

COMPARISON OF KEY PROVISIONS IN TANF REAUTHORIZATION PROPOSALS

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
TANF Funding	Extends TANF block grant at the current level of \$16.5 billion through FY 2007.	Extends TANF block grant at the current level of \$16.5 billion through FY 2007.	Extends TANF block grant at the current level of \$16.5 billion through FY 2008.	Extends TANF block grant at the current level of \$16.5 billion through FY 2008.
State Spending Requirement	No change.	No change.	No change.	No change.
Contingency Fund	Provides \$2 billion to reinstate the contingency fund. Allows broader range of expenditures to count toward states' matching requirement.	Provides \$2 billion to reinstate the contingency fund and updates the rules for accessing the fund. Lowers states' matching requirement.	Provides \$2 billion to reinstate the contingency fund. Allows broader range of expenditures to count toward states' matching requirement.	Provides \$2 billion to reinstate the contingency fund and updates the rules for accessing the fund. Lowers states' matching requirement.
Child Care Funding	Extends annual Child Care and Development Fund entitlement funding at FY 2002 level of \$2.7 billion.	Increases annual entitlement funding to \$3.7 billion for FY 2003 through FY 2005 and \$4.0 billion for FY 2006 and FY 2007, for a total increase of \$5.5 billion.	Increases Child Care and Development Fund entitlement funding from \$2.7 billion to \$2.9 billion annually through FY 2008, for a total increase of \$1 billion.	Increases Child Care and Development Fund entitlement funding from \$2.7 billion to \$2.9 billion annually through FY 2008, for a total increase of \$1 billion.

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Work Participation Rates	<p>Increases states' minimum participation rate from 50 percent to 70 percent in FY 2007.</p> <p>Phases out the "caseload reduction credit," which reduces the percentage of welfare recipients that are required to participate in federally defined work activities in each state. Allows states to count a limited number of former recipients who are employed toward the work participation requirement.</p> <p>Eliminates the separate participation rate for two-parent families.</p>	<p>Increases states' minimum participation rate from 50 percent to 70 percent in FY 2007.</p> <p>Replaces the "caseload reduction credit" with a credit that reduces required participation rates based on the number of former welfare recipients who are working. States could also receive credit for using TANF funds for child care and transportation subsidies for working families. The total credit is capped at 20 percent in FY 2007.</p> <p>Eliminates the separate participation rate for two-parent families.</p>	<p>Increases states' minimum participation rate from 50 percent to 70 percent in FY 2008.</p> <p>Redesigns the "caseload reduction credit" to reduce annual required participation rates when caseloads fall during the previous three-year period. This method would not reduce participation rates for states whose caseloads do not continue to fall.</p> <p>Provides an additional "super achiever" credit for states whose caseloads declined by at least 60 percent from 1995 to 2001. California would not be eligible for this credit since its caseload declined by 44 percent between 1995 and 2001.</p> <p>Eliminates the separate participation rate for two-parent families.</p>	<p>Increases states' minimum participation rate from 50 percent to 70 percent in FY 2008.</p> <p>Replaces the "caseload reduction credit" with a credit that reduces required participation rates based on the number of former welfare recipients who are working. States can also receive credit for using TANF funds for child care and transportation subsidies for working families. The total credit is capped at 20 percent in FY 2008.</p> <p>Eliminates the separate participation rate for two-parent families.</p>

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Work Participation Hours	Increases the number of hours per week families must participate in work-related activities to 40.	<p>Maintains the work requirement at 20 hours per week for single-parent families with young children and 30 hours per week for other single-parent families.</p> <p>Allows states to exempt caretakers of family members with disabilities from work requirements.</p>	Increases the number of hours per week families must participate in work-related activities to 40.	<p>Increases the minimum work requirement to 24 hours per week for single parents with young children and 34 hours per week for other single parents to be fully countable toward the work participation rates.</p> <p>Allows states to receive partial credit for recipients who work less than the required number of hours and extra credit for recipients who work more than the minimum requirement. For example, states could claim a partial credit for single parents with older children who work between 20 and 33 hours per week.</p>

