

Mr. Chairman, Senator Grassley, and members of the Senate Finance Committee: My name is Arlene McNamee, and I serve as Executive Director of Catholic Social Services in Fall River, Massachusetts. I would like to thank you for the opportunity to testify before this Committee on the subject of requiring and supporting work among TANF recipients.

Catholic Social Services' mission is to serve those in need. Our programs include:

- **Housing services:** We provide transitional housing for homeless women and children, transitional housing for women who have been newly released from prison, long term affordable housing for women, permanent housing for homeless families, and housing counseling services to first time homebuyers. In addition, we assist families dealing with foreclosure.
- **Emergency Financial Assistance:** In 2001, we provided approximately \$65,000 in emergency financial assistance to needy families.
- **Programs for the Working Poor:** Our food pantry, located in New Bedford, is the largest in the Commonwealth of Massachusetts. We also provide a furniture program that last year alone provided furniture to over 1,200 families.
- **Immigration services:** We provide legal and advocacy services, English as a Second Language training, literacy programs, Spanish language GED programs, citizenship education, and elderly support groups for Portuguese speakers.
- **Domestic Violence services:** We provide counseling, advocacy, outreach and education for domestic violence victims, as well as education to clergy. Our counseling services target only the working poor who are uninsured, providing individual, groups and family counseling.
- **Adoption and pregnancy counseling programs.**

As someone who works on a daily basis with families who are struggling to make the transition from welfare to self-sufficiency – and who would like nothing more than to be able to survive without government assistance – I believe proposals to increase current work requirements, however well-intended, are *inflexible, impractical, and unfair*. This is true *even if* calls to increase the work requirements are accompanied by additional resources to support TANF mothers as they move into the workforce. If Congress is interested in seeing even more TANF families make the successful transition to work, we recommend that you focus on providing the work supports that are necessary to support low-income women as they move to employment.

I. Work Requirements for TANF Recipients:

Under current law states are required to have 50 percent of their TANF caseload engaged in work activities for 30 hours each week within two years of receiving cash assistance.¹ States can reduce the work requirement to 20 hours for mothers with young

¹ In practice, the actual work participation rates are much lower due to the caseload reduction credit, which reduces a state's overall work participation requirement by the percentage point drop in the state's welfare caseload. For example, a state that reduced its welfare caseload by 45 percent would have a work participation requirement of five percent.

children. As Congress begins work on reauthorizing the TANF program, there have been calls to substantially increase the hours that TANF recipients must spend in work activities each week and to drastically shorten the time for recipients to find jobs, day care, and transportation so they can work. In summary, the proposals would

1) Require *all* TANF recipients to work *40 hours per week*. Even parents with children under the age of six would have to meet the same 40-hour work requirement;

2) Prohibit the states from counting education and training toward the first 24 hours of the weekly requirement – only paid or *unpaid* employment could be used to satisfy the requirement;²

3) Require mothers to full-time work *within 60 days* of receiving their first welfare checks; and

4) Penalize states unless *70 percent* of mothers on welfare meet these requirements by FY 2007.³

1. The proposed increases in the work requirements are impractical:

Since the creation of TANF in 1996, states have focused a tremendous amount of time, attention, and resources into moving families from welfare to work. Yet many states have fallen far short of the target 50 percent employment rate, even during the recent economic boom and its record low unemployment. In 2001, the work participation rate for all families across the country was 34 percent.

Requiring TANF recipients to work 40 hours would present an enormous undertaking for states, particularly if they are coupled with 1) an *increase* in the percentage of TANF recipients who must work full-time and 2) a *reduction* in the amount of time that states have to transition TANF recipients into work.

The combination of a 40-hour work requirement and a requirement to move TANF recipients into a job within 60 days would cripple the best welfare-to-work programs. For those recipients who can't secure at least 24 hours of unsubsidized employment, states will need to create "workfare" or community service programs, diverting resources from programs that provide valuable work supports for low-income working families. A recent survey of 38 states reported "states believe the stiffer work requirements would deprive them of freedom to spend [resources] on other kinds of help:

² One proposed exception would allow states to count full-time education and training for three months in any two-year period.

