



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

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Grassley leads committee action on legislation to update welfare law

WASHINGTON — The Senate Finance Committee today approved by voice vote legislation to modify and reauthorize the welfare program for five years.

The *Personal Responsibility and Individual Responsibility for Everyone*, or PRIDE, bill was presented by Sen. Chuck Grassley of Iowa, the committee chairman. It was supported by the committee's ranking member, Sen. Max Baucus of Montana.

Grassley said the legislation reflected the spirit of compromise needed to move forward on welfare legislation. "The states have been operating their welfare programs under a cloud of uncertainty for too long," he said. "It's time for Congress to give clear direction and expanded flexibility to the states and to strengthen the work and family components of the welfare program."

The PRIDE legislation increases funding for child care and Social Services block grants. These block grants are used for child welfare, adult protective services and other social services. In addition, the welfare program legislation provides federal dollars for programs to promote responsible fatherhood and healthy marriages.

"In addition to helping parents get permanent employment, encouraging two-parent families is a measurable factor in bringing children out of poverty," Grassley said. The federal dollars to promote healthy marriages contained in the bill passed by the committee today could help pay for voluntary education programs in high schools on relationship skills and budgeting and other marriage skills and relationship skills programs that focus on parenting skills, financial management, conflict resolution, and job and career advancement.

Congress has passed temporary extensions of the federal welfare program eight times since the landmark reform law enacted in 1996 expired in 2002. The 1996 reforms led to a large decline in the number of Americans needing welfare assistance and has contributed to reduced child poverty and increased adult employment.

Grassley said today that more still needs to be done to help families living in persistent poverty. The average welfare check for a family receiving cash assistance is \$350 a month, or \$11 a day. "The PRIDE bill will better enable states continue to move more families from welfare to the self-sufficiency and improved quality of life that comes with work," he said.

Summary of the Personal Responsibility and Individual Development for Everyone Act
as passed by the Senate Committee on Finance, March 9, 2005

Note: A copy of the chairman's mark is posted at <http://finance.senate.gov>.

The legislation maintains the following provisions from current law:

no individual entitlement,
five-year time limit,
same direct work activities,
maintain funding level for TANF block grant,
maintain supplemental grants at current level,
states can count up to 12 months of vocational education as meeting work requirement,
states can count minor parents in school as fully participating in work, and
maintains current sanction policies.

The legislation makes a number of improvements to current law.

It strengthens work by including the following provisions:

The legislation increases the work participation rates for states 5 percent each year, from 50 percent in 2006 to 70 percent in 2010.

The legislation eliminates the caseload reduction credit (which has erased most states' obligations to ensure that any TANF recipient is engaged in work) and replaces it with an employment credit which emphasizes good jobs.

The legislation caps the credit, so that the states have a real participation rate. The value of the credit is phased down so that in fiscal year 2010, all states must have a real work participation rate of 50 percent. Most states now have an effective participation requirement of zero.

The legislation increases the minimum threshold for participation in core work activities from 20 to 24 hours.

The legislation adopts a tiered approach, assigning credit along a range of hours, with the standard hour at 34. Because states can claim extremely generous credit for hours below the standard, all states except Wisconsin increase their participation rate.

The legislation establishes a separate lower standard for moms with kids under age six. It adopted a tiered approach, assigning credit along a range of hours, with the standard hour at 24.

The legislation ensures that every TANF family has a plan for achieving self-sufficiency. States must prepare a plan for every family receiving assistance and in most cases that plan should involve some amount of work or work readiness activities.

It legislation improves state flexibility by including the following provisions:

The legislation allows states to claim partial credit for hours work below the standard hour. Currently, a recipient only counts toward the work participation requirement if the recipient meets the standard hour.

The legislation allows states to engage individuals in a broader range of activities, including job search, substance abuse treatment, post-secondary education and training and other barrier removal activities after the 24-hour threshold of core work activities is met.

The legislation allows states to engage adult recipients in a broad range of activities, including: substance abuse treatment, post-secondary education and training and other barrier removal activities for three months out of 24 months.

The legislation allows states to determine, on a case-by-case basis, whether or not to count

families towards their participation rate in the first month of assistance.
The legislation makes contingency fund more accessible to states.

The legislation passed by committee today promotes marriage and family by including the following provisions:

The legislation provides \$100 million a year in matching grants for healthy marriage promotion and \$100 million a year for research, demonstration and technical assistance primarily related to marriage.

The legislation adopts the Domenici/Bayh/Santorum bill to promote responsible fatherhood.

The legislation includes a special rule relating to a single parent caring for a child or dependent with a physical or mental impairment.

The legislation improves child support collection, assignment and distribution

The legislation increases child-care spending.

The legislation includes funding for Transitional Medical Assistance for five years.