

NLWJC - Kagan

DPC - Box 066 - Folder-008

**Welfare-Welfare to Work Program
Implementation [1]**

Wp - Wp-to-work program
implementatic



Cynthia A. Rice

01/20/99 03:55:56 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP
cc: Andrea Kane/OPD/EOP, Karin Kullman/WHO/EOP
Subject: \$240 million in competitive Welfare-to-Work funds

How do you think it would sound to announce \$240 million in competitive Welfare-to-Work funds for welfare recipients with the greatest challenges to employment, with highest priority for applications addressing:

- (1) limited English proficiency
- (2) disabilities
- (3) substance abuse problems
- (4) domestic violence
- (5) non-custodial fathers

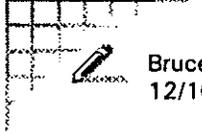
This has the advantage of essentially earmarking the whole \$240 million, not half as we were discussing before (applications that focussed on these populations would get 10 extra points, ensuring they would have a great advantage over other proposals but also ensuring that we wouldn't fund poor quality proposals -- e.g., those that were so bad that they weren't competitive even with the 10 extra points wouldn't be funded). It also enables us to have fathers prominently featured (to show we're focusing on them with this year's competitive \$\$, while we push for a stronger focus for next year's formula \$\$). It also adds victims of domestic violence which may be helpful given past criticism. I think OMB and DOL could live with this (both have pushed hard for no earmarking but if there is to be earmarking DOL wants to ensure fathers are included and OMB wants to add victims of domestic violence). **Please respond ASAP -- because this notice gets published in the Federal Register, we need to move to be ready by Monday.**

Regarding the overall event: in the Ann Lewis meeting people thought the focus on fathers was the strongest message and were less concerned that we show strong business support for welfare to work. Current tentative speaking program:

- (1) CEO
- (2) Local elected
- (3) Father
- (4) POTUS

We're vetting candidates.

Wp- wp-to-work program
implementation



Bruce N. Reed
12/10/98 10:57:26 AM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, Cynthia A. Rice/OPD/EOP

Subject: Re: Your thoughts re: WtW Competitive Grants

I would think we'd want to use that announcement as a Presidential event to roll out our new welfare initiatives, either before or after the SOTU. Tell DOL to hold until we have a firm date.

As for the earmarks, I agree that transportation doesn't make much sense. ESL may or may not, depending on what we do in the budget (I don't like the euphemism integrated work and learning.) Same for disabilities -- we may be doing a lot of other things in the budget. Drugs and fathers are good. I would rather have 2 earmarks (or at most 3) -- otherwise it will be too hard to explain.

Andrea Kane

2/10/98 10:06:27

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Your thoughts re: WtW Competitive Grants

DOL is working on the notice for the next round of WtW competitive grants. We think they are envisioning a single large competition in '99, rather than several rounds as we had this year. We'd like your input re: "set asides" and timing before discussing w/ DOL tomorrow.

They have proposed setting aside \$30 M for a separate subcompetition for each of three priority areas -- disabilities, non-custodial parents, and transportation. We were planning to suggest adding (1) substance abuse and (2) basic skills/ESL (maybe under a category called integrated work and learning). If we had to prioritize, I'd suggest dropping transportation since we've got Access to Jobs and WtW grantees can still do transportation even w/o a subcompetition (but apparently this is a priority for the Secretary). The dollar level also seems rather low (we're verifying what % of the total available this is).

DOL's proposed schedule is to publish the notice on January 12th, followed by a series of bidders conferences around the country beginning Jan. 14th. We think it would make more sense to delay a week til after SOU. Secretary Herman could then use this to amplify any SOU messages re: literacy, substance abuse, fathers, and WtW reauthorization. What do you think?

Women's issues -
family planning

Nicole R. Rabner

12/09/98 03:14:47 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Title X

Title X family planning seems to be in fairly good shape. First, the history:

<u>FY98 Enacted</u>	<u>FY99 Request</u>	<u>FY99 Enacted</u>
\$203 mil	\$218 mil	\$215 mil

This year's OMB/HHS budget negotiations:

<u>FY00 HHS Request</u>	<u>FY00 Passback</u>
\$253 mil	\$230 mil

While OMB did not grant HHS its full requested increase for Title X, the passback does represent a 7 percent increase over the FY99 enacted level and the same dollar increase (\$15 million) that we requested for FY99. HHS has not appealed the passback -- in large measure because the Health Resources and Services Administration (HERSA), which administers Title X, was cut in other, unrelated areas. In fact, Ryan White and family planning were the only two HERSA programs that were given any increase in passback. HHS/HERSA plans to spend any Title X increase in three areas: (1) augmenting current programs; (2) targeting adolescents before they become sexually active, and (3) strengthening male responsibility.

I understand that Sylvia Mathews met with the women's groups the day after passback, and the women's groups were already aware of the passback level. While they did press Sylvia for a larger increase for family planning, they were pleased with our continued commitment to increasing the program.

Wp - Wp-to-work program implementation

THE WHITE HOUSE

Office of the Vice President

For Immediate Release:
Friday, November 20, 1998
7035

Contact:
(202) 456-

VICE PRESIDENT GORE ANNOUNCES OVER \$250 MILLION

IN WELFARE-TO-WORK COMPETITIVE GRANTS

Event Marks the Sixth Meeting of His Welfare to Work Coalition to Sustain Success

WASHINGTON, D.C. -- Vice President Gore announced today the awarding of over \$250 million for 75 federal Welfare-to-Work Competitive grants to fund innovative local projects helping people move from welfare to work and retain good jobs.

The projects -- run by local governments as well as business, labor, educational, and other groups -- will address the need for jobs, child care, transportation, basic skills, and English proficiency as well as substance abuse and mental health issues that some individuals face as they move from welfare to work. The grants, which come from \$3 billion in Welfare-to-Work funds that the President won in the 1997 Balanced Budget Act, will go to communities in xx states, with xx percent for urban areas and xx percent for rural areas.

"I congratulate these communities for helping welfare recipients across this country move off welfare into good jobs -- this is civic commitment at its best," Vice President Gore said.

"For our country to continue to prosper," he added, "we must continue to work with our communities to help our long-term welfare recipients break the cycle of dependency and become productive workers, creating a brighter future for themselves and their families," Gore said at a town hall meeting where he was joined by Labor Secretary Alexis Herman, Health and Human Services Secretary Donna Shalala, employers, former welfare recipients, grant recipients, and members of the Vice President's Welfare to Work Coalition to Sustain Success -- a broad-based group of non-profit, faith-based, and civic organizations helping families move from welfare to work through mentoring and other critical support services.

