 million each for FY2006 through FY2010 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.) [Section 8115(a)]
Provisions to Address Domestic Violence and Voluntary Participation Issues for Research Funds	No provision.	Forbids Secretary to pay these research funds to an entity that has not consulted with organizations that have demonstrated expertise in working with survivors of domestic violence; describe in the application for a grant how the programs or activities will appropriately address domestic violence; establish written protocols to help identify instances or risks of domestic violence; specify procedures for making service referrals; establish performance goals for the program; and submit reports annually to the Secretary of HHS (see marriage promotion grants, above).	Requires that participation in marriage promotion activities is voluntary and that grantees consult with experts in domestic violence issues.

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		Requires applications for the grant to describe what the grantee will do to assure that participation in marriage promotion activities is voluntary, and inform potential recipients that their participation is voluntary. [Section 114(a) of S. 667]	
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; take steps deemed necessary by the state to restrict use and disclosure of information about recipients; 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 aid noncitizens; set forth objective criteria for benefit delivery and for fair and equitable treatment. 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	No provision (though additional state plan provisions are described below).	Adds requirement that each state must describe what it will do to end dependence of needy families on government benefits and reduce 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. [Sections 2013 and 8112].

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	domestic violence, to refer them to services, and to waive program rules for some of them. [Section 402(a) of the SSA]		
Participation of Faith-based Organizations in Provision of Services	No state plan provision.	If the state is undertaking strategies or programs to engage faith-based organizations in the delivery of TANF services, or that otherwise relate to the charitable choice provisions of P.L. 104-193, the state plan must describe such strategies and programs. [Section 101(a) of S. 667]	The state plan must describe strategies or programs to engage faith-based organizations in the delivery of TANF services, or that otherwise relate to the charitable choice provisions of P.L. 104-193. [Section 8112(a)]
State Plan Requirement for Community Service after Two Months	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.	Eliminates this requirement. [Section 101(a) of S. 667]	Same as S. 667. [Sections 2013 and 8112(a)]
Measurable Performance Goals	State plans must establish goals and take action to prevent/reduce the incidence of out-of-wedlock pregnancies.	States must establish measurable performance objectives for pursuing all TANF purposes (current law only specifies establishment of goals for reducing out-of-wedlock pregnancies). These goals are to give consideration to those developed by the Secretary of HHS in establishing performance targets for the employment bonus (see above) and additional criteria related to other TANF purposes developed by the Secretary (in consultation with state groups).	State plans must include measurable performance objectives for accomplishing ending dependence of needy families on government benefits and reducing poverty and for encouraging the formation and maintenance of two-parent married families, encouraging responsible fatherhood, and reducing the incidence of out-of-wedlock pregnancies. [Sections 2013 and 8112(a)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Program Strategies		State plan is to describe strategies and programs the state is using or plans to use to address employment retention and advancement for recipient of assistance; efforts to reduce teen pregnancy; services for struggling and noncompliant families; and program integration, including the extent to which employment and training services are provided through One-Stop Career Centers created under the Workforce Investment Act. State plan is to describe strategies to improve program management and performance. [Section 101(a) of S. 667]	Same as S. 667. [Sections 2013 and 8112(a)]
Description of State Assistance Programs	No provision.	Requires the state plan to include, to the extent applicable, for each program that provides assistance information on its: financial and nonfinancial eligibility rules; amount of assistance; and applicable time limits and time limit rules. [Section 101(a) of S. 667]	No provision.
Indian and Tribal Issues	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]	Requires that the state plan include a description of how the state will ensure equitable access to TANF to Indians who are ineligible for tribal family assistance programs. States must certify that they will consult with each Indian tribe regarding the state plan to ensure equitable access, and provide each member of an Indian tribe in the state who is ineligible for aid from a tribal family assistance program with equitable access to TANF. [Section 113(d)	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 8112(b)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		of S. 667] Requires that the certifications include that tribal governments have been consulted in the development of the state plan. [Section 101(a) of S. 667]	
Two-parent Families	No provision.	Requires plan to describe how the state intends to encourage equitable treatment of healthy, married two-parent families under TANF. [Section 101(c) of S. 667]	Same as S. 667. [Section 8101(c)]
Description of Additional State Options for the Work Requirements	No provision.	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) of S. 667]	No provision.
		If a state counts caring for a disabled family member as a work activity, the state must describe how it will do so. States opting to fund a post-secondary education program (*Parents as Scholars*) are required to file an addendum to the state plan describing the program's eligibility criteria. States opting to provide continuing rehabilitative activities are required to file an addendum to the state plan describing the process for developing collaborative relationships between governmental and private entities and an assurance of regular contact between the provider and the state.	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Standard Form	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 use the standard state plan form beginning in FY2007. Allows states to delay submission of state plans until FY2007. 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. States also must make TANF state plans in effect for any fiscal year available to the public, by the above means. [Section 101(b) of S. 667].	No provision.
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 101(d) of S. 667]	Same as S. 667. [Sections 2013 and 8112(c)]
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]	Revises the employment measure to be "unsubsidized employment." Adds employment retention and ability to increase wages to factors used for rankings. Also, adds three new ranking factors: the degree to which recipients have workplace attachment and advancement, reducing the overall welfare caseload, and, when a method of calculation becomes practicable,	Deletes "long-term" qualifier from private job measure. Adds employment retention and ability to increase wages to factors used for rankings. Also, adds three new ranking factors: the degree to which recipients have workplace attachment and advancement, reducing the overall welfare caseload, and, when a method of calculation becomes practicable, diverting persons from making

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		diverting persons from making formal applications to TANF. [Section 101(e) of S. 667]	formal applications to TANF. [Sections 2013(c) and 8112(d)]
		In ranking states, Secretary must take into account the average number of minor children living at home in families with income below the poverty line, the child poverty rate, and the amount of TANF funding provided to each state for these families. [Section 101(e)]	No provision.
Data Collection and Reporting	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]	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.	Same as S. 667. [Section 8113(a)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	Required family information includes 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; 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); number of noncustodial parents who participated in work activities; for each teenager, whether he/she is the parent of a child in the family; race and educational level of each adult; race and educational level of each child; whether the family received subsidized housing medicaid, food stamps, or subsidized child care (and if the latter two, the amount); and number of months that the family received each type of aid under the program.	In terms of data elements, adds race and educational level of each *minor parent.* Deletes educational level of each child. Eliminates reporting of the amount of child care and food stamp benefits. Eliminates the requirement to report on different types of TANF assistance (conforms reporting with new, narrower definition of assistance). Requires information on why a family is on the rolls in excess of 60 months. Requires reporting on the date the family first received aid on the basis of its most recent application and the marital status of the parents of any child in the family at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established. [Section 112(a) of S. 667] The HHS Secretary shall prescribe regulations needed to define data elements and to collect necessary data and shall consult with the National Governors Association, the American Public Human Services Association, the National Conference of State Legislatures, and others. [Section 112(e) of S. 667]	Same as S. 667.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Data Reporting on Work Participation	Quarterly reports are to include information required to compute TANF work participation rates. This includes number of hours per week, if any, that adults participated in specified activities (education, subsidized private jobs, unsubsidized jobs, public sector jobs, work experience, or community service, job search, job skills training or on-the job training, vocational education). [Section 411(a) of the SSA]	Requires that states report hours of participation in all activities that count toward meeting TANF participation standards as well as other work and self-sufficiency activities. Also requires reporting on whether the family has a self-sufficiency plan established and progress toward universal engagement. [Section 112(a) of S. 667]	Adds to reported activity list: *training* and *other activities directed at TANF purposes*. Adds *and* (job) *placement* to job search. Omits job skills training and vocational education. Specifies that work experience and community service are "*supervised*." Also requires reporting on whether the family has a self-sufficiency plan established and progress toward universal engagement. [Section 113(a)]
Data Reporting on Indians	No provision.	Requires the quarterly report to include information on the demographics and caseload characteristics of Indians in state TANF and MOE programs. [Section 113(e) of S. 667]	No provision.
Reporting on Families Leaving TANF	From a sample of closed cases, the quarterly report is to give the number of case closures because of employment, marriage, time limit, sanction, or state policy. [Section 411(a) of the SSA]	Deletes reporting of families leaving TANF because of *marriage*. [Section 112(a) of S. 667]	Same as S. 667. [Section 8113(a)]
		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 112(c) of S. 667]	Same as S. 667. [Section 8113(c)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Reports for Families Receiving TANF-funded Child Care	No provision. TANF data collection applies only to families receiving assistance.	Applies the reporting requirements of the Child Care and Development Block Grant (CCDBG) to TANF-funded child care. Allows for a waiver process if the state is unable to comply with this requirement. [Section 112(d) of S. 667]	No provision.
Monthly State Reports	No provision.	Requires states to submit monthly reports on the number of families and persons receiving assistance from TANF and separate state MOE programs. [Section 112(f) of S. 667]	Requires states to submit monthly reports on the number of families and persons receiving assistance from TANF. [Section 8113(c)]
Annual State Reports	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 112(f) of S. 667]	Same as S. 667. [Section 8113(e)]
Annual Report on Program Performance	No provision.	Beginning with FY2007, states must submit to HHS an annual report on achievement and improvement under numerical performance goals and measures.	Same as S. 667. [Section 8113(e)]
		Requires an annual report on progress toward full engagement.	No provision.
HHS Reports	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	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	Same as S. 667. [Section 8113(f)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	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.	programs. [Section 112(g) of S. 667]	
Information on Indians in the TANF Annual Report	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] No provision.	Requires the TANF annual report to include state-specific information about the demographics and caseload characteristics of Indians in state TANF and MOE programs. [Section 113(e) of S. 667]	No provision.
Single Audit Reports	TANF payments to states are subject to the Single Audit Act. [Section 409(a)(1)]	No provision.	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 8113(g)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Study on Coordination of Data Elements in the TANF and Workforce Investment Act.	No provision.	No provision.	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. [Sections 2014 and 8115(d)]
Research, Evaluations, and National Studies			
Research on State Programs	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. 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 funds 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.)	Continues these provisions and appropriates $15 million annually for them through FY2010. [Section 114(b) of S. 667]	Same as S. 667. [Section 8115(b)]
Indicators of Child Well-being	No provision.	Appropriates $10 million per year for FY2006 through FY2010 for the Secretary of HHS to, through grants, contracts, and interagency agreements, develop indicators of child well-being for each state. Among other requirements, the indicators are required to be statistically representative at	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		the state level, consistent across states, and oversampled with respect to low-income families with children. The Secretary is to establish an advisory panel to make recommendations regarding appropriate measures and statistical tools with respect to the indicators.	
Research on Tribal Social Services Issues	No provision.	Appropriates $2 million for FY2006 (available until expended) to conduct research on tribal family assistance grants and efforts to reduce poverty among Indians. [Section 114(f) of S. 667]	Sets aside $2 million annually for FY2006 through FY2010 to be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments and consortia in coordinating child welfare services to tribal families at risk of child abuse or neglect. [Section 8115(a)]
Census Bureau Study	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. [Section 414 of the SSA]	Appropriates $10 million annually for FY2006 through FY2010 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	Same as S. 667. [Section 8116]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		representative samples. Funds are to remain available through FY2010 for this survey. [Section 115(a) of S. 667] 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) of S. 667]	No provision.
Teen Pregnancy Resource Center	No provision.	Appropriates $5 million for FY2006 (to be available through FY2010) for the Secretary of HHS to award a grant to a nationally recognized, nonpartisan, nonprofit organization (that meets stipulated requirements) to establish and operate a national teen pregnancy prevention resource center. The purpose of the resource center is to improve the well-being of children and families and encourage young people to delay pregnancy until marriage. The resource center will provide information and technical assistance to states, Indian tribes, local communities, and other private or public organizations seeking to reduce rates of teen pregnancy; support parents in their role in preventing teen pregnancy; and assist the entertainment media industry by encouraging them to develop content and messages for teens and adults that can help	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		prevent teen pregnancy. [Section 119(d) of S. 667]	
Best Practices for Dealing with Domestic Violence	No provision.	Authorizes $10 million per year for FY2006 through FY2010 to develop and implement programs designed to address domestic violence. Programs shall include training for caseworkers administering TANF; technical assistance; provision of voluntary services for victims of domestic violence; and activities related to the prevention of domestic violence. [Section 103(c) of S. 667]	No provision.
Definition of Assistance	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. Federally-funded "assistance" to a family with an adult is limited to 60 months; states *may* impose shorter time limits.	Defines "assistance" to mean payment, by cash, voucher, or other means, to or for an individual or family to meet a subsistence need, *but not including costs of transportation or child care*. It excludes non-recurrent short-term benefits. [Section 117]	Same policy as S. 667 (different wording of the provision). [Section 8117]
State Option to Make TANF Programs Mandatory Partners with One-stop WIA Centers	The Workforce Investment Act (WIA) makes TANF an optional partner with one-stop employment training centers.	No provision.	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. [Sections 2016 and 8120].

