EMPOWERING FAMILIES IN NEED

WORK, INVESTMENT, AND NEIGHBORHOODS

Senate Anti-Poverty Agenda

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Senate Anti-Poverty Agenda:
(WIN) Work, Investment and Neighborhoods

Empowering Families in Need

The WIN Anti-Poverty Agenda reflects the proactive anti-poverty agenda of the Senate Republican Conference which embraces the critical role of work, investment, and neighborhood based solutions in the effort to empower families in need, create opportunity, and reduce poverty.

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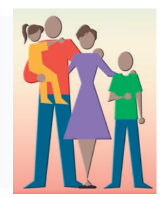
Work

We are committed to ensuring that work remains a gateway to opportunity for all Americans and seek to support effective partnerships promoting meaningful work for low-income Americans.

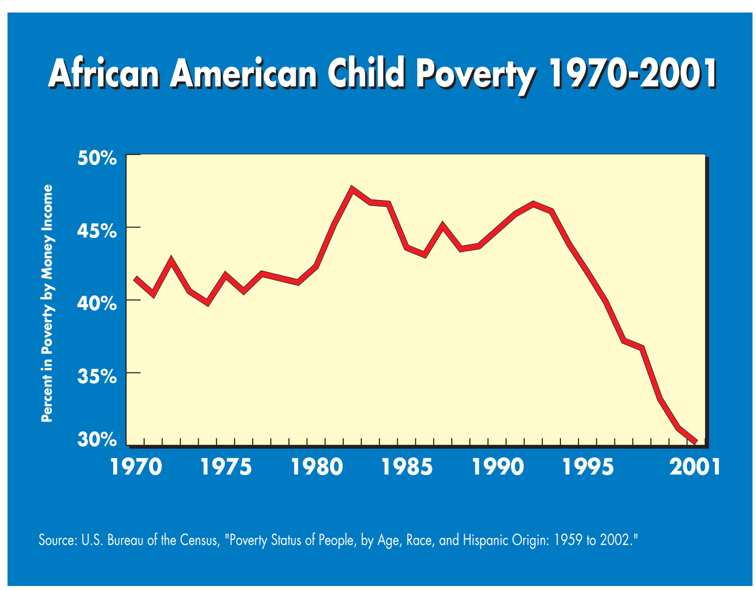
Welfare Reform Reauthorization

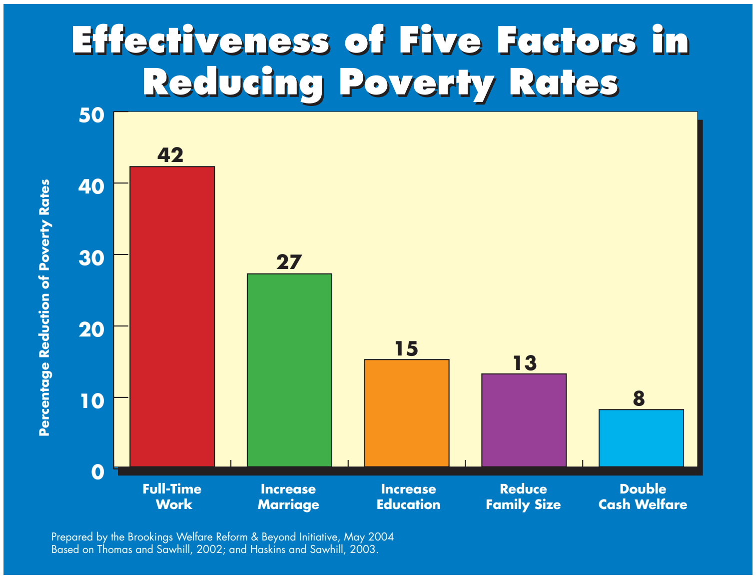
S. 6: The Marriage, Opportunity, Relief, Empowerment Act of 2005 (MORE Act)
Sponsor: Sen. Santorum, Co-sponsors: Senators Frist, McConnell, Hutchison, Hatch



In 1996, Congress passed historic welfare reform legislation. Since then welfare caseloads have been cut in half, more than 7 million individuals and 2 million families exchanged a welfare check for a paycheck, and 1.6 million children have been lifted out of poverty. For millions, the dignity of work has replaced the dependency of a government handout.

