On May 16, the House of Representatives gave President Bush a strong endorsement for his welfare reauthorization proposal to push tougher work requirements on welfare recipients. The 229-197 vote on H.R. 4737, the Personal Responsibility, Work, and Family Promotion Act of 2002, sponsored by Rep. Wally Herger (R-CA) and Rep. Buck McKeon (R-CA) followed a partisan debate with Democrats supporting a substitute amendment introduced by Rep. Benjamin Cardin (D-MD) that would have softened some of the bill’s provisions. The Cardin amendment was the Democrats’ only opportunity to change the bill before the vote, because only one amendment was allowed by the Rules Committee.

The debate will now go to the Senate, where the Senate Finance Committee is expected to agree to language for a TANF reauthorization bill the week of June 10, and vote on the bill before July 4. Senators Bayh (D-IN) and Carper (D-DE) have introduced the Work and Family Act, S. 2524 which, although sponsored by Democrats, contains many of the provisions of the House bill including increased work requirements. Senator Breaux (D-LA) and five other members of the Senate Finance Committee have released their recommendations for TANF reauthorization, which include maintaining the current 30-hour work requirement and increased child care funding to meet the increased demand but also mirror the Bush/House welfare plan in many respects, such as increasing the participation rate to 70%; universal engagement meaning that states would have to have families engaged in work activities within 60 days of TANF receipt; and marriage proposals that are identical to those of the House bill. On May 23, Democratic Senators from the Committee on Health, Education, Labor and Pensions (HELP) released a set of principles for TANF reauthorization that would counter some of the harsh provisions in most other welfare proposals, including providing additional funding for welfare services and child care, allowing two to four years of school to count as work, and restoring benefits for legal immigrants.

To express an opinion on specific provisions that should be included in the Senate legislation, or to encourage your Senators to support the HELP Committee principles, call 202/224-3121 and ask for the two Senators from your state.

Below are analyses of selected provisions contained in H. R. 4737, summarized from reports produced recently by a variety of organizations. Although the work requirements will be a continued focus of debate in the Senate, some of these provisions might garner less debate in spite of significant consequences for low-income families.

- **Super-waivers.** Super-waiver authority would, allow a state to request from the Executive branch a waiver to make fundamental changes across many social programs. Critics have noted that the super-waiver could, in effect, transfer authority over a broad range of programs from Congress to the Executive Branch.
The final version of the House bill (H.R. 4737) was amended to prevent the shifting of funds between programs. The Center on Budget Policy and Priorities (CBPP) has summarized some of the potential changes states could make to basic service provisions of welfare programs under the super-waiver provision of H.R.4737. Many significant changes to program operations would still be possible. Among them:

- **Food Stamps.** States would be able to choose groups of recipients for whom food stamp benefits could be cut. Under current law, recipients’ rights to food stamps are protected even when a state receives a waiver from federal regulations in order to establish separate program rules. According to CBPP, it appears that the waivers would allow states that cut benefits to then use the savings from the cuts for purposes other than food assistance.

- **Public Housing.** Several changes could be made to public housing programs including:
  - The sale of public housing projects to private developers, using the proceeds of the sale to fund housing assistance to more moderate and middle-income individuals.
  - The imposition of time limits on public housing.
  - Redirecting services from those who are currently homeless to those who are less disadvantaged, designating these programs as homelessness prevention.

- **Unemployment Insurance.** The National Employment Law Project reports that federal Unemployment Insurance (UI) laws would be subject to the super-waiver, with potential for changes to the fundamental structure of the program including:
  - The creation of exempt categories of employers and workers and onerous new eligibility requirements. For example, private employers could be exempted from paying additional UI taxes on workers who are TANF participants. States could also require UI recipients to accept substandard jobs, a proposal favored by the temporary help industry.
  - States could request the Secretary of Labor to reconsider an earlier ruling that prohibited states from means-testing unemployment benefits.


- **Full Family Sanction Requirement.** H.R. 4737 would require states to implement a full-family sanction policy for families who have been determined by their caseworker to be noncompliant with program rules for two consecutive months. The final version of the bill exempted states that have laws requiring the provision of aid to needy families from this requirement. This would require states to eliminate all cash assistance to families when an adult does not meet work participation requirements, or for any reason that is deemed noncompliant by the caseworker. Under current law, states may determine whether or not noncompliance with the TANF program will result in a sanction (the elimination of cash assistance) for the adult’s portion of the TANF grant, or for every member of the family, and at what instance of noncompliance to apply the sanction. Currently, 14 states do not apply full-family sanctions. Of the 36 states that do, only 18 apply a full-family sanction on the first instance of noncompliance.

