

Highlights of Grassley Proposal Personal Responsibility and Individual Development for Everyone PRIDE

Provisions Maintained from Current Law

- Maintains no individual entitlement
- Maintains the TANF Block Grant
- Maintains the 5 year time limit
- Maintains current allowable activities for core work requirements
- Maintains the current state maintenance of effort requirement (MOE)
- Maintains the supplemental grant program
- Maintains the purposes of TANF
- Maintains current law use of funds
- Maintains current ban on use of funds for legal immigrants
- Maintains current law regarding the expiration of AFDC waivers
- Maintains current law regarding penalties against individuals
- Maintains current law restrictions regarding use of TANF funds for felons

Improvements from the Administration's Proposal

1. Marriage Promotion and Family Formation

Adopts Administration's proposal for \$100 million a year in matching grants to states for marriage promotion and \$100 million a year for research, demonstration and technical assistance.

2. Fatherhood

Adopts the Dominici/Bayh/Santorum bill to promote and improve fatherhood.

3. Abstinence

Adopts the Administrations' proposal to continue to fund Abstinence Education programs at \$50 million per year for 5 years, with a clear definition of how these funds can be spent.

4. Work

Two-parent Rate:

Adopts Administration's proposal to eliminate the 2-parent rate.

Participation Rate:

Adopts Administration's proposal for increasing the work participation rates by 5% each year.

Hours:

Adopts the Administration's proposal to increase the minimum threshold hour for participation in core work activities from 20 to 24.

Adopts the Administration's approach for allowing a more flexible range of activities to count for hours above 24. Stipulates that these activities be: barrier removal, post secondary education and training, substance abuse treatment, adult literacy or any other activity approved under a former AFDC waiver.

Proposes a tiered approach assigning partial credit along a band of hours. Accommodates an Administration priority for a standard hour higher than 30. Sets the standard tier at 34 - 37 hours. Begin assigning partial credit at 20 hours. Gives extra credit for hours over 38. (Go to discussion of "the tiers.")

Adopts Administration's proposal regarding no special rule for Mothers with Kids under 6.

Employment Credit:

Adopts the Administration's approach to replace the current caseload reduction credit with an employment credit. Proposes a phased in, capped employment credit based on Senator Lincoln's bill.

Activities:

Maintain current law for activities that count as work.

3 months in 24 – more flexible activities:

This is modeled off the Administration's approach which allows states to define activities for three months. Your proposal would modify the Administration's proposal to specify that the 3 months are used for barrier removal, post-secondary education, adult literacy, substance abuse treatment or any activity previously approved under a state's waiver.

5. Universal Engagement

Adopts the Administration's approach that the state will engage and prepare a self-sufficiency plan for every family receiving assistance.

Adopt's the Administration's approach of assigning a penalty if states fail to substantially comply with Universal Engagement.

6. Research

Adopts Administration's proposal for data collection and research.

Priorities for SFC Members

– *Contingency Fund* – under current law, because of a “Super Maintenance of Effort” required by the states, no state has been able to draw down funds during the recent economic downturn. This would ensure that the Contingency Fund can be used for the purposes for which it was designed.

– *State plans* – specifies additional data reporting from the states.

– *Child support* – adopts several provisions from a bill sponsored by Senator Snowe. Adopts provisions proposed by the Administration.

– *Penalty Relief* – In order to accommodate low-participation rate states and waiver states, the proposal includes a provision which would prevent the Secretary for assigning a penalty to a state that increased their participation rate 5 percentage points every year.

– *Special Rule – Caring for a disabled child:* Deems a single parent of a child or dependent with a physical or mental impairment as meeting all or part of that family’s work participation requirement if the child or dependant has been medically verified that the significant physical or mental impairment requires continuous care and that the single parent is the only one who can provide that continuous care.

– *Child care funding – open issue:* House-passed bill contains \$1 billion increase in mandatory child care funding. Last year’s Senate Finance Committee bill included a \$5.5 billion increase in work costs and child care funding.