Because of the unprecedented success of welfare reform, success in cutting the caseload has resulted in many states having effectively no work participation requirements. The program needs to be updated to reflect this reality and to expand initiatives which promote the family. Unfortunately, in recent years numerous straight extensions of the program have undermined the work requirement and the ability of the states to plan and build on this success. Reauthorizing welfare reform or TANF (Temporary Assistance to Needy Families) is an immediate priority of the anti-poverty agenda. Currently, more than half of welfare recipients are not engaged in any type of work activities at all. The results from





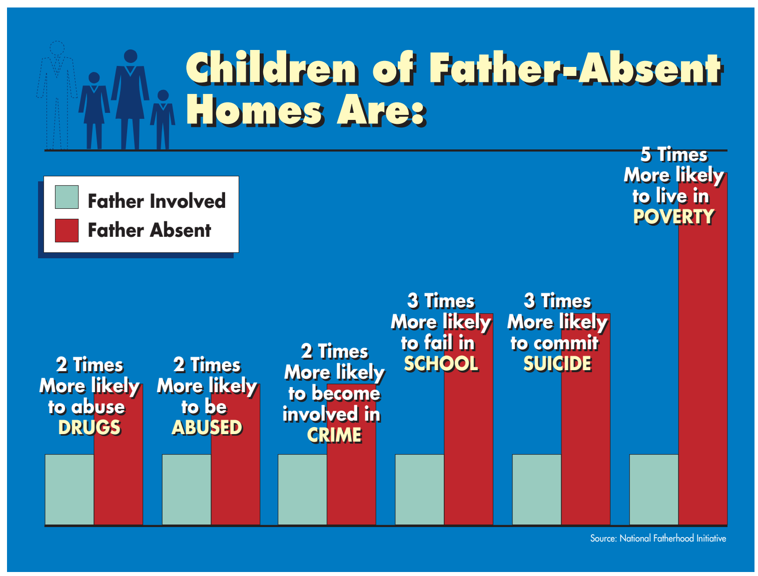
the 1996 law prove that work requirements are not burdens- they are ladders to achievement- thus it is critical to update these policies to further reduce poverty. Welfare reform has resulted in a dramatic reduction in African American child poverty, but more can be done.

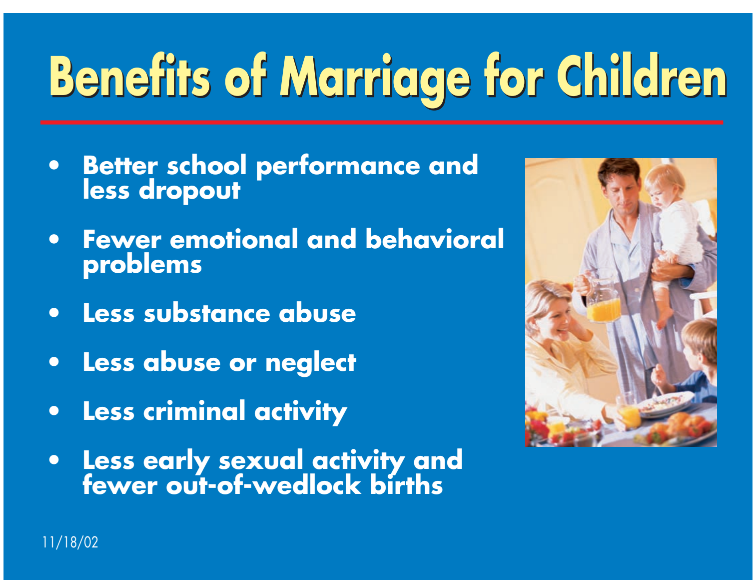
The next stage of welfare reform must help the two million families still on welfare increase their earnings and raise their standard of living by increasing work requirements and expanding community and faith-based partnerships to better address remaining barriers to success

We seek to build on the success of welfare reform by;

Providing Meaningful Work and Expanded Opportunity

- Increase the work participation requirement for states from 50% to 70% over five years
- Replace the caseload reduction credit with an employment credit that emphasizes good jobs
- Increases standard weekly work hours from 30 to 34 (24 hours per week in core work activities, plus 10 additional hours for support activities) for families with children age 6 or older
- Expand opportunities for education and training.
- For up to 3 months in any 24-month period, beneficiaries may engage in additional activities such as education and adult literacy and receive credit for those activities.