- **Universal Engagement.** Universal engagement refers to the requirement that all TANF recipients be engaged in an activity to meet a workplan within 60 days of opening a TANF case (current law allows 24 months before requiring work activities). States would be required to create the work plan, or Family Self-Sufficiency Plan for every TANF family. The bill does not require states to establish the self-sufficiency plan in consultation with the affected participant.
**Child Care Funding.** The House Bill purports to support increased spending on child care through a provision that would increase from 30% to 50% the amount of TANF funds that states could transfer to the Child Care and Development Fund (CCDF) block grant. The Center on Law and Social Policy (CLASP) points out that this does nothing to increase funding for child care in the TANF program since states can currently spend TANF funds directly for child care without any limitation. With TANF caseloads rising and the costs of meeting the increased work requirements of the House bill also likely to increase significantly, states would not be likely to find TANF funds available to shift to the CCDF block grant.

Comparisons of other key provisions related to work requirements, child support and child care contained in pending TANF Reauthorization legislation are available at www.clasp.org.

The Department of Health and Human Services Office of Inspector General (OIG) has released *Child Support for Children on TANF (OEI-05-99-00392)*, which evaluates the relationship between child support orders and earnings of noncustodial parents. The following are some of the key findings:

- The average amount of total support ordered for low-income noncustodial parents in 1996 represented 69% of earnings. This percent exceeds limits set by federal law that prohibit states from garnishing more than 50 to 65% of income. It also exceeds maximum percentages of income allowed in many state child support guideline statutes. For example, Wisconsin allows a maximum of 34% of income to be ordered as child support.
- In 1998, about 50% of low-income noncustodial parents had reported earnings that were below the poverty level of $8,050 for one person. The median income for the entire sample was $7,884.
- Not surprisingly, lack of income affected compliance with child support orders. For noncustodial parents with no reported income in 1995, 17% complied with their child support order over a 32-month period. When orders were more than 20% of income, 20% complied with their support order. As the percent of income represented by the order decreased, compliance increased.
- When front-end fees such as retroactive support were added to the child support order, compliance with the order decreased.

OIG recommends that states experiment with approaches to set child support orders for children on TANF that are more realistic compared to the noncustodial parent's income. They note that starting a support order too high is likely to have a negative effect on payment compliance with little improvement over time.

In comments in response to the report, The Administration for Children and Families (ACF) reiterates its clarification to states that they have the discretion to compromise or forgive arrears owed to the state, and that there are steps that can be taken to limit the number of default cases in which the obligor's income is imputed because he or she does not appear for trial.

ACF also states that the agency will be submitting an Action Plan to the Secretary of Health and Human Services this winter that will set out “a bold comprehensive agenda for improving collection and distribution of child support nationwide.” According to ACF, “the Action Plan will include a section for programmatic innovations to address the needs of low-income, noncustodial parents as they move toward full responsibility for supporting their children.” ACF says that they will make good use of the OIG studies in developing the plans.
A second OIG report, *Use of Federal Child Support Case Closure Regulations (OEI-06-00-00470)*, has also been released, detailing a national case closure error rate of 32%, with inadequate provision of advance notice to clients as the primary error reason and current and former TANF recipients representing a disproportionate number of the case closure errors.

The reports are available at [http://oig.hhs.gov/](http://oig.hhs.gov/).

The U.S. Department of Health and Human Services has released its 4th annual report to Congress on the TANF program. The report includes an annual child support collections report for Fiscal Year 2000, with the following information:

- Child support collections for families currently receiving assistance totaled almost $1.4 billion. Of this amount, $165 million (or 12%) was paid to families and $1.2 billion was retained by the government as reimbursement for assistance.
- For families on TANF, the government spent $1 for every 57 cents of child support that it collected. For non-TANF families, $3.38 was collected for every $1 spent.
- $6.8 billion was collected on behalf of families formerly on assistance. Of this, $1.2 billion (or 18%) was retained by the government as reimbursement for assistance.
- $9.7 billion was collected for families who never received assistance.
- Of the $17.9 billion in child support collected by the government for all three of these assistance categories, only $1.4 billion (or 7.8%) was passed on to families who are on or have ever been on assistance.
- Child support was collected for 25% of TANF families, for 44% of former assistance families and for 47% of families who never received assistance.


