



American Public Human Services Association

**Comparison of Present Law to
Deficit Reduction Omnibus Reconciliation Act of 2005 (DRA), P.L. 109-171**

Provision	Present Law	DRA
CHILD CARE PROVISIONS		
Funding	FY 2005 mandatory funding is \$2.7 billion.	Increases mandatory funding by \$200 million per year for a total increase of \$1 billion over 5 years.
TANF PROVISIONS		
Goals	Four purposes of TANF: (1) assist needy families so that children may live in their homes or those of relatives; (2) end dependence of needy parents on government benefits; (3) reduce out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of 2-parent families.	No changes to present law
State Plan	Certification that state will operate a child support enforcement system; operate a foster care and adoption assistance program; provide Indians with equitable access to assistance; ensure against fraud and abuse; and, optionally, screen for and identify domestic violence.	No changes to present law
Funding	- Basic grants total \$16.5 billion; maximum 60-month lifetime limit on assistance and up to 20% exemption of the caseload for hardship. - Federal Loan Program: \$1.7 billion in loans for up to 3 years to states for same purposes of act, including anti-fraud activities, and to serve Indian families who have left the tribal grant service area.	Level funding at \$16.566 million per year for 5 years.
Supplemental and other Grants	Supplemental grants based on high population and poverty. Grants were \$79 million in 1998 and rose to \$319 million per year in FY 2001.	Extends supplemental grants at FY 2001 level of \$319 million for 3 years.
Cash Management	- Payment schedule to states on a quarterly basis; - Used to meet goals of TANF, plus home heating and cooling to low-income families; - 15% cap on administration; - May use grants for Electronic Benefit Transfer (EBT) system; - Allows funds to be used for Individual Development Accounts; - May use TANF to match Department of Transportation Access to Jobs funds; - Regulations promulgated on use of funds and un-obligated balances.	No changes to present law

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Transfers	<ul style="list-style-type: none"> - States may transfer up to 30% of TANF funds to CCDBG and SSBG. - Limit of 10% transfer to SSBG (dropped to 4.25% in later legislation although appropriators have chosen to maintain the 10% on a yearly basis); - Transfers to SSBG must be used for children and families at 200% of federal poverty level (FPL). 	Authorizes states to transfer up to 10% of the TANF to SSBG through FY 2010 while making no changes to Child Care and Development transfer authority.
Contingency	Provides \$2 billion in matching funds to states that meet triggers related to unemployment and Food Stamp Program (FSP) enrollment.	Continues current law authorization through 2010.
MOE Requirements	States must spend at least 75% of what was spent from state funding in FY 1994 on programs replaced by TANF.	Spending on pro-family activities as used to meet goals 3 and 4 of program count toward MOE requirement.
Definition of Assistance and Limitations	<ul style="list-style-type: none"> - Regulations promulgated on definition of assistance that includes defining child care and transportation provided to unemployed individuals as “assistance” and subject to time limits; - No assistance for teenage parents not living in adult-supervised setting. 	No changes to present law
Marriage and Family Formation	Highlighted in goal 4 of the program.	<ul style="list-style-type: none"> - For FYs 2006-2010, \$150 million per year healthy marriage promotion competitive grants. Specifies the marriage-related services that can be provided to various recipients, such as: <ul style="list-style-type: none"> - <i>High school students</i>: Marriage, relations and budgeting; - <i>Non-married pregnant women and expecting fathers</i>: marriage education, marriage skills and relationship skills programs including parenting skills, financial management, conflict resolution, and job and career development; - <i>Engaged couples and couples interested in marriage</i>: premarital education and marriage skills; - <i>Married couples</i>: marriage mentoring; - No restrictions on service population: advertising campaigns, divorce reduction, marriage mentoring; - Programs to reduce disincentive to marriage in means-tested benefit programs; - Can use funds for research and demonstrations and for technical assistance to states and tribes. - Recipients of grants must describe how they will address domestic violence; ensure that activities are voluntary, that funds won't be used for any other purposed, and that they will consult with domestic violence experts. - up to \$2 million of funds a year for demonstrations projects to test effectiveness of tribal governments in coordinating child abuse and child welfare programs with TANF.