³ Two features will slightly ease the difficulty states may have meeting the 70 percent work requirement: 1) states will be allowed to count workers who have left welfare for work toward the work requirement for three months; and 2) states can exclude a case for the first three months it is open.

training programs, and services such as transportation and child care for people who already are employed.”⁴

Under the Administration’s proposal, if a TANF recipient falls short of the 24-hour work requirement by any amount – even an hour – in any given week, the state would receive *no credit* for the work performed by the individual that week. If the worker meets the 24-hour requirement, but not the 40-hour requirement, the state would receive only partial credit for work performed.

In effect, caseworkers will become glorified timekeepers, tracking the most detailed information about exact hours performed in specified categories of activities every week. And sadly, this will undermine what many caseworkers are beginning to learn to do – to truly assess the needs of low-income families and help them develop the tools that they will need to make the transition from TANF to gainful employment. Indeed, the same survey of 38 states indicated that the Administration’s work requirements “would create incentives for states to keep people on welfare, in ‘make work’ jobs, rather than to move people from welfare into wage-paying jobs in private industry.”⁵ Such an incentive benefits no one, least of all the moms and kids that TANF is designed to help. States currently have the flexibility to create workfare programs for their TANF recipients. Most have chosen *not* to do so. If states don’t believe that mandatory workfare is the best way to help their clients move to work, it makes little sense for the federal government to design a system that will effectively require states to do this.

More significantly, given what we know about the work patterns of low-wage workers, states are likely to require TANF recipients to work far more than the minimum 24 hours each week in order to protect against hours lost when TANF recipients must stay home to care for sick children, or if they have problems getting to work due to lack of transportation, or need time off work to go to the welfare, food stamp, or Medicaid office.

Consider the case of “Joan,” a divorced mother of five children. Joan was employed at a fish house, but it did not provide her with consistent work hours so she left the job. She has been working as an assembly line worker for the past three months earning \$6.25 an hour. She has recently been sanctioned from receiving TANF benefits because she didn’t keep her appointment with her TANF worker. While Joan had been faithful in meeting with the worker in the past, her new boss is less tolerant in letting her leave work early or extending her lunch hour so that she can meet with the worker. The demands of a system that mandates visits to welfare offices (that are only open from 9-5) to meet with caseworkers to verify incomes, and apply for food stamps and other benefits, makes the task of keeping a job that much more difficult for these moms. Of course, if state caseworkers are required to track all recipients to ensure that they are working in paying jobs or workfare 24 hours *every week*, and performing 16 additional

⁴ “States Resist Bush’s Welfare Work Plans: Rules Viewed as Harmful, Study Finds,” *The Washington Post*, April 4, 2002.

⁵ “Study by Governors Calls Bush Welfare Plan Unworkable,” *The New York Times*, April 4, 2002.

hours of activity *every week*, working moms will be required to have even more frequent meetings with caseworkers, reporting on which shifts they have worked and for how many hours – which would only add to the challenge of staying employed.

Joan and her family have now been without TANF benefits for three weeks while she appeals the action taken by the welfare worker. Last week her hours at work were reduced from 30 to 20 per week. This reduction in hours was completely outside of her control, or the control of her state caseworker. Yet under proposals to increase the work requirements, Joan’s 20 hours of work on the assembly line would no longer count toward the state’s work participation rate. Again, it is foreseeable that states may require women like Joan to work more than one job, in order to ensure they work 24 hours each and every week. As for Joan, she is now behind in her rent and her payments to day care. She risks losing her daycare slot if her arrearages aren’t brought up to date, which will make it virtually impossible to continue her employment.

Or, consider the case of three families who arrived at “Donovan House,” our transitional housing program for homeless women and children, on Christmas Eve. One week later, all the women applied for childcare assistance. Their experience was typical; it took three months for the state to determine their eligibility for daycare. How are these women supposed to begin work within 60 days of receiving assistance if they have nowhere to put their kids?

Even with our help, these women are having difficulty finding jobs because there aren’t any “mother’s hours” jobs available and, in our small communities, there is little or no public transportation. Mothers have to use costly taxi services in order to get to job interviews and keep appointments at the welfare department. This additional cost cuts into resources that would be available for other necessities that are not covered by food stamps: diapers, paper products and personal hygiene items.

2. The proposed increases in the work requirement are inflexible:

The combined effects of the increased work requirements would undermine many existing state programs. Under current law, states can allow mothers to participate in vocational education full-time for up to *12 months*.⁶ Given all we know about the value of education and training for helping workers move up the income ladder, and into secure jobs that can keep them off welfare for a lifetime, states should continue to have the flexibility to design programs that help qualified TANF recipients (or a portion of their TANF recipients) pursue education full-time.

