

July 10, 2003

Senate Finance Committee to Begin Work on Reauthorizing TANF

Issue: The Senate Finance Committee may begin consideration of TANF reauthorization in July. TANF funding expired in September 2002 but has been extended through September 30.

Action: Please contact your Senators about TANF reauthorization. If they are not members of the Finance Committee, ask them to share your concerns with their colleagues who are on that committee. If they are Finance Committee members, urge them to work to assure that TANF reauthorization will:

- Maintain the current work requirements (20 hours per week for parents of pre-school children, 30 hours for those with older children), rejecting the House-passed increase in work hours to 40 per week for all parents;
- Expand education and training opportunities for TANF recipients to include post-secondary education and permit participation in vocational education for up to 24 months, instead of limiting it to the three months proposed by the Administration, or four months approved by the House;
- Reject proposals to create "superwaiver" to let states request waivers of current law for many low-income and other domestic programs, a provision that could be disastrous for the Food Stamp Program;
- Significantly expand child care funding, adding at least \$5.5 billion over the next five years;
- Remove the current prohibition on granting TANF assistance to legal immigrants;
- Require states to distribute more of funds collected through child support enforcement to the children in whose names the funds are gathered from noncustodial parents; and
- Allow states to waive or extend time limits for receipt of TANF benefits for households facing multiple or significant barriers to employment.

Members of the Finance Committee are: REPUBLICANS: Charles Grassley, IA; Orrin Hatch, UT; Don Nickles, OK; Trent Lott, MS; Olympia J. Snowe, ME; Jon Kyl, AZ; Craig Thomas, WY; Rick Santorum, PA; Bill Frist, TN; Gordon Smith, OR; Jim Bunning, KY. DEMOCRATS: Max Baucus, MT ; John D. Rockefeller IV, WV; Tom Daschle, SD; John Breaux, LA; Kent Conrad, ND; Bob Graham, FL; James M. Jeffords, VT; Jeff Bingaman, NM; John F. Kerry, MA; Blanche L. Lincoln, AR.

Background: TANF was enacted by Congress in 1996, ending a 60-year-old entitlement to cash assistance for the nation's poorest people. TANF's original authorization expired September 30, 2002, but Continuing Resolutions have extended its life for another twelve months. The House passed its TANF bill (H.R. 4) in February, essentially

mirroring the Administration's proposal. The Senate has repeatedly postponed the issue to deal with other priorities.

TANF rolls have decreased by about 60% since the program began in 1997, but many studies show that most of those who left welfare are still poor. The robust economy of the late 1990s created millions of jobs, but a great proportion paid little and did not offer benefits. Those were, for the most part, the jobs taken by people leaving TANF. As the economy slows, those jobs disappear, and the TANF rolls are growing again in most states.

Work Requirements. The Administration proposed to increase the work requirement mandated by TANF to 40 hours per week for all recipients, with 24 hours spent in a job, and the remaining 16 used for other "constructive activities." Advocates for low-income people oppose this change because the child care needed to meet the increased requirement (especially for infants and toddlers) will be impossible to find without much greater subsidies. Also, monitoring participation in "constructive activities" would require creation of an intrusive new bureaucracy.

Education and Training. The Administration proposed reducing vocational education opportunities for TANF recipients from the current twelve months down to three. Advocates believe the reason TANF recipients normally can find only low-paying jobs is that they lack the skills needed for better wages. Increased education and training would help them to acquire skills that would lead to family-supporting work.

Superwaiver. This provision would allow federal officials to override provisions of programs such as Food Stamps, child care, job training, homelessness and housing, and adult education, reducing or eliminating their national benefit structure in the name of administering assistance to needy people more efficiently at the local level. Funds could be shifted among programs and eligibility standards could be changed without approval by Congress. The Food Stamp Program is particularly vulnerable because this provision would achieve the block granting of the Food Stamp Program which its opponents have advocated for years.