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Fatherhood	No provision	- \$50 million per year of the \$150 million per year marriage grants can be used for fatherhood activities: - Grants to public entities and non-profits including religious organizations can be used to (1) promote or sustain marriage, (2) promote responsible parenting, (3) foster economic stability of fathers, and (4) promote responsible fatherhood through a recognized fatherhood promotion organization.
Out-of-Wedlock Bonus	Provides \$20 million each for up to 5 states per year, for total of \$100 million.	Repeals bonus
High Performance Bonus	Provides \$200 million a year for states with high performance and improvement on employment measure and attachment to other benefit programs.	Repeals bonus
Universal Engagement/ Individual Responsibility	State must make an initial assessment of the skills, prior work experience, and employability of each recipient of assistance over the age of 18 or who has not completed high school or enrolled in an equivalency program. Following the assessment, the state has an option to develop an individual responsibility plan (IRP) that: - sets forth employment goal; - sets forth obligations of the individual; - to the greatest extent possible is designed to move the individual into private-sector employment; - describes the services the state will provide; - may require the individual to undergo substance abuse treatment. Exercise of authority is within the sole discretion of the state.	No changes to present law
Participation Rate	- Participation rates requirements: all families, 50%; 2-parent families, 90%; - 30% limit on the number of individuals in vocational educational training who can count towards work rate.	- Maintains separate 2-parent rate at 90% and all-family rate at 50% - The secretary of HHS is instructed to regulate circumstances under which a parent in a child-only case should be included in the work participation rates. - Applies rate to separate state programs effective October 1, 2006.
- Hours	- 30-hour-a-week standard work requirement; - Single parent with a child under age 6 is deemed as meeting the work requirement at 20 hours; - Single teen head of household or married teen who is in school is deemed as meeting work requirement.	No changes to present law
- Exemptions	State option to exempt a single mother with a child under the age of 1 from work requirement and from the participation rate denominator.	No changes to present law
- Caseload Reduction Credit	Minimum participation rate is reduced by the percentage of caseload decrease from the immediate preceding fiscal year and the average monthly caseload during FY 1995.	- Starting in October 1, 2006, recalibrates current credit: using a base year of FY 2005 caseload data rather than the present FY 1995 numbers.

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- Work Activities	<ul style="list-style-type: none"> - Unsubsidized employment; - subsidized private-sector employment; - subsidized public-sector employment; - work experience if sufficient private-sector employment is not available; - on-the-job training; - job search and job readiness assistance; - community service programs; - vocational educational training (up to 12 months); - job skills training directly related to employment; - education directed related to employment; - attendance at secondary school towards a certificate or degree; - the provision of child care to a recipient of community service. 	<ul style="list-style-type: none"> - Directs HHS to regulate and review activities that count toward work and how to count and verify reporting of work hours, and determining who is a work-eligible individual; - States must establish verification procedures; - Establishes a new state penalty for failure to establish or comply with work participation verification procedures of 1% to 5%, depending on severity of failure (effective October 1, 2006)
TANF Waivers	AFDC waivers in effect on date of TANF enactment can continue until their scheduled expiration.	No changes to present law
Family Sanctions	<ul style="list-style-type: none"> - If a recipient refuses to engage in work, the state must reduce the amount or terminate assistance. However, state cannot terminate benefits if a mother with a child under age 6 demonstrates the unavailability of child care; - If individual does not comply with IRP, state has the option to reduce benefits; - State must reduce benefit by 25% and can eliminate assistance if recipient will not cooperate in establishment of paternity or in obtaining child support. 	No changes to present law
Drug Testing	No provision	No changes to present law
Data Reporting Requirements	<ul style="list-style-type: none"> - Requires states to compile monthly, and report quarterly, on TANF program data; - Allows states to submit disaggregated case samples for TANF quarterly data reports; - Gives the secretary of HHS authority to prescribe regulations to define required data elements, and instructs the secretary to consult with the secretary of Labor to define the required data elements; - Requires states to compile monthly, and report quarterly, disaggregated case information on families receiving TANF assistance. These reports must include client demographic information, as well as 4 other reports: <ul style="list-style-type: none"> - Report on use of federal funds to cover administrative costs and overhead; - Report on state expenditures on programs for needy families; - Report on non-custodial parents participating in work activities; - Aggregated report on families receiving assistance. 	Extends quarterly reporting requirements to cover families in MOE-funded state programs
Tribal Issues	<ul style="list-style-type: none"> - Certification that the state will provide Indians with equitable access to assistance; - Disregard of months of assistance received by an adult while living on an Indian reservation or in an Alaska Native Village with 50% unemployment; - Direct funding and administration by Indian tribes; - Definitions of Indian, Indian Tribe, Tribal Organization, and Special 	<ul style="list-style-type: none"> - Reauthorizes direct funding to tribes through 2010; - \$2 million competitive grant for demonstrations on coordination of child welfare services and services under tribal TANF programs; - Tribal organizations eligible for marriage promotion grants.