I would like to share the story of “Lisa,” a 29-year old mother of four. Lisa has been participating in a marine hazardous waste vocational educational program that will certify her to work in the environmental industry. The program is a 12-month program that, upon completion, will enable her to earn \$17.00 – \$20.00 starting hourly wage, with benefits. Clearly, Lisa and her family – and society – will be much better served by

⁶ Only 30 percent of a state’s TANF caseload can be involved in full-time vocational education at any time.

allowing her to obtain a higher-paying, more secure job than by placing her in a low-paying service-sector or retail job, or by warehousing her in workfare or community service. The nature of this work is dangerous, as it necessarily involves exposure to hazardous material. Lisa is more than willing to take on this challenge, because she feels it will allow her to move off TANF and out of poverty for the first time in her life. If Lisa is willing to do what it takes to pursue this training, in order to provide a better life for her family, why should federal law prohibit Massachusetts from helping her?

3. *The proposed increases in the work requirement are unfair:*

A 40-hour workweek is no longer the standard in the U.S. February 2002 data from the Bureau of Labor Statistics (BLS) show that the average number of hours worked per week by production or non-supervisory workers was 34.1. For the kinds of paid employment that TANF recipients can qualify for in the service industry and retail sector, average weekly work hours are even lower (32.7 and 29 respectively). At Catholic Social Services, our full time workers work 35 hours per week.

Most American workers get at least some paid time-off – legal holidays, sick leave, vacation or personal days. Relatively few TANF recipients obtain jobs with paid benefits. In addition, low-income mothers must shoulder family obligations that can lead to them missing work, including the illness of a child, unreliable child care or transportation, requirements to appear in person to apply for food stamps or Medicaid, or problems associated with financial hardship, including disconnected utilities or lack of housing.

We believe it is fundamentally unfair to ask the poorest parents in our society – women who already have many strikes against them – to meet standards that other workers are not expected to achieve.

We know that many in Congress believe that increasing the work requirements does not make sense absent a significant increase in resources for programs that serve the poor. We agree that more resources are needed. Funding for the TANF block grant has remained flat since 1996, decreasing its value *by more than nine percent since 1996*. Even though caseloads have declined, the TANF block grant provides inadequate funding for the education, training, child care, transportation, and other work supports that low-income families need to make the successful transition to self-support.

The Social Services Block Grant (SSBG) is also underfunded – currently, it operates well below the \$2.8 billion level promised to states in the 1996 welfare law. SSBG funds allow faith-based and community organizations to provide a wide range of services to the poorest and most vulnerable Americans, and helps to fund programs for many families who would otherwise need TANF assistance.

II. Work Supports for Low-Income Families:

Rather than forcing the states to adopt new and impractical work requirements, Congress should focus on expanding work supports to help families get off and stay off welfare.

A. Child Care: Lack of affordable, quality child care is perhaps the biggest obstacle to retaining a job and advancing in the workplace. Parents lacking job experience or skills frequently have to accept jobs on weekends or the night shifts, when office buildings need to be cleaned or fast food positions need to be staffed. In addition, state subsidy rates are often below the local fair market rates. Inadequate subsidies deprive parents of genuine options in choosing day care providers, keep poor children out of existing quality child care programs, and limit providers' ability to attract qualified staff with fairer salaries or improved benefits. Child care workers are seriously underpaid; the average salary is \$14,000, often without benefits. These salaries contribute to a high rate of staff turnover, which is difficult on the children in care. And, finally, there are not enough child care dollars to serve all who are eligible for assistance.

Congress should increase the CCDBG budget by *at least* \$1 billion each year as part of TANF reauthorization. This increase should be part of an annual Congressional commitment to narrowing the gap between the children who receive CCDBG aid and the number who need it. And CCDGB funds must be used to address the urgent need for improvements in child care quality, including increases in reimbursement rates and child care provider salaries and incentives for child care facilities to provide non-traditional hours of service. A number of bills have provisions to increase CCDBG funding. S. 2052, the "Personal Responsibility and Work Opportunity Reconciliation Act Amendments of 2002" (introduced by Senator John D. Rockefeller), would provide an additional \$1 billion annually in mandatory child care funding. H.R. 3625, the "Next Step in Reforming Welfare Act" (introduced by Rep. Ben Cardin),⁷ would increase funding for the entitlement portion of the Child Care and Development Block Grant by \$11.25 billion over five years.

