

Side-by-Side Comparison of Child Care Provisions in TANF Bills and Proposals



Side-by-Side Comparison of Child Care-Related Provisions in TANF Bills and Proposals

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This document summarizes and compares selected child care provisions in current law and several recent TANF reauthorization proposals as of **May 24, 2002**:

- the bill passed by the House on May 16, 2002 (H.R. 4737), with text in **bold** where provisions are the same as the Administration's reauthorization plan (descriptions of the Administration's provisions are based on *Working Toward Independence*, a 36-page White House document released in February);
- a Democratic substitute for H.R. 4737 offered by Rep. Cardin on the House floor;
- a bill introduced by Senator Rockefeller (S. 2052); and
- a bill introduced by Senators Bayh and Carper (S. 2524);
- a list of provisions upon which a bipartisan group of Senate Finance Committee members have agreed (descriptions are based on an April 26, 2002 letter signed by Senators Breaux, Hatch, Jeffords, Lincoln, Rockefeller, and Snowe and an attached outline of provisions); and
- a list of principles upon which Democratic members of the Senate Health, Education, Labor and Pensions Committee and other Senators agree (descriptions are based on a May 23, 2002 letter signed by 18 Senators).

The last two proposals have been described to date only in outline form; more detailed legislative language is not available. "Does not address" is used to describe areas where the available materials are silent on a matter. "Current law" is used to describe areas where materials state adherence to current law.

This document is part of a larger joint project of the Center for Law and Social Policy (CLASP) and the Center on Budget and Policy Priorities, which includes side-by-side comparisons of many aspects of proposed TANF reauthorization legislation. CLASP is also preparing an additional side-by-side comparison of the key child care and early education provisions in the final House bill and major Senate and Administration TANF, child care, and early education proposals. For more details about the child care and early education proposals being considered by the Senate, please see these documents (forthcoming at www.clasp.org). Although this document provides a summary of the key *child care* provisions in these TANF proposals, it does not address every detail of each proposal.

Side-by-Side Comparison of Child Care Provisions in TANF Bills and Proposals

	Current Law	H.R. 4737 Passed by House (same as Administration in bold)	House Democratic Substitute (Cardin, D-MD)	S. 2052 (Rockefeller, D- WV)	S. 2524 (Bayh, D-IN, Carper, D-DE)	Bipartisan Outline of Finance Committee Senators	Senate HELP Democratic Principles
Title(s)	Social Security Act; Child Care and Development Block Grant (CCDBG) Act of 1990	Personal Responsibility, Work, and Family Promotion Act of 2002	Next Step in Reforming Welfare Act	Personal Responsibility and Work Opportunity Reconciliation Act Amendments of 2002	Work and Family Act of 2002	Not legislation	Not legislation
Child Care Funding	<p>Federal mandatory funds and federal matching funds (which are federal mandatory funds that require a state match) are automatically available each year according to legislation and are not subject to the annual Congressional appropriations process. Federal discretionary funds must be appropriated each year by the Congressional appropriations committees.</p> <p>In FY 2002, funds were authorized as follows: \$1.24 billion in mandatory funds; \$1.48 billion in mandatory-matching funds authorized to increase annually by an average of \$150 million for FY 1997 – FY 2000; and \$2.1 billion in discretionary funds (although the law only authorized \$1 billion for discretionary</p>	<p>Increases mandatory-matching funds by \$1 billion over five years by authorizing an additional \$200 million for FY 2003 through FY 2007.</p> <p>Authorizes Congressional appropriators to appropriate additional discretionary funds above the current appropriation of \$2.1 billion if they choose, including an additional \$200 million in FY 2003; \$400 million in FY 2004; \$600 million in FY 2005; \$800 million in FY 2006; and \$1 billion in FY 2007.¹</p>	<p>Increases mandatory-matching funds by \$11.25 billion over five years by authorizing an additional \$1.25 billion for FY 2003; \$1.75 billion for FY 2004; \$2.25 billion for FY 2005; \$2.75 billion for FY 2006; and, \$3.25 billion for FY 2007.</p> <p>Authorizes Congressional appropriators to appropriate an additional \$250 million in discretionary funds in FY 2003, and such sums</p>	<p>Increases mandatory-matching funds by \$5 billion over five years by authorizing an additional \$1 billion annually for FY 2003 through FY 2007.</p>	<p>Increases mandatory-matching funds by \$8 billion over five years by authorizing an additional \$1 billion for FY 2003; \$1.4 billion for FY 2004; \$1.7 billion for FY 2005; \$1.9 billion for FY 2006; and \$2 billion for FY 2007.</p> <p>Explicitly ties implementation of new work requirements to the availability of sufficient child care funding.</p>	<p>At a minimum, would ensure sufficient funding to accommodate the new work participation rates, but does not specify a funding level.</p>	<p>Would increase mandatory funds by \$11.25 billion over five years. Funding for any increased child care needs created by changes in the TANF program would be added to this amount.</p>

¹ Note that House committee staff members have indicated that the discretionary increase is intended to allow up to a \$1 billion increase in appropriations over 5 years, based on requirements that discretionary authorizations build in baseline increases from year to year.

