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HOUSE OF REPRESENTATIVES
REPT. 106–456
Part 1

WELFARE-TO-WORK AMENDMENTS OF 1999

NOVEMBER 5, 1999.—Ordered to be printed

Mr. GOODLING, from the Committee on Education and the Workforce, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 3172]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 3172) to amend the welfare-to-work program and modify the welfare-to-work performance bonus, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare-to-Work Amendments of 1999".

SEC. 2. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION IN WELFARE-TO-WORK PROGRAM.

(a) IN GENERAL.—Section 403(a)(5)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended to read as follows:

"(ii) GENERAL ELIGIBILITY.—An entity that operates a project with funds provided under this paragraph may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located who—

"(I) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

"(II) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemp-

tion provided pursuant to section 408(a)(7)(C) that may apply to the individual.".

(b) NONCUSTODIAL PARENTS.—

(1) IN GENERAL.—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)) is amended—

(A) by redesignating clauses (iii) through (viii) as clauses (iv) through (ix), respectively; and

(B) by inserting after clause (ii) the following:

"(iii) NONCUSTODIAL PARENTS.—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

"(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

"(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

"(aa) The minor child or the custodial parent of the minor child meets the requirements of subclause (I) or (II) of clause (ii).

"(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

"(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

"(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this Act, or child health assistance under title XXI of this Act.

"(III) In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

"(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

"(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

"(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

"(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase

earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.".

(2) CONFORMING AMENDMENT.—Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii)) is amended by striking "(vii)" and inserting "(viii)".

(c) RECIPIENTS WITH CHARACTERISTICS OF LONG-TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER CARE.—

(1) IN GENERAL.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) by striking "or" at the end of subclause (I); and

(B) by striking subclause (II) and inserting the following:

"(II) to children—

"(aa) who have attained 18 years of age but not 25 years of age; and

"(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State;

"(III) to recipients of assistance under the State program funded under this part, determined to have significant barriers to self-sufficiency, pursuant to criteria established by the local private industry council; or

"(IV) to custodial parents with incomes below 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).".

(2) CONFORMING AMENDMENTS.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) in the heading by inserting "HARD TO EMPLOY" before "INDIVIDUALS"; and

(B) in the last sentence by striking "clause (ii)" and inserting "clauses (ii) and (iii) and, as appropriate, clause (v)".

(d) CONFORMING AMENDMENT.—Section 404(k)(1)(C)(iii) of such Act (42 U.S.C. 604(k)(1)(C)(iii)) is amended by striking "item (aa) or (bb) of section 403(a)(5)(C)(ii)(II)" and inserting "section 403(a)(5)(C)(iii)".

SEC. 3. LIMITED VOCATIONAL EDUCATIONAL AND JOB TRAINING INCLUDED AS ALLOWABLE ACTIVITIES.

Section 403(a)(5)(C)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)) is amended by inserting after subclause (VI) the following:

"(VII) Not more than 6 months of vocational educational or job training.".

SEC. 4. CERTAIN GRANTEES AUTHORIZED TO PROVIDE EMPLOYMENT SERVICES DIRECTLY.

Section 403(a)(5)(C)(i)(IV) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)(IV)) is amended by inserting ", or if the entity is not a private industry council or workforce investment board, the direct provision of such services" before the period.

SEC. 5. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

(a) ELIMINATION OF CURRENT REQUIREMENTS.—Section 411(a)(1)(A) of the Social Security Act (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting "(except for information relating to activities carried out under section 403(a)(5))" after "part"; and

(2) by striking clause (xviii).

(b) ESTABLISHMENT OF REPORTING REQUIREMENT.—Section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)), as amended by section 2(b)(1) of this Act, is amended by adding at the end the following:

"(x) REPORTING REQUIREMENTS.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.".

SEC. 6. MODIFICATION OF SET-ASIDE OF PORTION OF WELFARE-TO-WORK FUNDS FOR SUCCESSFUL PERFORMANCE BONUS.

Section 403(a)(5)(E)(vi) of the Social Security Act (42 U.S.C. 603(a)(5)(E)(vi)) is amended by striking "$100,000,000" and inserting "$35,000,000".

SEC. 7. FUNDING AMENDMENT.

Section 403(a)(5)(I)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(I)(i)) is amended by striking "$1,500,000,000" and all that follows and inserting "for grants under this paragraph—

"(I) $1,500,000,000 for fiscal year 1998; and

"(II) $1,435,000,000 for fiscal year 1999.".

PURPOSE

The purpose of this Act is to amend the Welfare-to-Work program under Title IV, part A of the Social Security Act, in order to increase the program's flexibility and promote the simplification of reporting requirements.

COMMITTEE ACTION

The Committee on Education and the Workforce held a hearing relating to this bill on September 9, 1999 in Washington, DC. The "Welfare Reform: Assessing the Progress of Work-Related Provisions" hearing was held by the Subcommittee on Postsecondary Education, Training and Life-Long Learning. The Subcommittee received testimony from two panels of witnesses. Panel one: Mr. Raymond L. Bramucci, Assistant Secretary, Employment and Training Administration, U.S. Department of Labor, Washington, DC; and Mr. Al Collins, Director, Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services, Washington, DC. Panel two: Ms. Cynthia M. Fagnoni, Director, Education, Workforce and Income Security Issues, United States General Accounting Office, Washington, DC; Mr. Robert Rector, Senior Policy Analyst, Welfare and Family Issues, The Heritage Foundation, Washington, DC; Mr. Robert Bernhard, Manager of Human Resources Department, Key Plastics, York, PA; Mr. Jason Turner, Commissioner, New York City Human Resource Administration, New York, NY; Mr. David Butler, Vice President, Manpower Demonstration Research Corporation (MDRC), New York, NY; Mr. Wendell Primus, Director of Income Security, The Center on Budget and Policy Priorities, Washington, DC; Mr. Rodney Carroll, Chief Operating Officer, Welfare To Work Partnership, Operations Division Manager, UPS, Washington, DC.