Today's town hall meeting marked the Vice President's sixth event with his Welfare-to-Work Coalition to Sustain Success, which he launched in May 1997 to help those moving from welfare to work succeed on the job. Charter members include the Boys and Girls Clubs of America, the Baptist Joint Committee, Goodwill, Salvation Army, the United Way, the YMCA, the YWCA, Women's Missionary Union and Women and Community Service.

With the President leading efforts to reform welfare, caseloads have fallen dramatically and are at their lowest level in 29 years. To build on this success, the President and Vice President have led a multi-faceted effort that includes participation by the private, non-profit, and religious communities and the federal government.

The Vice President, for instance, is working with Cabinet secretaries to ensure that the

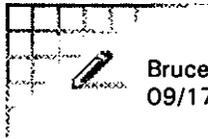
federal government hires at least 10,000 former welfare recipients; the government is 80 percent of the way toward reaching its goal.

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WP - WP to work program
implementation

and

WP - ~~high~~ performance bonus



Bruce N. Reed
09/17/98 01:54:30 PM

Record Type: Record

To: Jacob J. Lew/OMB/EOP

cc:

Subject: DOL High performance rule

I think your offer makes a lot of sense. We'll go along with your proposal to reward unsubsidized employment (i.e., exclude wage subsidies and OJT paid with WTW funds), if you go along with setting the threshold for the 2nd job entry measure at 30 hours, not 20; and the overall weighting at 60% job entry (40% job entry, 20% substantial job entry) and 40% retention/earnings gain (25% retention, 15% earnings gain).

Thanks for resolving this. We'll call on you to settle the next baseball strike.

WR - performance bonus
and

WR - WR-to-work program
implementation

Andrea Kane

Record Type: Record

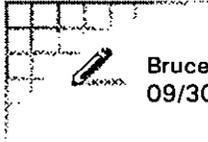
To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc:

Subject: WTW High Performance Bonus

OMB and I just briefed DOL staff on the agreement Bruce and Jack reached on this issue. They were "delighted" with the outcome and appreciated the thought that went into this, and the trade-offs involved. Keep in mind this is at the staff level -- we might still hear a little grumbling about the weighting favoring job entry rather than retention/earnings, but hopefully not. Staff understand one of the reasons it doesn't make sense to put too much weight on back-end measures is that this is a one-shot deal and we may not have a whole lot of retention/earnings to measure in time to award the bonus. DOL will send a fed register notice over to OMB quickly, then plans to brief stakeholders, Hill etc as soon as it's ready (I'll find out exact date). I reminded DOL that we'd gotten good press on this when HHS released the TANF HPB and we should try for a repeat. *Do we want to do anything more?*

WP - performance bonus
and
WP - WP - to work program
implementation



Bruce N. Reed
09/30/98 01:31:12 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, Cynthia A. Rice/OPD/EOP

Subject: Re: WTW Performance Bonus

Don't cave. We had a deal, and these DOL people are silly.

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP, Cynthia A. Rice/OPD/EOP
Subject: WTW Performance Bonus

As part of Bruce and Jack's deal regarding how to reward high performance in the DOL WtW program, we agreed to reward only unsubsidized employment, defined as employment not subsidized by WtW funds (Bruce's reply to Jack, copied below, even made that distinction). See note below for why we thought it made sense to include jobs subsidized by TANF or other funds. OMB staff say DOL staff say Kitty Higgins is furious about this decision, and may call one of you to protest. It appears Jack may not have been aware of the distinction when he agreed to the deal, and his staff is siding with DOL. Everything else has been agreed to.

I suggest we wait to see if Kitty really does call or if they're just bluffing. Alternatively, we could cave.

Andrea Kane

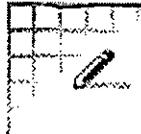
----- Forwarded by Andrea Kane/OPD/EOP on 09/30/98 12:29 PM -----

Andrea Kane

Record Type: Record

To: Barbara Chow/OMB/EOP, Barry White/OMB/EOP, Daniel I. Werfel/OMB/EOP, Maureen H. Walsh/OMB/EOP
cc: Emil E. Parker/OPD/EOP, Cynthia A. Rice/OPD/EOP
Subject: WTW Performance Bonus

We think it's very clear from Bruce's note to Jack that the agreement to reward unsubsidized employment excluded only wage subsidies paid with WTW funds. Following our July 2nd meeting with agencies, we never had any reason to believe that subsidies paid with non-WTW funds were even an issue. At that meeting, we questioned how a WTW agency would be able to track subsidies paid by non-WTW funds and DOL said they envisioned only excluding subsidies paid with WTW funds. We are willing to hold the PICs responsible for knowing whether or not they are paying a subsidy; it gets much more complicated to expect them to know if someone is getting a wage subsidy from another source, i.e. what counts, for what period, and what happens if status changes from subsidized to unsubsidized in the middle of a quarter.



Bruce N. Reed
09/17/98 01:54:30 PM

Record Type: Record

To: Jacob J. Lew/OMB/EOP
cc:
Subject: DOL High performance rule

I think your offer makes a lot of sense. We'll go along with your proposal to reward unsubsidized employment (i.e., exclude wage subsidies and OJT paid with WTW funds), if you go along with setting the threshold for the 2nd job entry measure at 30 hours, not 20; and the overall weighting at 60% job entry (40% job entry, 20% substantial job entry) and 40% retention/earnings gain (25% retention, 15% earnings gain).

Thanks for resolving this. We'll call on you to settle the next baseball strike.

Wp-transportation
all

Wp-wp-to-work implementation

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Child Support Incentives Bill--Other provisions

This bill also includes changes related to Welfare-to-Work (as Diana's earlier note mentioned) and Access to Jobs. We're happy about the Welfare-to-Work changes and can live with the ATJ changes.

Welfare-to-Work Eligibility for Non Custodial Parents

The bill clarifies two issues to facilitate serving non-custodial parents under WTW.

1) As drafted, the BBA requires that in order for a **non-custodial** parent to be eligible for services, the **custodial** parent must meet 2 of the 3 'hard-to-serve' criteria (educational deficit, substance abuse, poor work history). The bill clarifies that either the custodial or non-custodial parent can meet these criteria, thereby ensuring that the individual being served is the one with the barriers to employment and addressing the concern that the organization serving the non-custodial parent would not necessarily have access to information about the custodial parent.