Promoting Healthy Families

- Provide $300 million annually for healthy marriage initiatives including counseling, education and research
- Provide $75 million annually for programs that promote responsible fatherhood
- Increase mandatory spending for child care
- Ensure that more child support goes to families by improving child support collection and distribution.

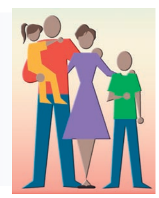
"Most of the nation's single parents make heroic efforts to establish a good rearing environment for their children. But they are up against many obstacles and challenges. Not the least of these is poverty. ... In most years, children living with a single mother suffer from poverty rates that are five or six times the rates of children living with married parents. Children living with never-married single mothers have even higher poverty rates. ... most studies find that marriage reduces poverty and material hardship even when other differences between single and married parents are controlled and even when the analysis is confined to low-income families." Testimony of Dr. Ron Haskins, senior fellow at the Brookings Institution, at hearing on "The Benefits of Healthy Marriage", Subcommittee on Social Security and Family Policy, Senate Finance Committee, May 5, 2004.

Gives States Added Flexibility and Encourages Innovation

- Fully funds TANF block grant and supplemental grants and increases state flexibility in use of funds – permits states to designate rainy day funds
- Allows states to claim partial credit for part-time work and work activities
- Encourages states to further improve integration of services through demonstration efforts.

Work Opportunity Tax Credit (WOTC)

S. 595: The Encouraging Work Act of 2005
Sponsor: Sen. Santorum (R-PA), Co-sponsor: Sen. Baucus (D-MT)



Because there is more dignity in receiving a paycheck than in receiving a welfare check, the Senate Republican anti-poverty agenda seeks to help those struggling in poverty and those receiving welfare checks receive paychecks.

The Work Opportunity Tax Credit (WOTC) and Welfare to Work (W-to-W) tax incentives build on the success of welfare reform by expanding meaningful employment opportunities for millions of low-income Americans and providing greater incentives to employers who hire individuals off of welfare and into work. This measure simplifies and combines these programs with greater stability, encourage more employers to participate, make investments in expanding outreach to identify and train potential workers, and avoid the uncertainty and inefficiency of termination and renewal by making the incentives permanent. WOTC and W-t-W are also key elements of welfare reform. Employers in the retail, health care, hotel, financial services, and food industries have incorporated this program into their hiring practices and through these programs, more than 2,700,000 previously dependent Americans have found work.

"In our community outreach effort, we work with a number of local community organizations including the Allegheny Intermediate Unit, Goodwill, Pittsburgh Vision Services, Pittsburgh Public Schools and the Cerebral Palsy Foundation. ... Our company incurs additional training and acclamation costs in order to work with the special employment needs population. The WOTC/W-T-W credits support outreach efforts by helping to offset these additional costs. ... Without these credits, it would be cost prohibitive for us to hire from the special needs population." Dale Giovengo, Director of Human Resources, Giant Eagle Markets, Pittsburgh, PA, Testimony before the Senate Finance Committee on March 16, 2005

Under present law, WOTC provides a 40 percent tax credit on the first $6,000 of wages for those working at least 400 hours, or a partial credit of 25 percent for those working 120-399 hours. W-t-W provides a 35 percent tax credit on the first $10,000 of wages for those working 400 hours in the first year. In the second year, the W-t-W credit is 50 percent of the first $10,000 of wages earned. WOTC and W-t-W are key elements of welfare reform. A growing number of employers use these programs in the retail, health care, hotel, financial services, food, and other industries. These programs have helped over 2,700,000 previously dependent Americans find jobs.

Eligibility is limited to: (1) recipients of Temporary Assistance to Needy Families (TANF) in 9 of the 18 months ending on the hiring date; (2) individuals receiving Supplemental Security Income (SSI) benefits; (3) disabled individuals with vocational rehabilitation referrals; (4) veterans on food stamps; (5) individuals aged 18-24 in households receiving food stamp benefits; (6) qualified summer youth employees: (7) low-income ex-felons; and (8) individuals ages 18-24 living in empowerment zones or renewal communities. Eligibility for W-t-W is limited to individuals receiving welfare benefits for 18 consecutive months ending on the hiring date. More than 80 percent of WOTC and W-t-W hires were previously dependent on public assistance programs. These credits are both a hiring incentive, offsetting some of the higher costs of recruiting, hiring, and retaining public assistance recipients and other low-skilled individuals, and a retention incentive, providing a higher reward for those who stay longer on the job.