LEGISLATIVE ACTION

On October 28, 1999, Representative Bill Goodling (R–PA) introduced H.R. 3172, a bill to amend the Welfare-to-Work program and modify the Welfare-to-Work bonus.

On November 3, 1999, the Committee on Education and the Workforce assembled to consider H.R. 3172. An amendment in the nature of a substitute, offered by Chairman McKeon, was adopted by voice vote, and the bill, as amended, was reported by the Committee on Education and the Workforce by voice vote. The Committee also considered a unanimous consent request by the Chairman to report the bill H.R. 3073, "The Fathers Count Act," to the House of Representatives with an amendment in the nature of a substitute which was the text of the amendment in the nature of a substitute adopted for H.R. 3172. The unanimous consent was objected to by Representative Clay.

SUMMARY

This legislation amends the Welfare-to-Work program established as part of the Balanced Budget Act of 1997. The program provided a total of $3 billion for fiscal years 1998 and 1999 in order to help States and localities transition hard to employ welfare recipients into work and toward self-sufficiency.

Hard-to-employ long-term recipients

Under present law, at least 70 percent of Welfare-to-Work funds must be spent on Temporary Assistance for Needy Families (TANF) program participants or noncustodial parents who meet each of the following criteria:

At least two of the following requirements:

(1) be a school dropout or have no general equivalency degree, and have low skills in reading or math;

(2) require substance abuse treatment for employment; or

(3) have a poor work history.

In addition, the recipient must either have received Aid to Families with Dependent Children (AFDC) or TANF for 30 months (not necessarily consecutive) or be within 12 months of losing eligibility because of a time limit.

Not more than 30 percent of the funds may be used to provide assistance to recipients of assistance who have characteristics associated with long-term welfare dependence (such as dropping out of school, teen pregnancy, or poor work history).

H.R. 3172 allows funds to be used for individuals who meet either of the current criteria related to long-term welfare dependency or time-limits. However, unlike under current law, recipient need not meet additional criteria in order to receive these services. In addition, H.R. 3172 allows up to 30 percent of funds to be used to provide assistance to recipients with characteristics associated with long-term welfare dependency; children aging out of foster care, custodial parents living below poverty, or for individuals determined to have significant barriers to self-sufficiency as determined by criteria established by the local workforce development boards.

Noncustodial parents

Under current law, to qualify for benefits, noncustodial parents must meet the same criteria as custodial parents, as described above.

Under H.R. 3172, non-custodial parents must meet new and expanded eligibility criteria. First, the noncustodial parent must be

unemployed, underemployed, or have difficulty paying child support. Second, at least one of the following must apply to the noncustodial parent's child:

(1) the minor child (or custodial parent) must have received assistance for 30 months or be within 12 months of a time limit that would result in loss of assistance;

(2) the minor child must be eligible for or receiving TANF benefits;

(3) the minor child must have left TANF within the past 12 months;

(4) the minor child must be eligible for or receiving benefits from the Food Stamp program, the Supplemental Security Income program, the Medicaid program, or the State Children's Health Insurance Program.

The noncustodial parent must also be in compliance with a written or oral personal responsibility contract developed in cooperation with the local Child Support Enforcement agency that includes a commitment by the noncustodial parent to:

(1) cooperate in establishing paternity (if necessary) and a child support order;

(2) pay child support (may be modified in accord with the father's ability to pay); and

(3) work in order to make regular child support payments or, for those under age 20, participate in high school education or education directly related to employment.

The contract must also contain a description of services offered to the noncustodial parent and a commitment by the noncustodial parent to follow the agreement. This requirement applies only to individuals enrolled after the date of enactment of this legislation. The Secretary may waive the child support requirement if projects lack the capacity to coordinate with the child support agency. Grantees receiving these funds are also required to take various steps to protect parents and children against domestic violence.

Children aging out of foster care

Under current law, there are no provisions providing for children aging out of foster care to receive assistance under the Welfare-to-Work program. Under H.R. 3172, children 18 but not yet 25 years of age who have left foster care are eligible to participate in this program. [Note: Former foster care youths can only be served with the portion of Welfare-to-Work funds set aside for individuals with characteristics associated with long-term welfare dependency (up to 30 percent of Welfare-to-Work funds).]

Limited vocational educational and job training as allowable activity

Under current law, Welfare-to-Work funds can be spent on the following work related activities:

(1) community service work or work experience;

(2) wage subsidies;

(3) on-the-job training;

(4) public or private contracts for programs of job readiness, placement, and post-employment services;

(5) job vouchers;

(6) job retention or other support services, if such services aren't otherwise available.

Under H.R. 3172, this list of activities is expanded to include vocational educational job training for a maximum of 6 months.

Certain grantees authorized to provide employment services directly

Under current law, job readiness, placement, and post-employment services must be provided for through contracts with public or private providers or vouchers; they cannot be provided directly by grantees, which typically means the Workforce Investment Boards. This provision is consistent with the Workforce Investment Act, under which these boards oversee programs as opposed to actually providing direct services. H.R. 3172 modifies current language in those instances where entities other than Workforce Investment Boards receive Welfare-to-Work grants, by allowing such entities to provide direct services.

Simplification and coordination of reporting requirements present law

Under current law, States are required to collect monthly, and report quarterly, data on families, adults, and children receiving TANF assistance. This report includes data elements for activities funded under the Welfare-to-Work program; the total amount expended during the month on the family for each Welfare-to-Work activity; wages paid and the amount of the wage subsidy paid by the Welfare-to-Work program for families engaged in subsidized employment and on-the-job training; and if the family ended participation in the program due to a family member obtaining employment, the wage paid to the family members, and the reason participation in the program was terminated (for example, obtaining employment or increased wages).

