

108TH CONGRESS
1ST SESSION

S. 786

To amend the temporary assistance to needy families program under part A of title IV of the Social Security Act to provide grants for transitional jobs programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 3, 2003

Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, and Mr. BREAUX) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the temporary assistance to needy families program under part A of title IV of the Social Security Act to provide grants for transitional jobs programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Business Links Act
5 of 2003”.

1 **SEC. 2. TRANSITIONAL JOBS GRANTS.**

2 (a) IN GENERAL.—Section 403(a)(4) of the Social
3 Security Act (42 U.S.C. 603(a)(4)) is amended to read
4 as follows:

5 “(4) INNOVATIVE BUSINESS LINK PARTNERSHIP
6 GRANTS.—

7 “(A) IN GENERAL.—The Secretary and the
8 Secretary of Labor (in this paragraph referred
9 to as the “Secretaries”) jointly shall award
10 grants in accordance with this paragraph for
11 projects proposed by eligible applicants based
12 on the following:

13 “(i) The potential effectiveness of the
14 proposed project in carrying out the activi-
15 ties described in subparagraph (E).

16 “(ii) Evidence of the ability of the eli-
17 gible applicant to leverage private, State,
18 and local resources.

19 “(iii) Evidence of the ability of the eli-
20 gible applicant to coordinate with other or-
21 ganizations at the State and local level.

22 “(B) DEFINITION OF ELIGIBLE APPLI-
23 CANT.—

24 “(i) IN GENERAL.—In this paragraph,
25 the term ‘eligible applicant’ means a non-
26 profit organization, a local workforce in-

1 vestment board established under section
2 117 of the Workforce Investment Act of
3 1998 (29 U.S.C. 2832), a State, a political
4 subdivision of a State, or an Indian tribe.

5 “(ii) GRANTS TO PROMOTE BUSINESS
6 LINKAGES.—

7 “(I) ADDITIONAL ELIGIBLE AP-
8 PPLICANT.—Only for purposes of
9 grants to carry out the activities de-
10 scribed in subparagraph (E)(i), the
11 term ‘eligible applicant’ includes an
12 employer.

13 “(II) ADDITIONAL REQUIRE-
14 MENT.—In order to qualify as an eli-
15 gible applicant for purposes of sub-
16 paragraph (E)(i), the applicant must
17 provide evidence that the application
18 has been developed by and will be im-
19 plemented by a local or regional con-
20 sortium that includes, at minimum,
21 employers or employer associations,
22 and education and training providers,
23 in consultation with local labor orga-
24 nizations and social service providers

1 that work with low-income families or
2 individuals with disabilities.

3 “(C) REQUIREMENTS.—

4 “(i) IN GENERAL.—In awarding
5 grants under this paragraph, the Secre-
6 taries shall—

7 “(I) consider the needs of rural
8 areas and cities with large concentra-
9 tions of residents with an income that
10 is less than 150 percent of the poverty
11 line; and

12 “(II) ensure that—

13 “(aa) all of the funds made
14 available under this paragraph
15 (other than funds reserved for
16 use by the Secretaries under sub-
17 paragraph (J)) shall be used for
18 activities described in subpara-
19 graph (E);

20 “(bb) not less than 40 per-
21 cent of the funds made available
22 under this paragraph (other than
23 funds so reserved) shall be used
24 for activities described in sub-
25 paragraph (E)(i); and

1 “(cc) not less than 40 per-
2 cent of the funds made available
3 under this paragraph (other than
4 funds so reserved) shall be used
5 for the activities described in
6 subparagraph (E)(ii).

7 “(ii) CONTINUATION OF AVAIL-
8 ABILITY.—If any portion of the funds re-
9 quired to be used for activities referred to
10 in item (bb) or (cc) of clause (i)(II) are not
11 awarded in a fiscal year, such portion shall
12 continue to be available in the subsequent
13 fiscal year for the same activity, in addi-
14 tion to other amounts that may be avail-
15 able for such activities for that subsequent
16 fiscal year.

17 “(D) DETERMINATION OF GRANT
18 AMOUNT.—

19 “(i) IN GENERAL.—Subject to clause
20 (ii), in determining the amount of a grant
21 to be awarded under this paragraph for a
22 project proposed by an eligible applicant,
23 the Secretaries shall provide the eligible
24 applicant with an amount sufficient to en-
25 sure that the project has a reasonable op-

1 opportunity to be successful, taking into ac-
2 count—

3 “(I) the number and characteris-
4 tics of the individuals to be served by
5 the project;

6 “(II) the level of unemployment
7 in the area to be served by the
8 project;

9 “(III) the job opportunities and
10 job growth in such area;

11 “(IV) the poverty rate for such
12 area; and

13 “(V) such other factors as the
14 Secretary deems appropriate in such
15 area.