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Sense of the Congress	No provision.	No provision.	Provides that it is the sense of Congress that a state welfare-to-work program should include mentoring. [Sections 2017 and 8121]
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 Personal Responsibility and Work Opportunity Reconciliation Act of 1996]	Not later than March 31, 2006, 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) of S. 667]	Same as S. 667. [Section 8115(c)]
Child Care			
Overview, Goals and Administration			
Overview	Social Security Act includes provisions for mandatory ("entitlement") funding. [Section 418] Child Care and Development Block Grant Act (CCDBG) of 1990, as amended, includes discretionary funding authorization, and program provisions.	Provisions for mandatory child care funding are included in S. 667 (PRIDE), Title 1, Section 116. All amendments to the CCDBG Act are included in S. 525, the Caring for Children Act of 2005.	Provisions for mandatory child care funding are included in Title VIII (Ways and Means), Sec. 8201. All amendments to the CCDBG Act are included in Title II (Education and the Work Force), Part 3, Sections 2021-2029.
Goals	The five goals of the CCDBG are: (1) to allow states the maximum flexibility in developing child care programs; (2) to promote parental choice for working parents making child care decisions; (3) to encourage states to provide consumer education information to help parents make informed child care choices; (4) to assist states to provide child care to parents trying to achieve independence from public assistance; and (5) to assist states in implementing the	Amends the third goal of the CCDBG to "assist" states to provide consumer education information (rather than to "encourage" states). Modifies fourth goal, eliminating specific reference to providing child care for parents trying to achieve independence from public assistance, and replacing with providing child care to low-income working parents. [Section 101 of S. 525]	Makes same changes to third and fourth goals as Senate committee bill (although House bill only specifies "low income parents," not "low income *working* parents."

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	health, safety, licensing, and registration standards established in state regulations. [Section 658A of CCDBG Act]		
		Adds *three* new goals to the CCDBG: (1) to *assist* states in improving the quality of child care available to families; (2) to promote school preparedness by encouraging children, families, and caregivers to engage in developmentally appropriate and age-appropriate activities in child care settings that will — (a) improve the children's social, emotional, and behavioral skills; and (b) foster their early cognitive, pre-reading, and language development and prenumeracy and mathematics skills (more detailed than House bill); and (3) to promote parental and family involvement in the education of young children in child care settings. [Section 101 of S. 525]	Adds *two* new goals for the CCDBG: (1) to *encourage* states to improve the quality of child care available to families; and (2) to promote school readiness by encouraging children's exposure to nurturing environments and developmentally-appropriate activities, including activities to foster early cognitive and literacy development. [Section 2022 - Education &Workforce]
Lead agency designation	The chief executive officer of a state designates an appropriate state agency as the lead agency. [Section 658D(a) of the CCDBG Act]	Allows a state receiving CCDBG funds to designate an agency (which may be a collaborative agency), or establish a joint interagency office to serve as the lead agency for the state. [Section 103 of S. 525]	No provision.
Funding			
Authorization of appropriations	The CCDBG Act authorized $1 billion in discretionary CCDBG funding for each of fiscal years 1996-2002. (Actual appropriations in recent years have surpassed authorized levels. Current appropriation is $2.1 billion.) [Section	Authorizes discretionary funding for the CCDBG at the following levels: FY2006 = $2.3 billion FY2007 = $2.5 billion FY2008 = $2.7 billion	Same as Senate committee bill. [Section 2023]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	658B of CCDBG Act]	FY2009 = $2.9 billion FY2010 = $3.1 billion [Section 102 of S. 525]	
Entitlement funding	Entitles states to a basic block grant based on FY1992-FY1995 expenditures in welfare-related child care. Mandatory funds above this amount are provided to states on a matching basis. Appropriates entitlement (mandatory) funding at the FY2002 rate of $2.717 billion annually through December 31, 2005. [Section 418 of the Social Security Act; and most recent extension P.L. 109-68]	Increases mandatory funding by $6 billion (above the current level) over five years, appropriating: $3.617 billion for FY2006; $3.717 billion for FY2007; $3.917 billion for FY2008; $4.017 billion for FY2009; $4.317 billion for FY2010. [Section 116 of S. 667]	Increases mandatory funding by $500 million (above the current level) over five years, appropriating: $2.717 billion for Fiscal Year 2006; $2.767 billion for Fiscal Year 2007; $2.817 billion for Fiscal Year 2008; $2.867 billion for Fiscal Year 2009; and $2.917 billion for Fiscal Year 2010. [Section 8201]
Puerto Rico	Puerto Rico receives no entitlement (mandatory) child care funding under current law.	Of the mandatory funds described above, a total of $75 million over five years is appropriated to Puerto Rico. [S. 667, Section 116]	No provision.
Amounts Reserved			
Territories and tribes	Current law provides for the following reservation of funds from the total CCDBG discretionary appropriation:		
	Up to one half of 1% annually for payments to Guam, American Samoa, the Virgin Islands, and Northern Mariana Islands;	Retains current law.	
	Not less than 1% and not more than 2% for Indian tribes and tribal organizations. [Section 658]	Changes tribal allocation to exactly 2%. [Section 109 of S. 525]	Retains current law

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Infants and toddlers; telephone hotline	The CCDBG Act itself does not contain any specific provision to reserve funds for increasing infant and toddler care, however, appropriations law (for FY2004, P.L. 108-199) includes $100 million from the discretionary CCDBG appropriation for states to increase the supply of quality care for infants and toddlers, as well as $1 million for the Child Care Aware toll free hotline.	Amends Section 658 of the CCDBG Act to require the Secretary to reserve an amount not to exceed $100 million each fiscal year for improving quality of and access to care for infants and toddlers. Also requires an amount not to exceed $1 million to be reserved for a national toll-free child care hotline. [Section 109 of S. 525]	No provision.
Transfer of TANF funds to CCDBG	States may transfer up to 30% of their annual TANF block grants to the CCDBG. (The maximum is 20% if a state opts to transfer 10% of its TANF grant to the Social Services Block Grant.) [Section 404(d)(1) of Social Security Act]	No change to current law.	The allowable transfer of the TANF block grant to CCDBG is increased from 30% to 50%. [Section 8107(c)]
Optional priority use of additional funds	No provision.	Amends the CCDBG Act to add Section 658H, which would allow states that receive funding of an amount greater than that received in FY2005, to use a portion of the excess to support payment rate increases and to establish tiered payment rates. [Section 106 of S. 525]	No provision.
Application and plan			
Consumer education information	In order for a state to be eligible to receive CCDBG funds, it must submit an application and plan that meet with approval from HHS. Among other things, the state plan certifies that the state will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices. [Section 658E(c)(2)(D) of CCDBG Act]	Amends current law to specify that resource and referral services and other means be used for the collection and dissemination of consumer education information, and that child care providers be recipients of this information (in addition to parents and the general public). Information is outlined to include information about quality and availability of child care; research and best	Same as Senate committee bill, except that there is no requirement that the state report to the Secretary the manner in which the consumer information was provided, or the number of parents to whom it was provided during the period of the previous state plan. However, the House bill does instruct that the information provided to parents be in plain language, and to the extent practicable, one