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	funds).		as necessary through FY 2007.				
Quality Set-Aside and Quality Provisions	<p>Requires that States spend at least 4% of mandatory, discretionary, and federal and state matching funds on activities designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care in the state (such as child care resource and referral services).</p> <p>The FY 2002 discretionary allocation included an additional \$172.67 million earmark for quality improvement expenditures.</p>	<p>Increases the minimum 4% quality set-aside to 6%.</p> <p>Limits use of quality funds to improving only those services for which financial assistance is provided through CCDBG.</p> <p>Amends current law to specify that activities may include (but are not limited to): enhancing the skills of the child care workforce, promoting activities that enhance early literacy and school readiness, and increasing the retention and compensation of child care providers.</p> <p>Requires states to develop targets to quantify and measure quality improvement.</p> <p>Adds two goals to the CCDBG Act: encouraging States to improve the quality of child care available to families and promoting</p>	<p>Increases the quality set-aside requirement from 4% to 12%.</p> <p>Amends current law to specify that activities may include (but are not be limited to): resource and referral; grants or loans to help providers meet standards and accreditation; licensing and monitoring; training and technical assistance to providers; improving salaries and compensation for teachers; providing financial assistance to help child care teachers participate in education; minor renovations, and expanding the supply of special needs child care.</p>	Current law	Current law	Does not address	Does not address

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		school readiness.	Earmarks 35% of the set-aside funding to increase the quality and supply of infant/toddler care. Creates a national training and technical assistance center specializing in infant and toddler care.				
Non-supplantation	No statutory supplantation prohibition; FY 2001 and FY 2002 Congressional appropriations language prohibits supplantation of state general revenue funds for child care assistance to low-income families with CCDBG discretionary funds.	Current law	State must provide assurances that federal discretionary child care funds shall be used to supplement and not supplant state or local child care funds.	Current law	Current law	Does not address	Does not address
Eligibility	Requires that a child who is eligible for CCDF funds be less than 13 years of age (or less than 19 years of age if the child is disabled and can't care for him or herself); has a family income that does not exceed 85% of the state median income; and resides with a parent(s) who is working or attending a job training or educational	Eliminates the federal maximum eligibility level of 85% of SMI and replaces it with a provision to allow states to set income levels, prioritizing by need. Deletes the CCDBG goal, "to assist States to provide child care to parents trying to	Requires that states provide at least one year of eligibility for child care before requiring an eligibility redetermination. Makes foster children categorically	Current law	Current law	Does not address	Does not address

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	program unless the child is receiving, or needs to receive, protective services and is residing with a parent(s) (in which case the parent(s) is not required to be in job training or an educational program).	achieve independence from public assistance," and replaces it with, "to assist states to provide child care to low-income parents."	eligible for CCDF assistance.				
Improving Outreach, Child Care Consumer Information, and Child Care Access for Families	<p>Requires states to certify that the state will disseminate consumer education information that will promote informed child care choices.</p> <p>Requires states to demonstrate the way in which states will meet the child care needs of families receiving subsidies who are attempting to transition off of assistance and families who are at risk of going on assistance.</p> <p>Quality set-aside funds may be used by states for resource and referral services. In addition, the FY 2002 discretionary allocation included a \$19 million earmark to be used for resource and referral and school-age services.</p> <p>The FY 2002 discretionary allocation also included a \$100 million earmark for services designed to improve</p>	<p>Requires states to certify in their state plans that they will provide information to parents, child care providers, and the general public on the following: availability of assistance to obtain child care assistance; child care quality; research and best practices on children's development; and other benefit programs for which families who receive child care services may also be eligible.</p> <p>Requires states to demonstrate how they address the child care needs of families who have children with special needs, work nontraditional hours, or require child care services for infants and toddlers.</p>	<p>Provides \$500 million between FY 2003 and FY 2007 for the HHS Secretary to create a competitive grant program to improve access to and information on non-TANF benefits (i.e., Food Stamps, Medicaid, child care, etc.).</p> <p>Amends law to specify that CCDBG funds may be used to establish and maintain resource and referral networks in states.</p> <p>Requires that states describe how they will inform parents</p>	<p>Provides \$150 million between FY 2003 and FY 2007 for the HHS Secretary to create a competitive grant program to improve coordination between support programs and to increase outreach for the purposes of promoting enrollment in support programs for low-income families and non-custodial parents, including TANF, child support, child care, Medicaid, S-CHIP, and Food Stamps.</p>	Current law	Does not address	Does not address

