



Supplemental to Legislative Bulletin.....February 13, 2003

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Amendment in the Nature of a Substitute to H.R. 4 (Kucinich/Lee/McGovern/Lantos)

Summary: The Kucinich/Lee/McGovern/Lantos substitute includes the following provisions:

- Creates a new state bonus for reducing poverty, authorized at \$75 million in FY03 and \$150 million in FY04
- Increases authorization for supplemental grants to states for population increases from \$800 million to \$2 billion
- Increases authorization for state rewards for high performance from \$1 billion in current law to \$1.67 billion (H.R. 4 authorizes \$900 million)
- Increases authorization for federal loans for state welfare programs from \$1.7 billion to \$2 billion (H.R. 4 repeals this program)
- Increases authorization for child care entitlement to \$5.3 billion in FY04, with gradual increases each year to \$6 billion in FY08 (H.R. 4 authorizes \$2.9 billion per year for FY04-08)
- Reduces work requirements for parents of school-age children who can't find "adequate" child care to 20 hours per week
- **Restores eligibility to legal immigrants**
- **Repeals the ban on assistance to individuals convicted of a drug felony**
- **Eliminates hiring protections under the Civil Rights Act for non-governmental organizations receiving funds** (i.e. faith-based organizations may no longer make hiring decisions on a religious basis if they accept federal welfare funds)

The substitute also revises eligible work activities to include:

- Work experience "leading to jobs that provide an income of not less than 250 percent of the poverty line"
- Unlimited vocational education (current law limits to 12 months)
- Work-study
- Provision of child care to a child with a disability or serious health condition or a child under the age of 6

- Participation in treatment or educational activity to address a mental health problem, disability, substance abuse or domestic or sexual violence

In addition, the substitute stops the “clock” toward the time limitation on the receipt of benefits in “trigger months.” A trigger month is defined as a month where unemployment in a state is either higher than 5.5 percent or has increased 50 percent or 1.5 percentage points (whichever is less) over the last two years.

The substitute also adds the following to the list of non-discrimination laws that apply to any program or activity receiving funds:

- **Any state law related to discrimination on the basis of race, color, national origin, religion, gender, sex, parental/marriage status or sexual orientation**
- Title IX of the Education Amendments of 1972
- The Fair Labor Standards Act
- The Occupational Safety and Health Act
- The National Labor Relations Act
- The Railway Labor Act
- Any other provision of federal or state law designed to provide or protect a civil right

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Amendment in the Nature of a Substitute to H.R. 4 (Cardin/Kind/Woolsey)

Summary: Below is the summary provided by the amendment sponsors, with RSC staff additions made in *bold italics*.

- Expands state flexibility to provide training and education to welfare recipients (such activities would count for up to 24 months against a state's participation requirement).
- Increases to 70% **by 2008** the number of welfare recipients that are required to be engaged in work-related activities (including education and training).
- ***Terminates the caseload-reduction credit and replaces it with an employment credit.*** Provides states with an employment credit that would reduce a state's participation requirement according to the number of welfare recipients that have left welfare for work over the last six months. ***In calculating the employment credit, families earning 42% of the average income in the state would count as 1.5 families. Allows partial employment credit for part-time work.***
- Maintains the current-law requirement on total participation hours (30 per week with a State option to go higher) with a requirement that 24 hours be in core activities.

- Maintains the current 20-hour requirement for mothers.
- Maintains the current five-year time limit on TANF benefits. *Requires that states not use TANF funds to displace government employees.*
- *Up to 2 years of vocational or educational training could count as work activities under TANF.*
- *TANF waivers approved before welfare reform and expiring before 2008 could be extended to states.*
- *Penalizes states for using federal TANF funds for state or local expenditures that are not “qualified.”*
- Increases mandatory funding for child care by \$11 billion over the next five years and increases TANF for inflation. *Makes available “additional general entitlements” of \$9.75 billion over five years. Authorizes \$11.75 billion (non-mandatory) for new “child care incentive” grants to improve state child care systems.*
- Removes various barriers to serving legal immigrants, including the current ban on states providing federally-funded TANF benefits to immigrant families. *States could provide Medicaid and SCHIP benefits to legal immigrants.*
- Includes reducing poverty and increasing self-sufficiency as a new purpose of the TANF program and provides financial bonuses to states reducing child poverty.
- *Extends family assistance and supplemental grants through 2008. Creates a new grant for states with “low” federal funding per poor child--\$975 million over five years.*
- *Loosens the criteria for the unemployment and the food stamp tests for states to be classified as “needy.”*
- *Extends the eligibility for the population increase supplemental grant, the contingency fund, and mandatory child care funding to Puerto Rico, Guam, and the U.S. Virgin Islands.*
- *Establishes a minimum \$1 million bonus to states that reduce child poverty (\$150 million authorized through 2008).*
- *Authorizes \$500 million in new grants over the next five years to pay the federal share (80%) of the costs involved in improving the administration of low-income family with children support programs.*
- *Allows states to extend Transitional Medical Assistance (TMA) eligibility for up to 12 months. Eliminates the sunset of the TMA program.*

- *Provides \$2.8 billion a year indefinitely for the Social Services Block Grant.*
- *Funds the Family Formation Fund (to encourage two-parent families) at \$100 million per year through FY2008.*
- *Eliminates the separate work participation rate for two-parent families, and prohibits states from (and penalizes states for) having different eligibility requirements for two-parent families than for one-parent families.*
- *Extends “abstinence” funding through 2008 but prohibits any such funds from going to programs that are modeled after programs that have not demonstrably reduced HIV transmission, sexually transmitted disease transmission, or unwanted pregnancies. Requires HHS to study the effectiveness difference between abstinence-only education and abstinence-with-contraception education.*
- *Extends various studies and reports on welfare recipients and programs.*

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