B. Health Care: Subsidized health insurance for low-income families is a critical need. Families leaving welfare for work *are currently eligible for up to one year of* Transitional Medicaid Assistance (TMA) but unfortunately, all too often these families don't get the coverage to which they are entitled. A study by the Urban Institute found that 41 percent of welfare leavers were without health insurance within the year after leaving welfare.⁸ Families don't receive TMA for a variety of reasons: they aren't told that they are eligible, the eligibility rules are complex and confusing, and families are

⁷ H.R. 3625 has 30 additional cosponsors, including Representatives Pete Stark, Sander Levin, Jim McDermott, Lloyd Doggett, George Miller, Xavier Becerra, Corrine Brown, Sherrod Brown, Eva Clayton, Joseph Crowley, Elijah Cummings, Diana DeGette, Lane Evans, Martin Frost, Marcy Kaptur, John Lewis, Robert Matsui, Cynthia McKinney, Michael McNulty, Carrie Meek, Richard Neal, Eleanor Holmes Norton, Charles Rangel, Ciro Rodriguez, Janice Schakowsky, Hilda Solis, Karen Thurman, Diane Watson, Henry Waxman, and Albert Wynn.

⁸ "Welfare Leavers, Medicaid Coverage, and Private Health Insurance," Bowen Garrett and John Holahan, Urban Institute, March 2001.

often unable to satisfy burdensome application requirements, which can include frequent in-person interviews during normal business hours. In addition, the TMA program is set to expire this year.

Senators John Breaux and Lincoln Chafee have introduced S. 1269, the “Transitional Medical Assistance Improvement Act of 2001,”⁹ which would reauthorize and improve TMA to ensure that families who leave TANF for work don’t lose access to health care programs that can make a critical difference in whether or not a family can succeed in the workplace. Provisions to reauthorize and improve TMA have also been incorporated into S. 2052.

Continuing TMA is important not only for low-income workers, but for their children, too. Recent evidence has demonstrated that providing public health coverage to parents leads to increased enrollment in public health programs by their children. When parents are included in state health programs, their kids benefit – often dramatically. As a study by the Center on Budget and Policy Priorities showed, states that expanded their public health programs to parents saw children’s participation rates increase significantly, from 51 percent to 67 percent, compared to an increase of 51 percent to 54 percent in states without similar expansions.¹⁰ By ensuring that all eligible parents automatically receive Medicaid benefits in the year following welfare, we can expect to see improvements in the rate of health insurance among children as well.

C. Food Stamps: Almost two-thirds of families leaving TANF *do not receive food stamps* in the six months after leaving welfare, although numerous studies show that the great majority still fall within the Food Stamp Program’s income limit (130 percent of the poverty level).¹¹ The two main reasons for the lack of participation in the Food Stamp Program are: (1) lack of outreach and (2) burdensome administrative procedures. To address this, *states should provide families with one year of food stamps during this transition period automatically.*

States now have the option to provide TANF-leaving families with only three months of transitional food stamp benefits before families are required to travel to the food stamp office for a full recertification. Most newly employed parents cannot afford to lose time and pay from work to spend another day reapplying for food stamps every

⁹ S. 1269 has 5 additional cosponsors, including Senators Jeff Bingaman, Bob Graham, Mary Landrieu, Joseph Lieberman and Zell Miller. A companion bill, H.R. 2775, has been introduced in the House of Representatives by Representatives Sander Levin and Michael Castle, and is cosponsored by Representatives Robert Brady, John Conyers, Dennis Kucinich, Major Owens, Pete Stark, Martin Frost, James Oberstar, Lynn Rivers and Henry Waxman.

¹⁰ “The Importance of Family-Based Insurance Expansions: New Research Findings about State Health Reforms,” Leighton Ku and Matthew Broaddus, Center on Budget and Policy Priorities, September 4, 2000.