Under H.R. 3172, the data reporting requirements imposed on entities carrying out Welfare-to-Work projects are repealed (TANF data reporting requirements are not affected by this provision). In their place, the Committee is requiring the Secretary of Labor, in consultation with the Secretary of HHS and State and local governments, to establish a new set of reporting requirements.

Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus

The Welfare-to-Work Program authorized under Title IV A of the Social Security Act provides for $100 million in bonus payments for FY 2000 to be paid to States that perform at high levels in placing participants in a job and other outcomes. H.R. 3172 reduces this amount to $35 million to be available for this purpose.

COMMITTEE VIEWS

Hard-to-employ recipients

When the Welfare-to-Work program was established in 1997, there was broad consensus that activities be focused on serving those on welfare with the most barriers to employment. This reflected the belief that strict work requirements under the Temporary Assistance for Needy Families (TANF) program would likely

result in States and localities focusing more on serving recipients with the fewest barriers to employment. In addition, some believe that those with multiple barriers to employment have often been overlooked in prior programs, such as JOBS, designed to move welfare recipients into employment. Given the reality of time limits under welfare reform, the Committee felt it important that these individuals be provided services early on to ensure their ability to move successfully into employment and toward self-sufficiency.

However, it has become clear that in an attempt to implement strict eligibility criteria, these same provisions have in effect prevented assistance to many of the very individuals this program was originally intended to serve. This was highlighted in a report to this Committee by the Congressional Research Service which found that as few as 7 percent of current welfare recipients meet these eligibility requirements. As a result, many individuals with multiple barriers to employment have been denied assistance such as job placement and participation in community services projects, because of these extremely strict criteria.

This issue was also highlighted during a hearing on September 9th by the Subcommittee on Postsecondary Education, Training and Lifelong Learning. Specifically, Raymond L. Bramucci, Assistant Secretary of Labor for Employment, made the following remarks:

> An early evaluation report to Congress written by Mathematica Policy Research (under contract to the Department of Health and Human services) validated what State and local grantees have been telling the Department of Labor since the beginning of their Welfare-to-Work program operations: the eligibility criteria in the statute need to be simplified and improved. Their restrictive nature is causing slower than anticipated enrollments and expenditures. Mathematica reported that:
>
> > While many of the hardest-to-employ are being served or will be served, still more who face very similar problems could benefit from Welfare-to-Work services if eligibility categories were modified. Most grantees report that current eligibility criteria exclude some people from their programs who have serious barriers to employment, most notably individuals who have earned a high school credential but still have low skill levels.
>
> State and local officials and program operators have also stated that the current eligibility criteria are too complex and narrow, with the result that a significant proportion of the least job ready welfare recipients and noncustodial parents are excluded from participation.

The strict eligibility requirements are also reflected in recent reports on the expenditure of funds under this program. Of the $1.015 billion awarded to States for FY 1998, only $83 million had been spent by the quarter ending March 1999. Although other factors contributed to this slow rate of expenditures, it is at least in part due to State and localities simply being unable to identify individuals who meet the current eligibility criteria.

For these reasons, the Committee is modifying the current eligibility provisions to enable services to be provided to more of those individuals who are in need of such assistance. In addition, these changes are intended to streamline the eligibility process, thereby reducing the burden to local service providers who currently must document multiple barriers to employment for each participant.

However, it should be noted that the new eligibility maintains the prior commitment to serving those with the most serious barriers to work. The Secretary of Labor and State and local officials are urged to do everything possible to ensure that those with the most and most serious barriers to work receive services under this program.

Noncustodial parents

Reports from the Department of Labor and the General Accounting Office have found that almost 40 or nearly one-fifth of projects funded with Welfare-to-Work funds involve the noncustodial parents of children on welfare. Building upon the strong involvement of these parents, H.R. 3172 includes provisions originally adopted in the Ways and Means Committee as part of H.R. 3073, the Fathers Count Act of 1999, which establishes a separate set of criteria for these fathers. It is our intent to facilitate the participation of fathers in the Welfare-to-Work program by clarifying the entry criteria and by making them less restrictive than current standards.

Children aging out of foster care

This legislation also includes language from H.R. 3073 designed to help children leaving foster care make the transition to self-sufficiency. The overwhelming majority of children in foster care have characteristics that place them at risk for unemployment as young adults. This Committee has found that these young adults suffer from a host of bad outcomes, including high rates of unemployment and dropping out of the labor force. Thus, the Committee believes it is appropriate to make them eligible for services under the Welfare-to-Work program.

Limited vocational educational and job training as allowable activity

A host of State and local governments asked the Committee to broaden the education and work-related activities for which Welfare-to-Work funds can be used. The original legislation, developed on a bipartisan basis, defined allowable activities to include only those that actually involved work or were directly related to work. After discussion, the Committee has added vocational educational and job training for a maximum of 6 months to the list of allowable activities. This action will provide Welfare-to-Work projects with a major new activity that many of them believe will lead to more and better employment for their participants, but will still retain most of the work first focus of the original legislation. The Committee urges projects not to provide vocational educational and job training as stand-alone services, but instead, build upon successful Welfare-to-Work models which include both a work and education component.

Certain grantees authorized to provide employment services directly

Reflecting provisions contained under the Workforce Investment Act of 1998, the Committee did not want the Workforce Investment Boards to be involved in the direct provision of Welfare-to-Work services. However, if other private or governmental agencies besides these boards receive Welfare-to-Work grants, the Committee believes there should be no prohibition on providing direct services. The fundamental goal of the Workforce Investment Boards is to plan and coordinate. Other agencies do not necessarily have these primary missions. Thus, Congress does not wish to eliminate all organizations providing direct services from conducting Welfare-to-Work programs.

Simplification and coordination of reporting requirements present law

The complexity of reporting requirements under the Welfare-to-Work program has been highlighted by many State and local governments, as well as with the National Conference of State Legislatures and the American Public Human Services Association. The Committee shares the view along with the Ways and Means Committee, that the data reporting requirement in the Welfare-to-Work legislation are too extensive and complex and would cost too much for entities conducting programs to meet. Thus, we are repealing the requirement and requiring the Secretary of Labor, in consultation with the Secretary of HHS and State and local governments, to develop a new and more reasonable and affordable data reporting requirement.

Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus

The Committee notes that since very few States and localities have spent all their funds under the Welfare-to-Work program, it seems unwise to be providing a performance bonus at this point. Furthermore, there is a billion dollars in bonus payments now being provided under the Temporary Assistance for Needy Families (TANF) block grant for the same performance goals and nearly the same population of needy individuals as the performance goals and individuals targeted by the Welfare-to-Work program. For both these reasons, the Committee believes little will be lost by repealing the performance bonus under the Welfare-to-Work program.

SECTION-BY-SECTION ANALYSIS

Section 1 establishes eligibility for participation in the Welfare-to-Work program.

Section 2 sets a limit on the allowable activities of vocational education and job training.

Section 3 limits vocational education and job training activities to no more than six months.

Section 4 authorizes grantees to provide direct employment services.

Section 5 establishes simplification and coordination of reporting requirements.

Section 6 modifies the set-aside portion of funds for successful performance bonus.

Section 7 reduces the bonus set-aside by 65 million dollars.

EXPLANATION OF AMENDMENTS

The Amendment in the Nature of a Substitute is explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. This bill amends the Welfare-to-Work program under Title IV, part A of the Social Security Act, in order to increase the program's flexibility and promote the simplification of reporting requirements. The bill does not prevent legislative branch employees from receiving the benefits of this legislation.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. This bill amends the Welfare-to-Work program under Title IV, part A of the Social Security Act, in order to increase the program's flexibility and promote the simplification of reporting requirements. As such, the bill does not contain any unfunded mandates.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 1 **BILL** H.R. 3172 **DATE** November 3, 1999
AMENDMENT NUMBER 5 **DEFEATED 19 - 22**
SPONSOR/AMENDMENT Ms. Woolsey / amendment to increase the time to complete the vocational education training program from 6 months to 24 months

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. GOODLING, Chairman		X		
Mr. PETRI, Vice Chairman		X		
Mrs. ROUKEMA				X
Mr. BALLENGER		X		
Mr. BARRETT		X		
Mr. BOEHNER		X		
Mr. HOEKSTRA		X		
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON				X
Mr. TALENT		X		
Mr. GREENWOOD		X		
Mr. GRAHAM		X		
Mr. SOUDER		X		
Mr. McINTOSH				X
Mr. NORWOOD		X		
Mr. PAUL		X		
Mr. SCHAFFER		X		
Mr. UPTON		X		
Mr. DEAL				X
Mr. HILLEARY		X		
Mr. EHLERS				X
Mr. SALMON		X		
Mr. TANCREDO		X		
Mr. FLETCHER		X		
Mr. DEMINT		X		
Mr. ISAKSON		X		
Mr. CLAY	X			
Mr. MILLER				X
Mr. KILDEE	X			
Mr. MARTINEZ	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mrs. MINK	X			
Mr. ANDREWS	X			
Mr. ROEMER	X			
Mr. SCOTT	X			
Ms. WOOLSEY	X			
Mr. ROMERO-BARCELO	X			
Mr. FATTAH	X			
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY				X
Mr. KIND	X			
Ms. SANCHEZ	X			
Mr. FORD	X			
Mr. KUCINICH	X			
Mr. WU				X
Mr. HOLT	X			
TOTALS	19	22		8

CORRESPONDENCE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND THE WORKFORCE,
Washington, DC, October 13, 1999.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: I am writing regarding the jurisdiction of the Committee on Education and the Workforce over the Mandatory Work Requirements in our Welfare laws. The provisions in current law and listed herein considered and ordered reported from the Committee on Education and the Workforce in each of the two last Congresses. Unfortunately, recent referrals of bills amending the sections and issues related to these sections have only been referred to the Committee on Ways and Means, specifically, H.R. 1482, Welfare-to-Work Amendments of 1999 introduced by Rep. Cardin and H.R. 1362, a bill to make satisfactory progress toward completion of high school or a college program a permissible work activity under the program of block grants to States for temporary assistance for needy families, introduced by Rep. Woolsey. In addition to the matters raised in this letter, I am requesting a re-referral of these bills to the Committee on Education and the Workforce and in addition the Committee on Ways and Means.

I would like to recount the history of action by the Committee on Education and the Workforce, (the Committee was named the Committee on Education and Labor from 1945 to 1994; it was renamed the Committee on Economic and Educational Opportunities in the 104th Congress and renamed the Committee on Education and the Workforce in the 105th), regarding work issues in welfare programs. Until the 104th Congress, the predecessor law to the current welfare to work programs was contained in Part F of Title IV of the Social Security Act, the "JOBS" program and was in the primary jurisdiction of the Committee on Education and Labor. Prior to the 104th Congress, the JOBS Program and AFDC work requirements were last amended in 1988. The 100th Congress passed H.R. 1720, the "Family Support Act of 1988." H.R. 1720 was jointly referred to the Committees on Education and Labor, Energy and Commerce, and Ways and Means. The Committee on Education and Labor held three hearings (April 29, 30 and May 5, 1987) addressing Welfare Reform Legislation including the JOBS programs and work requirements.

Each Committee reported the bill to the House. (House Report 100–159, Parts I, II, and III). Subsequently, the House considered and passed H.R. 1720. Following its passage in the Senate, the House appointed Members of the Committee on Education and Labor to the Conference Committee.[1] The Members were appointed as Conferees only to those sections that concerned the JOBS Program, the Work Incentive program and other training and employment programs. The Conference Report was agreed to and H.R. 1720 eventually became Public Law 100–485.

