

## **Tripartisan Consensus Provisions on Welfare Reauthorization**

***Universal Engagement.*** Consistent with President Bush's recommendation, we agree there should be a universal engagement provision incorporated into reauthorization of the 1996 welfare reform law. In order to ensure universal engagement, we agree that states should be required to improve and expand on the Individualized Responsibility Plan (IRP) so that every family has a specific plan detailing the steps and work supports needed to move the parent into meaningful work activities and achieve self-sufficiency. We acknowledge that in order to create an effective system of universal engagement, states will require some planning time. However, beginning in FY04, every new TANF client must have an IRP within 60 days.

Since a parent's responsibility extends to her children as well as to her job, we propose that the IRP also include an assessment of the well-being of each child in the family, especially considering the research showing that adolescents have many challenges. This provision is designed to respond to President Bush's commitment to promote child well-being.

***Work Participation Rates.*** We agree that too many TANF recipients are not engaged in enough meaningful activity. Consistent with President Bush's recommendation to measure progress on universal engagement, we support increasing the minimum work participation rate 5% annually from the current Fiscal Year 2002 level of 50% participation to reach 70% by 2007.

***Employment Credit.*** To make work real, our plan would eliminate the caseload-reduction credit and replace it with a workable employment credit. The new credit only provides incentives to states for parents that truly work. It gives states credit for moving people from welfare to work, and gives extra credit for those states that move people off of cash assistance for higher-paying jobs (33 percent of the state's average wage). It measures state performance along the entire continuum from welfare to work by rewarding states for providing short-term emergency assistance, which prevents people from ever needing welfare benefits in the first place, and for providing vital work support services such as child care and transportation. It more accurately measures the level of work activity among those served by 1) Providing half credit to states for people working at least half of the required work hours, pro-rated to full credit for people working all required work hours, and 2) Excluding people deemed severely and permanently disabled during the year from the state's work participation requirement. This provision comes from the "Making Work Pay Act," authored by Senator Lincoln.

***Work Hours.*** To support President Bush's goal of encouraging more work, we agree to increase the number of hours of work-focused activities required to meet the work participation rate from 20 hours to 24 hours. However, in response to comments from our states regarding the feasibility moving 70% of all TANF clients to a required 40 hour work week, we agree to maintain the current total of 30 hours engagement in approved work activities. Additionally, in response to concerns from our states and recognizing the unique challenges mothers with young children face, we maintain the current law provision "deeming" mothers with children under 6 who are engaged in 20 hours of approved work activity as meeting the full work requirement.

**Definition of Work.** Because we have heard great success stories from our states and believe that the 1996 welfare reform law has been a qualified success, having moved over 60% into private sector jobs, we agree to maintain existing criteria for what counts as an approved work activity, and add the following activities as approved activities only if included in a family's IRP:

**Education and Training.** In order to promote the proposition that the next stage of welfare reform should focus on, not merely moving people into jobs, but helping them achieve self sufficiency by getting good, high paying jobs, we support allowing parents access to increased education and training programs, if it is deemed that a family would benefit from these programs. Therefore, we support allowing states to provide up to 24 months of vocational education to meet the work participation requirement. This provision was passed in a bipartisan vote in the Senate in 1998, though it was not finally adopted by the Congress. We also encourage states to help teen parents finish their education by no longer counting them toward the overall 30% cap on vocational education.

**Adult Basic Education.** Basic adult education will count toward the full work participation requirement for 3 months. If basic adult education is included as part of the client's IRP for a longer period of time, an additional 3 months of adult basic education may count toward the work requirement provided that it is combined with work or job-readiness activities. States will be allowed to count basic adult education as part of the flexible 6 hour work requirement until an adult successfully completes their program.

**Substance abuse.** We have a great deal of empathy for those who are struggling with multiple barriers. We recognize that these individuals may need more time before they are prepared to be accountable under a rigorous work requirement, such as the one we are proposing. Therefore, we believe that substance abusers should get treatment so that they are able to become self-sufficient and succeed in a job. Our plan allows three months of full-time substance abuse treatment and three additional months of treatment combined with job-readiness activities to count toward the work participation rate for individuals certified as having a substance abuse problem, and for whom substance abuse treatment is part of their IRP.