¹¹ See “National Food Stamp Conversation 2000,” U.S. Department of Agriculture, Food, Nutrition and Consumer Services at 12 (Summer 2000); HHS Assistant Secretary for Planning and Evaluation (ASPE), “A Cross-State Examination of Families Leaving Welfare: Findings from the ASPE-Funded Leavers Studies,” August 1, 2000 at aspe.hhs.gov/hsp/leavers99/cross-state00 (Note Tables 6A& 7A); Urban Institute, “Declines in Food Stamp and Welfare Participation: Is There a Connection?,” October 1999, at 21.

three months. The transition period under the Food Stamp Program should be extended to cover the 12 months after a household leaves TANF. Catholic Charities USA has drafted legislation to give states the option of providing one year of automatic food stamps to TANF leavers, and it is attached to my testimony as attachment A.

D. Child Support: Under current law, a family receiving cash assistance under TANF is required to assign to the state its right to child support payments during the assistance period. This can be discouraging for non-custodial parents who pay support for their children, only to see the money retained by the state instead. For families that are struggling to become self-sufficient, child support payments can provide a critical boost. Indeed, studies have shown that when households headed by single mothers receive child support payments, their poverty rate drops from 33 percent to 22 percent.¹² By allowing for a child support pass through, Congress can ensure that child support paid by non-custodial parents, primarily fathers, reaches the children who need it, and can give low-income families the help they need to succeed without welfare.

We were pleased to see the Administration include in its TANF reauthorization proposal provisions to give states the option of passing more child support through to current and former TANF families, and we encourage members of the Senate Finance Committee to ensure that child support pass through provisions are part of any final TANF reauthorization law. A number of other bills would give states the option of passing additional child support to current and former TANF recipients, including H.R. 3625; S. 918, the “Child Support Distribution Act of 2001,” introduced by Senators Olympia Snowe and Herb Kohl;¹³ and S. 685, the “Strengthening Working Families Act of 2001,” introduced by Senators Evan Bayh and Olympia Snowe.¹⁴

E. Earned Income Tax Credit:

The EITC is the only individual tax credit that provides a federal payment when a filer’s tax credit exceeds income tax liability, lifting 2.6 million children out of poverty while encouraging work. While middle income and affluent families get the full benefit of the personal exemption for all of their children, low-income working parents receive the EITC for only a maximum of two children. Child poverty rates are significantly higher among families with three or more children (28.6 percent) than families with two children (12.4 percent).¹⁵ Given the EITC’s proven role in lifting families out of poverty, expanding the credit for families with more than two children is an important way for

¹² Testimony of Vicki Turetsky, Senior Staff Attorney, Center for Law and Social Policy, before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, May 18, 2000.

¹³ S. 918 has 9 additional cosponsors, including Senators Evan Bayh, John Breaux, Christopher Dodd, Bob Graham, Tim Johnson, Mary Landrieu, Joseph Lieberman, Blanche Lincoln, and John Rockefeller.

¹⁴ S. 685 has 14 additional cosponsors, including Senators Jeff Bingaman, John Breaux, Thomas Carper, Hillary Clinton, Thomas Daschle, Christopher Dodd, Bob Graham, Tim Johnson, John Kerry, Herb Kohl, Mary Landrieu, Joseph Lieberman, Blanche Lincoln and John Rockefeller.

¹⁵ “Should EITC Benefits be Enlarged for Families with Three or More Children,” Center on Budget and Policy Priorities, July 10, 2000.

Congress to support work. S. 685, the “Strengthening Working Families Act of 2001,” would expand the EITC for families with more than two children.

F. Restoration of Benefits For Legal Immigrants: It isn’t possible to talk about supports for working families without mentioning an entire segment of working families that have been severed from federal work supports: Under current law, individuals who are legal residents and arrived in the United States after August 22, 1996, are barred for five years from receiving publicly means-tested benefits, including TANF, Medicaid, the State Children’s Health Insurance Program (SCHIP), and food stamps. States should be allowed the option of restoring eligibility for these benefits to legal immigrants. New immigrants come to this country for the opportunity to improve their lives, and those of their families. They are looking for opportunity, not a handout, and they contribute a great deal to our economy and our society. Our economy could not function without them. And, research conducted by the National Academy of Sciences shows that the average immigrant contributes \$1,800 each year more in taxes than he or she costs federal, state and local governments.

In addition, 85 percent of immigrant families contain at least one U.S. citizen. Restrictions on immigrants can have a negative impact on citizens in immigrant families, particularly citizen children. More than one in five children in poverty has at least one immigrant parent. We cannot address the problem of children in poverty without ensuring that legal immigrant parents have access to important programs – including welfare-to-work programs and work supports – that can help them improve their economic mobility. Several bills have been introduced to give states the option of providing TANF benefits to legal immigrants, including S. 2052 and H.R. 3625.