16 “(ii) MAXIMUM AWARD FOR GRANTS
17 TO PROMOTE BUSINESS LINKAGES OR PRO-
18 VIDE TRANSITIONAL JOBS PROGRAMS.—

19 “(I) IN GENERAL.—In the case
20 of a grant to carry out activities de-
21 scribed in clause (i) or (ii) of subpara-
22 graph (E), an eligible applicant
23 awarded a grant under this paragraph
24 may not receive more than

1 \$10,000,000 per fiscal year under the
2 grant.

3 “(II) RULE OF CONSTRU-
4 TION.—Nothing in subclause (I) shall
5 be construed as precluding an other-
6 wise eligible applicant from receiving
7 separate grants to carry out activities
8 described in clause (i) or (ii) of sub-
9 paragraph (E).

10 “(iii) GRANT PERIOD.—The period in
11 which a grant awarded under this para-
12 graph may be used shall be specified for a
13 period of not less than 36 months and not
14 more than 60 months.

15 “(E) ALLOWABLE ACTIVITIES.—An eligible
16 applicant awarded a grant under this paragraph
17 shall use funds provided under the grant to do
18 the following:

19 “(i) PROMOTE BUSINESS LINKAGES.—

20 “(I) IN GENERAL.—To promote
21 business linkages in which funds shall
22 be used to fund new or expanded pro-
23 grams that are designed to—

24 “(aa) substantially increase
25 the wages of eligible individuals

1 (as defined in subparagraph (F)),
2 whether employed or unemployed,
3 who have limited English pro-
4 ficiency or other barriers to em-
5 ployment by creating or upgrad-
6 ing job and related skills in part-
7 nership with employers, especially
8 by providing supports and serv-
9 ices at or near work sites; and

10 “(bb) identify and strength-
11 en career pathways by expanding
12 and linking work and training
13 opportunities for such individuals
14 in collaboration with employers.

15 “(II) CONSIDERATION OF IN-
16 KIND, IN-CASH RESOURCES.—In de-
17 termining which programs to fund
18 under this clause, an eligible applicant
19 awarded a grant under this paragraph
20 shall consider the ability of a consor-
21 tium to provide funds in-kind or in-
22 cash (including employer-provided,
23 paid release time) to help support the
24 programs for which funding is sought.

1 “(III) PRIORITY.—In deter-
2 mining which programs to fund under
3 this clause, an eligible applicant
4 awarded a grant under this paragraph
5 shall give priority to programs that
6 include education or training for
7 which participants receive credit to-
8 ward a recognized credential, such as
9 an occupational certificate or license.

10 “(IV) USE OF FUNDS.—

11 “(aa) IN GENERAL.—Funds
12 provided to a program under this
13 clause may be used for a com-
14 prehensive set of employment and
15 training benefits and services, in-
16 cluding job development, job
17 matching, workplace supports
18 and accommodations, curricula
19 development, wage subsidies, re-
20 tention services, and such other
21 benefits or services as the pro-
22 gram deems necessary to achieve
23 the overall objectives of this
24 clause.

1 “(bb) PROVISION OF SERV-
2 ICES.—So long as a program is
3 principally designed to assist eli-
4 gible individuals, (as defined in
5 subparagraph (F)), funds may be
6 provided to a program under this
7 clause that also serves low-earn-
8 ing employees of 1 or more em-
9 ployers even if such individuals
10 are not within the definition of
11 eligible individual (as so defined).

12 “(ii) PROVIDE FOR TRANSITIONAL
13 JOBS PROGRAMS.—

14 “(I) IN GENERAL.—To provide
15 for wage-paying transitional jobs pro-
16 grams which combine time-limited em-
17 ployment in the public or nonprofit
18 private sector that is subsidized with
19 public funds with skill development
20 and activities to remove barriers to
21 employment, pursuant to an individ-
22 ualized plan (or, in the case of an eli-
23 gible individual described in subpara-
24 graph (F)(i), an individual responsi-
25 bility plan developed for an individual

1 under section 408(b)). Such programs
2 also shall provide job development and
3 placement assistance to individual
4 participants to help them move from
5 subsidized employment in transitional
6 jobs into unsubsidized employment, as
7 well as retention services after the
8 transition to unsubsidized employ-
9 ment.