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	rule for Indian tribes in Alaska; - Direct funding for Tribal Native Employment Works (NEW) program for former Tribal JOBS grantees; - Direct funding for Welfare-to-Work grants.	
Foreign Outsourcing	No provision	No changes to present law
CHILD SUPPORT PROVISIONS		
Administrative Match Rates and Other Financing Options	States presently use federal incentive fund awards towards their match. States receive a 90% match for laboratory costs incurred in determining paternity.	- States are prohibited from using federal funds earned through incentive grants towards their federal match (effective October 1, 2007) - Starting October 1, 2006, the match rate for lab paternity tests is decreased from 90% to 66%.
Mandatory Fee	Non-welfare families must apply for Child Support Enforcement (CSE) services, and states must charge an application fee that cannot exceed \$25.	Institutes a mandatory fee of \$25 after the state has collected at least \$500 of support for families who have never received TANF assistance (effective October 1, 2006)
Discontinuance of Assignment of TANF Child Support to States	As a condition of TANF eligibility, the parent or caretaker relative must assign rights of child support to the state. The assignment covers child support that accrues during TANF enrollment, plus amounts accrued before enrollment.	Stipulates that assignment covers only child support accrued during the period that the family receives TANF (effective October 1 2009); - Provides a state option to discontinue pre-1997 support assignments and hence distribute those amounts collected to the family. - Provides state option to discontinue post-1997 assignments.
Distribution of Support to TANF Families	The state is permitted to retain any current child support payments and any assigned arrearages it collects up to the cumulative amount of TANF benefits paid to the family. The state is required to pay the federal government the federal share of the child support collected.	For families receiving assistance from a state (TANF or foster care), requires the federal government to waive its share of child support collections, up to \$100 per month for a family with 1 child, and \$200 per month for a family with 2 or more children, if the state chooses to pass this child support through to the family and disregards the amount in determining TANF eligibility.
Distribution of Support to Former TANF Families	State may not retain payments collected through the federal income tax refund offset program if the family is no longer on TANF. Child support arrearages that accrue before or after the family was on TANF must be paid to the family before any monies may be retained by the state.	Adds provision for a state option to pay all current support collections to former TANF families without paying federal government share, as long as the amount collected does not exceed the current support amount. For arrearages that exceed current support amount, the state shall: - first pay family the excess amount necessary to satisfy support arrearages; - then pay the federal government share; - then retain state share or pay it to the family; - pay the family the remaining amount.
Mandatory Review and Adjustment of Orders	Every 3 years, must review and adjust (if appropriate) child support orders at the request of either parent; for TANF families, review and update (if appropriate) orders at the request of the CSE agency or either parent.	Adds provision requiring states to review and adjust child support orders in TANF cases every 3 years.
Arrearage Triggering Passport Denial	Passport denial, revocation, or restriction is triggered when more than \$5,000 is owed in past-due support.	Passport denial, revocation, or restriction would be triggered by \$2,500 in past-due support owed, not \$5,000 (effective October 1, 2006)