Child Care. There has never been enough funding available to provide safe, high-quality child care for low-income children. Only one eligible child in four receives help from all government funding sources combined. The increased work requirements proposed by the Administration would greatly increase the need, without expanding the resources. The House added \$1 billion for child care subsidies over five years. The religious community is calling for a minimum of \$5.5 billion.

Legal Immigrants. TANF bars receipt of benefits by legal immigrants (except the elderly and handicapped) until they have lived in the U.S. for five years. Many states use their own funds to provide assistance to these people, recognizing that most poor immigrants work at extremely low-wage jobs and are taxpayers. The ban on TANF benefits for legal immigrants should be lifted because they need both the cash assistance and the education and training opportunities available to TANF participants, especially English language proficiency.

Child Support: Most states collect child support from noncustodial parents and keep most of the funds to offset TANF benefit costs. The children do not helped by the collection of these funds. Many studies have shown that, when a child receives support

from the absent parent, the family relationship is strengthened and the absent parent is present in the child's life.

Barriers to Employment. TANF imposes a five-year lifetime limit on adult eligibility for benefits, with a limit of two years on any one period of participation. Most of those remaining on TANF now face multiple barriers to employment, such as lack of housing, transportation, or marketable skills, caregiving responsibilities for handicapped relatives, drug and alcohol addiction, developmental or mental health difficulties, or domestic violence. States should have the flexibility to waive or extend the time limits to allow these people to receive the needed assistance.

General Assembly

Welfare Reform

The 1996 welfare reform bill drastically changed the old federal entitlement program, Aid to Families with Dependent Children (AFDC), and put in its place a block grant program, Temporary Assistance for Needy Families (TANF). The new law gives states significantly more power to design their own welfare programs using both state and federal funding. The 1997 General Assembly responded by adopting a resolution that is designed to offer "guidelines for the church and government to follow in promoting the general welfare of the poor" (Minutes, 1996, p. 553). The guidelines include the following:

- 1) Maintain at least the 1996 level of welfare funding for as long as needed in the transition to a work-based welfare system.
- 2) Oppose any tightening of eligibility requirements for public assistance that would make persons in need even more vulnerable.
- 3) Provide adequate funding for job training that leads to employment at a family-sustaining wage.
- 4) Where necessary, provide state-funded employment options, including sheltered workshops, for the least employable.
- 5) Provide additional state funds as necessary to prevent children and parents from being denied assistance when, despite their best efforts, adults reach a program time limit but cannot find work at adequate pay.
- 6) Exempt single parents with a child under age one from work requirements.
- 7) Provide adequate funding for child care and transportation assistance to recipients in the Temporary Assistance to Needy Families (TANF) program, as well as to low-income working families, in order to make job training and employment viable.
- 8) Decline to implement a "family cap" that would exclude cash assistance for children born to a welfare recipient.
- 9) Provide exemption of teen-parents from the requirement that they live with a parent or guardian unless the home is known to be safe for both the teen-parent and the child.
- 10) Provide adequately for disabled persons and immigrants who may lose eligibility for means-tested programs.
- 11) Opt not to restrict access by immigrants to WIC, the Child and Adult Care Food Program; and the Summer Food Program.
- 12) Make contingency plans for meeting increased needs and the likelihood of inadequate funding in the event of an economic

recession.

In support of such state actions, the Assembly urged the federal government to adopt the following policies:

- 1) Investment in job creation programs that go beyond the commitments of the recent welfare reform legislation. The investment should lead to a job at a living wage.
- 2) Restoration of the \$27 billion cut from the food stamp program in the 1997 budget.
- 3) Commitment to maintain funding of the TANF (Temporary Assistance to Needy Families) block grant to the states at the same or higher levels in the years beyond 2002, and the excess funds be used for the creation of jobs at a living wage (Minutes, 1996, pp. 554-555).

By Mary A. Cooper