III. Child and Family Well-Being

Ideas for promoting child well-being and family stability need attention as Congress works to reauthorize the TANF program.

Catholic Charities USA has developed a proposal to give low-income parents access to programs to help them form strong and stable families, including marriage counseling, relationship skills classes, marriage preparation programs, premarital counseling, and family budget counseling – programs that might otherwise be cost-prohibitive for them.

We also believe that a critical component of any effort to promote strong families must be ending 65 years of discrimination against two-parent families in the welfare system. We have drafted legislative language to eliminate federal guidelines that require significantly higher work participation rates for two-parent families, and *requiring* states that continue to discriminate against two-parent families in their TANF program to eliminate those barriers. Copies of both proposals are attached to this testimony as Attachment B and C.

Finally, we support the Administration's call for focusing on promoting child well-being as a purpose in TANF. As part of promoting child well-being, we urge Congress to eliminate the "family cap" option that allows states to restrict or deny cash assistance when a TANF family's size increases due to the birth of an additional child. Along with the U.S. Conference of Catholic Bishops, Catholic Charities USA strongly opposed the family cap option. Denying benefits to families based on the birth of an additional child sends the wrong signal about the value that the government places on human life, and punishes all the children in the family.

The family cap sacrifices the lives of some unborn children, and it sacrifices the health of others. A study conducted by Rutgers University found that the family cap in New Jersey has led to an increase in the number of abortions performed in the state. Moreover, Dr. Deborah Frank, Director of the Grow Clinic for Children at Boston Medical Center, has reported on her experiences treating children affected by the family cap:

My colleagues and I have been alarmed by the discovery that one in three of the 75 malnourished children under age four, that we are actively treating this month, are either children excluded from the mother's TANF benefits by family cap provisions or siblings of such children.¹⁶

Conclusion

Mr. Chairman, I know that many members of this Committee are proud of the jobs that their states have done in moving TANF recipients to work, and proud of the way that moms receiving TANF have responded to the challenges of the 1996 law. Single moms are moving from welfare to work in record numbers. Unfortunately, all too often the supports that were promised to these mothers – supports like child care, food stamps, Medicaid and transportation assistance – are not being provided.

As you begin work to reauthorize the TANF program, I urge you not to make the jobs of the states, and more importantly of the mothers who are trying so hard to provide for their families, more difficult. Rather than imposing costly and impractical work requirements on the states, Congress should work to expand and improve the support systems that allow mothers to make the successful transition from welfare to self-support.

I would be pleased to answer any questions you may have.

¹⁶ "Children First: An Illustrative Profile of How the Children and Families of Catholic Charities are Coping with Welfare Reform in Massachusetts," Catholic Charities, Archdiocese of Boston, December 8, 2000.

Attachment A
Transitional Food Stamp Program for TANF Leavers

§X. Transitional Food Stamps for Families Moving From Welfare.

(a) In General- Section 11 of the Food Stamp Act of 1977 (7 USC 2020) is amended by adding at the end the following:

“(s) Transitional Benefits Option. -

(1) In General. - A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 USC 601 et seq.).

(2) Transitional Benefits Period. - Under paragraph (1), a household may continue to receive food stamp benefits, without the need for reapplication, for a period of up to 12 months after the date on which cash assistance is terminated.

(3) Amount. - During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

(4) Determination of Future Eligibility. - In the final month of the transitional benefits period under paragraph (2), the State agency may--

(A) require a household to cooperate in a redetermination of eligibility to receive uninterrupted benefits after the transitional benefits period; and

(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

(5) Limitation. - A household sanctioned under section 6 (7 USC 2015), or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.”.

(b) Conforming Amendments –

(1) Section 3(c) of the Food Stamp Act of 1977 (7 USC 2012(c)) is amended by adding at the end the following: “The limits in this section may be extended until the end of any transitional benefit period established by a State under section 11(s) (7 USC 2020).”.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 USC 2015(c)) is amended by striking “No household” and inserting “Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s) (7 USC 2020), no household”.

§XX. Simplified Application And Eligibility Determination Systems. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

“(l) The Secretary shall expend up to \$10 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems, including systems to facilitate the provision of transitional food stamp benefits to households that are no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et. seq.) pursuant to section 11.

