Committee On Finance
Max Baucus, Ranking Member

NEWS RELEASE http://finance.senate.gov

For Immediate Release Contact: Carol Guthrie
Thursday, March 16, 2006 202-224-4515

SENATORS CALL ON LEAVITT TO WORK WITH STATES ON NEW WELFARE REGULATIONS

Changes to Temporary Assistance to Needy Families program may cause rough transition periods

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, and Senator John D. Rockefeller (D-W.Va.), Ranking Member on the Senate Intelligence Committee, led a group of colleagues this week in calling on the Secretary of Health and Human Services to keep welfare programs working for Americans in states across the country. The implementation of new regulations to the Temporary Assistance to Needy Families (TANF) program may catch states without the opportunity to make administrative changes or funding adjustments to deal with the new rules. Twenty-seven Senators sent the following letter to Leavitt late Wednesday:

The Honorable Michael Leavitt
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

March 15, 2006

Dear Secretary Leavitt,

We are writing you regarding the challenges states will face under the new regulations for the Temporary Assistance to Needy Families (TANF), resulting from the reauthorization included in the Deficit Reduction Act. We are particularly concerned by the abrupt transition period to the new rules, especially for the many states without a regular state legislative session scheduled during the period.

As you know, under the new law, your agency is required to issue regulations on TANF work activities and verification requirements for states by June 2006. The new regulations and requirements will take effect in just four months. Thirty-four states will not have a regular schedule legislative session during the time between the publication of the new regulations and their implementation. Given the new rules on separate state programs and changes to the caseload reduction credit, many states will have to make significant program changes to meet the new requirements under the Deficit Reduction Act. These states will not have time to pass new legislation or appropriate state funding to cope with new regulations. Consequently, we strongly urge you to make only reasonable and restrained changes to the work activities and to require only reasonable and modest verification requirements to aid states in operating these important programs.

-- more --

In addition, according to the Congressional Budget Office, states will need to invest $8.3 billion additional dollars in work programs and child care in order to meet the new requirements. Without a regular legislative session, it will be very difficult to states to make such investments.

In light of these circumstances, we strongly urge you to make accommodations for the majority of states who will not have time to modify state funding and state requirements between the issuance of the regulations and imposition of the new rules in October 2006. Your agency will have the ability to offer states the option of corrective compliance prior to the imposition of penalties. We urge you to make full use of this option – especially during the transition period -- to help states successfully change their programs without undue harm to states and the low-income families they are assisting.

Thank you for your consideration.

Sincerely,

Max Baucus
Barack Obama
Daniel Akaka
Blanche Lincoln
Debbie Stabenow
Jeff Bingaman
Mark Pryor
Tom Harkin
Chuck Schumer
Russ Feingold
Tom Carper
James Jeffords
Christopher Dodd
Jack Reed

John D. Rockefeller
Tim Johnson
Ken Salazar
Robert Byrd
Edward Kennedy
Maria Cantwell
Harry Reid
Richard Durbin
Ron Wyden
John Kerry
Hillary Clinton
Byron Dorgan
Mary Landrieu