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		practices on children's development; and other assistance programs for which families receiving child care services may be eligible. [Section 104 of S. 525]	the parent can understand. [Section 2024]
Payment rates	States must certify in their state plans that CCDBG provider payment rates are sufficient to ensure families receiving subsidies have equal access to comparable child care services in the state provided to non-CCDBG-eligible children. States are also required to provide a summary of the facts they relied upon to determine that the set rates are sufficient to ensure equal access. [Section 658E(c)(4)] (Note: *Regulations* require that the above-mentioned summary of facts be based on a local market rate survey conducted no more than two years prior to the effective date of the currently approved plan.)	Requires state plan to demonstrate that the state has developed and conducted a statistically valid and reliable market rate survey for child care services within the two years prior to its submission. The state will also detail the results of the market rate survey; describe how the state will provide for timely payment for child care services, and set payment rates for child care services in accordance with the survey results, without reducing the number of families in the state receiving assistance. Eliminates the requirement that the state submit a summary of the facts relied upon to determine that the set rates are sufficient to ensure equal access. Results are to be made available to the public no later than 30 days after survey's completion. [Section 104 of S. 525]	No provision (retains current law).
	No provision.	Includes language stating that nothing shall prevent a state from differentiating the payment rates to providers on the basis of geographic location, the age or particular needs of children, whether the providers provide child care during weekend and other nontraditional hours, and the state's determination that different rates are needed to enable a parent to choose child care that	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		the parent believes to be of high quality. [Section 104 of S. 525]	
Coordination	(While not required to be addressed in the state plan under current law, one the four stated duties of the CCDBG lead agency is to coordinate the provision of CCDBG services with other federal, state, and local child care and early childhood development program.) [Section 658D(b)(1)(D)]	Adds provision requiring the state plan to describe how the state will coordinate child care services with other early childhood education programs, to expand accessibility to and continuity of care and early education without displacing services provided by the current system. [Section 204 of S. 525] Adds provision requiring the state plan to demonstrate how the state encourages partnerships with private and other public entities to leverage existing service delivery systems and increase the supply and quality of child care for children under 13. [Section 104 of S. 525]	Same as Senate committee bill, except coordination is to be "demonstrated" rather than "described," and Title I preschool programs are not specified in list of programs with which coordination should occur. [Section 2024] Same as Senate committee bill, except bill does not specify that the child care services provided be for children age 13 and under. (Note: the CCDBG Act already includes this age requirement.) [Section 2024]
Certification of compliance with quality set-aside percentage	*Regulations* require that the state plan describe activities a state intends to fund with "quality set-aside" money, but neither law nor regulation requires certification of compliance.	Certification is not required as part of *state plan*, however, states are required *annually* (beginning in FY2006) to provide the Secretary with certification regarding compliance with quality activity requirements. (See "quality activities" provision below.)	Adds provision requiring state plan to certify (every two years) its compliance with the quality set-aside percentage requirement, including a description of the use of funds, beginning in FY2007 (for the preceding fiscal year). [Section 2024]
Strategy for addressing quality of child care available	No provision.	Adds provision requiring annual submission to the Secretary of the strategy the state will implement to address the quality of child care services available to low-income families from eligible providers. The strategy is to include a description of quantifiable, objective measures for evaluating progress in quality improvement, and a list of state-developed targets for the	Requires same information as Senate committee bill, but as part of state plan, rather than an annual submission. [Section 2024]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		plan's fiscal year. For each year after FY2006, the plan shall include a progress report with respect to achieving the targets. [Section 204 of S. 525]	
Addressing special needs child care	No provision.	Adds provision requiring state plan to demonstrate how the state is addressing the needs of eligible parents who have children with special needs; work non-traditional hours; or require child care for infants or toddlers. [Section 104 of S. 525]	Same as Senate committee bill. [Section 2024]
Meeting the needs of TANF population	In their state plans, states must demonstrate the manner in which the specific child care needs of families on, leaving, or at-risk of receiving TANF will be met. [Section 658E(c)(2)(H)]	The state plan must also describe how the state will inform parents receiving TANF, and other low-income parents, about eligibility for CCDBG assistance. [Section 104 of S. 525]	No provision.
Redetermination procedures; protection for working parents	No provision.	State plan must demonstrate that redetermination of eligibility for assistance is not to be conducted any more frequently than every six months, except in the case of a parent's loss of employment. States are given the option of demonstrating that they will *not* terminate child care assistance based on a parent's loss of work without first continuing assistance for at least one month while the parent looks for work. Also requires the state plan to show that procedures and policies are in place to ensure that working parents are not required to unduly disrupt their employment in order to comply with the state's requirements for eligibility and re-determination. [Section 104 of S. 525]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Description of requirements for training in early childhood development	No provision.	Requires state plan to describe any training requirements in effect that are applicable to CCDBG providers and that are designed to enable child care providers to promote the social, emotional, physical, and cognitive development of children. [Section 104 of S. 525]	No provision.
Use of Funds			
Use of funds for a resource and referral system	Current law broadly states that CCDBG funds are to be used for child care services, activities that improve the quality or availability of such services, and *any other activity* that the state deems appropriate to realize the goals of the program. [Section 658E(c)(3)(B)]	Adds specific language to current law regarding use of funds: allows a state to use CCDBG funds to establish or support a system of local child care resource and referral organizations coordinated, to the extent determined appropriate by the state, by a statewide private, non-profit, community-based lead child care resource and referral organization. The resource and referral organizations will provide parents with information on child care options; and collect and analyze data on supply and demand for child care in political subdivisions within the state, and submit reports to the state. [Section 104 of S. 525]	No provision.
Use of funds for direct services	No provision.	Requires that after reservation of set-asides, at least 70% of funds remaining must be used to fund direct services (as defined by the state). [Section 104 of S. 525]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Activities to improve the quality of child care			
Funding	Not less than 4% of a state's annual funding for the CCDBG is to be used for quality activities (described below). [Section 658G of CCDBG Act]	Increases the "quality set-aside" to not less than 6%. [Section 105 of S. 525]	Same as Senate committee bill. [Section 2025]
Definitions	The law describes funded activities as those designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services). [Section 658G of CCDBG Act]	Senate committee bill specifies that quality funds be used *only* for the listed purposes (see below). (Similar to House bill with respect to some categories of activities, but greater detail in others (see below)).	Provides more detail than current law, specifying four categories of quality activities (see below).
Training and professional development		(1) programs providing training, education and other professional development for child care workers;	(1) Same as Senate committee bill.
School readiness activities		(2) develop and implement voluntary guidelines on pre-reading and language skills and activities that are aligned with state goals for school preparedness; (3) support activities and provide technical assistance in child care settings to enhance early learning for young children, to promote literacy, and to foster school preparedness;	(2) activities within child care settings to enhance early learning, early literacy, and school readiness;
Provider retention and compensation		(4) engage in programs designed to increase the retention and improve the competencies of child care providers, including wage incentive programs and initiatives that establish tiered payment rates for providers that meet or exceed child care services	(3) initiatives to increase the retention and compensation of child care providers, including tiered reimbursement rates for providers; and

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		guidelines, as defined by the state;	
Other		(5) evaluate and assess the quality and effectiveness of child care programs and services on improving overall school preparedness; and (6) carry out other activities determined by the state to improve the quality of child care services for which measurement of outcomes relating to improved child safety, child well-being, or school preparedness is possible. [Section 105 of S. 525]	(4) other activities as approved by the state.
Certification requirements	*Regulations* require that the state plan describe activities a state intends to fund with "quality set-aside" money, but neither law nor regulation requires certification of compliance.	Requires that beginning with FY2006, the state will certify annually to the Secretary its compliance with the quality activity requirements; will describe how the state used quality funds during the preceding year; will outline the state's strategy for addressing the quality of child care in the state, including a description of quantifiable, objective measures, that the state will use to evaluate the state's progress in improving child care services. Beginning in FY2007, the state will submit a report on its progress in achieving targets for the preceding fiscal year. [Section 105 of S. 525]	As stated above, adds provision requiring state plan to certify (every two years) its compliance with the quality set-aside percentage requirement, including a description of the use of funds, beginning in FY2007 (for the preceding fiscal year). [Section 2024]
Report by the HHS Secretary to Congress			
Frequency	The Secretary of HHS is required to prepare and submit a biennial report to Congress.	Amends current law to replace biennial report to Congress with an annual report (see below for contents).[Section 108 of S. 525]	Amends current law to require that the biennial report to Congress contain additional elements (see below). [Section 2027]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Content	The biennial report includes a summary and analysis of the data submitted by states (as required by Section 658K). The report is also to include an assessment, and where appropriate, recommendations for the Congress with respect to improving the access of quality and affordable child care. [Section 658L of CCDBG Act]	Adds a new requirement that aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs be included in a report to HHS. However, unlike House bill, under this bill the report would be submitted annually rather than biennially. Also requires that the following additional information be included: — a summary and analysis of the data and information provided to the Secretary in the state plan (Section 658E), the strategy addressing quality activities (Section 658G(c)), and the quarterly reports (Section 658K). — a progress report describing the progress of the states in streamlining data reporting, the Secretary's plans and activities to provide technical assistance to states, and an explanation of any barriers to getting data in an accurate and timely manner. [Section 108 of S. 525]	Adds new required contents to be included in the biennial report: aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs. [Section 2027]
Submission deadline and other requirements	Current law required first report not later than July 31, 1998, and biennially thereafter. [Section 658L]	Report will be required annually, beginning with the first submitted no later than April 30, 2006. Also, not later than 30 days after the date of such submission, the report is required to be posted on the HHS website. [Section 108 of S. 525]	Report will continue to be submitted biennially, as under current law, but will be required to include the new aggregated information (described above) beginning with report submitted no later than October 1, 2007. [Section 2027]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Use of resource and referral organizations for data collection	No provision	In order to collect this newly required information, the bill authorizes the Secretary to use the national child care data system available through resource and referral organizations. [Section 108 of S. 525]	Same as Senate committee bill. [Section 2027]
Eligibility			
Definition of income eligibility	Under federal law, the maximum family income of a CCDBG-eligible child may not exceed 85% of its state median income for a family of the same size. (States may set their own eligibility levels below the federal maximum.) [Section 658P(4)(B)]	Eliminates the federal maximum income limit of 85% of state median income, and allows each state to establish income eligibility levels, prioritized by need (as defined by the state). [Section 110 of S. 525]	Same as Senate committee bill. [Section 2028]
Reports and audits from States to HHS			
Quarterly reports	States receiving CCDBG funds are required to report to the Secretary on a quarterly basis the following data collected monthly with respect to CCDBG families: family income; county of residence; gender, race, and age of child(ren) receiving assistance; sources of family income (including employment, TANF, housing assistance, food stamps, and other programs); duration of benefit receipt; type of child care used; cost of child care; and average number of hours of child care. In order to collect data, states may use sampling methods (approved by the Secretary). [Section 658K]	Retains quarterly reporting of current law, but amends the list of data elements that states are required to collect on a monthly basis. Changes include requiring that states: show the cost of each family's subsidy broken down into subsidy amount and co-payment amount; report household size; identify the reason for any termination in benefit; and report whether the child has an individualized education plan. States no longer would report receipt of housing assistance or food stamps. [Section 107 of S. 525]	No provision (retains current law).
Annual reports	States must submit annual reports of aggregate data concerning number of providers that received CCDBG funding; monthly cost of child care services, and the portion paid through	Eliminates separate annual report, but requires in fourth quarterly report of each year that the state submit information on the annual number and type of child care	No provision (retains current law).

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	subsidy; the number of payments made through vouchers; the manner in which consumer education information was provided, and the number of parents receiving it; and the total unduplicated number of children and families served during the reporting period. [Section 658K(a)(2)]	providers that received funding under this subchapter and the annual number of payments made by the state through vouchers, under contracts, or by payment to parents, by type of child care provider. [Section 107 of S. 525] Information on the number of children and families receiving CCDBG assistance is to be posted on the website of each state. [Section 107 of S. 525]	
		States must comply with the changes in data collection and reporting requirements within two years from the date of this act's enactment. A waiver can be granted (by HHS) to states with plans to procure data systems. [Section 107 of S. 525]	
Other Child Care Provisions			
Rule of construction	No provision.	Amends CCDBG Act to include a rule of construction stating that nothing in the act shall be construed to require a state to impose state child care licensing requirements on any type of early childhood provider, including any such provider who is exempt form state child care licensing requirements on the date of enactment of the Caring for Children Act of 2005. [Section 111 of S. 525]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Enhancing security at child care centers in federal facilities	Current law does not contain this title.	This bill includes a separate title with provisions aimed at enhancing security at child care centers in federal facilities. The bill requires that the Administrator of General Services, among others, issue regulations relating to emergency plans and relocation sites. [Title II, Sections 201 and 202 of S. 525]	No provision.
Small business child care grant program	Current law does not contain this title.	This separate title requires the Secretary of HHS to establish a program to award competitive grants to states, which are to be used by states (or eligible consortia of small businesses or entities) to encourage the establishment and operation of employer-operated child care programs. The section authorizes $30 million for the period of FY2006-2010 to carry out the program. [Title III, Section 301 of S. 525]	No provision.
Waiver authority to assist states serving families affected by the Gulf hurricanes	No provision.	No provision.	Up until June 30, 2006, and to such extent as the Secretary of HHS considers appropriate, the Secretary may waive or modify certain CCDBG provisions for states affected by the Gulf hurricanes. These provisions are defined as those relating to the federal income eligibility limits, the work requirements, the required use of quality funds, and any provision that prevents children designated as evacuees from receiving priority services over any children not already receiving services. [Section 2029]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Responsible Fatherhood Program			
Findings	No provision.	Lists a number of statements that show evidence indicating the need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children. [Section 118(a)(1) of S. 667]	Includes a list of statements, but they are not identical to those in S. 667. [New Part C of Title IV of the Social Security Act, Section 441(a)]
Responsible Fatherhood Program	No provision.	The Responsible Fatherhood program would be added to the Social Security Act as a new Part C of Title IV. (Note: Because the fatherhood provisions are drafted as an amendment to the TANF section of P.L.104-193, they would be subject to the charitable choice rules.) [Section 118(a)(2) of S. 667]	Same as S. 667. [Sections 2015(b) and 8119(b)] This section of the House Budget Reconciliation bill may be cited as the "Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2005." [Sections 2015(a) and 8119(a)]
Summary of the Responsible Fatherhood Program	No provision.	Establishes five components for the responsible fatherhood program for FY2006 through FY2010. It (1) appropriates $20 million for a grant program for up to 10 eligible states to conduct demonstration programs; (2) appropriates $30 million for grants for eligible entities (local government, local public agency, community-based or nonprofit organization, or private entity, including any charitable or faith-based organizations, or Indian tribe or tribal organization) to conduct demonstration programs; (3) authorizes $5 million for a nationally recognized nonprofit fatherhood promotion organization to develop and promote a responsible	Establishes four components for the responsible fatherhood program for FY2006 through FY2010. It (1) authorizes competitive grants for responsible fatherhood projects to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the four specified responsible fatherhood program objectives — eligible entities would be allowed to apply for either full service grants or limited purpose grants of $25,000 or less per fiscal year; (2) authorizes funding for two multicity, multistate fatherhood demonstration projects