10 “(II) ELIGIBLE PARTICIPANTS.—

11 The Secretary shall ensure that indi-
12 viduals who participate in transitional
13 jobs programs funded under a grant
14 made under this paragraph shall be
15 individuals who have been unemployed
16 because of limited skills, experience,
17 or other barriers to employment, and
18 who are eligible individuals (as de-
19 fined in subparagraph (F)), provided
20 that so long as a program is designed
21 to, and principally serves, eligible indi-
22 viduals (as so defined), a limited num-
23 ber of individuals who are unemployed
24 because of limited skills, experience,
25 or other barriers to employment, and

1 who have an income below 100 per-
2 cent of the Federal poverty line but
3 who do not satisfy the definition of el-
4 igible individual (as so defined) may
5 be served in the program to the extent
6 the Secretaries determine that the in-
7 clusion of such individuals in the pro-
8 gram is appropriate.

9 “(III) USE OF FUNDS.—Funds
10 provided to a program under this
11 clause may only be used in accordance
12 with the following:

13 “(aa) To create subsidized
14 transitional jobs in which work
15 shall be performed directly for
16 the program operator or at other
17 public and non profit organiza-
18 tions (in this subclause referred
19 to as ‘worksite employers’) in the
20 community, and in which 100
21 percent of the wages shall be
22 subsidized, except as described in
23 item (ff) regarding placements in
24 the private, for profit sector.

1 “(bb) Participants shall be
2 paid at the rate paid to unsub-
3 subsidized employees of the worksite
4 employer who perform com-
5 parable work at the worksite
6 where the individual is placed. If
7 no other employees perform the
8 same or comparable work then
9 wages shall be set, at a min-
10 imum, at 50 percent of the
11 Lower Living Standard Income
12 Level (commonly referred to as
13 the ‘LLSIL’), as determined
14 under section 101(24) of the
15 Workforce Investment Act of
16 1998 (29 U.S.C. 2801(24)), for
17 a family of 3 based on 35 hours
18 per week.

19 “(cc) Transitional jobs shall
20 be limited to not less than 6
21 months and not more than 24
22 months, however, nothing shall
23 preclude a participant from mov-
24 ing into unsubsidized employ-
25 ment at a point prior to the max-

1 imum duration of the transitional
2 job placement. Participants shall
3 be paid wages based on a work-
4 week of not less than 30 hours
5 per week or more than 40 hours
6 per week, except that a parent of
7 a child under the age of 6, a
8 child who is disabled, or a child
9 with other special needs, or an
10 individual who for other reasons
11 cannot successfully participate
12 for 30 to 40 hours per week, may
13 be allowed to participate for more
14 limited hours, but not less than
15 20 hours per week. In any work
16 week, 50 percent to 80 percent of
17 hours shall be spent in the tran-
18 sitional job and 20 percent to 50
19 percent of hours shall be spent in
20 education or training, or other
21 services designed to reduce or
22 eliminate any barriers.

23 “(dd) Program operators
24 shall provide case management
25 services and ensure access to ap-

1 appropriate education, training, and
2 other services, including job ac-
3 commodation, work supports, and
4 supported employment, as appro-
5 priate and consistent with an in-
6 dividual plan that is based on the
7 individual's strengths, resources,
8 priorities, concerns, abilities, ca-
9 pabilities, career interests, and
10 informed choice and that is devel-
11 oped with each participant. The
12 goal of each participant's plan
13 shall focus on preparation for un-
14 subsidized jobs in demand in the
15 local economy which offer the po-
16 tential for advancement and
17 growth. Services shall also in-
18 clude job placement assistance
19 and retention services, which may
20 include coaching and work place
21 supports, for 12 months after
22 entry into unsubsidized place-
23 ment. Participants shall also re-
24 ceive support services such as
25 subsidized child care and trans-

1 portation, on the same basis as
2 those services are made available
3 to recipients of assistance under
4 the State program funded under
5 this part who are engaged in
6 work-related activities.

7 “(ee) Providers shall work
8 with individual recipients to de-
9 termine eligibility for other em-
10 ployment-related supports which
11 may include (but are not limited
12 to) supported employment, other
13 vocational rehabilitation services,
14 and programs or services avail-
15 able under the Workforce Invest-
16 ment Act of 1998 (29 U.S.C.
17 2801 et seq.), or the ticket to
18 work and self-sufficiency program
19 established under section 1148,
20 and, to the extent possible, shall
21 provide transitional employment
22 in collaboration with entities pro-
23 viding, or arranging for the pro-
24 vision of, such other supports.

