

**Summary Comparison of TANF Reauthorization Provisions: Bills Passed by Senate Finance Committee and the House of Representatives, and Related Proposals**

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This document provides a summary comparison of key provisions in bills passed by the Senate Finance Committee and the House, and related proposals, including an alternative to the House-passed bill offered by Representative Cardin on the House floor, the Senate “HELP” Principles (endorsed by 22 Democratic Senators, including members of the Health, Education, Labor and Pensions Committee), two additional Senate bills, and the Administration’s TANF plan. The Administration’s plan and S. 2648 are very similar to the House-passed bill; differences are noted in italics in the House-passed bill column. The summary of the Senate Finance bill is based on the description approved by the Finance Committee on June 26, 2002; bill language is not yet available. Additional issue-specific comparisons available from CLASP and CBPP provide a greater level of detail.

	Current Law	House-passed Bill, H.R. 4737/ Hutchinson Bill, S. 2648/ Administration Plan	House Democratic Substitute	Senate Finance Bill	Senate HELP Democratic Principles	Bayh-Carper Bill, S. 2524
<b>FUNDING</b>						
<b>Basic TANF Block Grant Funding</b>	Frozen at \$16.5 billion a year through FY 2002.	Frozen at \$16.5 billion through FY 2007.	Adjusted annually for inflation — \$18.7 billion in FY 2007 .	Frozen at \$16.5 billion through FY 2007.	Calls for increased funding but does not specify amount.	Frozen at \$16.5 billion through FY 2007.
<b>State Maintenance of Effort (MOE)</b>	State must spend at least 75 percent of the amount the state spent on AFDC-related programs in FY 1994. MOE funds must be targeted to low-income families and meet TANF purposes.	MOE spending on non-marital pregnancy reduction and two-parent family formation <i>does not</i> need to be targeted to low-income families.	Amount states must spend to meet MOE requirement adjusted annually for inflation.	Current law.	Does not address.	According to staff, intent was to specify that MOE spending on non-marital pregnancy reduction and family formation <i>does not</i> need to be targeted to low-income families. (Bill provides otherwise.)
<b>Supplemental Grants</b>	\$319 million in FY 2002 for states with low TANF funding levels or high population growth.	\$319 million annually through FY 2006. <i>S. 2648 extends through 2007.</i>	\$319 million annually through FY 2007, plus \$1 billion over five years to under-funded states.	\$441 million annually through FY 2007 to extend supplemental grants and expand the number of qualifying states.	Calls for increased funding generally for under-funded states, but does not specify amount.	According to staff, intent was to provide \$319 million annually. (Bill provides otherwise.)
<b>Contingency Fund</b>	\$2 billion available to states that experience specified increases in food stamp caseloads or unemployment. Must meet 100% MOE requirement, excluding child care and separate state programs.	\$2 billion through FY 2007. Generally retains current law, except that spending on child care and separate state programs count toward MOE requirement.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate or food stamp caseload increase criteria. Eliminates 100% MOE requirement.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate, or food stamp or TANF caseload increase criteria; unspent reserves must be less than 30% of grant. Eliminates 100% MOE requirement.	Does not address.	\$2 billion through FY 2007. Eligibility based on updated unemployment rate, or food stamp or TANF caseload increase criteria. Eliminates 100% MOE requirement.