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		fatherhood media campaign and establish a national clearinghouse to help states and communities in their efforts to promote both marriage and responsible fatherhood; (4) authorizes a $20 million block grant for states to conduct responsible fatherhood media campaigns (authorizes $1 million of the $20 million for an evaluation); and (5) authorizes $1 million for a nationally recognized nonprofit research and education fatherhood organization to establish a national resource center for responsible fatherhood. [New Part C of Title IV of the Social Security Act, Sections 441-444]	to be developed and conducted by a national nonprofit fatherhood promotion organization; (3) authorizes funding for an evaluation of the competitive grant projects and the multicity, multistate demonstration projects; and (4) authorizes the Secretary of HHS by grant, contract, or cooperative agreement to carry out projects and activities of national significance relating to fatherhood promotion — such projects or activities could include collection and dissemination of information, media campaigns, technical assistance to public and private entities, and research. [New Part C of Title IV, Sections 443-446]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
			Note: The Committee on Education and the Workforce shared jurisdiction with the Committee on Ways and Means with respect to Fatherhood Programs. The Committee on Education and the Workforce's fatherhood program is identical to that of the Committee on Ways and Means except that it includes five components rather than four and stipulates that no more than 35% of the $20 million annual authorization can be used for the multicity, multistate demonstrations, the economic incentives demonstrations, the evaluations, and the projections of national significance. In addition to the four components in the Ways and Means Committee proposal, the Committee on Education and the Workforce's proposal authorizes the HHS Secretary to make grants available for FY2006 through FY2010 for two to five demonstration projects that test the use of economic incentives combined with a comprehensive approach to addressing employment barriers to encourage noncustodial parents to enter the workforce and to contribute financially and emotionally to their children. The fatherhood demonstration projects are to be developed and conducted by a national nonprofit fatherhood promotion organization that meets the qualifications specified in the bill. The bill stipulates that out of the set-aside monies, at least $5 million is to be allocated for the

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
			economic incentive demonstration project. [Section 2015 of Committee on Education and the Workforce proposal, and New Part C of Title IV, Sections 445 and 449]
	No provision.	The purposes of the responsible fatherhood *demonstration grants* are to promote responsible fatherhood through (1) marriage promotion (through counseling, mentoring, disseminating information about the advantages of marriage and two-parent involvement for children, enhancing relationship skills, teaching how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, skills-based marriage education, financial planning seminars, and divorce education and reduction programs, including mediation and counseling); (2) parenting activities (through counseling, mentoring, mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods); and (3) fostering economic stability of fathers (through work first services, job search, job training, subsidized employment, education, including career-advancing education, job retention, job enhancement, dissemination of employment materials, coordination with existing employment services such as welfare-to-work programs, referrals to local	The first of the three purposes is to provide for projects and activities by public entities and nonprofit community entities, including religious organizations, to test promising approaches to accomplishing the following four objectives: (1) promoting responsible, caring and effective parenting and encouraging positive father involvement, including the positive involvement of non-resident fathers; (2) enhancing the abilities and commitment of unemployed or low-income fathers to provide support for their families and to avoid or leave welfare; (3) improving fathers' ability to effectively manage family business affairs; and (4) encouraging and supporting healthy marriages and married fatherhood. The second purpose is through the projects and activities described above, to improve outcomes for children such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		employment training initiatives, and other methods). [New Part C of Title IV, Section 441(a)(2)]	teen suicide. The third purpose is to evaluate approaches and disseminate findings to encourage replication of effective approaches to achieving the desired outcomes for both parents and children. [New Part C of Title IV, Section 441(b)]
Prohibitions	No provision.	With regard to both the grants to states and entities, prohibits the use of responsible fatherhood demonstration grants for court proceedings on matters of child visitation or child custody, or legislative advocacy. [New Part C of Title IV, Section 441(a)(3) and Section 441(b)(2)] Prohibits an eligible state or entity from being awarded a grant unless the state or entity consults with experts on domestic violence or with relevant community domestic violence coalitions in developing programs or activities funded by the grant. The state or entity also must describe in the grant application how the proposed programs or activities will address, as appropriate, issues of domestic violence and what the state or entity will do, to the extent relevant, to ensure that participation in such programs or activities is voluntary and to inform potential participants that their involvement is voluntary. [New Part C of Title IV, Section 441(a)(4) and Section 441(b)(3)]	No provision. Requires that entities that apply for a grant to develop and operate fatherhood demonstration service projects and activities include in their application a description of how they will address child abuse and neglect and domestic violence, including how the applicant will coordinate with state and local child protective service and domestic violence programs. [New Part C of Title IV, Section 443(b)(3)]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		Requires the HHS Secretary to ensure that the selected nationally recognized nonprofit fatherhood promotion organization coordinate the media campaign and national clearinghouse that are developed with grant funds with national, state, or local domestic violence programs. [New Part C of Title IV, Section 442(a)(2)] With respect to the block grant to states to encourage media campaigns, in developing broadcast and printed advertisements for media campaigns, the state or other entity administering the campaign must consult with representatives of state and local domestic violence centers. [New Part C of Title IV, Section 443(d)(3)]	Requires that each national nonprofit fatherhood promotion organization that applies for funding to develop and operate multicity, multistate fatherhood demonstration projects include in their application a description of how they will address child abuse and neglect and domestic violence, including how the applicant will coordinate with state and local child protective service and domestic violence programs. [New Part C of Title IV, Section 444(c)(3)] [**Note**: A similar provision is in the Education and the Workforce Committee proposal with respect to national nonprofit fatherhood promotion organizations that operate economic incentive demonstration projects. [New Part C of Title IV, Section 445(c)(3)]
Funding	No provision.	For each of the years FY2006 through FY2010, appropriates $20 million for up to 10 eligible states to conduct demonstration programs and appropriates $30 million for eligible entities to conduct demonstration programs. Authorizes $5 million for a nationally recognized nonprofit fatherhood promotion organization to develop and promote a responsible fatherhood media campaign. Authorizes a $20 million block grant for states to conduct responsible fatherhood media campaigns. Authorizes $1 million for a nationally recognized nonprofit research and education fatherhood organization to establish a national resource center for responsible fatherhood.	Authorizes $20 million for each of FY2006 through FY2010. Not more than 15% of the annual appropriations shall be available for the costs of the multicity, multistate demonstration projects under Section 444, evaluations under Section 445, and projects of national significance under Section 446. [**Note**: See Summary Section above for an explanation of the difference between the two House Committes' responsible fatherhood proposals.]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		If fully funded, the bill would provide $76 million for responsible fatherhood programs for each of the five years — totaling $380 million.	If fully funded, the bill would provide $20 million for responsible fatherhood programs for each of the five years — totaling $100 million.
Nondiscrimination Clause	No provision.	Requires that the responsible fatherhood programs and activities be made available to all fathers and expectant fathers, including married and unmarried fathers and custodial and non-custodial fathers, with a special focus on low-income fathers, on the same basis; and that mothers and expectant mothers be able to participate in such programs and activities on the same basis as the fathers. [New Part C of Title IV, Section 445]	Same as S. 667. [New Part C of Title IV, Section 447]
Child Support Enforcement (CSE) Program			
Assignment and Distribution of Child Support for TANF and Former TANF Families			
Assignment of child support rights	In order to receive benefits, Temporary Assistance to Needy Families (TANF) recipients must assign their child support rights to the state. The assignment covers any child support that accrues while the family receives TANF and any support that accrued before the family began receiving TANF. [Section 408(a)(3) of the SSA]	Stipulates that the assignment covers only child support that accrues during the period that the family receives TANF. (In other words, pre-assistance arrearages would be eliminated.) [Section 301(a) of S. 667]	Stipulates that the assignment covers child support that accrues during the period that the family receives TANF, but also gives states the option of including in the assignment child support that accrued to the family before the family began receiving TANF. This provision would take effect on October 1, 2008. [Section 8316]
	Any assignment of rights to child support that was in effect on September 30, 1997 must remain in effect. This means that any child support collected as a result of the assignment is owed to the state and the federal government. [Section 457(b) of the SSA]	In addition, the bill would give states the option to discontinue pre-assistance assignments in effect on September 30, 1997. If a state chooses to discontinue the child support assignment, the state would have to give up its legal claim to collections	Any assignment of rights to child support that was in effect on September 30, 1997 may remain in effect. This means that states would have the option to discontinue pre-assistance assignments in effect on September 30, 1997. If a state chooses to discontinue the child