1 “(ff) Not more than 20 per-
2 cent of the placements for a
3 grantee shall be with a private
4 for-profit company, except that
5 such 20 percent limit may be
6 waived by the Secretary for pro-
7 grams in rural areas when the
8 grantee can demonstrate insuffi-
9 cient public and non-profit work-
10 sites. When a placement is made
11 at a private for-profit company,
12 the company shall pay 50 percent
13 of program costs (including
14 wages) for each participant, and
15 the company shall agree, in writ-
16 ing, to hire each participant into
17 an unsubsidized position at the
18 completion of the agreed upon
19 subsidized placement, or sooner,
20 provided that the participant’s
21 job performance has been satis-
22 factory. Not more than 5 percent
23 of the workforce of a private for-
24 profit company may be composed
25 of transitional jobs participants.

1 “(IV) DEFINITION OF TRANSI-
2 TIONAL JOBS PROGRAM.—In this
3 clause, the term ‘transitional jobs pro-
4 gram’ means a program that is in-
5 tended to serve current and former re-
6 cipients of assistance under a State or
7 tribal program funded under this part
8 and other low-income individuals who
9 have been unable to secure employ-
10 ment through job search or other em-
11 ployment-related services because of
12 limited skills, experience, or other bar-
13 riers to employment.

14 “(iii) CAPITALIZATION.—To develop
15 capitalization procedures for the delivery of
16 self-sustainable social services.

17 “(iv) ADMINISTRATIVE EXPENDI-
18 TURES.—Not more than 5 percent of the
19 funds awarded to an eligible applicant
20 under this paragraph may be used for ad-
21 ministrative expenditures incurred in car-
22 rying out the activities described in clause
23 (i), (ii), or (iii) or for expenditures related
24 to carrying out the assessments and re-
25 ports required under subparagraph (H).

1 “(F) DEFINITION OF ELIGIBLE INDI-
2 VIDUAL.—In this paragraph, the term ‘eligible
3 individual’ means—

4 “(i) an individual who is a parent who
5 is a recipient of assistance under a State
6 or tribal program funded under this part;

7 “(ii) an individual who is a parent
8 who has ceased to receive assistance under
9 such a State or tribal program;

10 “(iii) an individual who is at risk of
11 receiving assistance under a State or tribal
12 program funded under this part;

13 “(iv) an individual with a disability; or

14 “(v) a noncustodial parent who is un-
15 employed, or is having difficulty in paying
16 child support obligations, including such a
17 parent who is a former criminal offender.

18 “(G) APPLICATION.—Each eligible appli-
19 cant desiring a grant under this paragraph
20 shall submit an application to the Secretaries at
21 such time, in such manner, and accompanied by
22 such information as the Secretaries may re-
23 quire.

24 “(H) ASSESSMENTS AND REPORTS BY
25 GRANTEES.—

1 “(i) IN GENERAL.—An eligible appli-
2 cant that receives a grant under this para-
3 graph shall assess and report on the out-
4 comes of programs funded under the
5 grant, including the identity of each pro-
6 gram operator, demographic information
7 about each participant, including education
8 level, literacy level, prior work experience
9 and identified barriers to employment, the
10 nature of education, training, or other
11 services received by the participant, the
12 reason for the participant’s leaving the
13 program, and outcomes related to the
14 placement of the participant in an unsub-
15 sidized job, including 1-year employment
16 retention, wage at placement, benefits, and
17 earnings progression, as specified by the
18 Secretaries.

19 “(ii) ASSISTANCE.—The Secretaries
20 shall—

21 “(I) assist grantees in conducting
22 the assessment required under clause
23 (i) by making available where prac-
24 ticable low-cost means of tracking the

1 labor market outcomes of partici-
2 pants; and

3 “(II) encourage States to provide
4 such assistance.

5 “(I) APPLICATION TO REQUIREMENTS OF
6 THE STATE PROGRAM.—

7 “(i) WORK PARTICIPATION REQUIRE-
8 MENTS.—With respect to any month in
9 which a recipient of assistance under a
10 State or tribal program funded under this
11 part who satisfactorily participates in a
12 business linkage or transitional jobs pro-
13 gram described in subparagraph (E) that
14 is paid for with funds made available
15 under a grant made under this paragraph,
16 such participation shall be considered to
17 satisfy the work participation requirements
18 of section 407 and be included for pur-
19 poses of determining monthly participation
20 rates under subsection (b)(1)(B)(i) of that
21 section.