During the 103rd Congress, although many bills were introduced that amended the work requirements in welfare and the JOBS Pro-

[1] Hawkins, Ford (MI), Kildee, Williams, Martinez, Solarz, Jeffords, Gunderson, Tauke, Henry.

gram, no such bills were reported by a committee. However, the pattern of referral of these bills confirms that the Committee on Education and Labor had jurisdiction over these programs.

Most of these bills addressed several issues. One resolution, H. Con. Res. 42, specifically and exclusively addressed the JOBS Program. This resolution, introduced by Mrs. Kennelly, was solely referred to the Committee on Education and Labor. Every bill introduced in the House that amended the JOBS Program or work requirements under the Social Security Act was referred to the Committee on Education and Labor.[2]

During the 104th Congress the Committee on Economic and Educational Opportunities reported H.R. 999, the "Welfare Reform Consolidation Act of 1995". The introduced and Committee reported bill repealed the Part F, Title IV of the Social Security Act, the "JOBS" program and replaced it with the provisions in current law,[3] Sec. 401. "Replacement of the JOBS program and mandatory work requirements". Our Committee was the sole Committee to make these recommendations. The provisions of this bill were incorporated into H.R. 4, the Personal Responsibility Act, which was vetoed and later included in Public Law 104–193.

During the 105th Congress, the Committee on Education and the Workforce, pursuant to H. Con. Res. 84, the budget resolution for fiscal year 1998, reported to the Committee on the Budget amendments to the Social Security Act, Section 403, 407 and 409 regarding Mandatory Work Requirements in Welfare, entitled "Welfare to Work—Grants Title V, Subtitle A." These provisions were included in Title V, Subtitle A of H.R. 2015, which became Title V, Subtitle A of P.L. 105–33. The Speaker appointed conferees from the Committee on Education and the Workforce for consideration of these provisions.[4]

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[2] In addition to H. Con. Res. 42, this includes the following bills:

H.R. 741, Mr. Shaw, "Responsibility and Empowerment Support Program Providing Employment, Child Care, and Training Act," Referred to the Committees on Agriculture, Banking, Education and Labor, Energy and Commerce, Judiciary, and Ways and Means.

H.R. 1918, Mr. Wise "Welfare Reform and Responsibility Act of 1993," Referred to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

H.R. 3500, Mr. Michel, "Responsibility and Empowerment Support Program Providing Employment, Child Care, and Training Act," Referred to the Committees on Agriculture, Banking, Education and Labor, Energy and Commerce, Government Operations, Judiciary, Rules and Ways and Means.

H.R. 4126, Mrs. Lowey, "Work-First Welfare Reform Act of 1994," Referred to the Committees on Education and Labor and Ways and Means.

H.R. 4318, Ms. Woolsey, "Working Off Welfare Act of 1994," Referred to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

H.R. 4605, Mr. Gibbons, "Work and Responsibility Act of 1994," Referred to the Committees on Agriculture, Education and Labor, and Ways and Means. The Committee on Education and Labor held a hearing on the bill August 2, 1994 regarding the JOBS Program.

H.R. 4793, Mr. Orton, "Self-Sufficiency Act of 1994," Referred to the Committees on Agriculture, Education and Labor, Energy and Commerce, and Ways and Means.

H.R. 4983, Mr. Volkmer, "Welfare to Self-Sufficiency Act of 1994," Referred to the Committees on Agriculture, Education and Labor, Energy and Commerce, and Ways and Means.

[3] See H.R. 999, Section 401, Replacement of the JOBS program with mandatory work requirements.

[4] Subtitle A of Title V and subtitle A of title IX of the House bill, and chapter 2 of division 3 of title V of the Senate amendment, and modifications committed to conference. In addition to Members appointed from the Committee on the Budget, from the Committee on Education and the Workforce—Goodling, Talent, and Clay—regarding welfare to work requirements. The conference committee reported provisions were identical or substantially similar to those provisions reported by the Committee on Education and the Workforce, Title V, Subtitle A. The Conference Report was adopted by the House of Representatives and the Senate and enacted as P.L. 105–33.

During the 106th Congress, on September 9, 1999, Committee on Education and the Workforce, Subcommittee on Postesecondary Education, Training and Life-Long Learning held Provisions;" the hearing focused on implementation of the programs.

As such, the following are the sections to the Social Security Act that are within the jurisdiction of the Committee on Education and the Workforce.

(1) Section 402(a)(1)(A)(ii) and (iii) State Plan;

(2) Section 403 Grants to States;

(3) Section 403(a)(5) Welfare-to-Work Grants (Mandatory Work Requirements);

(4) Section 407 Mandatory Work Requirements;

(5) Section 408(a)(4) Prohibitions (No Assistance to Teenager parents who do not attend High School or other Equivalent Training program);

(6) Section 409(a)—Penalties (only those listed)—(a)(3) Penalties (Minimum Participation Rates)—(a)(11) Penalties (Failure to Maintain Assistance to Adult Single Custodial Parent for childcare for child under age 6—(a)(13) Penalties (Failure of State to Maintain Historic Effort During year in which Welfare-to-Work Grant is Received—(a)(14) Penalties (Failure to Reduce Assistance for Recipients Refusing Without Good Cause to Work);

(7) Section 413(d) Annual Ranking of States and Review of Most and Least Successful Work Programs;

(8) Section 413(j) Evaluation of Welfare-to-Work Programs; and

(9) Section 415(a)(2)(B) No Effect on New Work Requirements.

Thank you for your attention to this matter. I look forward to working with you in ensuring the proper referral of matters within the jurisdiction of the Committee on Education and the Workforce in the future.

Sincerely,

BILL GOODLING, Chairman.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of 3(c)(3) of rule XIII of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3172 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 5, 1999.

Hon. WILLIAM GOODLING,
Chairman, Committee on Education and the Workforce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3172, the Welfare-to-Work Amendments of 1999.

If you with further details on this estimate, we will be pleased to provide them. The CBO staff contact is Christina Hawley Sadoti.

Sincerely,

DAN L. CRIPPEN, *Director.*

Enclosure.