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		based on such arrearages and the state would have to distribute the collections to the family. [Section 301(c) of S. 667] States also would have the option to discontinue pre-assistance arrearage assignments in effect after September 30, 1997 and before the implementation date of this provision. If a state chooses to discontinue the child support assignment, the state would have to give up its legal claim to collections based on such arrearages and the state would have to distribute the collections to the family. [Section 301(c) of S. 667]	support assignment, the state would have to give up its legal claim to collections based on such arrearages and the state would have to distribute the collections to the family. [Section 8317]
Federal matching funds for limited pass-through of child support payments to families receiving TANF	While the family receives TANF benefits, the state is permitted to retain any current child support payments and any assigned arrearages it collects up to the cumulative amount of TANF benefits which has been paid to the family. In other words, the state can decide how much, if any, of the state share (some, all, none) of the child support payment collected on behalf of TANF families to send to the family.	Same as current law.	Same as current law.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	The state is required to pay the federal government the federal share of the child support collected. [Section 457(a)(1) of the SSA] Child support payments collected on behalf of TANF families that are passed through to the family and disregarded by the state count toward the TANF Maintenance-of-Effort (MOE) expenditure requirement. [Section 409(a)(7)(B) of the SSA]	For families who received assistance from the state (which could include TANF or foster care), requires the federal government to waive its share of child support collections passed through to TANF families by the state and disregarded by the state — up to an amount equal to $400 per month in the case of a family with one child, and up to $600 per month in the case of a family with two or more children. Like current law, disregarded pass-through amounts would count as TANF MOE expenditures. [Section 301(b) of S. 667] Includes a provision that allows states with Section 1115 demonstration waivers (on or before October 1, 1997) related to the child support pass-through provisions to continue to pass through payments to families in accordance with the terms of the waiver. [Section 301(b) of S. 667]	For TANF families, requires the federal government to waive its share of an *increase* in the child support pass-through (up to the greater of $100 per month or $50 over the state's stipulated child support pass-through as of December 31, 2001) for families that receive TANF benefits. To obtain the federal matching funds, the state would have to disregard the amount passed through to the family in determining the family's TANF benefit amount. This provision would apply to amounts distributed on or after October 1, 2008. [Section 8301]
State option to pass through all child support payments to families that formerly received TANF	Current child support payments must be paid to the family if the family is no longer on TANF. With respect to former TANF families: Since October 1, 1997, child support arrearages that accrue *after* the family leaves TANF also are required to be paid to the family before any monies may be retained by the state. With respect to former TANF families: Since October 1, 2000, child support arrearages that accrued *before* the family began receiving	Simplifies child support distribution rules. Eliminates the special treatment of child support arrearages collected through the federal income tax refund offset program. Therefore, all child support collections to former TANF families would go to the family first. [Section 301(b) of S. 667] To the extent that the arrearage amount payable to a former TANF family in any given month exceeds the amount that would have been payable to the family under	Simplifies child support distribution rules to gives states the option of providing families that have left TANF the full amount of the child support collected on their behalf (i.e., both current child support and child support arrearages). The federal government would have to share with the states the costs of paying child support arrearages to the family first. This provision would apply to amounts distributed on or after October 1, 2008. [Section 8302]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	TANF also are required to be distributed to the family first. [Section 457(a)(2) of the SSA] However, if child support arrearages are collected through the *federal income tax refund offset program*, the family *does not* have first claim on the arrearage payments. Such arrearage payments are retained by the state and the federal government. [Section 457(a)(2)(B)(iv) of the SSA]	current law, the state would be able to elect to have the amount paid to the family considered an expenditure for TANF MOE purposes. In addition, amends the Child Support Enforcement (CSE) State Plan to include an election by the state to include whether it is using the new option to pass through all arrearage payments to former TANF families without paying the federal government its share of such collections or whether it has chosen to maintain the current law distribution method. Further, stipulates that no later than six months after the date of enactment of this legislation, the HHS Secretary, in consultation with the states, would be required to establish the procedures to be used to make estimates of excess costs associated with the new funding option. [Section 301(b) of S. 667] The provisions of Section 301 of this bill would take effect October 1, 2009, or earlier at state option at any date that is 18 months after the date of enactment of the bill but not later than September 30, 2009. [Section 301(e) of S. 667]	
Mandatory review and adjustment of child support orders for families receiving TANF	Federal law requires that the state have procedures under which every three years the state review and adjust (if appropriate) child support orders at the request of either parent, and that in the case of TANF families, the state review and update (if appropriate) child support orders at the request of the state CSE agency or	Requires states to review and, if appropriate, adjust child support orders in TANF cases every three years. This provision would take effect on October 1, 2007. [Section 302 of S. 667]	Same as S. 667. [Section 8303]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	of either parent. [Section 466(a)(1) of the SSA]		
Report on undistributed child support payments	No provision.	Requires that within six months of enactment, the HHS Secretary must submit to the House Ways and Means Committee and the Senate Finance Committee a report on the procedures states use to locate custodial parents for whom child support has been collected but not yet distributed. The report must include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the report must include recommendations as to whether additional procedures should be established at the state or federal level to expedite the payment of undistributed child support. [Section 303 of S. 667]	Same as S. 667. [Section 8305]
Enforcement Provisions			
Decrease in amount of child support arrearage triggering passport denial	Federal law stipulates that the HHS Secretary is required to submit to the Secretary of State the names of noncustodial parents who have been certified by the state CSE agency as owing more than $5,000 in past-due child support. The Secretary of State has authority to deny, revoke, restrict, or limit passports to noncustodial parents whose child support arrearages exceed $5,000. [Section 452(k) of the SSA]	Authorizes the denial, revocation, or restriction of passports to noncustodial parents whose child support arrearages exceed $2,500, rather than $5,000 as under current law. This provision would take effect on October 1, 2006. [Section 304 of S. 667]	Same as S. 667. [Section 8306]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors	Federal law prohibits the use of the federal income tax offset program to recover past-due child support on behalf of non-welfare cases in which the child is not a minor, unless the child was determined disabled while he or she was a minor and for whom the child support order is still in effect. (Since enactment in 1981 (P.L. 97-35), the federal income tax offset program has been used to collect child support arrearages on behalf of welfare families regardless of whether the children were still minors — as long as the child support order was in effect.) [Section 464(a)(2)(A) of the SSA]	Permits the federal income tax refund offset program to be used to collect arrearages on behalf of non-welfare children who are no longer minors. This provision would take effect on October 1, 2007. [Section 305 of S. 667]	Same as S. 667. [Section 8307]
Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations	The disability compensation benefits of veterans are treated differently than most forms of government payment for purposes of paying child support. Whereas most government payments are subject to being automatically withheld to pay child support, veterans disability compensation is not subject to intercept. Before enactment of P.L. 108-136, there was one exception to this rule. The exception occurred when veterans had elected to forego some of their retirement pay in order to collect additional disability payments. The advantage of veterans replacing retirement pay with disability pay is that the disability pay is not subject to taxation. With this exception, the only way to obtain child support payments from veterans' disability compensation was to request that the Secretary of the Department of Veteran Affairs intercept the disability	Allows veterans' disability compensation benefits to be intercepted (withheld) and paid on a routine basis to the custodial parent. This provision prohibits the garnishment of any veteran's disability compensation in order to collect alimony unless that disability compensation is being paid because retirement benefits were waived. The provision would take effect on October 1, 2007. [Section 306 of S. 667]	Allows veterans' disability compensation benefits to be intercepted (withheld) and paid on a routine basis to the custodial parent if the veteran is 60 days or more in arrears on child support payments. Under the bill, this provision is prohibited from being used to collect alimony and no more than 50% of any particular disability payment may be withheld. This provision would take effect on October 1, 2007. [Section 8308]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	compensation and make the child support payments. P.L. 108-136, enacted November 24, 2003, permits veterans to receive *both* military retired pay and veterans' disability compensation. [Section 459(h)(1)(A)(ii)(V) of the SSA]		
Improving federal debt collection practices	Federal law stipulates that any *federal agency* that is owed a nontax debt (that is more than 180 days past-due) must notify the Secretary of the Treasury to obtain an administrative offset of the debt. The Department of the Treasury (or other designated federal disbursing agency) has the authority to offset Social Security benefits, certain Black Lung Board benefits, and certain Railroad Retirement benefits to collect delinquent debt owed to the United States, subject to an annual $9,000 ($750 per month) exemption. [Section 3716(h)(3) of Title 33 of the U.S.Code] Currently, states have the authority to *garnish* Social Security benefits for child support payments. But, Social Security payments can only be *offset* for federal debt recovery. (Thus, under current law child support arrearage payments which are enforced by states cannot be offset from Social Security benefits/payments.)	Allows Social Security benefits to be offset to collect past-due child support. The Committee bill specifically overrules section 207 of the Social Security Act which states that Social Security benefits are not transferrable by garnishment. The provision would take effect on a date that is 18 months after the date of enactment. [Section 307 of S. 667]	No provision.
Identification and seizure of assets held by multi-state financial	The 1996 welfare reform law required states to enter into agreements with financial institutions conducting business within their state for the purpose of conducting a quarterly data match. The data match is intended to identify financial	Authorizes the HHS Secretary, via the FPLS, to assist states to perform data matches comparing information from states and participating multi-state financial institutions with respect to persons owing	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
institutions	accounts (in banks, credit unions, money-market mutual funds, etc.) belonging to parents who are delinquent in the payment of their child support obligation. In some cases, state law prohibits the placement of liens or levies on accounts outside of the state and some financial institutions only accept liens and levies from the state where the account is located. In 1998, Congress made it easier for multi-state financial institutions to match records by permitting the FPLS to help them coordinate their information. [Section 452(l) of the SSA]	past-due child support. Authorizes the Secretary via the FPLS to seize assets, held by such financial institutions, of noncustodial parents who owe child support arrearage payments, by issuing a notice of a lien or levy and requiring the financial institution to freeze and seize assets in accounts in multi-state financial institutions to satisfy child support obligations. Requires the Secretary to transmit any assets seized under the procedure to the state for accounting and distribution. Stipulates that the Secretary must inform affected account holders/ asset holders of their due process rights. (In effect, would resolve problems of jurisdiction in cases where a state was pursuing an asset in a different state.) [Section 310 of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Information comparisons with insurance data	No provision.	Authorizes the HHS Secretary, via the FPLS, to compare information of noncustodial parents who owe past-due child support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments; and to furnish any information resulting from a match to the appropriate state CSE agency in order to secure settlements, awards, etc. for payment of past-due child support. The bill stipulates that no insurer would be liable under federal or state law for disclosures made in good faith under this provision. In addition, a state or federal agency that receives such information from the HHS Secretary must reimburse the Secretary for the costs incurred by the Secretary in providing the information, at rates which the Secretary determines to be reasonable. [Section 311 of S. 667]	Same as S. 667. [Section 8311]
Tribal access to the Federal Parent Locator Service	The FPLS is a national location system operated by the federal Office of Child Support Enforcement to assist states in locating noncustodial parents, putative fathers, and custodial parties for the establishment of paternity and child support obligations, as well as the enforcement and modification of orders for child support, custody and visitation. It also identifies support orders or support cases involving the same parties in different states. The FPLS consists of the Federal Case Registry, Federal Offset Program, Multi-state	Includes Indian tribes and tribal organizations that operate a CSE program as "authorized persons." [Section 312]	Same as S. 667. [Section 8312]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	Financial Institution Data Match, National Directory of New Hires, and the Passport Denial Program. Additionally, the FPLS has access to external sources such as the Internal Revenue Service (IRS), the Social Security Administration (SSA), Department of Veterans Affairs (VA), the Department of Defense (DOD), and the Federal Bureau of Investigation (FBI). The FPLS is only allowed to transmit information in its databases to "authorized persons," which include (1) child support enforcement agencies (and their attorneys and agents); (2) courts, (3) the resident parent, legal guardian, attorney, or agent of a child owed child support; and (4) foster care and adoption agencies. [Section 453(c) of the SSA]		
Claims upon longshore and harbor workers' compensation for child support	The Longshore and Harbor Worker's Compensation Act is the federal worker's compensation law for maritime workers and persons working in shipyards and on docks, ships, and offshore drilling platforms. The act exempts benefits paid by longshore or harbor employers or their insurers from all claims of creditors. Thus, Longshore and Harbor Worker's Compensation Act benefits that are paid by longshore or harbor employers or their insurers are not subject to attachment for payment of child support obligations. [Section 17 of the Longshore and Harbor Workers' Compensation Act — 33 U.S.C. 917]	Amends the Longshore and Harbor Workers' Compensation Act to ensure that longshore or harbor workers benefits that are provided by the federal government or by private insurers are subject to garnishment for purposes of paying child support obligations. [Section 315 of S. 667]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
State option to use statewide automated data processing and information retrieval system for interstate cases	The 1996 welfare reform law mandated states to establish procedures under which the state would use high-volume automated administrative enforcement, to the same extent as used for intrastate cases, in response to a request from another state to enforce a child support order. This provision was designed to enable child support agencies to quickly locate and secure assets held by delinquent noncustodial parents in another state without opening a full-blown interstate child support enforcement case in the other state. The assisting state must use automatic data processing to search various state data bases including financial institutions, license records, employment service data, and state new hire registries, to determine whether information is available regarding a parent who owes a child support obligation. The assisting state is then required to seize any identified assets. This provision does not allow states to open/establish a child support interstate case. [Section 466(a)(14) of the SSA]	Allows an assisting state to establish a child support interstate case based on another state's request for assistance; and thereby an assisting state would be able to use the CSE statewide automated data processing and information retrieval system for interstate cases. [Section 316 of S. 667]	Same as S. 667. [Section 8315]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Requirement that state child support enforcement agencies seek medical support for children from either parent	Federal law requires that a state CSE agency issue a notice to the employer of a noncustodial parent, who is subject to a child support order issued by a court or administrative agency, informing the employer of the parent's obligation to provide health care coverage for the child(ren). The employer must then determine whether family health care coverage is available for which the dependent child(ren) may be eligible, and if so, the employer must notify the plan administrator of each plan covered by the National Medical Support Notice. If the dependent child(ren) is eligible for coverage under a plan, the plan administrator is required to enroll the dependent child(ren) in an appropriate plan. The plan administrator also must notify the noncustodial parent's employer of the premium amount to be withheld from the employee's paycheck. [Section 466(a)(19) of the SSA]	Requires that medical support for a child be provided by either or both parents and that it must be enforced. Authorizes the state CSE agency to enforce medical support against a custodial parent whenever health care coverage is available to the custodial parent at reasonable cost. Stipulates that medical support may include health care coverage (including payment of costs of premiums, co-payments, and deductibles) and payment of medical expenses incurred on behalf of a child. [Section 320 of S. 667]	No provision.