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<b>Child Care</b>	Mandatory funding: \$2.7 billion in FY 2002 (\$1.2 billion unmatched and \$1.5 billion in matching funds).  Discretionary funding: \$2.1 billion appropriated in FY 2002.	Mandatory: \$1 billion increase in matching funds over five years.  Discretionary: Authorizes \$2.4 billion increase over five years. (Contingent on appropriation.) <i>Not included in S. 2648.</i>	Mandatory: \$11.25 billion increase in matching funds over five years.  Discretionary: Authorizes \$250 million increase in FY 2003 and funds "necessary" for FY 2004-2007. (Contingent on appropriation.)	Mandatory: \$5.5 billion increase in unmatched funds over five years.  Discretionary: Current law, but discretionary funding level not within the jurisdiction of the Finance Committee.	Mandatory: \$11.25 billion increase in matching funds over five years.  Supports additional funding to address TANF changes.	Mandatory: \$8 billion increase in matching funds over five years.  Discretionary: Current law.
<b>Social Services Block Grant</b>	\$1.7 billion in FY 2002.	Funding frozen at \$1.7 billion.	Funding frozen at \$1.7 billion.	\$252 million increase in FY 2005.	Does not address.	\$2.4 billion increase over five years.
<b>Bonuses</b>	High Performance: \$200 million a year based on work, work supports, and family formation.  Nonmarital Birth Reduction: \$100 million a year.	Reduces high performance bonus to \$100 million a year; based only on work.  Eliminates nonmarital birth reduction bonus.	Current law. Also provides \$150 million a year to states that reduce child poverty.  Eliminates nonmarital birth reduction bonus.	Eliminates high performance bonus.  Eliminates nonmarital birth reduction bonus.	Does not address.	Current law.  Eliminates nonmarital birth reduction bonus.
<b>Dedicated Funding for Family Formation-Related Purposes</b>	TANF funds may be used to support these activities; no dedicated TANF funding stream.  \$50 million in funds for "abstinence-only" education provided annually through FY 2002 via the Maternal and Child Health Block Grant (MCH). Additional \$52 million in FY 2002 for "abstinence-only" education provided through the Community-Based Abstinence Education program and the Adolescent Family Life Act.	Competitive \$100 million annual matching grant program for "healthy marriage" promotion. States may use TANF funds to meet 100% state match requirement.  \$100 million annual fund to conduct research and demonstration projects, and provide technical assistance related to healthy marriage promotion.  Authorizes \$20 million annually to fund fatherhood programs. (Contingent on appropriation.)  "Abstinence-only" funding under MCH extended for five years.	\$100 million annual fund to provide grants for research, technical assistance, and demonstrations in the following areas: two-parent family formation; teen pregnancy reduction; non-custodial parents.  Abstinence education funding under MCH extended for five years, but programs must be medically and scientifically accurate Broader state discretion over educational approach.	Competitive \$200 million annual matching grant program for demonstrations "to promote stronger families, with a focus on the promotion of healthy marriages." Funds may be used for teen pregnancy and domestic violence reduction. 25% state match requirement.  Authorizes \$25 million annually for grant program (starting in FY 2004) for non-custodial parent employment programs and policy reviews or demonstrations related to non-custodial parents. (Contingent on appropriation.)  "Abstinence-only" funding under MCH reauthorized for five years. Provides additional \$50 million annually within MCH for state grants for "abstinence-first" programs. Funds teen pregnancy prevention center.	Asserts that states should have the flexibility to use abstinence education funds to provide comprehensive sex education that promotes abstinence and "provides medically-accurate information to reduce health risks and teen pregnancy."	Authorizes \$50 million annual matching grant program for marriage and responsible-parenting programs. 25% state match requirement.. (Contingent on appropriation.)  Authorizes competitive \$200 million annual matching grant program for non-custodial parent employment programs and \$30 million annual grant program to conduct policy reviews or demonstration projects related to non-custodial parents. (Contingent on appropriation.)  \$100 million annual grant program for states to implement "abstinence-first" teen pregnancy prevention strategies.  Also authorizes funds, contingent on appropriation, for media campaigns and national centers.

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<b>Other Dedicated Funding</b>	No provision.	No provision.	<p>\$150 million annual Employment Advancement Fund to provide grants to states for research, evaluation, and demonstration projects that focus on improving wages for low-income workers and enhancing employment prospects for recipients with barriers to employment.</p> <p>\$500 million grant program over five years to improve access to work support and benefit programs.</p>	<p>Provides \$200 million annually for competitive grant program to promote business linkages designed to increase earnings for low-income parents (at least 40% of funds), to operate transitional jobs programs (at least 40% of funds), or for “capitalization approaches to social service delivery.”</p> <p>Provides \$120 million over 4 years for implementation of “universal engagement” requirement (see below).</p> <p>Provides \$30 million annually for demonstration grants for at-home infant care programs.</p> <p>Also authorizes funds, contingent on appropriation, for car ownership programs for low-income families and for demonstrations providing housing with services to TANF recipients with work barriers.</p>	Does not address.	<p>\$25 million annual grants for transitional jobs programs.</p> <p>\$50 million annually for state grants for administrative costs associated with new work requirements, enhancement of state administrative capabilities, or training.</p> <p>\$50 million annually for states that take option to provide TANF benefits to legal immigrants.</p> <p>Authorizes \$50 million over five years for grants to improve access to work support and benefit programs. (Contingent on appropriation.)</p>
<b>WORK</b>						
<b>Universal Engagement</b>	States must ensure that adults are “engaged in work” as determined by the state within 24 months.	States must require all parents and caretakers receiving assistance to engage in work or alternative self-sufficiency activities (as determined by the state). Every family with a “work-eligible” individual must have a Family Self-Sufficiency plan within 60 days.	Current law.	Recipients must have an Individual Responsibility Plan (IRP) within 60 days of enrollment, which must be reviewed periodically. IRPs must address work activities, work supports, and child well-being. HHS must develop model employment- barrier screening tools. Provides \$120 million over 4 years for implementation.	Does not address.	Current law.