H.R. 3172—Welfare-to-Work Amendments of 1999

Summary: H.R. 3172 would change eligibility rules and expand allowed activities in the Welfare-to-Work grant program, and reduce the Welfare-to-Work performance bonus. Enacting this bill would result in reduced direct spending in some years and increased spending in others, for an estimated net savings of $10 million over the 2000–2002 period. Because the bill would affect direct spending, pay-as-you-go procedures would apply.

H.R. 3172 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Greater flexibility in the Welfare-to-Work program would benefit states, and in some cases, local and tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of this bill is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By fiscal years, in millions of dollars—				
	2000	2001	2002	2003	2004
DIRECT SPENDING					
Spending Under Current Law:					
Budget Authority	100	0	0	0	0
Estimated Outlays	760	835	535	0	0
Proposed Changes:					
Welfare-to-Work Grants:					
Budget Authority	0	0	0	0	0
Estimated Outlays	70	5	−20	0	0
Performance Bonus:					
Budget Authority	−65	0	0	0	0
Estimated Outlays	−15	−25	−25	0	0
Subtotal.					
Budget Authority	−65	0	0	0	0
Estimated Outlays	55	−20	−45	0	0
Spending Under H.R. 3172:					
Budget Authority	35	0	0	0	0
Estimated Outlays	815	815	490	0	0

Basis of estimate: This bill would broaden the eligibility criteria for the Welfare-to-Work block grants, and would also allow funds to be spent on stand-alone vocational training. A survey of states indicated that these changes would make it easier for them to

serve clients under the Welfare-to-Work program. CBO estimates that state grants, which have already been awarded, would spend more quickly than under current law. In addition, CBO estimates that overall spending would increase. States have four years to spend the grant money, the last of which was provided at the end of fiscal year 1999. Under current law, CBO assumes that about $300 million would to unspent, in part because of the difficulty states are having in enrolling eligible participants. CBO estimates that the expansion would increase overall spending by about $55 million over the 2000–2004 period.

The bill also would reduce the $100 million set-aside for Welfare-to-Work performance bonuses to $35 million. These bonuses are to be paid over the fiscal years 2000 through 2002. Therefore, reducing the bonuses would save $65 million over that period.

Pay-as-you go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net charges in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purpose of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By fiscal years, in millions of dollars—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	55	−20	−45	0	0	0	0	0	0	0
Changes in receipts	Not applicable									

Estimated impact on state, local, and tribal governments: The bill contains no intergovernmental mandates as defined in UMRA. Greater flexibility in the Welfare-to-Work program would benefit states, and in some cases, local and tribal governments.

The bill would make a number of changes in the Welfare-to-Work program, broadening eligibility requirements, and expanding the ability of states to use grant funds for vocational training. By making it easier for states to serve clients, the proposed changes would increase state spending in the Welfare-to-Work program by about $27 million over the 2000–2004 period. This state spending would be matched by $55 million in federal assistance, as noted above. The reduction Welfare-to-Work performance bonuses would decrease assistance to states by $65 million over the 2000–2004 period. However, given the flexibility that states have to operate the program, this reduction would not be a mandate as defined in the UMRA.

Estimated impact on the private sector: This bill contains no private-sector mandates as defined in UMRA.

Previous estimate: On October 27, 1999, CBO provided a cost estimate for H.R. 3073, the Fathers Count Act of 1999, as ordered reported by the House Committee on Ways and Means on October 21, 1999. Provisions in H.R. 3073 are similar to the Welfare-to-Work provisions in this proposed legislation. However, there are two notable differences. First, the eligibility expansions contained in H.R. 3073 are somewhat broader than those contained in H.R. 3172. Second, H.R. 3073 would eliminate the performance bonus, whereas H.R. 3172 would merely reduce it. Taken together, the

Welfare-to-Work changes contained in H.R. 3073 would reduce spending by $40 million over the 2000–2002 period. Total savings from the provisions in this bill net to 410 million over the same period.

Estimate prepared by: Federal Costs: Christina Hawley Sadoti. Impact on State, Local, and Tribal Governments: Leo Lex.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STATEMENT OF OVERSIGHT FINDINGS OF THE COMMITTEE ON GOVERNMENT REFORM

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on the subject of H.R. 3172.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 1, which grants Congress the power to lay and collect taxes, duties, imports and excises, to pay the debts and provide for the common defense and general welfare of the United States.

COMMITTEE ESTIMATE

Clauses 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 3172. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE IV OF THE SOCIAL SECURITY ACT

* * * * * * *

TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES

* * * * * * *

PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

* * * * * * *

SEC. 403. GRANTS TO STATES.

(a) GRANTS.—

(1) * * *

* * * * * * *

(5) WELFARE-TO-WORK GRANTS.—

(A) * * *

(C) LIMITATIONS ON USE OF FUNDS.—

(i) ALLOWABLE ACTIVITIES.—An entity to which funds are provided under this paragraph shall use the funds to move individuals into and keep individuals in lasting unsubsidized employment by means of any of the following:

(I) * * *

* * * * * * *

(IV) Contracts with public or private providers of readiness, placement, and post-employment services*, or if the entity is not a private industry council or workforce investment board, the direct provision of such services*.

* * * * * * *

(VII) Not more than 6 months of vocational educational or job training.

* * * * * * *

[(ii) REQUIRED BENEFICIARIES.—An entity that operates a project with funds provided under this paragraph shall expend at least 70 percent of all funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located, or for the benefit of noncustodial parents, who meet the requirements of each of the following subclauses:

[(I) At least 2 of the following apply to the recipient or the noncustodial parent:

[(aa) The individual has not completed secondary school or obtained a certificate of general equivalency, and has low skills in reading or mathematics.

[(bb) The individual requires substance abuse treatment for employment.

[(cc) The individual has a poor work history.

[(II) The recipient or the minor children of the non-custodial parent—

[(aa) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsi-

bility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

[(bb) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemption provided pursuant to section 408(a)(7)(C) that may apply to the individual.]