Technical amendment relating to information comparisons and disclosure to assist in federal debt collection	P.L. 108-447, the Consolidated Appropriations Act of 2005, added provisions related to the comparison of data from the Secretary of the Treasury with data in the National Directory of New Hires for the purpose of collecting nontax debt owed to the federal government.	Makes technical changes to the Consolidated Appropriations Act of 2005 with respect to references to Title IV-D provisions related to information comparisons and other disclosures. [Section 323 of S. 667]	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Financing Provisions			
Reduction in rate of reimbursement of child support administrative expenses	The federal government currently reimburses each state 66% of the cost of administering its CSE program (i.e., the general CSE federal matching rate). It also refunds states 90% of the laboratory costs of establishing paternity. [Section 455(a)(2) of the SSA]	No provision. (See Sense of the Senate provision below.)	Reduces the general CSE federal matching rate of 66% to 62% in FY2007, 58% in FY2008, 54% in FY2009, and 50% in FY2010 and each fiscal year thereafter. [Section 8319]
Incentive payments	Section 455(a)(1) of the Social Security Act requires the HHS Secretary to reimburse each state for CSE expenditures at specified federal matching rates, with the exception of expenditures on (1)enforcing any state or federal law with respect to parental kidnaping, or (2) making or enforcing a child custody or visitation determination. P.L. 105-22 (enacted in 1998) required mandatory reinvestment of CSE incentive payments by states back into the CSE program or related activities. [Section 458(f) of the SSA] State spending of CSE incentive payments on CSE activities are matched at the 66% federal matching rate (or at the 90% federal matching rate if the activities are related to paternity determination).	No provision. (See Sense of the Senate provision below.)	Prohibits federal matching of state expenditure of federal CSE incentive payments. (This means that CSE incentive payments that are received by states and reinvested in the CSE program are not eligible for federal reimbursement.) This provision would take effect on October 1, 2007. [Section 8320]
Sense of the Senate provision	No provision.	**Note**: The Senate Budget Reconciliation bill does not include welfare reauthorization or child support enforcement provisions, but does include one provision opposing the House bill's reduction in CSE funding. It affirms that the federal funding levels for the rate of reimbursement of child support	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		administrative expenses should not be reduced below the levels provided under current law, that states should continue to be permitted to use federal child support incentive payments for child support program expenditures that are eligible for federal matching payments, and expresses the sense of the Senate that it does not support additional fees for successful child support collection. [S.Amdt.2363 to S. 1932, the Deficit Reduction Omnibus Reconciliation Act of 2005]	
Mandatory fee for successful child support collection for family that has never received TANF	Federal law requires that non-welfare families must apply for CSE services, and states must charge an application fee that cannot exceed $25. The state may charge the application fee against the custodial parent, pay the fee out of state funds, or recover it from the noncustodial parent. In addition, states have the option of recovering costs in excess of the application fee. Such recovery may be from either the custodial parent or the noncustodial parent. [Section 454(6)(B) of the SSA]	No provision. (See Sense of the Senate provision below.)	Requires families that have never been on TANF to pay a $25 annual user fee when child support enforcement efforts on their behalf are successful (i.e., at least $500 annually is collected on their behalf). Such fees could be recovered from the custodial parent, the noncustodial parent, or the state (with state funds). This provision would take effect on October 1, 2006. [Section 8304]
Maintenance of technical assistance funding	Federal law appropriates an amount equal to 1% of the federal share of child support collected on behalf of TANF families the preceding year for the Secretary to provide to the states for: information dissemination and technical assistance, training of state and federal staff, staffing studies, and related activities needed to improve CSE programs (including technical assistance concerning state	Changes the amount available for technical assistance funding to an amount equal to 1% of the federal share of child support collected or the amount appropriated for FY2002, whichever is greater. [Section 308 of S. 667]	Same as S. 667. [Section 8309]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	automated CSE systems), and research demonstrations and special projects of regional or national significance relating to the operation of CSE programs. Such funds are available until they are expended. [Section 452(j) of the SSA]		
Maintenance of Federal Parent Locator Service funding (FPLS)	Federal law appropriates an amount equal to 2% of the federal share of child support collected on behalf of TANF families the preceding year for the Secretary to use for operation of the FPLS to the extent that the costs of the FPLS are not recovered by user fees. Funds that were appropriated for FY1997-FY2001 remain available until expended. [Section 453(o) of the SSA]	Changes the amount available for the FPLS to an amount equal to 2% of the federal share of child support collected or the amount appropriated for FY2002, whichever is greater. Makes all funds appropriated for this purpose available until expended. [Section 309 of S. 667]	Same as S. 667. [Section 8310]
Grants to states for access and visitation programs	The 1996 welfare reform law (P.L. 104-193) authorized grants to states (via CSE funding) to establish and operate access and visitation programs. The purpose of the grants is to facilitate noncustodial parents' access to and visitation of their children. An annual entitlement of $10 million from the federal CSE budget account is available to states for these grants. Eligible activities include but are not limited to mediation, counseling, education, development of parenting plans, visitation enforcement, and development of guidelines for visitation and alternative custody arrangements. The allotment formula is based on the ratio of the number of children in the state living with only one biological parent in relation to the total number of such children in all states. The amount of the allotment available to a state is	Increases funding for Access and Visitation grants from $10 million annually to $12 million in FY2006, $14 million in FY2007, $16 million in FY2008, and $20 million annually in FY2009 and each succeeding fiscal year. Extends the Access and Visitation program to Indian tribes and tribal organizations that had received direct child support enforcement payments from the federal government for at least one year. Includes a specified amount to be set aside for Indian tribes and tribal organizations: $250,000 for FY2006; $600,000 for FY2007; $800,000 for FY2008; and $1.670 million for FY2009 or any succeeding fiscal year. Increases the minimum allotment to states to	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	this same ratio to $10 million. The allotments are to be adjusted to ensure that there is a minimum allotment amount of $50,000 per state for FY1997 and FY1998, and a minimum of $100,000 for any year after FY1998. States may use the grants to create their own programs or to fund programs operated by courts, local public agencies, or nonprofit organizations. The programs do not need to be statewide. States must monitor, evaluate, and report on their programs in accord with regulations issued by the HHS Secretary. [Section 459B of the SSA]	$120,000 in FY2006, $140,000 in FY2007, $160,000 in FY2008, and $180,000 in FY2009 or any succeeding fiscal year. The minimum allotment for Indian tribes and tribal organizations would be $10,000 for a fiscal year. The tribal allotment would not be able to exceed the minimum state allotment for any given fiscal year. The allotment formula for Indian tribes and tribal organizations that operate child support enforcement programs would be based on the ratio of the number of children in the tribe or tribal organization living with only one parent in relation to the total number of children living with only one parent in all Indian tribes or tribal organizations. The amount of the allotment available to an Indian tribe or tribal organization would be this same ratio to the maximum allotment for Indian tribes and tribal organizations (i.e., $250,000 for FY2006; $600,000 for FY2007; $800,000 for FY2008; and $1.670 million for FY2009 or any succeeding fiscal year). (Pro rata reductions would be made if they are necessary.) [Section 318 of S. 667]	
Reimbursement of Secretary's costs of information comparisons and disclosure	Federal law (P.L. 106-113) authorized the Department of Education to have access to the National Directory of New Hires. The provisions were designed to improve the ability of the Department of Education to collect on defaulted loans and grant overpayments made	Amends the reimbursement of costs provision by eliminating the word *additional*, thereby requiring the Secretary of Education to reimburse the HHS Secretary for any costs incurred by the HHS Secretary in providing requested information	Same as S. 667. [Section 8313]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
for enforcement of obligations on higher education act loans and grants	to individuals under the Higher Education Act of 1965. The Federal Office of Child Support Enforcement (OCSE) and the Department of Education negotiated and implemented a Computer Matching Agreement in December 2000. Under the agreement, the Secretary of Education is required to reimburse the HHS Secretary for the *additional* costs incurred by the HHS Secretary in furnishing requested information. [Section 453(j)(6)(F) of the SSA]	on new hires. [Section 313 of S. 667]	
Other Child Support Provisions			
Technical amendment relating to cooperative agreements between states and Indian tribes	Federal law requires that any state that has a child welfare program and that has Indian country may enter into a cooperative agreement with an Indian tribe or tribal organization if the tribe demonstrates that it has an established tribal court system with several specific characteristics related to paternity establishment and the establishment and enforcement of child support obligations. The HHS Secretary may make direct payments to Indian tribes and tribal organizations that have approved child support enforcement plans. [Section 454(33) of the SSA]	Deletes the reference to child welfare programs. [Section 314 of S. 667]	Same as S. 667. [Section 8314]
State law requirement concerning the Uniform Interstate	The 1996 welfare reform law (P.L. 104-193) required that on and after January 1, 1998, each state must have in effect the Uniform Interstate Family Support Act (UIFSA), as approved by the American Bar Association on February 9,	Requires that each state's Uniform Interstate Family Support Act (UIFSA) include any amendments officially adopted as of August 2001 by the National Conference of Commissioners on Uniform State Laws.	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Family Support Act (UIFSA)	1993, and as in effect on August 22, 1996, including any amendments officially adopted as of such date by the National Conference of Commissioners on Uniform State Laws. [Section 466(f) of the SSA] Federal law requires states to treat past-due child support obligations as final judgments that are entitled to full faith and credit in every state. This means that a person who has a child support order in one state does not have to obtain a second order in another state to obtain child support due should the noncustodial parent move from the issuing court's jurisdiction. P.L. 103-383 restricts a state court's ability to modify a child support order issued by another state unless the child and the custodial parent have moved to the state where the modification is sought or have agreed to the modification. The 1996 welfare reform law (P.L. 104-193) clarified the definition of a child's home state, makes several revisions to ensure that the full faith and credit laws can be applied consistently with UIFSA, and clarifies the rules regarding which child support orders states must honor when there is more than one order.	In addition, clarifies current law by stipulating that a court of a state that has established a child support order has continuing, exclusive jurisdiction to modify its order if the order is the controlling order and the state is the child's state or the residence of any individual contestant; or if the state is not the residence of the child or an individual contestant, the court has the contestant's consent in a record or in open court that the court may continue to exercise jurisdiction to modify its order. It also modifies the current rules regarding the enforcement of modified orders. [Section 317 of S. 667]	
Timing of corrective action year for state noncompliance with CSE program	Federal law requires that audits be conducted at least every three years to determine whether the standards and requirements prescribed by law and regulations have been met by the child support program of every state. If a state fails the audit, federal TANF funds must be reduced	Changes the timing of the corrective action year for states that are found to be in noncompliance of child support enforcement program requirements. Changes the corrective action year to the *fiscal year following the fiscal year* in which the	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
requirements	by an amount equal to at least 1% but not more than 2% for the first failure to comply, at least 2% but not more than 3% for the second failure, and at least 3% but not more than 5% for the third and subsequent failures. [Section 409(a)(8)(B) of the SSA] The HHS Secretary also must review state reports on compliance with federal requirements and provide states with recommendations for corrective action. The purpose of the audits is to assess the completeness, reliability, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the state program. Federal law calls for penalties to be imposed against states that fail to comply with a corrective action plan in the *succeeding* fiscal year. [Section 409(a)(8) of the SSA]	Secretary made a finding of noncompliance and recommended a corrective action plan. This change would be made retroactively in order to allow the Secretary to treat all findings of noncompliance consistently. The provision would take effect with respect to determinations of state compliance for FY2002 and succeeding fiscal years. [Section 319 of S. 667]	
Notice to state child support enforcement agency from health care plan administrator under certain circumstances when a child loses health care coverage	Federal law requires the health care plan administrator to notify qualified beneficiaries of their beneficiary rights with regard to health care coverage when or if one of the following events occurs: (1) the noncustodial parent with the health care coverage dies; (2) the noncustodial parent with the health care coverage loses his or her job or starts working fewer hours; (3) the noncustodial parent with the health care coverage becomes eligible for Medicaid benefits; (4) the noncustodial parent with the health care coverage becomes involved in a bankruptcy proceeding pertaining to his or	Requires the health care plan administrator to notify the state CSE agency if the noncustodial parent with the health care coverage dies, loses his or her job or is working fewer hours, becomes eligible for Medicaid benefits, or is involved in a bankruptcy proceeding pertaining to the noncustodial parent's former employer. In addition, the bill requires the health care plan administrator to notify the state CSE agency if the noncustodial parent with the health care coverage gets divorced or obtains a legal separation, or if the	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	her former employer; (5) the noncustodial parent with the health care coverage gets divorced or obtains a legal separation; or (6) the child of the noncustodial parent with the health care coverage ceases to be a dependent child. (With respect to (5) and (6), the noncustodial parent (i.e., the covered employee) is required to notify the health care plan administrator of such an event.) [Section 606(a)(4) of the Employee Retirement Income Security Act of 1974 — 29 U.S.C. 1166(a)(4)]	noncustodial parent's child ceases to be a dependent child (in cases where the noncustodial parent has notified the plan administrator of such an occurrence). [Section 321 of S. 667]	
Authority to continue state program for monitoring and enforcement of child support orders	Federal law stipulates that the following families automatically qualify for CSE services: families receiving TANF benefits (Title IV-A), foster care payments (Title IV-E), Medicaid coverage (Title XIX), or food stamps (if cooperation is required by the state). Other families (i.e., nonwelfare families) must apply for CSE services. [Sections 454(a)(4) and 454(a)(6) of the SSA; also Section 1115 of the SSA]	Allows the state of Texas to continue to operate its CSE program for monitoring and enforcement of court orders on behalf of a nonwelfare families without applying for a federal waiver. Currently the state of Texas does not require these families to *apply* for CSE services. [Section 322 of S. 667]	No provision.
Technical correction	Section 453(j) of the Social Security Act currently includes two paragraphs labeled (7).	No provision.	Makes a technical correction to the Social Security Act by renumbering the second paragraph labeled Section 453(j)(7). [Section 8318]
Child Welfare			
Child welfare waivers			