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<b>Assessments</b>	States must conduct an initial assessment of skills, prior work experience, and employability.	Similar to current law, but specifies that assessment may be conducted in “the manner deemed appropriate by the state.”	Similar to current law, but would require assessment to include physical or mental impairments, English proficiency, child care, and domestic violence.	Current law, but also requires states to screen for and assess barriers to employment.	Does not address.	Current law.
<b>Participation Rates</b>	“All-families” rate: 50% in FY 2002.  Two-parent family rate: 90% in FY 2007.	55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007.  Eliminates separate two-parent family rate.	55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007.  Eliminates separate two-parent family rate.	55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007.  Eliminates separate two-parent rate.	Does not address.	55% in 2004, 60% in 2005, 65% in 2006, 70% in 2007.  Eliminates separate two-parent family rate.
<b>Participation Rate Credits</b>	Caseload reduction credit allows state to reduce participation rate by one percentage point for each one percentage point decline in caseload since FY 1995 that is not attributable to eligibility rule changes.	Limits caseload reduction to more recent declines in caseload. <i>S. 2648 adds a capped employment credit. Administration plan replaces caseload reduction credit with an employment credit.</i>  Additional “super-achiever” credit for states that reduced caseloads by more than 60% between 1996-2001. <i>Not included in S. 2648 or Administration Plan.</i>	Replaces caseload reduction credit with employment credit based on number of families who are employed after leaving assistance. Larger credit for families with higher earnings.  State option to phase-in change.	Replaces caseload reduction credit with employment credit based on number of families employed after leaving assistance. Larger credit for families with higher earnings. Credit for states that use TANF funds directly for child care and transportation subsidies to working families. Total credit capped (cap is 35% in FY 2004 declining to 20% in FY 2007) unless state meets two contingency fund triggers.  Also creates option to receive credit for diverted individuals who are later employed.  In FY 2003, state option to use either caseload reduction credit or employment credit.	Supports the “concept of providing flexibility and credit to states that want to invest in moving more people into good full-time jobs.”	Phases-out caseload reduction credit by FY 2006. States could count employed leavers toward work rates for 12 months. Greater weight for families with higher earnings.  Additional child support collection credit reduces work rate based on increases in child support collection rate.
<b>Exclusions from Participation Rates</b>	State option to exclude a single parent caring for a child under age 1 from the work rates.	Current law, plus state may exclude a family in the first month of receiving assistance. <i>S. 2648 requires states to count recipients in the first month of assistance. Administration plan retains current law.</i>	Current law.	Current law, plus: 1) state may retroactively exclude families who leave TANF for SSI, and 2) state may exempt caregivers of relative with disabilities from work requirements and rates (capped at 10% of caseload).	Does not address.	Current law, plus state may retroactively exclude families who leave TANF for SSI.