Despite the considerable success of WOTC and W-t-W, many vulnerable individuals still need a boost in finding employment. There are several legislative changes that would strengthen these programs, expand employment opportunities for needy individuals, and make the programs more attractive to employers.

Combine WOTC and W-t-W. The credits would be combined by creating a new welfare-to-work target group under WOTC. The minimum employment periods and credit rates for the first year of employment under the present work opportunity tax credit would apply to W-t-W employees. The maximum amount of eligible wages would continue to be $10,000 for W-t-W employees and $6,000 for other target groups ($3,000 for summer youth). In addition, the second year 50-percent credit under W-t-W would continue to be available for W-t-W employees under the modified WOTC.

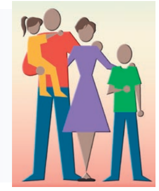
Eliminate Requirement to Determine Family Income for Ex-Felons. Under current law, only those ex-felons whose annual family income is 70 percent or less than the Bureau of Labor Statistics lower living standard during the six months preceding the hiring date are eligible for WOTC.

Permanent Extension of WOTC and W-t-W. Permanent extension would provide these programs with greater stability, thereby encouraging more employers to participate, make investments in expanding outreach to identify potential workers from the targeted groups, and avoid the wasteful disruption of termination and renewal. A permanent extension would also encourage the state job services to invest the resources needed to make the certification process more efficient and employer-friendly.

Raise the WOTC age eligibility ceiling from 24 to 39 years of age for members of food stamp households and "high-risk youth" living in enterprise zones or renewal communities. Current WOTC eligibility rules heavily favor the hiring of women because single mothers are much more likely to be on welfare or food stamps. Women constitute about 80 percent of those hired under the WOTC program, but men from welfare households face the same or even greater barriers to finding work. Increasing the age ceiling in the "food stamp category" would greatly improve the job prospects for many absentee fathers and other "at risk" males. This change would be consistent with program objectives because many food stamp households include adults who are not working, and more than 90 percent of those on food stamps live below the poverty line.

The Family Opportunity Act

S. 183: The Family Opportunity Act/Dylan Lee James Act of 2005
Sponsor: Sen. Grassley (R-IA), Co-sponsor Sen. Kennedy (D-MA)



The Anti-poverty agenda sees families as the central actors in the fight against poverty. Healthy families build strong communities that strengthen the national fabric. Families are strongest when parents have good jobs that allow them to meet the financial demands their families face.

Current law dictates that many parents of children with disabilities are forced to choose between their professional advancement and their child's well being. Instead of being financially rewarded for professional success, parents are refusing higher paying jobs, overtime pay, and raises to stay beneath the income limit for receiving healthcare for their disabled children. This is wrong.

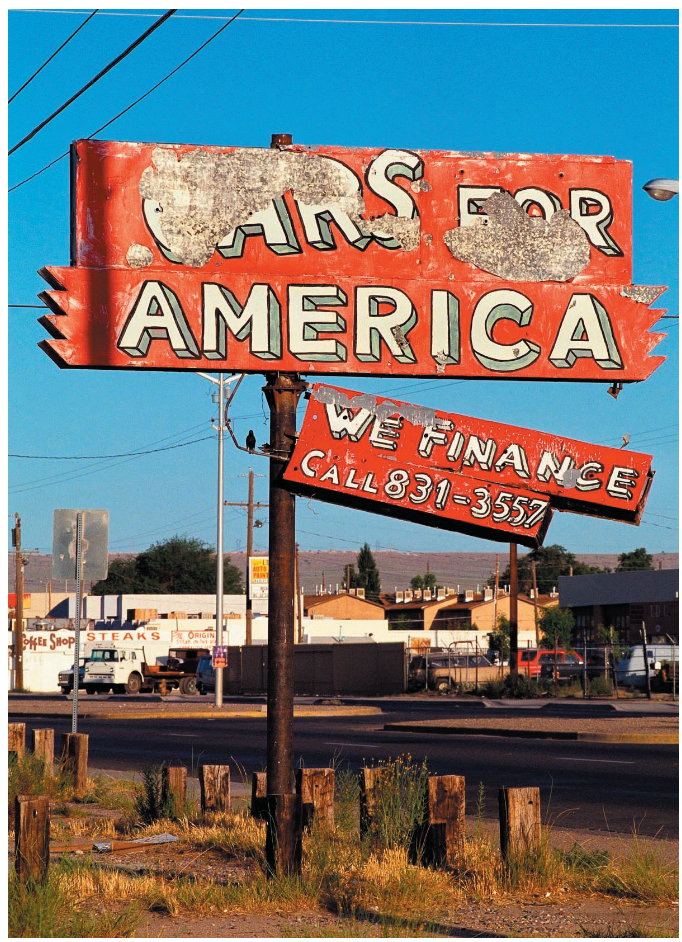
Parents of severely disabled children who earn an income above the poverty level lose Medicaid eligibility for their children who are disabled. The Family Opportunity Act of 2005 enables parents earn above-poverty wages without losing health care for their children who are under 19 years of age. The bill provides for a Medicaid "buy-in" for disabled children whose family income or resources are at or below 300% of the poverty level.