2) As drafted, the BBA requires that in order to serve a non-custodial parent, the custodial parent must be a long-term welfare recipient. The bill clarifies that either the custodial parent or the minor child of the noncustodial parent must be long-term recipients. This addresses child only cases. DOL thought these amendments were needed, and we agreed. Ron Haskins was very supportive (as was Wendell), but Dennis Smith was not. The House prevailed.

Access to Jobs Match

As you know, Access to Jobs envisioned a fairly broad notion of match, including allowing other federal funds such as WTW and TANF to be used for match. Once W&M and Sen. Finance staff eventually started paying attention to ATJ, they raised a issues that were all over the map from concern about losing control of "their" TANF funds, to allowing states to transfer funds out of TANF to ATJ, to whether this might be a vehicle for states to use TANF funds to build roads. They considered a variety of amendments to TANF in the child support bill to address these concerns--some real, some perceived. HHS managed to persuade committee staff to drop some of the weirder fixes, so what we ended up with is definitely better than what could have been, but it's not perfect. The provisions got pretty messy given multiple agencies and committee jurisdictions. There'll be an opportunity--and challenge--to work with HHS, DOL, and DOT to operationalize these provisions as DOT develops the criteria for Access to Jobs competitive grants.

What ended up in the child support bill:

1. TANF funds used as ATJ match must be used for new or expanded transportation services (and not for construction), and the preponderance of Access to Jobs funds (including TANF match) must be spent on current or former TANF recipients and noncustodial parents (ATJ has a somewhat broader eligibility criteria--current and former TANF recipients, or those up to 150% of poverty).
2. Any TANF funds used as ATJ match are subject to the 30% cap on transferability. In other words, even though there is no new authority for states to transfer funds out of TANF to ATJ, if they use TANF funds to match ATJ, this amount combined with any transfers to child care and SSBG cannot exceed 30%. We were not thrilled with the principle --if a state identifies transportation as a major need, why would we want to limit the amount they could use to leverage additional transportation resources? But, this is not likely to pose a serious practical constraint since almost all states have plenty of room under their 30% cap and ATJ is so much smaller than

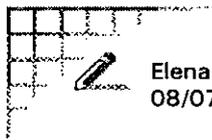
TANF (ATJ = up to \$140 M/year while TANF = \$16 B)

3. If someone receives transportation "benefits" through Access to Jobs, but is not receiving any other TANF assistance, these transportation benefits are not considered TANF assistance. This allows someone who just needs help with transportation, either after they have moved from welfare to work or in lieu of getting on welfare, to be served through ATJ (including TANF match) without invoking the time limits, child support assignment, and other TANF requirements. While there is some slippery slope concern on the definition of assistance, it did not seem appropriate to fight this issue here after we'd been so vocal about the need for transportation.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Laura Emmett/WHO/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP

wp-wp-to-wah program implementation



Elena Kagan
08/07/98 10:00:56 AM

Record Type: Record

To: Laura Emmett/WHO/EOP

cc:

Subject: Summary of WTW Bonus Issues

please print -- i can't get the whole chart

----- Forwarded by Elena Kagan/OPD/EOP on 08/07/98 10:01 AM -----



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Summary of WTW Bonus Issues

The attached matrix may be helpful if you get a call from Jack Lew on WTW High Performance Bonus. It lays out DOL/OMB position on WTW, TANF approach, and our proposal for WTW.



wtwhpbm.wp

WELFARE-TO-WORK HIGH PERFORMANCE BONUS ISSUES

	DOL/OMB Proposal	TANF Guidance	DPC Proposal
Definition of Employment	Unsubsidized (excludes wage subsidies and OJT paid with <u>WTW</u> funds). NOTE: DOL agreed that subsidies paid w/ TANF funds would not be excluded.	Unsubsidized and partially subsidized (excludes workfare and fully subsidized employment)	Same as TANF (include subsidies paid with either TANF or WTW funds)
Job Entry Measures(s)	1) "Job Entry Rate" (any job) 2) "Substantial Job Entry Rate" = jobs of least 20 hours per week (includes people who are counted in 1) and increase to >20 hours)	1) "Job Entry Rate" (any job)	Can live w/ two measures, but change 2) to 30 hours and rename it (so that there's an explainable difference between the two).
Weighting	<p>A: original proposal 35% Job Entry <u>20%</u> Subst Job Entry 55% 30% Retention <u>15%</u> Earnings Gain 45%</p> <p>B: revised proposal 15% Job Entry <u>20%</u> Subst Job Entry 35% 50% Retention <u>15%</u> Earnings Gain 65%</p> <p>Bottom line: at least 50% should be for Retention and Earnings.</p>	<p>40% Job Entry <u>20%</u> Job Entry--Improvement 60%</p> <p>25% Success in Workforce (Retention & Earnings) <u>15%</u> Success in Wkfrce--Impr. 40%</p>	<p>40% Job Entry <u>20%</u> Subst Job Entry 60%</p> <p>25% Retention <u>15%</u> Earnings Gain 40%</p> <p>Similar to TANF, and to DOL's original proposal.</p>

*Wp - Wp-to-work program
implementation*



Cynthia A. Rice

08/06/98 05:43:56 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP

cc: Andrea Kane/OPD/EOP

Subject: Our "offer" on Dept Labor Performance Bonus isn't flying... yet

Chow is "elevating to the Director"

Wp - wp-to-work program
implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Christopher C. Jennings/OPD/EOP

cc:

Subject: WTW offset for managed care and Stokes amendment

Apparently the Republican Managed Care bill may contain offset using unallocated and unobligated Welfare-to-Work funds. Apparently CBO scoring includes both unallocated formula funds (that 6 states chose not to apply for) and unobligated funds (where 1) Governor has not yet obligated his/her 15% funds, or 2) a state which has only one SDA has not yet figured out a way to obligate the money to itself). DOL says Stokes may offer an amendment to allow the unallocated funds (maybe unobligated too?) to be transferred to the competitive funds pot.

Complicating all this is a technical issue. BBA said a state had 3 years to spend the funds, but they needed to be obligated in one year. This is no problem where state is just sending the money down to locals--that counts as obligated, but it is a problem for the 15% discretionary funds and single-state SDAs. DOL has proposed a technical amendment to fix this. We think this makes sense, but are still waiting to hear whether OMB supports it.

I'll get clearer information tomorrow, but just wanted to give you a heads up based on what I know now.