Prepared by the Georgetown Federal Legislation Clinic on behalf of Catholic Charities USA

Attachment B
Language to Create State Grants to Support Marriage

§X Grants to States to Support Marriage.

(a) In General. - Title IV of the Social Security Act (42 U.S.C. 601 et. seq.), is amended by adding at the end the following:

“Part F. Grants to States to Provide Support to Married Couples or Those Seeking to Marry. (42 USC 680). For the purpose of encouraging and enabling each state to develop and operate a program to promote the well-being of children by providing support services to married couples or those seeking to marry, the Secretary is hereby authorized to make grants in accordance with the provision of this subchapter.

§681. Grants to States to Provide Support Services to Married Couples or Those Seeking to Marry.

(a) Definitions - In this section:

(1) **Eligible Services.** – The term ‘eligible services’ means services that are made available to persons who are married or those voluntarily seeking to marry that support healthy marriages through such activities as marriage counseling, marriage mentoring programs, relationship skills classes, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, family budget counseling, and divorce education and reduction programs, including mediation and counseling.

(2) **Eligible Entity.** – The term ‘eligible entity (or entities)’ means any public or private nonprofit entity, including faith-based organizations, and Indian tribes and tribal organizations, with experience in providing eligible services to married couples or those seeking to marry, or who employ or contract with individuals who have experience in providing such services.

(3) **Low-income Individual or Family.** – The term ‘low income individual’ or ‘low-income family (or families)’ means an individual or family whose average gross monthly earnings (less such cost for such child care as is necessary for the employment of the caretaker relative) does not exceed 185 percent of the poverty line applicable to the individual or the size of the family involved.

(4) **Poverty Line.** - The term ‘poverty line’ has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (including any revision required by such section) that is applicable to a family of the size involved.

(5) **Secretary.** - **The term ‘Secretary’ means the Secretary of Health and Human Services.**

(6) State.- The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(b) State Certifications. - Not later than October 1 of each of fiscal year for which a State desires to receive an allotment under this section, the chief executive officer of the State shall submit to the Secretary a certification that the State will--

- (1) use such funds to provide eligible services to married couples, or those seeking to marry, in accordance with subsection (d);
- (2) return any unused funds to the Secretary in accordance with the reconciliation process under subsection (e); and
- (3) require each eligible entity or individual provider offering eligible services to certify that they have consulted with representatives of a State or local domestic violence assistance center and representatives of State or local child protective services about the specific steps that the entity or providers will take in order to help prevent or to address domestic violence and child abuse.

(c) Payments to States. – For each of fiscal years 2002 through 2006, the Secretary shall pay to each State that submits a certification described in subsection (b), from any funds appropriated under subsection (g), for the fiscal year an amount equal to the amount of the allotment determined under subsection (f).

(d) Programs to Support Married Couples or Those Seeking to Marry.-

(1) Facilitation of Services.- Except as provided in subsection (4), a State shall use at least 90 percent of its allotment received under this section to facilitate eligible services through grants, contracts, or cooperative agreements with eligible entities who have met the requirements of paragraph (2).

(2) Administrative Costs. – Not more than 10 percent of the funds allocated to the State to carry out this section shall be expended on administrative costs of the State in carrying out the provisions of this section.

(3) Application Requirements.- In order to be eligible for a grant under this section, an eligible entity shall submit an application to the State containing the following:

- (A) Experience and Qualifications. – A demonstration of the eligible entity’s experience (or the experience of its staff) in providing the eligible services, by means such as demonstration of experience of the entity or its staff in providing services of similar design and scope, and

such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project.

- (B) Addressing Child Abuse and Domestic Violence. – A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse, including how the entity will coordinate with State and local child protective services and domestic violence programs.
- (C) Service to Low-Income Individuals and Families. – A demonstration of how the entity serves or will serve low-income individuals and families.

(4) Optional Voucher Program.- States have the option of using a percent of the allotment received under this section to issue vouchers to low-income individuals or families that can be used to obtain the eligible services described in this section.

- (A) Use of the Vouchers. – Low-income individuals or families who receive vouchers under this subsection shall redeem the vouchers with eligible entities for eligible services as defined in this section or with individual providers, in accordance with subsection (B), for eligible services.
- (B) Individual Provider Selection Criteria.- Within six months of the enactment of this section, the Secretary shall set standards for determining the eligibility of individual providers to receive vouchers to provide eligible services. In setting such standards, the Secretary shall require that such providers serve, or be willing to serve, low-income individuals and families.