(ii) GENERAL ELIGIBILITY.—An entity that operates a project with funds provided under this paragraph may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located who—

(I) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

(II) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemption provided pursuant to section 408(a)(7)(C) that may apply to the individual.

(iii) NONCUSTODIAL PARENTS.—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

(aa) The minor child or the custodial parent of the minor child meets the requirements of subclause (I) or (II) of clause (ii).

(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this Act, or child health assistance under title XXI of this Act.

(III) In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the

noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.

[(iii)**]** *(iv)* TARGETING OF *HARD TO EMPLOY* INDIVIDUALS WITH CHARACTERISTICS ASSOCIATED WITH LONG-TERM WELFARE DEPENDENCE.—An entity that operates a project with funds provided under this paragraph may expend not more than 30 percent of all funds provided to the project for programs that provide assistance in a form described in clause (i)—

(I) to recipients of assistance under the program funded under this part of the State in which the entity is located who have characteristics associated with long-term welfare dependence (such as school dropout, teen pregnancy, or poor work history), including, at the option of the State, by providing assistance in such form as a condition of receiving assistance under the State program funded under this part; **[**or

[(II) to individuals—

[(aa) who are noncustodial parents of minors whose custodial parent is such a recipient; and

[(bb) who have such characteristics.**]**

(II) to children—

(aa) who have attained 18 years of age but not 25 years of age; and

(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State;

(III) to recipients of assistance under the State program funded under this part, determined to have significant barriers to self-sufficiency, pursuant to criteria established by the local private industry council; or

(IV) to custodial parents with incomes below 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).

To the extent that the entity does not expend such funds in accordance with the preceding sentence, the entity shall expend such funds in accordance with [clause (ii)] *clauses (ii) and (iii) and, as appropriate, clause (v).*

[(iv)] *(v)* AUTHORITY TO PROVIDE WORK-RELATED SERVICES TO INDIVIDUALS WHO HAVE REACHED THE 5 YEAR LIMIT.—An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) of this subparagraph to, or for the benefit of, individuals who (but for section 408(a)(7)) would be eligible for assistance under the program funded under this part of the State in which the entity is located.

[(v)] *(vi)* RELATIONSHIP TO OTHER PROVISIONS OF THIS PART.—

(I) * * *

* * * * * * *

[(vi)] *(vii)* PROHIBITION AGAINST USE OF GRANT FUNDS FOR ANY OTHER FUND MATCHING REQUIREMENT.—An entity to which funds are provided under this paragraph shall not use any part of the funds, nor any part of State expenditures made to match the funds, to fulfill any obligation of any State, political subdivision, or private industry council to contribute funds under section 403(b) or 418 or any other provision of this Act or other Federal law.

[(vii)] *(viii)* DEADLINE FOR EXPENDITURE.—An entity to which funds are provided under this paragraph shall remit to the Secretary of Labor any part of the funds that are not expended within 3 years after the date the funds are so provided.

[(viii)] *(ix)* REGULATIONS.—Within 90 days after the date of the enactment of this paragraph, the Secretary of Labor, after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, shall prescribe such regulations as may be necessary to implement this paragraph.

(x) REPORTING REQUIREMENTS.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such informa-

tion by entities carrying out activities under this paragraph.

* * * * * * *

(E) SET-ASIDE FOR SUCCESSFUL PERFORMANCE BONUS.—

(i) * * *

* * * * * * *

(vi) SET-ASIDE.—**[**$100,000,000**]** *$35,000,000* of the amount specified in subparagraph (I) for fiscal year 1999 shall be reserved for grants under this subparagraph.

* * * * * * *

(I) APPROPRIATIONS.—

(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated **[**$1,500,000,000 for each of fiscal years 1998 and 1999 for grants under this paragraph.**]** *for grants under this paragraph—*

(I) $1,500,000,000 for fiscal year 1998; and

(II) $1,435,000,000 for fiscal year 1999.

* * * * * * *

SEC. 404. USE OF GRANTS.

(a) * * *

* * * * * * *

(k) LIMITATIONS ON USE OF GRANT FOR MATCHING UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.—

(1) USE LIMITATIONS.—A State to which a grant is made under section 403 may not use any part of the grant to match funds made available under section 3037 of the Transportation Equity Act for the 21st Century, unless—

(A) * * *

* * * * * * *

(C) the preponderance of the benefits derived from such use of the grant accrues to individuals who are—

(i) * * *

* * * * * * *

(iii) noncustodial parents who are described in **[**item (aa) or (bb) of section 403(a)(5)(C)(ii)(II)**]** *section 403(a)(5)(C)(iii)*; and

* * * * * * *

SEC. 411. DATA COLLECTION AND REPORTING.

(a) QUARTERLY REPORTS BY STATES.—

(1) GENERAL REPORTING REQUIREMENT.—

(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part *(except for information relating to activities carried out under section 403(a)(5))*:

(i) * * *

* * * * * * *

[(xviii) With respect to families participating in a program operated with funds provided under section 403(a)(5)—

[(I) any activity described in section 403(a)(5)(C)(i) engaged in by a family member;

[(II) the total amount expended during the month on the family member for each such activity;

[(III) if the family member is engaged in subsidized employment or on-the-job training under the program, the wage paid to the family member and the amount of any wage subsidy provided to the family member from Federal or State funds; and

[(IV) if the participation of a family member in the program was ended during a month due to the family member obtaining employment, the wage of the family member in the employment and whether the participation was ended due to the family member obtaining unsubsidized employment, obtaining subsidized employment, receiving an increased wage, engaging in a work training activity funded under a program funded other than under section 403(a)(5), or for other reasons.]