Wp - wp-to-work implementatic

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: WTW Competitive Grants - Round 2

Closing data for applications for 2nd round of competitive grants was last week. While we don't have precise numbers yet from DOL, they received more than 500 applications (roughly comparable to round 1). This indicates level of interest remains high. DOL is shooting for mid-late September to make awards. Amount of awards will be comparable to round 1 (\$186 million). DOL also mentioned that they now do not expect to have all state formula grants approved by August 5th (there'd been some hope they could announce the last states by the one-year anniversary of BBA and WTW enactment). It may take until September to work out issues with a few states.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Barbara Chow/OMB/EOP
Barry White/OMB/EOP
Emil E. Parker/OPD/EOP

Wp - Wp - to - work program
implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Your reaction needed on WTW Funds

We understand OMB may be looking at using the \$70 M in WTW formula funds that Ohio and 5 other states opted not to apply for as some kind of offset. The statute says that the formula funds allocated to states for one year will include any available amount that has not been obligated by a state or sub-state entity in the preceding year. Based on this, we'd assumed the FY 98 funds left by Ohio et al would be put back into the pot to be allocated on a formula basis in FY 99, and in fact put this in Q&As we did when Ohio announced it wasn't taking the money. We know Republicans on the Hill have made moves to take this money, which DOL strongly opposes. Right now, DOL has planning guidance about to go out that says these FY 98 funds would be available to states for FY99.

We'd like to be able to tell OMB that we fought hard for the WTW funds and that it's premature and sends the wrong signals for the Administration to recapture them for other purposes (though that might depend on what those other purposes are). Do you agree?

By the way DOL has tossed around the option that the \$70 M could be turned into competitive grant funds, for which there may be more demand than there is for formula grant funds (and there is no match requirement). While not a bad idea, it would probably require a statutory change, which might be very risky given that there is already Hill interest in grabbing this money.

Wp - Wp-to-work program
implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
bcc:
Subject: Re: Your reaction needed on WTW Funds 

thanks. OMB is being very mysterious about this--maybe because they don't have internal agreement. But, with your reaction, I can push a little to see what's going on.
Bruce N. Reed

 Bruce N. Reed
07/24/98 05:26:19 PM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
Subject: Re: Your reaction needed on WTW Funds 

Yes, it's a bad idea to use it for an offset. Reprogramming might be OK, but I can't imagine getting a statutory change without a lot of unnecessary baggage.

W2 - W2-to-work program
implementation

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98:	IL, LA, MI, NE, NV	\$122 M	
2 States announced 2/19:	MA, SC	\$33 M	
3 States announced 3/2:	KA, HI, MN	\$26 M	
2 States announced 3/30:	MO, TN	\$41 M	
1 State announced 4/10?:	KY	\$18 M	
3 States announced 4/28-4/29	AR, AL, DE	\$25 M	
1 State announced 5/1	GA	\$28 M	
2 States announced week of 6/8	OK, MT	\$15 M	
3 States announced week of 6/15	IN, NC, WI	\$53 M	
2 States announced 6/26	TX, RI	\$80 M	
2 States announced 6/29	VT, WA	\$25 m	
1 State announced 7/9	IA	\$8.3 M	
1 State announced 7/20	CA	\$190.4 M	
TOTAL TO DATE: 28 states (52% of states)		\$665 M	(60%
of \$)			

States with pending plans:

To be announced 7/23:

OR	\$8.6 M
AK	\$ 2.9 M
CT	\$12.0 M

Expect to announce week of 7/27:

VA	\$16.5 M
NM	\$9.7 m
ME	\$ 5.2 M
AZ	\$ 9 M
Guam	\$0.6 m
WV	\$ 7 M
CO (maybe 7/30)	\$9.9 M
NH (should be ready by 7/29)	\$ 2.8 M

Under Review:

MD	\$14.9 M
FL	\$50.8 M
PR	\$34.6 M
DC	\$ 4.6 M
PA	\$44.3 M
NY	\$96.9 m
NJ	\$23.3 m
ND	\$2.8 m
VI	\$0.6 m

TOTAL PENDING: 20 states (37% of states) **\$356.7M (32%**
of \$)

6 States indicate they don't plan to apply (11%): **\$71 M (6%**
ID, UT, OH, SD, WY, MS
of \$)

TRIBAL PLANS

26 approved 3/19

\$5.8 M

33 approved 4/1

\$4.4 M

13 approved 5/1

\$1.0 M

TOTAL TO DATE: 72

\$11.2M

WR - WR-to-work program
implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP
Subject: Update on CA WTW Grant

According to Cabinet Affairs, POTUS will do a radio actuality announcing release of CA WTW grant. DOL has signed off on the CA plan, even though the assurances it makes on FLSA are not exactly comforting (we'll comply in order to receive WTW, but this does not mean we agree w/ DOL's FLSA guidelines). Karen Tramantano was not thrilled w/ the language but she's fine if all the right people at DOL have signed off, and they have. DOL expects to get a draft script over by COB Friday, with hopes of having the actuality go out next week--earlier the better.

W2 - W2-to-work program
implementation

 Elena Kagan
07/12/98 04:15:12 PM

Record Type: Record

To: Melissa G. Green/OPD/EOP
cc:
Subject: California Welfare-to-Work Grant

----- Forwarded by Elena Kagan/OPD/EOP on 07/12/98 04:19 PM -----

Andrea Kane 

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: California Welfare-to-Work Grant

DOL is ready to release California's Welfare-to-Work formula grant, which is \$190 M. It doesn't look like either POTUS or VPOTUS will be in California in the near future and DOL wants to get the grant out by the end of July so the program can get up and running. The VP's office has expressed interest in doing some kind of announcement, probably before he leaves for Russia. One suggestion from DOL was to announce it at weekly Wednesday meeting of California Dem delegation, but they don't think they could pull this off for 7/15, 7/22 would be after VPOTUS is gone, so this leaves 7/29. Other possibilities would be some kind of statement or release, and a phone call to key members/electeds. Does anyone have any other ideas for either POTUS or VPOTUS involvement?

There is an outstanding FLSA issue in CA's TANF program, but it's my understanding that DOL is satisfied with the assurances CA has made in its WTW Plan.]

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Christa Robinson/OPD/EOP
Kris M Balderston/WHO/EOP
Karen E. Skelton/WHO/EOP
Karen Tramontano/WHO/EOP
Lynn G. Cutler/WHO/EOP

WR - WR-to-walsh implementation

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: WTW Formula Grant Update



wtwplans.wpd

Good news--as of today, DOL either has received a plan or expects to receive one shortly from all but the 6 states who have already said they don't intend to apply this year.