(5) Preference for Entities Serving Low-Income Individuals and Families.- In allocating funds to eligible entities under paragraph (1), the State shall give preference to entities that can demonstrate that they serve or will serve low-income individuals and families.

(6) Supplement Not Supplant. - Amounts allotted to a State under this section shall be used to supplement and not supplant other Federal, State, or local funds provided to the State under this part or any other provision of law that are used to support programs and activities similar to the eligible services described in this section.

- (e) Reconciliation Process. -
 - (1) 3-Year Availability of Amounts Allotted. - Each State that receives an allotment under this section shall return to the

Secretary any unused portion of the amount allotted to a State under this section for a fiscal year not later than the last day of the second succeeding fiscal year, together with any earnings on such unused portion.

(2) Procedure for Redistribution of Unused Allotments. - The Secretary shall establish an appropriate procedure for redistributing to States that have expended the entire amount allotted under this section any amount that is--

(A) returned to the Secretary by States under paragraph (1);

or

(B) not allotted to a State under this section because the State did not submit a certification under subsection (b) by October 1 of a fiscal year.

(f) Amount of Allotment to States.-

(1) In General.- Except as provided in paragraph (2), of the amount appropriated for the purpose of making allotments under this section for a fiscal year the Secretary shall allot to each State that submits a certification under subsection (b) for that fiscal year an amount equal to the amount that bears the same ratio to the percent of funds allocated to the state under section 403(a)(1) and 403(a)(4) of this title (42 USC 603(a)(1) and (a)(4)) as bears to the total amount appropriated for grants to states under section 403(a)(1) and (4).

(2) Minimum Allotments. - No allotment for a fiscal year under this section shall be less than--

(A) in the case of a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 1 percent of the amount appropriated for the fiscal year under subsection (g); and

(B) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 0.5 percent of such amount.

(3) Pro Rata Reductions. - The Secretary shall make such pro rata reductions to the allotments determined under paragraph (1) as are necessary to comply with the requirements of paragraph (2).

(g) Authorization of Appropriations. - There is authorized to be appropriated \$100,000,000 for each of fiscal years 2002 through 2006 for purposes of making allotments to States under this section.

Attachment C
Langue to Require the Elimination of State Barriers to
Two-Parent Families Accessing TANF

Prohibits states from imposing barriers on two-parent families accessing TANF. Penalizes states by a five percent decrease in the amount of grant money they receive if they do impose barriers. States will have to make up the difference in their Maintenance of Effort (M.O.E.) funds. (PRWORA already includes provisions that require states to make up penalties by increasing their M.O.E. contributions.) A state cannot be excused from the penalty for reasonable cause, and the state will not be given a chance to correct the offense before the penalty is imposed. (PRWORA provides for reasonable cause exemptions and the opportunity for states to come into compliance for some, but not all, of the existing penalty categories.)

§XX: Ban on Imposition of *Different* Eligibility Criteria for 2-Parent Families.

(a) Prohibition. - Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

“(12) Ban on Imposition of Different Eligibility Criteria for 2-Parent Families. –
(A) In General. – In determining the eligibility of a 2-parent family for assistance under a state program funded under this part, the state shall not impose a requirement that does not apply in determining the eligibility of *any other* family for such assistance.

(b) Penalty. – Section 409 (42 U.S.C. 609) is amended -
(1) in subsection (a) by adding at the end the following:

“(15) Penalty for Imposition of Different Eligibility Criteria for 2-parent Families.–
(A) In General. – If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(12) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.”; and

(2) in subsection (b) by striking paragraph (2) and inserting the following:

“(2) Exception. – Paragraph (1) of this subsection shall not apply to any penalty under paragraph (6), (7), (8), (10), (12), (13), or (15) of subsection (a) of this section.”; and

(3) in subsection (c) by striking paragraph (4) and inserting the following:

“(4) Inapplicability to certain penalties. – This subsection shall not apply to the imposition of a penalty against a state under

paragraph (6), (7), (8), (10), (12), (13), or (15) of subsection (a) of this section.”.

Prepared by the Georgetown Federal Legislation Clinic on behalf of Catholic Charities USA