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Work Participation Activities	<p>Limits activities that count toward the first 24 hours of the work requirement to employment, on-the-job training, supervised work experience, supervised community service, and other services as described below.</p> <p>Allows participation in substance abuse treatment, rehabilitative services, and work-related training to count toward 24-hour requirement for up to three consecutive months.</p>	<p>Allows the following activities to count toward the first 24 hours of the work requirement: employment, work experience, on-the-job training, job search, community service, vocational educational training, providing child care for community service participants, and other activities as described below.</p> <p>Allows participation in rehabilitative services designed to address barriers to employment, such as substance abuse treatment, mental health treatment, vocational rehabilitation services, adult basic education, and English proficiency classes, to fulfill the work requirement as full-time activities for up to three months.</p> <p>Allows vocational and post-secondary education to fulfill the work requirement without a time limit. Caps participation in these programs at 10 percent of a state's caseload.</p>	<p>Limits activities that count toward the first 24 hours of the work requirement to employment, on-the-job training, supervised work experience, supervised community service, and other services as described below.</p> <p>Allows participation in substance abuse and rehabilitation treatment and job search to count toward the 24-hour requirement for up to three months. Allows participation in work-related training or education to count toward the 24-hour requirement for up to four months.</p>	<p>Allows the following activities to count toward the first 24 hours of the work requirement: employment, work experience, on-the-job training, job search, community service, vocational educational training, providing child care for community service participants, and other activities as described below.</p> <p>Allows participation in rehabilitative services designed to address barriers to employment, including adult literacy programs and substance abuse treatment, to fulfill the minimum work requirement for up to three months. States may count an additional three months of rehabilitative services toward the minimum work requirement if combined with work or job readiness activities.</p> <p>Allows vocational and post-secondary education to fulfill the work requirement without a time limit. Caps participation in these programs at 10 percent of a state's caseload.</p>

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
				Allows individuals caring for a child or adult family member (including a spouse) with a medically verified physical or mental impairment to count as meeting the work requirement.
Time Limits	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.	Maintains the five-year federal time limit.
Sanction Policy	Maintains current policy allowing states to either reduce or discontinue cash payments to families that do not comply with participation requirements.	Maintains current policy allowing states to either reduce or discontinue cash payments to families that do not comply with participation requirements.	Requires states to discontinue all cash grant payments to families with an adult who does not comply with participation requirements for two consecutive months. Excludes California from this requirement due to an exemption for states that have constitutional or statutory provisions adopted prior to 1966 that require local governments to provide assistance to needy families. However, this exemption applies for only one year.	Maintains current policy allowing states to either reduce or discontinue cash payments to families that do not comply with participation requirements. Requires states to conduct pre-sanction reviews.

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
TANF Goals and Purposes	Restates that the purpose of TANF is to “increase the flexibility of states in operating a program designed to improve the well-being of children.”	No change.	<p>Changes the second TANF purpose to “end the dependence of needy families on government benefits and reduce poverty by promoting job preparation, work, and marriage.”</p> <p>Changes the fourth purpose from “encourag[ing] the formation and maintenance of two-parent families” to “encourag[ing] the formation and maintenance of healthy two-parent married families, and encourag[ing] responsible fatherhood.”</p>	Changes the fourth purpose of TANF from “encourag[ing] the formation and maintenance of two-parent families” to encouraging “the formation and maintenance of healthy, two-parent married families” and “responsible fatherhood.”