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	the quality of child care for infants and toddlers.		<p>receiving TANF benefits and other low-income parents about potential eligibility for child care assistance.</p> <p>Requires states to demonstrate how they are addressing the child care needs of families who have children with special needs and low-income families not receiving cash assistance.</p> <p>Requires states to describe how they will ensure that child care caseworkers are located in TANF offices to inform TANF recipients about their child care options and help families apply for child care assistance.</p>				
Provider Payment Rates	The statute requires state certification that provider payment rates provide equal access to child care for	Current law	Authorizes the Secretary of HHS to use \$500 million for	Current law	Current law	Does not address	Does not address

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	<p>parents who receive subsidies as for those who do not receive subsidies because their income exceeds eligibility limits.</p> <p>Regulations require states to provide information to HHS about how rates are set, including facts that show that payment rates are adequate based on a market rate survey conducted no earlier than two years prior to the effective date of the CCDF state plan.</p> <p>HHS guidance instructs states that payment rates set at the 75th percentile of the child care provider market will be considered to provide equal access.</p>		<p>incentive grants for states to maintain increased payment rates.</p> <p>Requires market rate surveys be conducted every two years and used to set provider rates.</p> <p>Requires that rates reflect variation in the cost of providing child care services for children of different ages and of providing different types of care.</p> <p>Requires an adjustment of payment rates at intervals between surveys to reflect increases in cost of living.</p>				
Sanction Protections for TANF Recipients	Provides protection against sanction for single custodial parents who cannot comply with work requirements due to a lack of appropriate child care for children under age	Current law	Extends protection to parents who lack appropriate child care for children up to age 13.	Current law	Current law	Does not address	Does not address

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TANF Assessments and Child Care	Requires that states assess the skills, prior work experience, and employability of TANF recipients.	Requires self-sufficiency plans for all families with work-eligible individuals that assess the skills, prior work experience, and employability of TANF recipients.	Requires, as part of the process of setting a TANF recipient's individual responsibility plan, that the State make an assessment of the skills, prior work experience, and circumstances related to the employability of the TANF recipient, including child care needs and other potential barriers, such as physical or mental impairment, limited proficiency in English and domestic violence.	Requires states to develop a child well-being plan using a state-developed child well-being assessment for each child in the family as part of the individual responsibility plan. The child well-being plan must, at a minimum, offer information about and describe ways to access services and programs, such as child care and other benefits available to the child.	Current law	Requires that states assess the well-being of each child in every family receiving TANF assistance as part of the individual responsibility plan.	Does not address
Transfer of TANF Funds to the CCDF Block Grant	Allows states to transfer up to 30% of current year TANF funds to CCDF.	Increases the amount of TANF funds transferable to CCDF from 30% to 50% of a state's TANF block grant.	Current law	Current law	Current law	Does not address	Does not address
The Treatment of TANF-	Receipt of "assistance" triggers time limits, child	Excludes child care from being	Excludes child care from being	States may, at their option, provide	Excludes child care from being	Excludes child care from being	Does not address

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funded Child Care as "Assistance"	<p>support requirements, and work requirements.</p> <p>HHS regulations define child care "assistance" as subsidies for unemployed families, unless child care may be considered a short-term, non-recurrent benefit (one provided for less than four months).</p>	<p>considered "assistance." Thus, receipt of child care subsidies does not trigger time limits, child support requirements, and work requirements.</p>	<p>considered "assistance." Thus, receipt of child care subsidies does not trigger time limits, child support requirements, and work requirements.</p>	<p>TANF-funded wage subsidies, benefits, or services to families who are working or participating in work activities for more than 30 hours per week, receiving a certain amount of income (determined by the state) from the work or work activity, and complying with work requirements. If such wage subsidies, benefits, or services are provided by the state under these circumstances, they are excluded from the definition of "assistance."</p> <p>If a parent is participating in post-secondary education programs through a state's Parents As Scholars Program, the state may disregard as assistance any TANF-funded benefits or services.</p>	<p>considered "assistance." Thus, receipt of child care subsidies does not trigger time limits, child support requirements, and work requirements.</p>	<p>considered "assistance." Thus, receipt of child care subsidies does not trigger time limits, child support requirements, and work requirements.</p>	

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Treatment of Prior Year TANF Funds Spent Directly on Child Care	When spending prior year TANF funds for child care, states may only fund child care that meets the definition of TANF "assistance."	Allows TANF funds carried over from prior years to be used for any TANF benefits or services, not limited to the definition of "assistance."	Allows TANF funds carried over from prior years to be used for any TANF benefits or services, not limited to the definition of "assistance."	Allows TANF funds carried over from prior years to be used for any TANF benefits or services, not limited to the definition of "assistance."	Allows TANF funds carried over from prior years to be used for any TANF benefits or services, not limited to the definition of "assistance."	Allows TANF funds carried over from prior years to be used for any TANF benefits or services, not limited to the definition of "assistance."	Does not address
Application of CCDBG Rules to TANF-Funded Child Care	CCDBG basic health and safety requirement rules and data collection requirements do not have to be applied to child care assistance using directly-spent TANF funds.	Current law	Requires states to apply CCDBG health and safety standards to child care providers who receive TANF-funded child care subsidies.	Current law	Current law	Does not address	Does not address