Message Sent To:

Lee Ann Brackett/OVP @ OVP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Emil E. Parker/OPD/EOP
Maureen H. Walsh/OMB/EOP
Anil Kakani/OMB/EOP
Robin J. Bachman/WHO/EOP

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98: IL, LA, MI, NE, NV	\$122 M	
2 States announced 2/19: MA, SC	\$33 M	
3 States announced 3/2: KA, HI, MN	\$26 M	
2 States announced 3/30: MO, TN	\$41 M	
1 State announced 4/10?: KY	\$18 M	
3 States announced 4/28-4/29 AR, AL, DE	\$25 M	
1 State announced 5/1 GA	\$28 M	
2 States announced week of 6/8 OK, MT	\$15 M	
3 States announced week of 6/15 IN, NC, WI	\$53 M	
2 States announced 6/26 TX, RI	\$80 M	
2 States announced 6/29 VT, WA	\$25 m	
TOTAL TO DATE: 26 states (48% of states)	\$466M	(42%
of \$)		

States with pending plans:

Ready to be announced

CO	\$9.9 M	
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To be announced week of 7/6:

OR	\$8.6 M	
AK	\$ 2.9 M	
CT	\$12.0 M	
NH	\$ 2.8 M	
IA (maybe VP 7/9)	\$ 8.3 M	

To be announced week of 7/13:

MD	\$14.9 M	
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Under Review:

CA	\$190.4M	
FL	\$50.8 M	
WV	\$7 M	
PR	\$34.6 M	
DC	\$ 4.6 M	
PA	\$44.3 M	
VA	\$16.5 M	

TOTAL PENDING: 14 states (26% of states)	\$408 M	(37%
of \$)		

8 Plans anticipated by or soon after 6/30: AZ, Guam, ME, NJ, NM, NY, ND, VI

6 States indicate they don't plan to apply (11%):

ID, UT, OH, SD, WY, MS

\$71 M

(6%

of \$)

TRIBAL PLANS

26 approved 3/19

\$5.8 M

33 approved 4/1

\$4.4 M

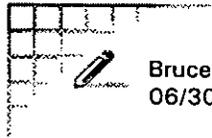
13 approved 5/1

\$1.0 M

TOTAL TO DATE: 72

\$11.2M

Wp - wp to work program
implementation



Bruce N. Reed
06/30/98 10:33:30 AM

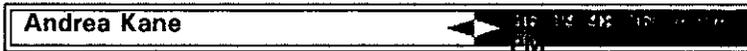
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP
bcc:
Subject: Re: WTW high performance bonus

I'm with Barry -- just make all the measures exactly the same. The more DOL comes up with its own rules, the more states are going to join Ohio in saying no thanks. That is how the old welfare system got built -- a bunch of rules and programs layered on top of other rules and programs.

If anything, job entry is more important with the hard-to-place. Publishing a bunch of options is silly.

Andrea Kane



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP
Subject: WTW high performance bonus

The WTW law provides \$100 M to be awarded in FY 2000 for "successful performance" states and directs DOL, in consultation with HHS, NGA, and APWA, to develop a formula for measuring success within one year of enactment (by 8/5/98). While PRWORA simply said the HPB should recognize performance against the goals of the law, the BBA provided more guidance on what should be measured for the WTW bonus: 1) job placement, 2) duration of placement, 3) increase in earnings, 4) anything else Secretary deems appropriate. DOL has convened a work group over the past several months to develop a proposed formula and has shared some draft proposals. EOP staff is meeting tomorrow to make sure we're all on the same page about the recommendations, and on Thursday OMB is bringing HHS and DOL in for a joint meeting. DOL is supposed to be preparing a comparison of the TANF and proposed WTW bonus. In the meantime, we want to get your general reaction to a few issues before we go too much farther.

Background

TANF has 4 measures, with the following weights:

Job Entry Rate 40%

Success in the Work Force 25% (combination of retention and earnings gain)

Increase in Job Entry Rate 20%

Increase in Success in the Work Force 15%

NOTE: this is just the interim formula for FY 99 -- HHS will publish a rule for future years.

The proposed approach for WTW includes 4 measures:

1. Job Entry Rate (movement from not employed to any unsubsidized employment) 35%
2. "Substantial Job Entry Rate" (movement from not employed or "underemployed" to unsubsidized employment over 20 hours/week) 20%
3. Job Retention (over 6 months) 30%
4. Earnings Gain (over 6 months) 15%

NOTE: no improvement measures--in part because WTW bonuses are a one-time deal.

Issues

1. To what extent should TANF and WTW HPB be the same? The WTW statute *generally* follows the interim TANF measures, but should they be identical? What about measuring same basic accomplishments (i.e. job entry), but defining differently? I know Barry White is pushing hard to make them as close as possible.

2. Weighting: the initial proposal from WTW work group is above. However, several states (incl CA and IL) have expressed interest in shifting weight toward retention and earnings gain (e.g. 15% job entry, 20% substantial job entry, 50% retention, 15% earnings gain). Their arguments include: job entry gets tougher as you get to harder cases and states that have been at this longer will be penalized, and WTW is about not just getting a job but keeping it and moving up. Counter arguments include: just getting a job for the hard-to-place is worth rewarding, and data for retention and earnings gain is less standard/more questionable. Apparently there have been strong and divergent views on this within the group. *The latest thought is to publish several options in the federal register and get reactions. Do you have strong feelings on the general weights, or the idea of publishing options??*

3. Date Source: for FY 99 TANF HPB, states have flexibility on data source (recognizing that not all can access UI wage records and there are limitations with them). DOL is uncomfortable with this approach, as are some of the workgroup members and there is more interest in either requiring a consistent data source (though none is readily apparent), or at least having states that use a similar data source compete against each other, so all those using UI would be in one pot, those using admin data another pot etc.

4. Distribution of funds: the WTW work group has not spent enough time grappling with how funds would be distributed among the high performing states, i.e. should there be a cap, what are the thresholds to qualify, how many winners etc. We only have seen a very rough proposal so far. There is some interest in publishing several options on these issues in the federal register as well.