Two separate rulings by federal appeals courts on cases in Michigan (*Westside Mothers v. Haveman*) and North Carolina (*Antrican v. Odom*) this month confirmed the rights of individual Medicaid recipients to sue to enforce their rights to services required by the Medicaid program. Welfare advocacy groups and recipients brought the lawsuits after state officials denied Medicaid benefits provided for in federal Medicaid law. In both cases, the state claimed immunity from such lawsuits. Both the U.S. courts of Appeals for the Fourth Circuit in Richmond, VA and the Sixth Circuit in Cincinnati, OH rejected the states’ “sovereign immunity” arguments, determining that the lawsuits were allowable because they alleged a violation of federal law and sought relief that was prospective in nature. Medicaid recipients were confirmed in their right to sue to obtain prompt and adequate services as would be available to the general population.

On May 13, H.R. 2646, *The Agriculture, Conservation, and Rural Enhancement Act of 2002* was signed into law. The bill makes a number of changes to the Food Stamp Program that will expand eligibility and increase funding, with provisions that will:

- restore eligibility to legal immigrants who have lived in the country for more than five years or who receive disability benefits, and to all legal immigrant children regardless...
of date of entry, effective October 2003
• simplify definitions and determinations necessary to qualify for Food Stamp receipt
• provide 5 months of transitional benefits to families leaving TANF
• provide $6.4 billion in new spending
• ease quality control requirements and establish other less stringent criteria to reduce sanction rates on states

For a more detailed description of the bill’s provisions, see www.frac.org (The Food Research and Action Center).

Three new reports have been recently released that detail the experiences of families as they apply for, participate in and leave TANF programs. They are Knocking on the Door: Barriers to Welfare and Other Assistance for Teen Parents (A Three-City Study), by Deborah L. Shapiro and Helene M. Marcy of the Center for Impact Research; Life After Welfare Reform: Low-Income Single Parent Families, Pre- and Post-TANF, by Janice Peterson, Xue Song, and Avis Jones-DeWeever of the Institute on Women’s Policy Research, and Welfare to Work: What Have We Learned? Findings from Research on Welfare Reform in the Midwest, from the Joyce Foundation. All provide important information on the actual experiences of TANF families. Due to space constraints, summaries of the findings will appear in next month’s briefing. Readers interested in the reports before then can access them respectively at www.impactresearch.org, www.iwpr.org, and www.joycefdn.org.

On April 30, Rep. Pete Stark (D-CA) introduced a resolution to Congress, “To Protect Private Decisions About Marriage,” that would express the sense of Congress that government should not be involved in personal decisions about marriage. The resolution is in response to the Bush Administration proposal to dedicate $300 million ($1.5 billion over five years) for promoting marriage in this year’s welfare reauthorization bill.

In introducing the resolution, Rep. Stark stated, “An overwhelming obstacle for welfare parents looking for jobs is the lack of quality, affordable childcare for their children. Providing better, stable childcare has proven to help working adults stay employed, which leads to more stable marriages and families. This applies to healthcare and job training as well. The Republican bill diverts money from these important programs toward coercing people to get married. If we really want to strengthen families and help raise people out of poverty, then we need to spend our money on programs that work.”

For more information on the resolution, contact Brian Mason at (202) 225-5065.

The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration has made available a new publication, the “National Directory of Drug and Alcohol Abuse Treatment Programs 2001,” available in print and on-line that profiles federal, state, local, and private facilities that provide drug abuse and alcoholism treatment services. The on-line version is searchable by geographic location and type of treatment, and can generate a map showing exactly where facilities are located. It is available at http://findtreatment.samhsa.gov. For printed copies, call 1-800-729-6686.
State officials in Wisconsin have urged W-2 (TANF) agencies to increase sanctions against W-2 clients to a rate of at least 15% per month, according to local newspapers that obtained a copy of a letter from a W-2 official to a Milwaukee W-2 provider. The letter stated that the state had set “transition targets” for the provider, including the expectation that it penalize 15% to 20% of its clients for missing work or training sessions. The state’s Legislative Audit Bureau is currently monitoring the sanctions process after finding in an earlier report that Milwaukee County, where 5 private agencies have administered the W-2 program under contracts with the state, had higher sanction rates and dollar amounts than the rest of the state. At issue is whether the agencies, some of which are private firms including Maximus, Inc., profited by sanctioning clients, and whether improperly sanctioned families were paid back out of current contract funds, depleting the funds available to TANF families in general. Improper sanctioning by the W-2 program is also under review in a federal civil rights investigation into possible discrimination against blacks and clients with disabilities.