**TANF Funding.** As suggested by President Bush, we propose to maintain the current level of funding for the TANF block grant and renew the TANF supplemental grants.

**Maintenance of Effort.** states should continue their commitment to working families by extending the state contribution through the maintenance of effort (MOE) requirement.

**Child Care.** Because child care is essential for parents who are working, we will ensure that the Child Care Development Fund has sufficient funding to accommodate the new work participation rates. It is not our intention to add to a state's burden by increasing the work requirement without sufficient resources for states to provide needed work supports. We recognize that some members of our tripartisan group have additional child care concerns which they will pursue as the reauthorization

process proceeds. Additionally, we include some TANF child care provisions in legislation co-authored by Senator Snowe.

***Contingency Fund.*** We agree with President Bush that the contingency fund should be reauthorized and improved.

***Social Services Block Grant.*** We should restore \$2.8 billion per year for the Social Services Block Grant (SSBG). In addition, we agree with the President to allow states to transfer 10% of its TANF funds to SSBG as promised in 1996.

***Marriage.*** We agree with President Bush that funds should be provided to states to encourage healthy marriages. We provide a \$100 million annual fund to conduct research and demonstration projects, and provide technical assistance primarily focusing on family formation and healthy marriage activities. We also provide a \$100 million grant program available to a limited number of states, territories, and tribal organizations to develop innovative approaches to promoting healthy marriage and reducing out-of-wedlock births. We agree to allow use of these funds to support teen pregnancy prevention programs so that young people will wait until they are mature enough to successfully enter into marriage. Consistent with the President's emphasis on healthy marriages, we agree that healthy marriage programs must address the special needs of domestic violence victims.

***Two-Parent Participation Rate Requirements.*** We agree with President Bush, that two-parent families should not be penalized. Therefore, we eliminate the separate two-parent family participation rates.

***Time limits.*** We adopt the President's proposal to continue the existing 60-month time limit set in 1996 so that welfare is clearly a temporary program designed to promote self-sufficiency.

***Health Care.*** As in 1996, we should provide a five- year extension of Transitional Medical Assistance (TMA) for parents and children leaving welfare, including administrative improvements in the "Transitional Medical Assistance Improvement Act," authored by Senator Breaux. Families moving into work should not lose access to health care and no parent should have to choose between a job and health care for their child.

***Legal immigrants.*** We provide a state option to provide benefits to legal immigrants under TANF, regardless of date of entry.

***Abstinence Education.*** We extend the Human Resources and Services Administration's Community-Based abstinence education grants and the Adolescent Family Life abstinence program at current funding levels.

***Spending Flexibility.*** We adopt the President's suggestions to clarify the definition of "assistance"; allow state designation of "Rainy Day Funds"; and increase state flexibility regarding carried-over funds.

We also increase state flexibility to transfer TANF funds to carry out existing transportation-for-jobs programs or reverse-commute projects.

***Accountability.*** Following the suggestion by President Bush, we require HHS to research the best ways to construct performance measures that relate to the various goals of the TANF program and require HHS to promulgate "best practice" standards on the most appropriate procedures for sanctions. We also require states to make public the financial and program data submitted to HHS when the data is transmitted, including posting the information on the state's web-site.

***Anti-Discrimination.*** We require GAO to conduct a review of how states have complied with the requirements of the Age Discrimination Act of 1975, Section 504 of the Rehab Act of 1973, the ADA, and Civil Rts, as well as make recommendations for improving compliance.

***Streamline Administrative Rules for Foster Care.*** States must retain the income and assets standards for foster care established in the 1996 welfare reform law as the minimum standard. Subject to a CBO estimate, states would have the option of updating the standards to align them with TANF eligibility.

***Child support.*** We agree that more child support dollars should get through to the family by allowing states to pass-through child support directly to families currently or formerly on TANF. states should also be relieved of their obligation to repay the Federal government its share of the collections it allows to be passed through. This provision is based on the "Child Support Distribution Act of 2001," authored by Senator Snowe.

***Research of "what works."*** Longitudinal studies of TANF applicants and recipients will be conducted in 10 states to determine the factors that contribute to positive employment and family outcomes.