Where the Ticket to Work and Work Incentives legislation helped adults with disabilities work without losing health coverage, this bill allows parents to work without losing coverage for their disabled children. The Family Opportunity Act also provides immediate access to Medicaid coverage for children who are "presumed eligible" for SSI; funds for information and outreach centers in each state to serve families with disabled children. If passed, this bill will benefit half a million children with disabilities whose parents are being penalized for earning too much money.

In a recent survey of 20 states, parents of disabled children report that they are refusing raises, refusing overtime, refusing jobs in order to stay under the income level that allows their disabled child to get Medicaid. The bill will reward work, benefit children and their families, and put more American families on the path to prosperity.

INVESTMENT

Senate Republicans believe that proactive private-public partnerships can expand opportunity for low-income working families. These proposals seek to expand wealth creation and build assets for families through increased incentives for strategic savings, homeownership, and to help with the costs of raising children in loving families.



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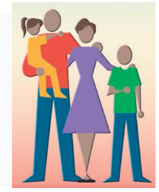
Individual Development Accounts

S. 922: The Savings for Working Families Act of 2005
Sponsor: Sen. Santorum (R-PA) Co-sponsor: Sen. Lieberman (D-CT)



The Savings for Working Families Act of 2005 will provide low-income, working Americans the opportunity to build assets through matched savings accounts, IDAs, to purchase a home, expand educational opportunity, or start a small business. IDA programs are implemented by community-based organizations in partnership with a financial institution that holds the deposits, and funded by public and private sources. Similar to 401(k)s, IDAs make it easier for low-income families to build the financial assets they need to achieve the American Dream. Populations that have benefited from participation in IDA programs include former welfare recipients, youth in disadvantaged urban and rural schools, recent refugees, and the working poor.

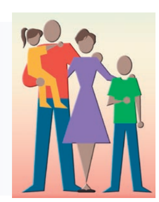
The Savings for Working Families Act of 2005 is designed to provide for the establishment of an individual development account to help lift low-income families out of poverty and provide for their own betterment. Funds deposited in the Individual Development Account grow rapidly to enable low-income families to improve their lives quickly. A dollar-for-dollar match is provided for the first $500 dollars contributed into the fund each year.

IDAs seek to educate low-income individuals through a financial literacy program. Funds could not be withdrawn from the accounts until the owner has undertaken at least one financial education course, ensuring that families not only gain wealth, but also better understand how to manage their money to get the most out of it. Money can be used for higher education expenses, first-time home purchase, and small business development. In addition, money will be transferred in full to a beneficiary if the account holder becomes deceased.

"The program gave me a sense of accomplishment. It built my self-esteem and self-worth and now I look forward and welcome new challenges because I know that I can do it. At one time I didn't even think beyond the next day, and now I'm planning for my future and my children. .... It is a blessing to be clean and to be there for other women who have fallen on hard times. I am thankful now to be a mentor for them and for my children." Testimony of Michelle Simmons, Norristown, PA, before the Subcommittee on Social Security and Family Policy of the Senate Finance Committee on "Building Assets for Low-Income Families" April 28, 2005.

Low-Income Housing Assistance

S. 859: The Community Development Homeownership Tax Credit Act encourages private sector construction of affordable housing in moderate and low-income neighborhoods.
Sponsor: Sen. Santorum (R-PA), Co-sponsor: Sen. Kerry (D-MA)



Construction and redevelopment of single-family homes in low- and moderate-income neighborhoods is often inadequate despite overwhelming demand for such housing. This is due, in large part, to the disparity between the cost of development and the market price for such dwellings in these neighborhoods. Developers will not invest in single-family homes for low-income families, which cannot be sold for high enough prices to recoup the construction costs. This reality can impact minority communities in particular.