22 “(ii) PARTICIPATION NOT CONSID-
23 ERED ASSISTANCE.—A benefit or service
24 provided with funds made available under
25 a grant made under this paragraph shall

1 not be considered assistance for any pur-
2 pose under a State or tribal program fund-
3 ed under this part.

4 “(J) ASSESSMENTS BY THE SECRE-
5 TARIES.—

6 “(i) RESERVATION OF FUNDS.—Of
7 the amount appropriated under subpara-
8 graph (L) for each of fiscal years 2004
9 and 2005, \$3,000,000 of such amount for
10 each such fiscal year is reserved for use by
11 the Secretaries to prepare an interim and
12 final report summarizing and synthesizing
13 outcomes and lessons learned from the
14 programs funded through grants awarded
15 under this paragraph.

16 “(ii) INTERIM AND FINAL ASSESS-
17 MENTS.—With respect to the reports pre-
18 pared under clause (i), the Secretaries
19 shall submit—

20 “(I) the interim report not later
21 than 4 years after the date of enact-
22 ment of the Business Links Act of
23 2003; and

1 “(II) the final report not later
2 than 6 years after such date of enact-
3 ment.

4 “(K) EVALUATIONS.—

5 “(i) RESERVATION OF FUNDS.—Of
6 the amount appropriated under subpara-
7 graph (L) for a fiscal year, an amount
8 equal to 1.5 percent of such amount for
9 each such fiscal year shall be reserved for
10 use by the Secretaries to conduct evalua-
11 tions in accordance with the requirements
12 of clause (ii).

13 “(ii) REQUIREMENTS.—The Secre-
14 taries—

15 “(I) shall develop a plan to evalu-
16 ate the extent to which programs
17 funded under grants made under this
18 paragraph have been effective in pro-
19 moting sustained, unsubsidized em-
20 ployment for each group of eligible
21 participants, and in improving the
22 skills and wages of participants in
23 comparison to the participants’ skills
24 and wages prior to participation in
25 the programs;

1 “(II) may evaluate the use of
2 such a grant by a grantee, as the Sec-
3 retaries deem appropriate, in accord-
4 ance with an agreement entered into
5 with the grantee after good-faith ne-
6 gotiations; and

7 “(III) shall include, as appro-
8 priate, the following outcome meas-
9 ures in the evaluation plan developed
10 under subclause (I):

11 “(aa) Placements in unsub-
12 sidized employment.

13 “(bb) Retention in unsub-
14 sidized employment 6 months
15 and 12 months after initial place-
16 ment.

17 “(cc) Earnings of individuals
18 at the time of placement in un-
19 subsidized employment.

20 “(dd) Earnings of individ-
21 uals 12 months after placement
22 in unsubsidized employment.

23 “(ee) The extent to which
24 unsubsidized job placements in-
25 clude access to affordable em-

1 employer-sponsored health insurance
2 and paid leave benefits.

3 “(ff) Comparison of pre-
4 and post-program wage rates of
5 participants.

6 “(gg) Comparison of pre-
7 and post-program skill levels of
8 participants.

9 “(hh) Wage growth and em-
10 ployment retention in relation to
11 occupations and industries at ini-
12 tial placement in unsubsidized
13 employment and over the first 12
14 months after initial placement.

15 “(ii) Recipient of cash as-
16 sistance under the State program
17 funded under this part.

18 “(jj) Average expenditures
19 per participant.

20 “(iii) REPORTS TO CONGRESS.—The
21 Secretaries shall submit to Congress the
22 following reports on the evaluations of pro-
23 grams funded under grants made under
24 this paragraph:

1 “(I) INTERIM REPORT.—An in-
2 terim report not later than 4 years
3 after the date of enactment of the
4 Business Links Act of 2003.

5 “(II) FINAL REPORT.—A final
6 report not later than 6 years after
7 such date of enactment.

8 “(L) APPROPRIATION.—

9 “(i) IN GENERAL.—Out of any money
10 in the Treasury of the United States not
11 otherwise appropriated, there is appro-
12 priated for grants under this section,
13 \$200,000,000 for each of fiscal years 2004
14 through 2008.

15 “(ii) AVAILABILITY.—Amounts appro-
16 priated under clause (i) for a fiscal year
17 shall remain available for obligation for 5
18 fiscal years after the fiscal year in which
19 the amount is appropriated.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall take effect on October 1, 2003.

○