

WELFARE REAUTHORIZATION PROPOSAL

Florida Participation Rate Conference
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Presenter:

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STRENGTHEN THE FEDERAL-STATE PARTNERSHIP

Maintain current levels of the TANF block grant. The program will be reauthorized at \$16.5 billion annually for fiscal years 2003-2007.

Continue State maintenance of effort. The current law requirement that states maintain their contributions to families and children will be retained.

Continue Supplemental Grants. Supplemental Grants will be restored at \$319 million annually to states that experience high population growth or had historically low funding levels.

Ease limitations on services for the unemployed. The definition of welfare "assistance" will be clarified so states will have more flexibility in providing help to working families.

Reauthorize and improve the Contingency Fund. The \$2 billion Contingency Fund will be reauthorized to help states during a recession. Modifications are made to ease the ability of states to use these funds.

Allow states to designate "rainy day funds." A provision will be included that makes it easier for states to save money for future recessions.

Increase state flexibility regarding carried-over funds. States will be given greater flexibility in the use of funds carried-over from one year to the next.

Restore full transfer authority to the Social Services Block Grant. States will once again be allowed to transfer of up to 10 percent of TANF funds to the Social Services Block Grant.

Maintain high level of commitment to childcare. \$2.7 billion will be provided annually for entitlement childcare funding and \$2.1 billion for discretionary

funding. This means that, when combined with TANF and other Federal sources, historically high levels of childcare funding will be available.

MAXIMIZE SELF-SUFFICIENCY THROUGH WORK AND ADDITIONAL CONSTRUCTIVE ACTIVITIES

Require welfare agencies to engage all families. States will be required to engage all TANF cases in work or work preparation activities. States must establish self-sufficiency plans for every family, assure that all families are pursuing their plans through monitored and constructive activities, and regularly review the progress of each family.

Increase minimum participation rate requirements. In FY 2003, at least 50 percent of all TANF cases headed by a parent will be required to participate in combined work and other activities designed to help them achieve self-sufficiency. This percentage will increase 5 percent per year until reaching 70 percent in 2007.

Require full 40 hours per week participation by welfare recipients. Cases counted as participating will be required to average 40 hours per week in monitored activities.

Increase direct work requirement. Cases counted as participating also will be required to average at least 24 hours per week (of their total required 40) in work.

Credit permitted toward work requirement for short-term treatment, rehabilitation, or training. On a temporary basis, cases will be allowed to be counted as participating even when they are not averaging 24 hours per week in work. They must still be fully participating defined as a minimum of 24 hours per week – and in short term substance abuse treatment, rehabilitation, or any constructive activity approved by the state that meets a TANF purpose. These activities cannot last longer than 3 months in any 24-month period. Individuals in work-related training can be counted for an additional month provided they participate at a minimum of 24 hours per week.

Improve participation rate calculation. Calculation methods will be improved to recognize practical challenges States face in keeping recipients involved and participating in the program.

Eliminate separate two-parent family rates. The separate work requirement for two-parent families will be eliminated.

Phase out the caseload reduction credit. The current credit that inadvertently undermines the TANF work requirement will be phased out as follows: states will

receive full credit against participation targets in the first year, 50 percent of credit in second year and no credit thereafter.

Conform requirements for teenage parents in school. Teen head-of-household parents who maintain satisfactory school attendance will be deemed as meeting all participation requirements, as in current law.

Provide technical assistance for tribes. HHS will undertake a major new technical assistance effort to tribal organizations to help them build and administer effective Tribal TANF programs.

Current waivers expire on their original expiration date. The few remaining state welfare waivers will continue until their original expiration date. At which time, the programs must conform to the program rules in this proposal.

Conform state penalty structure. Current law penalty structure will apply when a state fails to meet either or both of the universal engagement or full participation rate requirements. Potential penalties will still be limited to 5 percent of a state's TANF grant.

Retain 5-year time limit and 20 percent exemption. The 5-year cumulative lifetime limit for TANF cash assistance will be retained. States may also continue to exempt up to 20 percent of their cases from this limit.

PROMOTE CHILD WELL-BEING AND HEALTHY MARRIAGES

Establish overarching purpose of TANF to promote child well-being. "Improve the well-being of children" will be established as the overarching purpose of TANF.

Clarify encouragement of healthy marriages as a TANF goal. The TANF goal of encouraging the formation and maintenance of two-parent families will be revised to clarify that the goal is to promote healthy, two-parent, married families.

Support demonstrations, research, and technical assistance. The Illegitimacy Reduction Bonus will be discontinued and the savings of \$100 million will be used for broad research, evaluation, demonstration and technical assistance, focused primarily on healthy marriage and family formation activities.