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<b>Hours of Participation Required to Count Toward All-Families Rate</b>	Single parents with a child under age 6: 20 hours.  Other single parent families: 30 hours.	40 hours per week, regardless of age of child.  Partial credit for adults who participate in at least 24 hours of “direct work” activities.	Adults with child age 6 or over: state option to increase required hours to 40 hours.  Partial credit for recipients engaged in at least half of required monthly hours.	Current law.  Partial credit for recipients who participate at least 15 hours per week.	Current law.	Single parents with children under age 6: 20 hours.  All two-parent families and families with children age 6 or over: 40 hours.  Partial credit for recipients engaged in at least 24 hours of primary work activities.
<b>Countable Activities</b>	“Primary” activities that count toward first 20 hours: 1) paid or unpaid work, including on-the-job training, work experience, and community service; 2) vocational educational training; and 3) job search (6 weeks); and 4) providing child care for other participants.  “Secondary” activities that count toward remaining hours: 1) any of above activities; 2) job skills training; and 3) education related to employment.	Primary: Increases hours to 24 and limits to paid or unpaid work, including on-the-job training, work experience, and community service. Adds requirement that work experience and community service be <i>supervised</i> to count. State may substitute other activities for 3 months in 24.  Secondary: Determined by state subject to such regulations as the Secretary may prescribe. <i>S. 2648 adds requirement that activities be organized.</i>	Primary: Increases hours to 24.  Expands education, training, and barrier removal activities, as detailed below.	Primary: Increases hours to 24. Job search may be counted for 8 weeks rather than 6 weeks. State may substitute rehabilitative activities for 6 months in 24. Expands education, training, and barrier removal activities, as detailed below.  Secondary: If recipient participates in other primary activities for 24 hours, rehabilitative and certain other activities may count for the final 6 hours without time limitations.	Expands education, training, and barrier removal activities, as detailed below.	Primary: Current law, except adds job skills training.  Secondary: Self-sufficiency activities, including any activity the state determines is reasonably related to meeting a TANF purpose.
<b>Barrier Removal and Other Activities</b>	Activities limited as specified above.	State-defined activities that meet a TANF purpose may count as a primary activity up to 3 consecutive months out of 24.	Up to 6 months of participation in state-defined services designed to improve future employment may count as a primary or secondary activity.	States can count “rehabilitative” activities for up to 3 months out of 24 months, plus additional 3 months if combined with work activities. After 6 months, may count toward hours above the first 24.	Time spent in barrier removal activities should count toward work requirements.	See above.

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<b>Education and Training</b>	<p>Vocational education counts as a “primary” activity for up to 12 months.</p> <p>Number of recipients in vocational education and teen parents in school that a state may count toward work rates is capped at 30% of families that count toward work rates.</p> <p>Education related to employment allowable as a secondary activity.</p>	<p>Eliminates vocational education as a primary activity, except that work-related education or training could count as a primary activity for not more than 4 consecutive months in a 24-month period to permit program completion. <i>S. 2648 counts vocational education for 12 months.</i></p> <p>Eliminates 30% cap. <i>S. 2648 retains cap.</i></p>	<p>Vocational education counts as a primary activity for up to 24 months.</p> <p>Eliminates 30% cap.</p> <p>Includes GED and ESL in definition of vocational education.</p>	<p>Vocational education counts as a primary activity for up to 24 months.</p> <p>Removes teen parents from 30% cap.</p> <p>Adult basic education may be counted as a primary activity for 6 months in 24.</p> <p>State option to count post-secondary as an “approved work activity” for purposes of work requirements and rates. (Limited to 10% of caseload. This limitation appears to be in addition to the 30% cap on vocational education.)</p>	<p>Training and education should count toward work requirements, including vocational and post-secondary education, basic education, and ESL.</p>	<p>State option to allow 15% of families counted toward work rate to be engaged in vocational education as a primary activity for more than 12 months, but less than 25 months, if state certifies that a certificate or degree is likely to result.</p> <p>Removes teen parents from 30% cap.</p>
<b>Sanctions and Sanction Review Procedures</b>	<p>States must sanction families that fail to comply with work requirements, but have discretion to partially reduce a family’s grant or terminate assistance completely.</p> <p>No requirement to review sanctions.</p>	<p>States must terminate assistance completely for non-compliant families. <i>Not included in Administration plan.</i></p> <p>State plan must describe strategies state may take to address “services for struggling and noncompliant families and for clients with special problems.”</p>	<p>Requires pre-sanction review process, including notice of sanction and steps required to come into compliance, an opportunity to meet with a caseworker or other individual, and consideration of whether barriers to employment contributed to the sanction.</p>	<p>IRP must be reviewed periodically, including prior to imposition of a sanction.</p>	<p>Does not address.</p>	<p>Current law.</p>
<b>Transitional Jobs</b>	<p>No dedicated funding stream for transitional jobs.</p>	<p>Current law.</p>	<p>Current law.</p>	<p>\$200 million annually for transitional jobs (at least 40% of funds) and Business Link programs.</p>	<p>Supports wage-based transitional jobs; no funding level specified.</p>	<p>\$25 million annual grants for transitional jobs programs.</p>