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Marriage and Family Formation	<p>Eliminates the Illegitimacy Reduction Bonus and redirects the annual \$100 million to fund research and provide technical assistance on “family formation and healthy marriage activities.”</p> <p>Creates a matching grant program of \$100 million for states “to develop innovative approaches to promoting healthy marriage and reducing out-of-wedlock births.” States may use TANF block grant funds to meet the match requirement.</p>	<p>Repeals the Illegitimacy Reduction Bonus and creates a Healthy Marriage Promotion grant program, which would provide \$200 million annually to fund marriage promotion and marriage education activities, teenage pregnancy prevention programs, broad-based income support strategies for low-income working parents, and dissemination of best practices for addressing domestic violence.</p> <p>Requires 25 percent state match.</p> <p>Provides \$25 million annually beginning in FY 2004 to improve employment of and services for low-income non-custodial parents.</p>	<p>Replaces the Illegitimacy Reduction Bonus with Healthy Marriage Promotion Grants, which would provide \$100 million annually for FY 2003 through FY 2008 in matching grants to fund marriage promotion and marriage education activities. States would be able to use TANF block grant funds to meet the match requirement.</p> <p>Redirects \$100 million annually for FY 2003 through FY 2008 from the High Performance Bonus to fund research and demonstration projects and technical assistance, primarily for marriage promotion activities.</p> <p>Allows spending on activities to reduce non-marital births and promote marriage to count toward states’ spending requirements, including spending for families not eligible for TANF services.</p>	<p>Replaces the Illegitimacy Reduction Bonus with marriage promotion grants, which would provide \$100 million annually for FY 2004 through FY 2008 in matching grants to fund marriage promotion and marriage education activities. States would be able to use TANF block grant funds to meet the match requirement.</p> <p>Stipulates that participation in marriage promotion activities must be voluntary and that program development must be coordinated with domestic violence experts.</p> <p>Provides \$100 million annually for FY 2004 through FY 2008 to fund research and demonstration projects and technical assistance, primarily for marriage promotion activities.</p>

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Eligibility for Immigrants	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	Gives states the option to provide TANF-funded cash assistance and services to legal immigrants and Medicaid and SCHIP eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996.	Maintains five-year ban on TANF benefits and services for legal immigrants entering the country after 1996. Senator Grassley agreed to include an amendment to give states the option to provide Medicaid and SCHIP eligibility to children and pregnant women who are legal immigrants, regardless of date of entry.
“Superwaiver” Provision	Allows states to seek waivers from federal agencies to modify eligibility criteria and program rules of several federal programs, including TANF, food stamps, and public housing, with the purpose of improving program coordination.	Not included.	Allows states to seek waivers from federal agencies to modify statutory and regulatory requirements of several federal programs, including food stamps, child care, public housing, and job training programs, with the purpose of improving program coordination.	Establishes a demonstration program for up to 10 states to modify regulatory requirements in TANF, Child Care and Development Fund, and Social Services Block Grant programs.

	Bush Administration Proposal (February 2002)	WORK Act of 2002 (Senate Finance Committee Proposal, June 2002) ¹	HR 4 (House Bill, February 2003) ²	PRIDE Act of 2003 (Senate Finance Committee Bill, September 2003) ³
Child Support	<p>Encourages states to direct up to \$100 per month to current welfare recipients from child support collected on their behalf.</p> <p>Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Requires parents who receive child support through a child support agency and who have never received TANF benefits to pay a \$25 annual fee.</p>	<p>Encourages states to direct up to \$600 per month to current welfare recipients from child support collected on their behalf.</p> <p>Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Allows states to count certain delinquent child support payments passed through to former TANF families toward the state spending requirement.</p>	<p>Encourages states to direct up to \$100 per month to current welfare recipients from child support collected on their behalf.</p> <p>Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Requires parents who receive child support through a child support agency and who have never received TANF benefits to pay a \$25 annual fee.</p>	<p>Encourages states to direct up to \$600 per month to current welfare recipients from child support collected on their behalf.</p> <p>Allows states to give former welfare recipients all delinquent child support payments collected on their behalf.</p> <p>Allows states to count certain delinquent child support payments passed through to former TANF families toward the state spending requirement.</p>

¹ Work, Opportunity, and Responsibility for Kids (WORK) Act of 2002, as passed by the Senate Finance Committee on June 26, 2002. Based on Senator Max Baucus' description and amendments. The full Senate never voted on this measure, and Congress failed to reauthorize the TANF block grant before it expired on September 30, 2002. However, Congress has continued to fund the block grant on an interim basis.

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

³ Personal Responsibility and Individual Development for Everyone (PRIDE) Act of 2003, as passed by the Senate Finance Committee on September 10, 2003. Based on Senator Chuck Grassley's description and reports by observers who attended the Committee hearing.