Create a competitive matching grant program. \$100 million from the current-law High Performance Bonus will be used to establish a state matching grant program for innovative marriage and family formation activities.

Require states to describe efforts as part of their state plan. State plans must describe the efforts States make to accomplish the family formation goals of the TANF program, including the promotion of healthy marriages.

Encourage equitable treatment of two-parent married families by States. States will be required to describe in their state plans efforts to ensure equitable treatment for two-parent married families in state welfare programs.

Reauthorize the Abstinence Education program.

IMPROVE PROGRAM PERFORMANCE

Focus on employment achievements. \$100 million per year will be available for an Employment Achievement Bonus to reward States for meeting employment goals.

Address all TANF purposes. States will be required to describe in their state plan how they are addressing each of the purposes of TANF.

Set performance goals. States will be required to set performance goals for each of the purposes of TANF.

Measure and report performance. States will be required to measure and report on their annual performance relative to the goals they set.

Research and technical assistance. HHS will collaborate with States to improve management and performance.

Revise data reporting requirements. Data collection will concentrate on information that helps states improve management and performance, while facilitating Federal oversight.

Addressing areas of special attention. Each year, States will be required to document their efforts to address selected challenges of TANF program operation.

ENHANCE CHILD SUPPORT ENFORCEMENT

Provide Federal matching funds for child support pass-through to current welfare recipients. Federal matching funds will be available to states to expand the pass-through of payments on past-due child support to families on welfare.

Provide Federal matching funds for child support pass-through to former welfare recipients. Federal matching funds will be available to states to expand the pass-through of payments on past-due child support to former TANF recipients.

Require regular support order reviews. State must review support orders for TANF families every 3 years.

Collect user fees from non-TANF families. States must collect a \$25 user fee from families receiving child support services that have never received TANF.

Lower passport denial threshold. The amount of past due child support needed to deny a passport will be reduced.

Withholding Limited Social Security benefits. Social Security Disability Insurance payments will be withheld to pay past-due child support.

FOOD STAMPS FOR LEGAL IMMIGRANTS

Change of Permanent Ban on Food Stamps. Legal immigrants who enter the United States after 1996 will be eligible for food stamp benefits after they have legally resided in the country for five years.

FACILITATE PROGRAM INTEGRATION

Establish new state program integration waivers. New waiver authority will be established that permits states to integrate welfare and workforce assistance programs in order to improve the effectiveness of these programs.

Broad flexibility given to design new strategies and approaches. Waivers can apply to all aspects of selected Federal programs so that states can fully integrate welfare and workforce assistance systems.

Waivers granted on the basis of likelihood of success. Cabinet Secretaries of Federal Departments administering the effected programs must approve a state's request for a waiver if there is likelihood that the proposed changes will increase program effectiveness.

Maintain accountability for program performance. States will be required to establish performance objectives and goals for reformed programs. Program modifications will be scientifically evaluated.

Require cost neutrality. Waiver programs must be cost-neutral across the involved programs.

Regular reports to Congress. Departments approving waivers must report annually to Congress on impacts and progress.

SUMMARY OF COMMENTS

Assess capacity for individualized case management. Generally TANF agencies have shifted from an eligibility focus to an employment focus. It will be necessary to strengthen caseworker options in order to meet the new requirements.

Assess capacity for universal engagement. All TANF clients should have an equal opportunity to earn a living. Consideration of a model that meets with clients over their self-sufficiency plan at least once per quarter improves their chances of getting the right services and assistance.

Review exemption policy. Those that care for disabled relatives or have a child under the age of one or are currently medically deferred can be engaged in appropriate and constructive activities to prepare them for future self sufficiency activity. Everyone can do something and the agency should have a plan for all.

Consider contextual learning. TANF clients can gain valuable skills and proficiencies when education and training, substance abuse treatment, job search and readiness done in the context of work i.e. apprenticeship, internship, supervised work, or community service.

Take advantage of caseload reduction credit. In FY2001 the federally mandated participation rate was 45% yet on average the states only needed to place five out of every one hundred clients in activities to meet these rates. In short, states have broad flexibility to re-tool a program under current law that would prepare them for the Administration's proposal.

Note: The aforementioned provisions can be found in the Administrations Welfare Reauthorization proposal entitled "Working Toward Independence." The proposal in its entirety can be found at:

<http://www.whitehouse.gov/news/releases/2002/02/welfare-reform-announcement-book.html>

Some minor changes have been made. These statements and this proposal are not law and may be subject to change.