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Use of Tax Refund Intercept Program	Prohibits use of the federal income tax offset program to recover past-due child support on behalf of non-welfare cases in which the child is not a minor, unless the child was determined disabled while a minor and for whom the child support order is still in effect.	Authorizes use of federal income tax refund offset program to collect arrearages on behalf of children who are no longer minors (effective October 1, 2007) Changes the priority of distribution under the Tax Intercept from the present status of going first to the state to the family as of October 1, 2009.
Garnishment of Compensation Paid to Veterans	Benefits of a non-custodial parent who is also a veteran are subject to child support withholdings if the parent elects to receive service-connected, nontaxable disability benefits, instead of taxable retirement pay.	No changes to present law
Improving Federal Debt Collection Practices	Any federal agency that is owed a non-tax debt (180 days past-due) must notify the secretary of the Treasury to obtain an administrative offset of the debt.	No changes to present law
Maintenance of Technical Assistance Funding	1% of the federal share of child support collected on behalf of TANF families the preceding year will be used to provide to the states: - information dissemination and technical assistance; - training of state and federal staff; - staffing studies and related activities needed to improve CSE programs; - research, demonstration, and special projects of regional or national significance relating to the operation of CSE programs.	Amends the amount used for technical assistance from 1% of the federal share of support collected to 1% of the federal share or the amount appropriated for FY 2002, whichever is greater.
Maintenance of Federal Parent Locator Service (FPLS)	2% of the federal share of child support collected on behalf of TANF families the preceding year for operation of the FPLS if costs are not recovered by user fees.	Amends funding for FPLS from 2% of federal share of support collected to whichever is greater, 2% of federal share or the amount appropriated for FY 2002, thereby freezing funds for the service at FY 2002 levels.
Corrective Action	HHS must review state reports on compliance with federal requirements and provide states with recommendations for corrective action.	No changes to present law
Tribal Access to FPLS	No provision	No changes to present law
Assets Held by Multi-state Institution	No provision	No changes to present law
Information Comparisons with Insurance Data	No provision	Authorizes HHS to use the FPLS to compare information of non-custodial parents who owe past-due child support with information maintained by insurers regarding claims, settlement, awards, and payments and share with the state. The secretary of HHS may furnish information resulting from the match to state child support agencies. Includes state reimbursement of federal costs.
Longshore & Harbor Workers' Compensation	No provision	No changes to present law
State Law Requirement on UIFSA	Each state must have the Uniform Interstate Family Support Act (UIFSA) in effect.	No changes to present law

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Automated Data Processing Information Retrieval	No provision	Authorizes a state to open a case high-volume automated administrative enforcement service to assist other states in collecting child support in interstate cases where automated systems cannot be used.
Medical Child Support Orders	Requires state to issue a notice to employer of parent's obligation to provide health coverage and requirements of health plan administrator to enroll dependent children. The health plan administrator must also notify beneficiaries of a set list of significant events.	<ul style="list-style-type: none"> - requires states to collect medical support from either or both parents. - authorizes state CSE to enforce provision. - clarifies medical support can be health coverage, premiums, co-pays, or paying medical expenses.
OTHER PROVISIONS		
Food Stamp Block Grant Demonstration	No provision	No changes to present law
Super Waiver	No provision	No changes to present law
Transitional Medical Assistance	Extends TMA from 6 to 12 months for those who lose Medicaid eligibility due to increase income from work. (Authorization expired on September 30, 2002, but continues with extensions.)	Extends through December 31, 2006
Abstinence Education	\$50 million per year in matching grants to states to provide abstinence education and state-optional mentoring, counseling, and adult supervision to promote abstinence.	Extends through December 31, 2006
Workforce Investment Act (WIA)	Mandatory one-stop partners are required to provide services in the One-stop centers. TANF is an optional partner. Mandatory partners include: Wagner-Peyser (employment services); WIA (dislocated worker, adult and youth); Adult Education Literacy programs; Rehabilitation Act programs; Welfare to work programs; Older Americans Act programs; Perkins post-secondary; Veterans Employment; NAFTA and Trade Adjustment Assistance programs; UI compensation; HUD employment programs and CSBG.	No changes to present law
CHILD WELFARE PROVISIONS		
Clarification of Eligibility for Foster Care Maintenance Payments and Adoption Assistance	<ul style="list-style-type: none"> - A state with an approved Title IV-E foster care program must make maintenance payments on behalf of eligible children who are removed from their home and placed into foster care. Eligibility criteria include a requirement that the child must have met – in the home from which he/she was removed – the income and other eligibility tests necessary to receive aid under the now-defunct AFDC program. - States are entitled to receive federal matching funds at FMAP rate (ranging from 50% to 83% based on per-capita income) for every foster care maintenance payment made on behalf of an eligible child. - Under one pathway to eligibility for adoption assistance, a special-needs adoptee must have been eligible for aid under the AFDC program both in the month that the child was removed from the home and placed into foster care and in the month in which the adoption proceedings were initiated. 	<ul style="list-style-type: none"> - Rewrites the Foster Care Maintenance Payments program section generally, restating all current eligibility requirements and clarifies that determination of AFDC eligibility is to be based on the home from which the child is removed (i.e., the home which a judge found to be "contrary to the child's welfare" or the home from which the child's parent or legal guardian entered into a voluntary placement agreement). - Rewrites the Adoption Assistance program section regarding eligibility for adoption assistance to make some clarification with regard to home of removal that was made for foster care. Removes the requirement that the child meet the AFDC eligibility criteria at the time the adoption proceedings were initiated.