Wp-Wp to wk program implementation

6/23

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98:	IL, LA, MI, NE, NV	\$122 M	
2 States announced 2/19:	MA, SC	\$33 M	
3 States announced 3/2:	KA, HI, MN	\$26 M	
2 States announced 3/30:	MO, TN	\$40 M	
1 State announced 4/10?:	KY	\$18 M	
3 States announced 4/28-4/29	AR, AL, DE	\$19 M	
1 State announced 5/1	GA	\$28 M	
2 States announced week of 6/8	OK, MT	\$15 M	
3 States announced week of 6/15	IN, NC, WI	\$53 M	
TOTAL TO DATE: 22 states (41% of states)		\$354M	(32%
of \$)			

States with pending plans:

To be announced week of 6/22

RI	\$4.4 M
CO	\$9.9 M
VT	\$2.8 M
WA	\$22.7 M
TX (VP to announce 6/26)	\$76.1 M

Under Review

CA	\$190.4M	
FL	\$50.8 M	
OR	\$8.6 M	
WV	\$7 M	
PR	\$34.6 M	
AK	\$ 2.9 M	
CT	\$12.0 M	
MD	\$14.9 M	
IA	\$ 8.3 M	
NH	\$ 2.8 M	
TOTAL PENDING: 15 states (28% of states)	\$448 M	(41%
of \$)		

6 States indicate they don't plan to apply (11%):

ID, UT, OH, SD, WY, MS	\$71 M	(6%
of \$)		

Plans anticipated by 6/30: AZ, DC, Guam, ME, NJ, NM, NY, ND, PA, VA, VI

TRIBAL PLANS

26 approved 3/19	\$5.8 M
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33 approved 4/1	\$4.4 M
13 approved 5/1	\$1.0 M
TOTAL TO DATE: 72	\$11.2M

Wp - wp - to - work -
program implementation

THE CLINTON/GORE ADMINISTRATION: MOVING PEOPLE FROM WELFARE TO WORK

June 26, 1998

"For America to continue to prosper, as many Americans as possible must contribute in a productive way and learn the profound responsibilities of work and independence."

-- Vice President Al Gore

Today, Vice President Al Gore travels to San Antonio, Texas with Secretary of Labor Alexis Herman and participates in a town hall discussion on the role of service and faith-based organizations in providing support to people moving from welfare to work.

A Commitment To Moving People From Welfare To Work. In 1996, President Clinton signed sweeping welfare reform legislation aimed at moving welfare recipients onto the payrolls. As part of the balanced budget legislation signed last year, the Administration fought for \$3 billion in welfare-to-work grants, to help move long-term welfare recipients into lasting unsubsidized jobs. Seventy-five percent of these funds are distributed to the states by formula through the Department of Labor. Today, Vice President Gore announces a \$76 million Welfare-To-Work grant for the state of Texas to help the hardest-to-employ welfare recipients find and keep good jobs. With today's announcement, Texas becomes the 23rd state to have a formula grant approved by the Department of Labor.

Resources For Innovative Ideas At The Local Level. Welfare-to-Work grants allocated by the Department of Labor allow localities to target the needs of welfare recipients in their communities. Among the services these grants can provide are job placement, on-the-job training, community service jobs and other work experience opportunities, employment assistance for non-custodial parents, and job retention services such as child care, transportation, and substance abuse treatment.

Working With Community-Based Organizations. Last year, the Vice President launched the Welfare-to-Work Coalition to Sustain Success, a cooperative effort among national civic, service, and faith-based organizations that work with states and local agencies to help those moving from welfare to work succeed on the job. This partnership includes such groups as the YMCA, YWCA, Salvation Army, United Way, Boys and Girls Clubs, Goodwill, and the Women's Missionary Union, who provide mentoring, job training, child care transportation and other support to help these workers with the transition to self-sufficiency.

A Solid Record Of Accomplishment. The innovative ideas launched by the Administration are having positive results. Welfare rolls have fallen 37 percent since 1993 and 27 percent since the enactment of welfare reform. Today, the percentage of the U.S. population on welfare -- 3.3 percent-- is at its lowest level since 1969 and recent studies show that ever increasing numbers of welfare recipients are going to work.

Supporting Dislocated Workers. While in San Antonio, the Vice President will also announce a grant which will enable the Alamo Workforce Development Board to assist 3,180 workers in the greater San Antonio area who will be affected by the

reduction-in-force program at Kelly Air Force Base in 1999 and 2000. This grant will support re-training and job placement services, including: outreach to affected workers, skills testing, job search assistance, vocational and on-the-job training, job search assistance, customized education, and child care and transportation assistance.

Wt - Wt to work program
implementation

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Welfare to Work Formula Plan Update

Here's the latest update of state plans submitted to/approved by DOL. New plans submitted since last update: WA, AK, MD, CT.



wtwplans.wpd

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Emil E. Parker/OPD/EOP
Maria J. Hanratty/CEA/EOP
Anil Kakani/OMB/EOP
Maureen H. Walsh/OMB/EOP
Robin J. Bachman/WHO/EOP
Suzanne Dale/WHO/EOP

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98:	IL, LA,MI,NE,NV	\$122 M	
2 States announced 2/19:	MA,SC	\$33 M	
3 States announced 3/2:	KA,HI,MN	\$26 M	
2 States announced 3/30:	MO,TN	\$40 M	
1State announced 4/10?:	KY	\$18 M	
3 States announced 4/28-4/29	AR, AL, DE	\$19 M	
1 State announced 5/1	GA	\$28 M	
TOTAL TO DATE: 17 states (31% of states)		\$287 M	(26% of \$)
States with pending plans:			
CA		\$190.4M	
RI		\$4.4 M	
MT		\$3.2 M	
CO		\$9.9 M	
NC		\$25.3 M	
WI		\$12.9 M	
FL		\$50.8 M	
OK		\$11.7 M	
VT		\$2.8 M	
OR		\$8.6 M	
IN		\$14.6 M	
WV		\$9.8 M	
PR		\$34.6 M	
WA		\$22.7 M	
AK		\$ 2.9 M	
CT		\$12.0 M	
MD		\$14.9 M	
TOTAL PENDING: 17 states (31% of states)		\$432 M	(39% of \$)
6 States indicate they don't plan to apply (11%):			
ID, UT, OH, SD, WY, MS (DOL discussing further)		\$71 M	(6% of \$)
<u>TRIBAL PLANS</u>			
26 approved 3/19		\$5.8 M	
33 approved 4/1		\$4.4 M	
13 approved 5/1		\$1.0 M	
TOTAL TO DATE: 72		\$11.2M	

As of 5/14/98

WtW - WtW to work program
implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc:

Subject: Your thoughts on which WtW Competitive Grants to Highlight

DOL has submitted 21 out of the 49 successful applicants for our consideration to highlight at 5/27 event. We're aiming for about 6 to serve as representative examples of the innovative strategies communities will implement with WtW funds. I'll fax over DOL's matrix of 21, with my notes on it. My top choices are below (still missing a few pieces of info from DOL). I've tried to hit balance of program/policy priorities for WtW--employment, retention and upward mobility, post-placement training, hard to serve, non-custodial, transportation, rural challenges. IGA has also reviewed. They are leaning towards: Detroit, Philadelphia (which I'm not entirely comfortable with from a policy perspective--very education-oriented, but may be hard to not include), Appalachia, something from LA, Chicago (but not essential), maybe Little Rock. DOL will probably push hard for: Detroit, Boston, Philly, Appalachia, CHARO or LA CO. **Need to identify our list of 6 this afternoon and then share with IGA and DOL--I imagine there'll be some negotiating.** We can also invite a few local electeds even if we don't choose to highlight grants from their cities. **Invites need to go out ASAP. Please note that these grantees will not be notified they've been selected until the 27th.**

LA County PIC

1,625 participants.