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Extension of authority to approve demonstration projects	Section 1130 (a)(1) and (2) of the Social Security Act permits the Department of Health and Human Services (HHS) Secretary to approve state demonstration projects that are likely to promote the objectives of the child welfare programs authorized under Title IV-B and Title IV-E. This authority extends through December 31, 2005.	Extends the HHS Secretary's authorization to permit child welfare demonstration projects through FY2010. [Section 401 of S. 667]	Same as S. 667. [Section 8402]

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Elimination of the number of child welfare waivers allowed per fiscal year	Section 1130(a)(2) limits to 10 the number of demonstration projects the HHS Secretary may approve in a single fiscal year.	No provision.	Removes the restriction on the number of demonstration projects the HHS Secretary may approve in each fiscal year. [Section 8402]
Number of states that may be granted child welfare waivers on the same topic	No current provision. In the past, HHS has expressed a "preference" for projects that "would test policy alternatives that are unique; that differ in their approach to serving families and children; [and] that differ in significant ways from other proposals."	No provision	Adds language to assert that the HHS Secretary may not refuse to grant a particular waiver of child welfare program rules on the grounds that the purpose of the waiver or demonstration project is similar to another waiver or demonstration project. [Section 8403]
Elimination of limitation on number of waivers that may be granted to a single state for demonstration projects	No current provision. In the past, HHS has expressed a "preference" for projects "that are submitted by states that have not previously been approved for a child welfare demonstration project."	No provision.	Adds language to assert that the HHS Secretary may not impose a limit on the number of waivers or demonstration projects that a single state is granted. [Section 8404]
Process for consideration of amendments to and extensions of demonstration projects requiring waivers	No statutory provision.	No provision.	Adds language to require the HHS Secretary to develop a "streamlined process" for considering amendments or extensions that states propose to their demonstration projects. [Section 8405]
Availability of reports	Section 1130(f)(1) and (2) provides that states conducting demonstration projects under a	No provision.	Requires the HHS Secretary to make available (to states or other interested parties) any of the

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	waiver granted by the HHS Secretary must obtain an evaluation of the project's effectiveness and must provide interim and final evaluation reports to the HHS Secretary when, and in the manner, that the Secretary requests.		demonstration project evaluation reports that it receives from a state and any demonstration project evaluation or report made by the HHS Secretary, with a focus on information that promotes best practices and program improvements. [Section 8406]
Other Child Welfare Provisions			
Additional foster care and adoption assistance funding for Puerto Rico	Federal funding for Title IV-E of the Social Security Act programs for Puerto Rico is included in an overall cap on funding for public assistance programs. Total funding to Puerto Rico for TANF, Title IV-E and adult public assistance programs which operate in lieu of Supplemental Security Income (SSI) in the commonwealth is limited by statute to $107,255,000. Certain bonus, loan, and evaluation funding is excluded from that cap.	Allows Puerto Rico to receive additional funding for Title IV-E programs above the cap, but limits that additional funding to $6,250,000 for FY2007 through FY2010. Also, provides that any adoption incentive bonuses earned would be excluded from the cap. [Section 402 of S. 667]	No provision.
Tribal foster care and adoption assistance programs	Title IV-E foster care and adoption assistance programs may only be operated by the states and territories. Tribes may only access Title IV-E funds through special agreements with a state or with states.	Allows, beginning in FY2006, an Indian tribe or tribal consortium to receive direct federal Title IV-E foster care and adoption assistance funding. With certain specified exceptions, programs are to operate under the same rules as apply to the states. Tribes and consortia may define service areas where a plan is in effect and to approve placements in foster homes that are deemed safe by tribal standards. The federal matching rate for foster care maintenance and adoption assistance payments is determined based on the per-capita income of the service population of the tribal	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
		program. Alternatively ,tribes and consortia may maintain existing cooperative agreements with states to administer Title IV-E programs and may continue to enter into such agreements. [Section 403 of S. 667.]	
Eligibility for Foster Care and Adoption Assistance Maintenance Payments ("Rosales" Provision)	Section 472(a) provides that a state with a foster care program approved under Title IV-E must make foster care maintenance payments on behalf of eligible children who are removed from their home and placed into foster care. These eligibility criteria include a requirement that the child must have met — in the home from which he/she was removed — the income and other eligibility tests necessary to receive aid under the now-defunct Aid to Families with Dependent Children (AFDC) program (as it existed on July 16, 1996). Section 474 provides that states are entitled to receive federal matching funds at the Federal Medical Annual Percentage (FMAP) rate (ranging from 50%-83% based on state's per capita income) for every foster care maintenance payment it makes on behalf of an eligible child. Section 473(a)(2) provides that under one pathway to eligibility for adoption assistance, a special needs adoptee must have been eligible for aid under the AFDC program (as it existed on July 16, 1996) both in the month that the child was removed from the home and placed into foster care and in the month in which the adoption	No provision.	Rewrites Section 472(a) generally, restating all current eligibility requirements to clarify that for purposes of determining AFDC eligibility, the home from which the child is removed is always the home that a judge found to be "contrary to the child's welfare," or the home from which the child's parent or legal guardian entered into a voluntary agreement to place the child in foster care. The clarification is in response to a 2003 decision by the 9th Circuit Court of Appeals, Rosales v. Thompson, (321 F.3d. 835) which read the statute to permit eligibility for certain children to be based on their financial and other circumstances in the homes of relatives who were not their parents or legal guardians and which were not the homes that were found unsafe for them. The decision is contrary to longstanding practice and to the way the eligibility test is understood by the U.S. Department of Health and Human Services (HHS). Under the Rosales court's reading of the law, states in the 9th circuit (which includes CA, WA, OR, AZ, MT, ID, NV, AK and HI) may apply a broader Title IV-E

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	proceedings were initiated.		eligibility test, and nearly any child who lived with a relative (rather than his or her parents) at the time of removal to foster care could be found eligible for federal foster care. Rewrites Section 473(a)(2) regarding eligibility for adoption assistance to make same clarification with regard to home of removal that was made for foster care. Removes the requirement that the child meet the AFDC eligibility criteria (as they existed on July 16, 1996) at the time the adoption proceedings were initiated. (This provision is not expected to change the number of special needs adoptees who are found eligible for federal adoption assistance.) [Section 8407]
Limitation on Federal Reimbursement for Administrative Expenses	Section 474(a)(3) authorizes open-ended federal matching of eligible state costs associated with the federal foster care program. These include training costs (matched at 75%) and all other administrative costs, including child placement and case management services (matched at 50%). Section 472 provides that a condition of eligibility for federal foster care maintenance payment is placement of a child in a licensed foster family home or a child care institution (not including "detention facilities" or public institutions that accommodate more than 25 children). Section 471(a)(15)(B)(i) provides that a state must make reasonable efforts to preserve a family prior to the placement of a child in foster care or to prevent or eliminate the need for removing the child	No provision.	Specifies that claims for federal matching funds based on training and other administrative costs on behalf of otherwise eligible children who are placed in settings ineligible for Title IV-E funding would be available in only two circumstances: 1) In the case of a child who is placed in the home of a relative that is not a licensed foster care provider, for 12 months or as long as it takes a state to normally license a foster family home (whichever is shorter) and; 2) In the case of a foster child who is moved from an ineligible facility (e.g. a juvenile detention center) to an eligible facility or licensed foster family home, but for no more than 1 calendar month. Specifies that in the case of a child who is at imminent risk of removal to foster

