

SUMMARY OF THE REPUBLICAN BILL: “THE PERSONAL RESPONSIBILITY, WORK, AND FAMILY PROMOTION ACT OF 2002”

In keeping with the strong welfare reform principles outlined by President Bush, House Republicans have introduced “The Personal Responsibility, Work and Family Promotion Act of 2002.” This legislation reinforces the President’s principles of “working toward independence” by:

- Helping more welfare recipients achieve independence through work.
- Protecting children, strengthening families, and promoting healthy marriages, including by offering additional financial incentives for States and community-based organizations to pursue strategies to promote healthy marriages and improve child-well-being.
- Maintaining full funding for TANF and increasing funding for child care programs, bolstering the commitment Congress made in 1996 despite unprecedented caseload declines.
- Increasing State flexibility in using TANF funds.
- Enhancing State flexibility by maintaining and updating current incentives to reduce caseloads and count those reductions toward State work requirements, among other changes.
- Supporting further declines in poverty through job preparation, work, and marriage.

Major Changes Reflected in the Republican Bill Compared with Recent Committee Action

- Provides an additional \$2 billion for child care over the next 5 years.
- Allows States to apply for “State Flex” authority regarding TANF, Food Stamps, Public Housing, Workforce Investment Act, and Child Care, among other programs.
- Conforms Ways and Means and Education and the Workforce Committee provisions by:
 - Providing State flexibility in defining work for 3 months out of a 24-month period;
 - Ensuring self-sufficiency plan elements maximize State flexibility; and
 - Specifying a State option for TANF to be a “mandatory partner” with the workforce system.
- Includes abstinence education and transitional Medicaid provisions approved by Energy and Commerce Committee.

Description of Key Components of the Republican Bill

Helping Welfare Recipients Achieve Independence Through Work

- **Increasing Minimum Work Requirements.** Under current law, at least 50% of TANF families are required to participate in work and other activities designed to help them achieve self-sufficiency. The President’s plan and the House Republican bill increases the work requirement by 5% per year, so that States are required to have 70% of welfare families working and participating in other job-preparation activities 40 hours per week in FY 2007. The legislation also allows States to continue to get “credit” toward work participation rates for caseload declines. Also, 17 “superachiever” States with caseload declines well above the national average since 1995 will receive an additional credit toward the State work rate.

- **Requiring Welfare Recipients to Put in a Full Work Week and Providing Additional Opportunities for Education and Training.** The President's proposal builds on the successful work requirements of the 1996 welfare reform law by requiring welfare recipients to work 40 hours per week – either at a job or in programs designed to help them achieve independence. The House Republican bill also builds into the calculation a four-week cushion for sick leave and holidays, simulating a typical American work schedule. The plan makes special accommodations for parents with infants and individuals who need substance abuse treatment, rehabilitation or special work-related training. As much as two days per week can be spent in these activities and be counted as “work.” Up to four months during a 24-month period may be counted towards State work rate requirements if the individual engages in education or training programs leading to work.

Protecting Children & Strengthening Families

- **Protecting Children by Increasing Child Care Funding and Increasing States' Flexibility in Providing Child Care for Low-Income Working Families.** The bill follows the President's recommendation to continue historically high levels of support for child care (currently \$4.8 billion per year) through the Child Care and Development Block Grant (CCDBG), while adding \$2 billion in additional funds for child care in the coming 5 years. Half of this funding will be mandatory and half discretionary, and the legislation includes taxpayer protection provisions that recently passed the House that fully offset the additional mandatory costs. The bill also increases the amount of TANF funds States can transfer to CCDBG from 30% to 50% per year.
- **Improving Child Care Quality.** Consistent with President Bush's new early childhood education initiative, *Good Start, Grow Smart*, the bill encourages States to address the cognitive needs of young children so that they are developmentally prepared to enter school. It also encourages States to utilize resources in their State to collect and disseminate information to parents, consumers, and child care providers. Moreover, the bill emphasizes the importance of quality child care and education by requesting States to address the quality of care available to children and parents. The bill requires States to devote at least six percent of funds from the CCDBG to improve child care quality, and establishes permissible uses for those funds. It also requests that States work to meet the needs of parents eligible for assistance who have children with special needs, work non-traditional hours, or require infant and toddler care.
- **Strengthening Child Support Enforcement and Encouraging States to Give Child Support Payments to Mothers And Children.** Under current law, government keeps a substantial portion of the money collected to pay past-due child support in cases of families that have received welfare. The President's proposal and the House Republican bill provide financial incentives for the States to give more money to mothers and children, especially mothers who have left welfare.
- **Encouraging Healthy Marriages and Two-Parent Married Families.** The bill reflects the President's plan to direct up to \$300 million annually for programs that encourage healthy, stable marriages. These programs include pre-marital education and counseling, as well as research and technical assistance into promising approaches that work. The bill also removes disincentives in current law so States will spend more of their own funds on programs designed to promote healthy, stable marriage and authorizes a \$20 million grant fund, as

proposed by the President and included in the House Budget Resolution, to support community efforts to promote responsible fatherhood.

Encouraging Innovation by States

➤ **Establishing Broad New “State Flex” Authority to Encourage Program Innovation.**

Like the President’s proposal, the House Republican bill offers new authority to enable States to conduct “State Flex” demonstration projects to improve program effectiveness or coordinate a range of programs in order to improve service delivery. Eligible programs include TANF, Food Stamps, Public Housing, Workforce Investment Act, and Child Care, among others. This new flexibility will help States design fully coordinated programs that could revolutionize service delivery.