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<b>OTHER</b>						
<b>TANF Purposes</b>	1) assist needy families; 2) end dependence of needy parents by promoting work and marriage; 3) reduce out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.	Adds “improving child-well-being” as overall purpose and “reducing poverty” to 2 <sup>nd</sup> purpose.  4 <sup>th</sup> purpose: “encourage the formation and maintenance of <i>healthy, 2-parent married families and encourage responsible fatherhood.</i> ”	Adds as a fifth purpose: “reduce the extent and severity of poverty and promote self-sufficiency among families with children.”	Current law.	Does not address.	Current law.
<b>Wage Subsidies</b>	TANF-funded wage subsidies count toward the 60-month limit.	Current law.	Wage subsidies provided to a family do not count toward the 60-month limit if family’s average weekly earnings for the month are at least \$100.	Current law.	Working poor families should be eligible for income supplements, without requiring states to apply time limits.	Current law.
<b>Legal Immigrants</b>	States may not provide federally-funded TANF, Medicaid, or SCHIP benefits to legal immigrants during their first five years in the United States.	Current law.	State option to provide TANF-funded benefits to legal immigrants, and Medicaid/SCHIP to pregnant women and children who are legal immigrants.	State option to provide TANF-funded benefits to legal immigrants and Medicaid/SCHIP to pregnant women and children who are legal immigrants.	Calls for “full and immediate restoration” of TANF, Medicaid and SCHIP benefits.	State option to provide TANF-funded benefits to legal immigrants, and Medicaid/SCHIP to pregnant women and children who are legal immigrants.
<b>Two-parent Family Eligibility</b>	No provision.	States must outline in state plans how they intend to encourage equitable treatment of married, two-parent families in their TANF programs. No requirement to provide equitable treatment.	States may not impose stricter eligibility requirements on two-parent families, unless they subsequently pass a law imposing such requirements. States that fail to comply are subject to a penalty.	States may not impose stricter eligibility requirements on two-parent families.	Does not address.	States may not impose stricter eligibility requirements on two-parent families. States that fail to comply are subject to a penalty.
<b>Pass Through of Child Support to TANF Families</b>	TANF recipients must assign to the state their right to unpaid support owed before and during the assistance period to repay cash assistance. States may keep or “pass through” support to TANF families, but must pay a share of collections to the federal government.	Requires federal government to waive its share of a pass-through increase, up to a \$50 increase or \$100 pass-through. Retains “pre-assistance assignment” (i.e., requirement to assign support owed to the family <i>before</i> it received assistance).	Requires federal government to waive its share to the extent that the state disregards the support in determining TANF benefits. Pre-assistance assignment requirement eliminated. State option to implement early.	Requires federal government to waive its share of a pass-through, up to \$400 for families with one child, or \$600 for families with two children. Pre-assistance assignment requirement eliminated. State option to implement early.	Does not address.	Requires federal government to waive its share to the extent that the state disregards the support in determining TANF benefits. State option to implement early.

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<b>Distribution of Child Support to Families who have Left TANF</b>	After a family leaves TANF, most support payments must be paid to the family, except support collected through federal tax offset, which is retained and shared by the state and federal government. Distribution rules based on date support is owed.	State option to pay all collected support to former TANF families; federal share is waived. Distribution rules based on collection date, not date support owed. Changes financed in part by an additional annual collection fee charged to families who never received TANF.	State must eliminate the tax offset exception and pay all collected support to former TANF families; federal share is waived. Provides funding and implementation flexibility to states.	State option to eliminate the tax offset exception and pay all collected support to former TANF families; federal share is waived. Provides funding and implementation flexibility to states. Provides \$50 million in FY 2003 for state implementation and policy review grants.	No provision.	State option to eliminate the tax offset exception and pay all collected support to former TANF families; federal share is waived. Provides funding and implementation flexibility to states.
<b>Transitional Medical Assistance (TMA)</b>	Families receiving Medicaid for 3 of last 6 months who lose Medicaid eligibility because of earnings or child support are eligible.	Reauthorizes TMA for one year through FY 2003.	Permanently reauthorizes TMA with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA through FY 2007 with new state options to extend eligibility and simplify participant reporting requirements.	Reauthorizes TMA through FY 2007. States that TMA should be readily available to families leaving welfare to work.	Reauthorizes TMA through FY 2003 with new state options to extend eligibility and simplify participant reporting requirements.
<b>TANF Waivers</b>	States that received approval to operate welfare reform waiver projects before enactment of the TANF law have the option to operate their TANF programs under some or all of the waivers they received. For states electing this option, provisions of the TANF law that are inconsistent with the waivers do not take effect until approval for the waivers expires.	Current law.	Current law.	States with waivers that expire on or after October, 1, 2002 may continue them through FY 2007, but must comply with the universal engagement requirement. States that are not currently operating waiver projects would be allowed to replicate existing successful waiver projects for up to four years.	Does not address.	Current law.