The Community Development Homeownership Tax Credit Act covers the difference between development costs and market value of a residence to enable developers to rehabilitate low- and moderate-income neighborhoods. The maximum credit would equal 50 percent of the construction and acquisition costs. A minimum cost of $25,000 would apply to qualify for the credit. This credit would only be applicable to residences in an area that: the median gross income does not exceed 80 percent of the greater area or state, is rural, is on a reservation of an Indian tribe, or is of chronic economic distress.

Individuals eligible to buy homes built using the tax credit would be those making up to 80 percent of the median income in the area or state, or those who make up to 100 percent of the area median in a low-income Census Tract. Individual states would be empowered to allocate the credits based on a series of common sense requirements.

Affordable Housing Stats:

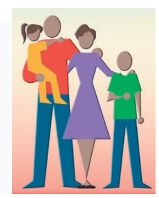
National homeownership rates are the highest ever - (70%)

48.1% for Hispanics

49.1% for African Americans

Marriage Penalty Relief and Child Tax Credit

As part of the MORE Act, S. 6, marriage and child tax relief were introduced by Sen. Santorum (R-PA), Co-sponsored by Senators Frist (R-TN), Hatch (R-UT), Hutchison (R-TX), and McConnell (R-KY). The stand alone Marriage penalty tax relief bill was introduced by Sen. Hutchison as S. 78.



Marriage is one of the leading anti-poverty strategies. Yet, married couples and families are increasingly being burdened by the high costs of home ownership, rising healthcare costs, and the dramatic increase in the cost of higher education over the last few years. Married couples cannot afford the painful backdoor tax increase that has been imposed on them when they file a joint tax return.

Marriage penalty tax relief makes permanent the increase in the standard deduction for married couples. This provision would ensure that married couples receive a standard deduction that is equal to twice the deduction received for an unmarried individual filing a single return. It is only fair that married couples not be punished for beginning a new life together. Family is the fabric that holds our nation together and we should not be punishing those who strive to live the American dream. This act would not create any new tax breaks, but simply make permanent the fair provisions that do not discriminate against married couples.

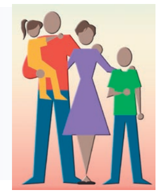
Knowing that children in families are far less likely to live in poverty, it is important that families be able to continue to afford having children. The child tax credit helps families by putting more money in the pockets of those who need it most. Like the marriage penalty relief, this provision would simply make permanent the $400 increase, to $1000, in the child tax credit. This would prevent a significant tax increase on America's families- if Congress were not to act to extend these provisions.

NEIGHBORHOODS

Neighborhoods and communities should provide a positive influence for those in need. By increasing incentives for communities to be involved, and helping families in the country's most impoverished neighborhoods, we will take a significant step in restoring dreams, reducing poverty, and creating opportunity.

CARE ACT

S. 1780: The Charity, Aid, Recovery and Empowerment (CARE) Act of 2005.
The CARE Act passed the Senate in the 108th Congress by a 95-5 margin, but was prevented from going to Conference Committee by democratic leadership.
Sponsor: Senator Santorum (R-PA), Cosponsor: Senator Lieberman (D-CT)



The Charity Aid, Recovery, and Empowerment (CARE) Act is important unfinished business in the wake of increased charitable giving following a few years of stagnation. Charities around the country have been struggling for several years. The CARE Act would provide billions of dollars in private and public sector assistance for those in need and benefit our neighborhoods, particularly timely in light of devastation from Katrina.

What does the CARE Act do?

- Provides 86 million Americans who do not itemize the opportunity to deduct a portion of their charitable contributions- representing more than two-thirds of American taxpayers.

- Provides incentives for individuals to give tax free contributions from their Individual Retirement Accounts for charitable purposes, which will help a wide range of charities including educational institutions. Likely to provide billions of dollars to make higher education more accessible and affordable.

- Provides incentives for an estimated $2 billion worth of food donations from farmers, restaurants, and corporations to help those in need (America's Second Harvest estimates that this is **the equivalent of 878 million meals for hungry Americans over 10 years**). This is strongly supported by food banks, farm bureaus, and hunger advocacy groups around the country.