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Clarification Regarding Federal Matching of Certain Administrative Costs Under the Foster Care Maintenance Payments Program	<ul style="list-style-type: none"> - Authorizes open-ended federal matching of eligible state costs associated with the federal foster care program. These include training costs (75% match) and all other administrative costs, including child placement and case management services (50% match). - Condition of eligibility for federal foster care maintenance payment is placement of a child in a licensed or approved foster family home or a child care institution (not including “detention facilities” or public institutions that accommodate more than 25 children). - States must make reasonable efforts to preserve a family prior to the placement of a child in foster care or to prevent or eliminate the need for removing the child from the child’s home. States may make certain administrative claims on behalf of children who have not been removed from their homes but are at imminent risk of removal. These children are called “candidates” for Title IV-E foster care. 	<ul style="list-style-type: none"> - Specifies that claims for federal matching funds for IV-E administrative costs on behalf of otherwise-eligible children who are placed in certain settings would be available in only two circumstances: (1) a child who is placed in the home of an unlicensed relative, for 12 months or as long as it takes a state to normally license a foster family home (whichever is shorter) and; (2) a child who is moved from an ineligible facility (e.g., a juvenile detention center) to an eligible facility or licensed/approved foster family home, but for no more than 1 calendar month. - Specifies that if a child is at imminent risk of removal to foster care, the state may only make administrative claims if: (1) reasonable efforts are being made to prevent the removal of the child from the home or (if necessary) to pursue the removal; and (2) not less than every 6 months, the state determines that the child continues to be at imminent risk of removal.
Strengthening Courts	<ul style="list-style-type: none"> - Grants to courts in states participating in IV-E to conduct assessments on the effectiveness of state courts in carrying out laws requiring proceedings that: implement IV-B and IV-E; determine appropriateness of foster care placements; determine appropriateness of TPR; determine whether to approve adoption or other permanent placement of a child; provide for safety, well-being and permanence of foster children; and implement PIPs in response to CFSRs. - The state court must submit an application in order to receive grants. - Allotments: State courts with an approved grant shall receive \$85,000 plus the ratio of the number of children under age 21 in the state divided by the total number of children under age 21 in all states. - Federal share: 25% 	<ul style="list-style-type: none"> - Adds two additional purposes: (1) to ensure the safety, permanence and well-being needs of children are met in a timely and complete manner; (2) to provide for training of judges, attorneys, and other legal personnel in child welfare cases. - Specifies the additional information required in the application for state courts that are applying to expend the funds for the two new purposes and adds that information that demonstrates meaningful and ongoing collaboration among court, state agency, other contract agencies and tribes is required. - Requires courts to submit separate applications if grants are desired for 2 or more purposes. - Allotments: Adds funds for grants for improved data collection and training at \$85,000 plus the ratio of the number of children under age 21 in the state divided by the total number of children under age 21 in all states. - Funding: Provides \$20 million per year for FYs 2006-2010 for improved data collection and training. - Requires demonstration of meaningful collaboration between courts and child welfare agencies in the IV-B state plan, IV-E state plan, and CFSR PIP. - Gives states flexibility in determining state policies on public access to court on child abuse and neglect proceedings.
Safe and Stable Families Programs	<ul style="list-style-type: none"> - Mandatory funding of \$305 million authorized for FYs 2002-2006. - Discretionary funding of \$200 million authorized for FYs 2002-2006. 	<ul style="list-style-type: none"> - Increases the mandatory funding to \$345 million for FY 2006.