8/29/00

Melanne -
I thought you might like to share in my small but hard fought victory on getting child care included in the measures to reward States on high-performance in relation to welfare reform. It's coming out tomorrow.
-Ann

(file) TANF

BONUS TO REWARD STATES FOR HIGH PERFORMANCE

Today, we are announcing the publication of the final rule for the award of bonuses to States for high performance under the Temporary Assistance for Needy Families (TANF) program. The TANF statute authorizes the Department of Health and Human Services to award high performance bonuses to those States that are most successful in achieving the goals of TANF. A total of $1 billion (or an average of $200 million each year) is provided in fiscal years 1999 through 2003.

The final rule adds new measures to the work measures currently in effect for FY 1999-2001 and applies to awards that will be made in 2002 and 2003. States have the option to compete on any or all of the following measures:

- **Work measures**: job entry, success in the work force (measured by job retention and earnings gain), the biggest improvement in job entry, and the biggest improvement in success in the work force.

- **Measures that provide critical supports for working families:**

  Participation by low-income working families in the Food Stamp Program based on the proportion of low-income working households with children receiving Food Stamps and the biggest improvement in participation;

  Participation of former TANF recipients in the Medicaid and State Children's Health Insurance Program (SCHIP) measured by the percentage of families that have health insurance through Medicaid or SCHIP after leaving welfare and the biggest improvement in participation; and

  Receipt of child care subsidies to eligible families measured by the percent of eligible children served by the Child Care and Development Fund program, the affordability of that care (family co-payments compared to family income), and the quality of care (subsidy rates compared to market rates).

- **A measure of family formation and stability** based on the increase in the percentage of children in each State who reside in married couple families.

Of the annual $200 million in bonus funds, a total of $140 million is allocated to the work measures. The remaining $60 million is allocated as follows: $20 million to the Food Stamp measures, $20 million to the Medicaid/SCHIP measures, $10 million to the child care measure, and $10 million to the family formation measure.

On December 6, 1999, we published a high performance bonus Notice of Proposed Rulemaking. We received a large number of comments from a wide range of national, State, and local entities; service, advocacy, and faith-based organizations; and Members of Congress and other individuals.

As a result of the comments, we made a number of changes in the rule to retain the overall emphasis on the work measures; make the measures less burdensome and more workable; revise the measures on Food Stamp and Medicaid/SCHIP participation and family formation; and add a new measure on receipt of child care.