Assist long-term TANF recipients end dependency by increasing earnings of unemployed and underemployed **non-custodial parents** and thereby increasing child support.

or

Institute for Responsible Fatherhood

OH, WI, NY, TN

Non-custodial parents

Corporation for Ohio Appalachian Development

600 participants.

Extensive partnerships across multiple **rural** jurisdictions and services.

Comprehensive work first strategy including community work experience, case management, asset building, transportation and child care, integrated work and learning, job development, placement, and retention and post-placement services

City of Detroit Employment and Training Department --

1700 participants. TANF recipients and non-custodial parents.

Priority for EZ residents.

Comprehensive transitional program: wage subsidies, support services, expanded remediation and vocational skills to facilitate **upward mobility**. Complements formula funds which prepare people for work. Focuses on rapid placement and ongoing **post-employment**

services.

NAPIC

2,226 participants.

Ten local partnership in collaboration with AACC. Team of PIC, community college and employers develop **post-employment training**. Clients train one-hour/day for ten weeks, **at the work site**. Use interactive computer technology.

CHARO Community Development, Los Angeles, CA

In conjunction with LA County and City PICs

653 participants: limited English speaking Hispanics

Place 501 participants into unsubsidized work at \$7.00/hour

Bilingual job opportunities, job retention, career mobility

Industry clusters, including non-traditional: truck driving, construction, customer services, retail, gardening,

Florida Development Disabilities Council

300 participants: welfare recipients with learning disabilities

Placement in entry-level jobs in tourism industry, with assessment, job matching, job coaching, **long term support and follow up**-- up to 3 years of "follow along" counselors to ensure job retention.

City of Chicago

Participants: ??

Serves city and surrounding counties.

Transportation focus: 1) van pool program coordinated with employers, 2) fare subsidies to help people go to work, 3) training for state agency staff and other agencies to education TANF clients on transportation options.

or

Boston Metropolitan Area Planning Council

Participants: 2,090

Creates metro transportation program to complement formula grants

Concern: sounds a lot like what Access to Jobs would do.

PIC of Philadelphia

Participants:?? teen parents and noncustodial parents

Create upwardly mobile career paths with family sustaining wages.

Prepare and place people in targeted career paths, focusing on positions with short-term skill training requirements, one year certificate programs, and two -year degrees.

CC: CR
 DF
 BR
 EK, em
 From: Andie

Welfare-to-Work Formula Grant Status

State	Planning Est.	Amount Applied for	State Matching	State Agency	Plan Synopsis	Performance Measures	15% Projects
Alabama	\$13,977,955	\$13,977,955	\$6,988,978	Workforce Development Division	<p>This program will target the hardest-to-employ TANF recipients with the least skills, education, and employment experience, who live in high poverty areas.</p> <p>Additionally the Governor, TANF agency, the Department of Transportation, local officials and the PICs will collaborate on implementation of an overall transportation system to enable WtW recipients to participate or continue work related activities.</p> <p>Employment and training activities may include job readiness services, job creation through wage subsidies, community service, work experience, on-the-job training, job placement services, basic skills, occupational skills, English as a second language, mentoring.</p>	40% placement in unsubsidized employment of at least 30 hour work weeks. 50% retention after 6 months of at least 30 hour work weeks, 10% increase in earnings from wage at placement at wage after 12 months.	These funds will be utilized to aid Alabama's Workforce Development Partnership system carry out its new responsibilities.
Arkansas	\$8,490,290	\$8,490,290	\$4,245,145	Arkansas Employment and Security Department, Office of Employment and Training Services	<p>Arkansas' Employment and Security Department in collaboration with its TANF agency will target hard-to-employ individuals and qualified noncustodial parents.</p> <p>Employment and training activities may include unsubsidized employment, subsidized private sector employment, on-the-job training, job search and job readiness activities, community activities and vocational education training.</p>	Placement in unsubsidized jobs, duration of 12 months placement in unsubsidized jobs, 2% increase in earnings from wage at placement to wage at 12 months in workforce.	Arkansas' 15% funds will be used to assist long-term recipients enter unsubsidized jobs through various projects such as: work first strategy, transitional employment services and job retention skills.
Delaware	\$2,761,875	\$2,761,875	\$1,380,938	Delaware Health and Social Services, Division of Social Services	<p>Funds will be used to expand and extend the current "A Better Chance" program, which is a collaborative, multi-agency endeavor that will target the hardest-to-employ individuals, screening them for individual barriers to self-sufficiency.</p> <p>Employment and training activities may include on-the-job training, job readiness, placement and post-employment services, job retention, and support services.</p>	Subsidized job placement rates, unsubsidized job placement rates and compliance rates.	The Governor will combine the 15% funds with the rest of the Welfare-to-Work funds to provide additional services to the hardest-to-employ.