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	from the child's home. As part of meeting this duty, states may make certain administrative claims on behalf of children who have not been removed from their homes but are at imminent risk of removal. These children are called "candidates" for Title IV-E foster care.		care the state may only make administrative claims if — 1) reasonable efforts are being made to prevent the removal of the child from the home or (if necessary) to pursue the removal; and 2) not less than every six months the state determines that the child continues to be at imminent risk of removal. [Section 8408]
Transitional Medical Assistance (TMA)			
Extension of Program Authority	The transitional medical assistance (TMA) program provides at least six, and up to 12, months of Medicaid for families that would lose eligibility because of increased earnings or the loss of an earned income disregard. The authority for TMA expires December 31, 2005. (If TMA were to expire, states would be required to provide four months of additional eligibility for families who would otherwise lose Medicaid eligibility because of increased earnings. [Section 1925]	Would extend TMA through FY2010. [Section 601 of S. 667]	No provision.
Revision of TMA rules	To qualify for TMA, a family must have received Medicaid in three of the previous six months. For the first six months of TMA, states are required to provide the same scope and duration of benefits as provided in the regular Medicaid program. A family may qualify for up to an additional six months of TMA, but is required to report their gross earnings and child care costs in months four, seven and 10. TMA may be terminated for a number of reasons, including monthly earnings net of child care	Permits states to waive the requirement that a family must have received Medicaid for three of the previous six months to qualify for TMA. Permits states to waive some or all of the requirements that a family report its income and child support to maintain TMA eligibility during the second six months of TMA. Allows states to provide up to an additional 12 months (for a total of 24 months of TMA) for families with monthly earnings net of child care costs of	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	costs that exceed 185% of the poverty line. [Section 1925]	185% of poverty or below. [Section 601 of S. 667]	

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
Supplemental Security Income			
Review of Disability Determinations	No provision.	Requires a federal review by the Social Security Administration (SSA) of state agency determinations of disability for the Supplemental Security Income (SSI) program. It would require SSA to review at least 25% of disability determinations in FY2006, and 50% of all determinations for FY2006-FY2015. [Section 501 of S. 667] *Note:* There is an apparent drafting error in the bill, which has two rules for FY2006.	Requires that SSA review a percentage of state agency disability determinations: 20% in FY2006, 40% in FY2007, and 50% in FY2008 and thereafter.
SSI Eligibility for Asylees, Refugees, and Certain Other Noncitizens	Asylees, refugees, Cuban/Haitian entrants, Vietnam-born Amerasians, and certain other aliens whose deportation is withheld for humanitarian reasons are eligible for SSI for seven years after entry/grant of such status. After seven years, these persons must become U.S. citizens to receive SSI. [Section 402 of PRWORA]	Extends the period of SSI eligibility for such persons to nine years. [Section 502 of S. 667]	No provision.
Payment of Lump-Sum Benefit Installments under SSI	Individuals eligible for past-due benefits of an amount (after withholding to reimburse a state for interim assistance and payment of attorney fees) that equals or exceeds 12 times the monthly benefit are required to receive these benefits in installments. [Section 1631(a)(10)]	No provision.	Reduces the threshold for paying past-due benefits in installments, to an amount (after withholding to reimburse a state for interim assistance and payment of attorney fees) that equals or exceeds three times the monthly benefit. [Section 8502]
Abstinence Education State Grant Program			
Extension of Program Funding	The law appropriated $50 million annually for each of the fiscal years 1998-2002 for matching grants to states to provide abstinence education	Extends the appropriation for abstinence education state grants at $50 million annually through FY2010. Provides that	No provision.

	Current law	Senate Committee Bills (S. 667 or S. 525 as reported from committee)	House Budget Reconciliation Bill
	and, at state option, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on groups that are most likely to bear children out-of-wedlock. Funds must be requested by states when they apply for Maternal and Child Health (MCH) block grant funds and must be used exclusively for the teaching of abstinence. States must match every $4 in federal funds with $3 in state funds. A state's allotment of abstinence education block grant program funding is based on the proportion of low-income children in the state as compared to the national total. (Section 510.) Funding for the abstinence education block grant has been extended through December 31, 2005 by temporary extension measures.	unused funds may be reallotted to other states. (Section 201.)	
Social Services Block Grant			
Funding	The Social Services Block Grant is funded at an annual amount of $1.7 billion. (Section 2003.)	Increases funding for the Social Services Block Grant for FY2006 through FY2010 to $1.9 billion — Section 107(b)(2) of S. 667.	No provision.
Program Integration Waivers ("Superwaiver")			
Authority for Program Integration Waivers	No directly comparable provisions. Note: Waivers granted under the pre-TANF Aid to Families with Dependent Children (AFDC) program are scheduled to continue until their expiration date. Under current laws governing the programs/ activities covered by the new proposed authority, waiver authority varies	**Purpose:** To establish a "program of demonstration projects" in states (or portions of states) that would coordinate assistance among qualifying programs so as to support working individuals and families, help families escape welfare dependency, promote child well-being, or help build	**Purpose:** To establish a "program of demonstration projects" in states (or portions of states) that would coordinate multiple public assistance, workforce development, and other programs so as to support working individuals and families, help families escape welfare dependency, promote child well-

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	widely and generally is not specific to program coordination. Limitations on waivers for Workforce Investment Act programs also are numerous. In other cases (e.g., Social Services Block Grant), federal rules are limited, and there are few to waive.	stronger families. **New authority:** Establishes broad new authority that would, subject to limits discussed below, allow the heads of federal agencies to waive statutory and regulatory requirements of specified covered programs (see below) at the request of state or sub-state entities — Section 114(c) contains all "superwaiver" provisions.	being, or help build stronger families. Projects would use innovative approaches to strengthen service systems and provide more coordinated and effective service delivery. **New authority:** Establishes broad new authority that would, subject to limits discussed below, allow the heads of federal agencies to waive statutory and regulatory requirements of specified covered programs (see below) at the request of state or sub-state entities. [Section 2041 contains House Education and Workforce Committee "superwaiver" provisions; section 8601 contains House Ways and Means Committee provisions.
Covered Programs	No provision.	TANF, mandatory child care, and Title XX.	*House Ways and Means Committee Provision*: Same as S. 667. *House Education and Workforce Committee Provision adds:* Activities funded under Title I of the Workforce Investment Act (WIA), except for the Job Corps; Job Opportunities for Low-Income Individuals (JOLI) demonstration projects authorized under Section 505 of the 1988 Family Support Act; activities funded under the Wagner-Peyser Act; activities funded under the Adult Education and Family Literacy Act; and activities funded under the Child Care and Development Block Grant.

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General Requirements that Cannot Be Waived		Federal agencies may not use the new authority to waive provisions of law relating to: — civil rights or prohibition of discrimination; — the purposes or goals of any program; — "maintenance of effort" requirements (e.g., provisions that require states or other entities to maintain a certain level of spending); — health or safety; — labor standards under the Fair Labor Standards Act of 1938; — environmental protection; — any requirement that a state pass through to a sub-state entity any funds paid to the state; — any "funding restriction or limitation" provided in an appropriations act; — — requirements, the waiver of which would have the effect of transferring appropriated funds from one appropriations account to another; — "any funding restriction" in authorizing (or other non-appropriations) laws except for program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards; or — a requirement, if waiving it would have the effect of transferring funds from a "direct spending" program to another program.	*House Ways and Means Committee Provision:* Federal agencies may not use the new authority to waive provisions of law relating to: — civil rights or prohibition of discrimination; — the purposes or goals of any program; — "maintenance of effort" requirements (e.g., provisions that require states or other entities to maintain a certain level of spending); — health or safety; — labor standards under the Fair Labor Standards Act of 1938, or — environmental protection. *House Education and Workforce Committee Provision:* All of the above plus: — any requirement that a state pass through to a sub-state entity any funds paid to the state; — any "funding restriction or limitation" provided in an appropriations act; — — requirements, the waiver of which would have the effect of transferring appropriated funds from one appropriations account to another; — "any funding restriction" in authorizing (or other non-appropriations) laws except for program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards; or — a requirement, if waiving it would have the effect of transferring funds from a "direct

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			spending" program to another program.
Program-Specific Requirements that Cannot Be Waived		Prohibits waiver of Child Care and Development Block grant quality improvement, report and audit, limitation on what financial assistance should be expended for, and state plan requirements.	*House Ways and Means Committee Provision:* None. *House Education and Workforce Provision:* Cannot waive: — Section 241(a) of the Adult Education and Family Literacy Act (which requires that federal funds be used to supplement, not supplant, existing state or local spending); — WIA requirements relating to wage and labor standards, nondisplacement protections, worker rights, participation and protection of workers and program participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, the eligibility of providers or participants, the establishment and functions of local areas and local boards, or procedures for review and approval of plans.
Application and Approval Process		Requests/applications for demonstration project waivers under the new authority would contain, among other items: (1) a description and justification of the project for which the waivers are being requested (including how it is expected to improve achievement of the included programs' purposes from the standpoint of quality and cost-effectiveness and the performance objectives of the project), (2) information and assurances necessary to establish that	Same as S. 667.

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		the project will meet cost-neutrality requirements (see below), and (3) assurance that the applicant agencies will conduct ongoing and final project evaluations and make interim and final project reports. Federal approval of waiver requests: In general, the head of a federal agency with responsibility for a program/activity for which a waiver is requested may approve a waiver/demonstration application and may waive any requirement (subject to some limits, see below) applicable to the program to the extent necessary and appropriate for the conduct of the proposed demonstration. To approve a project and waive requirements, a federal agency head must determine that the project: (1) has a reasonable likelihood of achieving the objectives of the programs included in the project, (2) may reasonably be expected to meet cost-neutrality requirements (see below), and (3) includes 2 or more covered programs. Approval is required of each federal agency head with responsibility for a program covered by the waiver/demonstration request. If a demonstration/waiver request is not disapproved within 90 days of receipt, it would be deemed approved. However, the	

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		deadline could be extended if the federal agency asks for additional information. Projects may not be approved for a period longer than five years.	
Cost Neutrality		For any fiscal year, total federal payments for affected programs in a state in which a demonstration project under the new authority is being conducted may not exceed the estimated amount that would have been paid if the project had not been conducted. (This allows "savings" in one program to be offset by new "costs" in another program.) The determination would be made by the federal Office of Management and Budget (OMB). Upon request by an applicant entity, the OMB would be permitted (at its discretion) to adjust the annual cost-neutrality requirement so that cost-neutrality is measured over a period longer than one year, but no more than five years.	Same as S. 667.
Limitation		Limits this waiver authority to 10 states.	No limitation.
Evaluation Requirements		Requires an independent evaluation that, to the maximum extent possible, uses random assignment of potential participants to experimental and control groups.	Requires ongoing and final evaluations of the project.
Reports		No provision.	Each federal agency would be required to submit reports of applications for waivers/ demonstrations under the new authority to the

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			congressional committees with jurisdiction (including the agency's decision and the reasons for approving or denying the application). Each federal agency would be required to provide annual reports to Congress on demonstrations approved under the new authority (including how well each project is improving program achievement from the standpoint of quality and cost-effectiveness and recommendations for program modifications based on project outcomes).