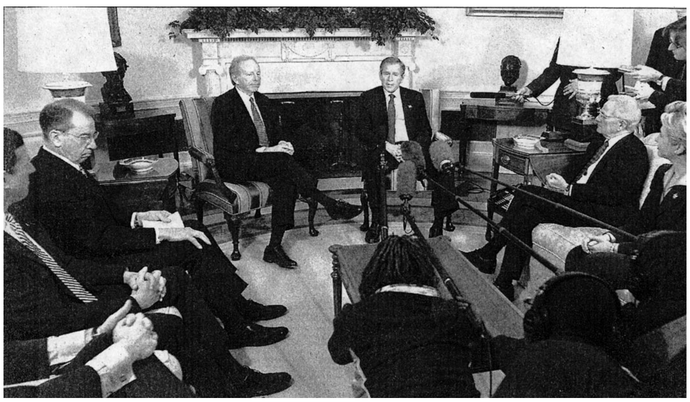
- Provides 900,000 low-income, working Americans the opportunity to build assets through matched savings accounts, IDAs, to purchase a home, expand educational opportunity, or start a small business.

- Provides $150 million a year for a Compassion Capital Fund to assist small community and faith-based organizations with technical assistance and expand their capacity to serve.

Photo Credit: Stock Collection/Alamy

"In addition to our human resources and physical assets, our donors play an essential role in the delivery of services to those in need. In fact, there is a direct correlation between the generosity of donors and the extent of The Salvation Army's ability to respond to people in crisis. And that correlation, Mr. Chairman, is why The Salvation Army is so supportive of the CARE Act. The provision allowing non-itemizers to deduct charitable contributions can only encourage those Americans with smaller incomes - including young professionals who might otherwise be inclined to begin a lifetime of annual giving - to contribute to worthy causes. We do not discriminate among those in need, and we ask the Congress not to discriminate in providing tax incentives for charitable giving." Major George Hood, National Community Relations Secretary, The Salvation Army, testimony before the Subcommittee on Social Security and Family Policy of the Senate Finance Committee on September 13, 2005.

The CARE Act will strengthen governmental and private sector support for the nation's charitable organizations- not just faith-based groups, but the broad range of civic, non-profit and philanthropic groups that are working to improve their communities. The CARE Act will provide some important immediate relief by spurring more private giving and offering more public resources, as well as sustained long-term assistance in some our country's most poverty-stricken neighborhoods.



FAITH-BASED AS FULL PARTNERS

We believe that faith-based organizations are critical partners in transforming hurting families and that the government should provide a level playing field for all such organizations that seek to compete to provide practical assistance with government support. Builds on the success of Congress and the Administration through executive orders and regulations in preserving and protecting the ability of faith-based organizations to compete to deliver social services to those in need. We will maintain Charitable Choice protections for beneficiaries and faith-based organizations, support effective faith-based and community centers throughout the Executive Branch, and encourage similar efforts at the state and local level.

"The United States has a long history of religious faith supporting and literally driving progressive causes and movements. From the abolition of slavery to women's suffrage to civil rights, religion has led the way for social change." - Jim Wallis, Covener and President, Call to Renewal, June 18, 2004

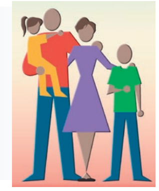
HUNGER

We must strive to end hunger in our country's most impoverished neighborhoods. The CARE Act provides incentives for an estimated $2 billion worth of food donations from farmers, restaurants, and corporations to help those in need (America's Second Harvest estimates that this is the equivalent of 878 million meals for hungry Americans over 10 years). This is strongly supported by food banks, farm bureaus, and hunger advocacy groups around the country.

Another hunger initiative introduced in the 109th Congress is the Hunger Relief Trucking Tax Credit Act, S.283. The legislation would create a 25-cent tax credit for each mile that food is transported for a charity by a donated truck and driver for hunger relief efforts. The incentive will encourage trucking companies to donate space in their vehicles so more food can reach those in need.

CHARITABLE LIABILITY REFORM

S. 1125: The Expanding Charitable and Volunteer Opportunities Act provides reasonable legal protections to encourage charitable activity. Sponsor: Sen. Santorum (R-PA)



In order to increase charitable giving, we must remove some of the unnecessary barriers that prevent might impede charitable donations. There are people all around the country waiting to give more to charity — they just need a little push.

