

April 30, 2002

Honorable Max Baucus
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Honorable Charles Grassley
Ranking Member
Senate Finance Committee
203 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Senator Grassley:

We are writing to you today with regard to the reauthorization of the Temporary Assistance for Needy Families (TANF) program. As members of the Senate Finance Committee which has jurisdiction over TANF, we strongly support Finance Committee action to reauthorize TANF before the Memorial Day recess. In order to assist you in finding areas of agreement, we have put together the attached list of provisions which we unanimously support and hope you will consider as part of the Finance Committee mark.

The 1996 welfare reform legislation transformed the welfare system from lifelong dependency to a temporary program to support work and self-sufficiency. We supported welfare reform in 1996, and our goal in reauthorization is to build on the success of what we have learned to work in moving families from welfare to work. We also believe these success stories were made possible by state flexibility to use TANF funds in innovative ways to meet the four purposes of the law.

We agree with President Bush that states can and should help more parents succeed in the work force. Therefore, we support the President's proposal that every state develop a universal engagement program so that every family receiving welfare has a plan to achieve self-sufficiency. To measure and promote progress, we support the President's proposal to increase the work participation rate to 70% by 2007.

But work participation requirements should not be undermined by the caseload reduction credit. Therefore, our plan would eliminate the current caseload reduction credit and phase in a more accountable employment credit which only rewards states that move families off welfare into real jobs.

While maintaining current definitions of work and the total thirty hours of work activities required to meet the work participation rate, our plan would increase the required number of hours of work-focused activities to 24 hours, as recommended by President Bush. Cumulatively, these provisions will significantly increase the amount of work activity the federal government expects from families that receive cash assistance.

We understand that much of the welfare caseload consists of individuals that need basic skills, education, training, and rehabilitative services in order to be able to become productive employees. We have listened to the concerns of businesses that seek to employ former welfare recipients, as well as to states that seek to provide these services to their most needy families. As a result, our proposal includes provisions to allow states to provide limited basic adult education, rehabilitative services, and as much as 24 months of vocational education.

A key element of our proposal is universal engagement, which would assure that states have a plan that looks at the individual needs of each family and that creates a path for families to follow to self sufficiency. But children should not be the victims of welfare reform, and therefore we would require that a family's plan include an assessment of child well-being to ensure the needs of children and adolescents are being met.

It is imperative that Congress continue its support of state efforts to help working parents attain self-sufficiency and end the cycle of dependence for children. Therefore, we support the Administration's proposal to maintain current levels of funding for TANF. We also support restoring the Social Services Block Grant to its full funding level of \$2.8 billion as promised in 1996. But we realize that increasing our expectations of work will require more resources for child care. Understanding that the financial impact of increased work requirements on child care needs has not yet been calculated by the Congressional Budget Office, please know that we will be firm in supporting reasonable increases in child care funding to meet those needs so that the new expectations and requirements will not become unfunded mandates upon states that are currently facing budget shortfalls.

President Bush has several proposals aimed at promoting the purposes of encouraging the formation and maintenance of two-parent families and decreasing out-of-wedlock births. Our plan adopts the President's proposal to eliminate separate two-parent family participation rates. It also includes funds to states to encourage healthy marriages, while taking into account the special needs of domestic violence victims. Teen pregnancy is a barrier to healthy marriage, and therefore we believe prevention programs should be an eligible use of funds. In addition, abstinence education is part of our nation's strategy to reduce out-of-wedlock childbirths, and therefore we would extend abstinence education programs in current law.

Our attached proposal attempts to address the most vital elements of welfare reauthorization, including health care (Transitional Medical Assistance), child care, child support, and state accountability and reporting requirements. We understand that there are issues in addition to our proposal to be addressed, and we stand ready to work with you to find tripartisan consensus on them. We also urge you to ensure that adequate federal funding be provided to support existing authorized programs before funding the creation of other new programs not proposed by the Administration or in current law.

We hope that our work can be helpful in moving toward a tripartisan agreement on welfare reauthorization in the Finance Committee. Your hard work and commitment to moving this legislation forward in the near future are commendable.

Sincerely,

Senator John Breaux

Senator Orrin Hatch

Senator Jim Jeffords

Senator Olympia Snowe

Senator Blanche Lincoln

Senator John Rockefeller IV

Enclosure