* * * * * * *

SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) GRANTS FOR INDIAN TRIBES.—

(1) * * *

* * * * * * *

(3) WELFARE-TO-WORK GRANTS.—

(A) * * *

* * * * * * *

(C) LIMITATIONS ON USE OF FUNDS.—

(i) * * *

(ii) WAIVER AUTHORITY.—The Secretary of Labor may waive or modify the application of a provision of section 403(a)(5)(C) (other than clause [(vii)] *(viii)* thereof) with respect to an Indian tribe to the extent necessary to enable the Indian tribe to operate a more efficient or effective program with the funds provided under this paragraph.

* * * * * * *

ADDITIONAL VIEWS

We support the Committee's efforts to modify the eligibility requirements of the Welfare-to-Work program to improve the programs' ability to provide adequate assistance to needy families. However, there are several areas in which we believe H.R. 3172 should be strengthened.

Reauthorization of the act

The minority believes that H.R. 3172 should be part of a broader reauthorization of the Welfare-to-Work program. Although the unemployment rate continues to be low, 2.6 million families still remain on public assistance. To help these remaining families move off welfare and into the workforce, we must continue to invest in programs such as Welfare-to-Work.

In his Fiscal Year 2000 budget request, the President asked that an additional $1 billion be invested in the Welfare-to-Work program. In a letter to Chairman Goodling, Secretary of Labor, Alexis Herman, stated, "additional resources [are] essential to addressing the continuing need to promote long-term economic self-sufficiency among the hardest-to-employ welfare recipients and to assist non-custodial parents in making meaningful contributions to their children's well-being."

Some have argued that additional money is unnecessary since the bulk of the 1997 funding has yet to be spent. However, once the eligibility requirements are expanded to allow states to spend the portion of the monies they have previously been unable to access, the funds will be expended quickly, leaving the hardest to serve individuals without assistance.

We also must bear in mind that although all of the states met the work requirements for FY 1998, those requirements increased in FY 1999. In addition, most welfare recipients have not yet reached the five year cap on Temporary Assistance for Needy Families (TANF) services. However, they will do so in the next few years. Moreover, we are currently benefiting from a very healthy economy. If there is a downturn in the economy, newly hired welfare recipients are likely to be the first to be displaced.

We view H.R. 3172 as a complement to a complete reauthorization of Welfare-to-Work, as proposed by the Administration and included in H.R. 1482. The reauthorization contained in H.R. 1482—with additional resources—is essential to addressing the continuing need to promote long term economic self-sufficiency among the hardest to employ welfare recipients and to assist non-custodial parents in making meaningful contributions to their children's well-being. We urge the Majority to support reauthorization and funding of the Welfare-to-Work program early next year.

Expand eligibility of low-income custodial parents

H.R. 3172 expands the eligibility of non-custodial parents to participate in welfare-to-work programs. H.R. 3172 permits non-custodial parents to participate in the Welfare-to-Work program if they are unemployed, underemployed, or having difficulty paying child support. Similarly, their children do not need to be current or prior welfare recipients, but need to be receiving or eligible for one of a number of federal programs. These programs include, but are not limited to, Temporary Assistance for Needy Families (TANF).

H.R. 3172 as introduced did not provide comparable eligibility for low-income custodial parents to participate in Welfare-to-Work programs. Therefore, low-income custodial parents would have to go on welfare in order to be eligible for Welfare-to-Work programs while non-custodial parents would not have to do so.

We support the efforts made at mark-up to attempt to address our concerns about providing Welfare-to-Work eligibility to non-custodial parents, mostly absentee fathers, while denying eligibility to low-income custodial parents, mostly mothers. The compromise in the bill as amended in Committee, which adds custodial parents to those categories eligible for Welfare-to-Work programs funded by thirty percent of the Welfare-to-Work funds, is a step in the right direction. However, we believe that custodial parents, those parents who live with their children, who do they day-in and day-out work to raise those children, should have at least equal access to Welfare-to-Work programs as non-custodial parents. We believe it is important that the Welfare-to-Work program at a minimum, provide comparable treatment for custodial and non-custodial parents.

We believe it also is important that the program retain its priority in funding families with a current or prior connection to the welfare program. While the bill streamlines eligibility requirements under Welfare-to-Work for long term recipients, it maintains the objective of Welfare-to-Work to serve the neediest families on welfare. As introduced, H.R. 3172 provided that in order to be eligibility for Welfare-to-Work services a recipient must, in addition to being a long-term recipient of TANF, lack a diploma, have low basic skills, have a poor work history, require substance abuse treatment, be homeless, have a disability, or have been a victim of domestic violence. This was intended to identify hard to employ recipients. In order to further simplify the eligibility criteria and minimize administrative burdens on program operators, the bill was amended at mark-up to limit the eligibility requirements to long term recipiency. This was not intended to shift the focus of the program away from the identified groups. The minority encourages the Department of Labor and Welfare-to-Work grantees to ensure that these identified groups are the focus for the provision of services under Welfare-to-Work and are provided the help they need to obtain and retain employment.

Increase the length of time vocational education can be an allowable activity

H.R. 3172 allows not more than six months of vocational educational or job training. This is totally inadequate. H.R. 3172 should allow at least twenty-four months of vocational educational and job training.

Numerous welfare policy experts and advocates, including the Institute for Women's Policy Research, Coalition on Women and Job Training, and Association for Career and Technical Education, agree that six months can be too short for welfare recipients to obtain the long-term skills they need to work. Training providers nationwide submitted testimonials to the Committee expressing their concern about limiting vocational educational and job training to six months. They pointed out that training programs of less than six months are hard to find, especially in rural areas, and that even when participants graduate from these short term programs it is difficult for them to find jobs that pay enough to support their families.

Education is the key to moving people from welfare to work. Low basic skills is the most common barrier which keeps welfare recipients from obtaining and keeping jobs. Six months is not sufficient to reach the level of skill needed to succeed in the workforce.

A six-month time limit is inconsistent with the vocational educational training time limit under TANF, which allows up to 12 months. Certainly, we should not be giving the very hardest to serve less access to the education and training they need to achieve self-sufficiency.

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