The Expanding Charitable and Volunteer Opportunities Act provides such a push. This legislation builds on the Volunteer Protection Act of 1997 that immunizes individuals who do volunteer work for non-profit organizations or governmental entities from liability for ordinary negligence in the course of their volunteer work. The bill prevents a business from being subject to civil liability when a piece of equipment has been loaned by a business entity to a nonprofit organization unless the business has engaged in gross negligence or intentional conduct.

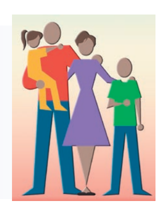
The Expanding Charitable and Volunteer Opportunities Act also builds on the success of the Good Samaritan Food Donation Act by providing similar liability protections for volunteer firefighter companies. The basic purpose of this provision is to induce donations of surplus firefighting equipment by reducing the threat of civil liability for organizations (most commonly heavy industry) and individuals who wish to make these donations. The bill eliminates civil liability barriers to donations of surplus firefighting equipment by raising the liability standard for donors from “negligence” to “gross negligence.” By doing this, the legislation saves taxpayer dollars by encouraging donations, thereby reducing the taxpayers’ burden of purchasing expensive equipment for volunteer fire departments.

Finally, this legislation provides commonsense medical liability protections to physicians who volunteer their time to assist patients at community health centers. The Expanding Charitable and Volunteer Opportunities Act would extend the medical liability protections of the Federal Torts Claim Act (FTCA) to volunteer physicians at community health centers. These protections are necessary to ensure that the centers can continue to play an important role in lowering our nation’s health care costs and meeting the needs for affordable and access quality health care for the communities they serve.

Fire companies and health centers protect communities, helping to assure that individuals and families live in a safe and healthy environment. It is important to increase their capacity to help their neighborhoods by opening more avenues to charitable resources as well.

Congressional Commission on Expanding Social Service Delivery Options

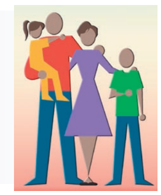
S. 1560: The Congressional Commission on Expanding Social Service Delivery Options Act Sponsor: Sen. Santorum (R-PA)



The commission created will undertake a thoughtful review of existing federal social service programs and make recommendations for program areas that would be appropriate for full or partial voucher options. The goal is to expand consumer choice and to minimize church- state concerns for integrated faith-based providers. Current program examples which empower the individual and families include the successful child care certificate program, Section 8 housing vouchers, and the Access to Recovery program for drug treatment services. The Commission will include 10 members appointed by congressional leadership and report its recommendations to Congress within 10 months.

PRISONER RE-ENTRY/MENTORING CHILDREN

S.1934: The Second Chance Act of 2005
Sponsor: Sen. Specter (R-PA), Co-sponsor: Sen. Biden (D-DEL)



American taxpayers spent approximately $9 billion per year on corrections in 1982 and in 2002 they spent $60 billion. It is urgent that we find ways of addressing this very serious and very costly problem. A recent study found that children of prisoners are five times as likely to be incarcerated later in life as a child who has not had a parent incarcerated. Fifty-five percent of prisoners have children under the age of 18.

More than seven million children can claim a parent in prison, in jail, under parole, or under probation supervision. While many corrections agencies recognize the need for family-oriented programs for inmates, and have family-related initiatives, only 35 percent indicate agency-wide policies and programs aimed at benefiting the children of inmates.

Nearly two-thirds of released prisoners are expected to be re-arrested for a felony or serious misdemeanor within three years of release. Such high recidivism rates translate into thousands of new crimes each year, at least half of which can be averted through improved prisoner reentry efforts. In 2002, two million people were incarcerated in federal or state prisons. Measures such as the Second Chance Act will help in the difficult process of bring ex-felons back into their communities and neighborhoods in a positive manner.

The Second Chance Act will reauthorize the Re-Entry Demonstration Project with an enhanced focus on jobs, housing, substance abuse treatment, mental health, and children and families, and increase the amount of money to fund demonstration programs and create performance outcome standards and deliverables. The legislation will also encourage states to enhance their re-entry services and systems with grants to fund the creation or enhancement of state re-entry councils for strategic planning and review the state barriers and resources that exist.

We also support the Administration's efforts to provide significant funding to support the efforts of community and faith-based groups to mentor at risk children who have a parent that has been incarcerated.

Senate Republican Conference