WR - WtW - formula program implementation

State	Planning Est.	Amount Applied for	State Matching	State Agency	Plan Synopsis	Performance Measures	15% Projects
Georgia	\$28,403,496	\$28,409,496	\$14,204,748	Georgia Department of Labor	<p>Plan consists of a collaboration between the Georgia Departments of Labor, Human Resources and Technical and Adult Education to assist long-term TANF recipients enter unsubsidized employment.</p> <p>Employment and training activities may include on-the-job training, job creation through wage subsidies, community service and work experience.</p>	Placement in unsubsidized employments, duration of 12 months in unsubsidized employment, increase in earnings.	Georgia will utilize its 15% funds to provide incentives to all services which exceed performance goals. Also, the Governor may fund additional innovative projects.
Hawaii	\$5,085,523	\$5,085,523	\$2,542,762	State Department of Labor and Industrial Relations	<p>Participants to be drawn from TANF mandatory participants in the "First-to-Work" program, may also include other TANF recipients and non-custodial parents.</p> <p>Employment and training activities may include job readiness, OJT, work experience, Transition Opportunity Program, job creation, job retention and post-employment activities.</p>	30% of participants placed in unsubsidized employment, 75% of those placed remain employed for 6 months, 20% increase in wage at placement in comparison to wage for the 26 weeks prior to enrollment.	Projects may include mentorships, entrepreneurship pilot projects, job creation in industry clusters and support services.
Illinois	\$48,662,838	\$48,662,838	\$36,000,000	Illinois Department of Commerce and Community Affairs	<p>Targeted group is long-term welfare recipients with 2 or more of the following barriers: No high school diploma and low basic skills, substance abuse, poor work history.</p> <p>Employment and training activities may include: subsidized and unsubsidized employment, work experience, OJT, job search and job readiness, community service, vocational education, job skills training, education if no diploma or GED.</p>	Unsubsidized employment rate of 36.2%, PIC work participation rate of 44.9%, cost per placement \$4,893.	A grant will be provided to McHenry County PIC. They will also focus on administrative costs, technology enhancement, and competitive proposals
Kansas	\$6,668,399	Reserved	\$3,300,000	Kansas Department of Human Resources	<p>Targeted populations in each SDA chosen locally based on local demographic factors.</p> <p>Employment and training activities may include job development and placement, job search, job retention, OJT, skills training, adult education, community service, life skills workshops and employment counseling.</p>	Placement in unsubsidized employment, duration of placements, increased earnings.	Funds will be available by RFP for development of transportation systems, specialized employment projects, non-custodial parent services, substance abuse services, non-traditional employment initiatives, and domestic violence projects.

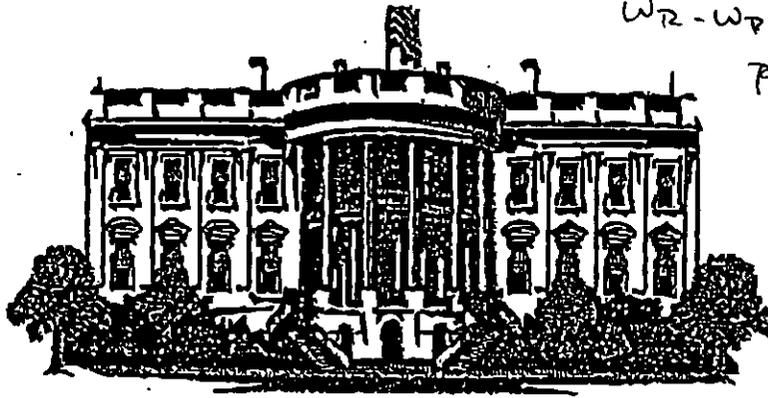
State	Planning Est.	Amount Applied for	State Matching	State Agency	Plan Synopsis	Performance Measures	15% Projects
Kentucky	\$17,722,913	\$17,722,913	\$8,861,457	Kentucky Department of Social Insurance	<p>Kentucky plans to target non-custodial parents and welfare recipients with long-term welfare dependence of at least 30 months or within 12 months of losing cash assistance with two or more of the following barriers: lack of high school diploma or GED; low reading and math skills; need of substance abuse treatment; and poor work history.</p> <p>Employment and training activities may include direct placement into unsubsidized employment, work experience with job placement upon completion, on-the-job training, community service and job creation (entrepreneurship and internships in the private sector).</p>	Placement rates, follow-up employment, follow-up earnings, job retention after 3 months.	The state will sponsor pilot projects through the Kentucky Domestic Violence Association, the Department for Mental Health /Mental Retardation Services and the Division of Substance Abuse. The projects will be designed to recognize the relationship between substance abuse and domestic violence.
Louisiana	\$23,707,338	\$23,707,338	\$11,853,669	Louisiana Department of Labor	<p>Program will primarily serve TANF recipients, but SDAs will be encouraged to set aside funds to assist non-custodial parents. The State is recommending PICs establish a local WtW team responsible for guidance and oversight.</p> <p>Employment/training activities may include: subsidized and unsubsidized employment, job training, post-employment, job retention services, and job placement</p>	Placement in unsubsidized employment and duration of placement, increased earnings.	Administrative costs required by State, Lighthouse projects, demonstration projects, bonus monies for PICs exceeding performance standards, outside evaluation and follow-up, as well as state-wide capacity building projects.
Mass.	\$20,692,295	\$20,692,295	\$5million (FY98)	Corp. For Business work and Learning	<p>Priority is to assist the 35,000 recipients subject to the State-imposed 2 year time limit in finding employment.</p> <p>Employment and training may include community service, job creation, OJT, job readiness, placement and post-employment services, as well as mentoring and individual development accounts.</p>	Placement into employment, duration of employment, increase in earnings.	Innovative programs and activities not addressed in regional plans, services that cross individual administrative entity boundaries, augmentation and supplementation of activities already provided or proposed by the Commonwealth, and costs of information technology.

State	Planning Est.	Amount Applied for	State Matching	State Agency	Plan Synopsis	Performance Measures	15% Projects
Michigan	\$42,226,331	\$43,000,000	\$21,000,000	Michigan Job Commission	<p>Focus on non-custodial Parents: will target NCPs who are unemployed, have child support in arrears, and whose dependents are receiving TANF assistance. Local WtW Operations will be through Workforce Development Boards who will submit local plans to State prior to receipt of WtW funds.</p> <p>Employment/Training activities may include: subsidized private or public sector employment, work experience, OJT, job readiness, community service, vocational education.</p>	Duration of placement in unsubsidized employment, increased child support collection among participants, increased earnings.	Special Projects may be developed based on identified local needs, or funds may be distributed to the WDBs on a formula basis.
Minnesota	\$14,503,409	\$14,503,409	\$7,251,705	Minn. Department of Economic Security	<p>Program will serve eligible TANF recipients and non-custodial parents.</p> <p>Employment and training activities may include sheltered workshops, work experience, and post-employment follow-up and retention services.</p>	Additional time to respond to this issue was requested.	Provided to select local workforce centers that demonstrate the need for additional coordination between local workforce service areas and job service/rehabilitation staff in developing program model described in their plan.
Missouri	\$19,767,398	\$19,767,398	\$9,883,700	Department of Economic Development, Division of Development and Training	<p>The State has developed a collaboration between State Agencies, PICs and community WtW organizations for the delivery of services. Stakeholders will work together to build upon the Missouri WINS One-Stop model to reach hard-to-serve individuals. Efforts will focus on the non-custodial parent of a minor child whose custodial parent meets the Temporary Assistance for Needy Families and WtW criteria.</p> <p>Activities may include: Community Service, work experience, job creation, on the job training, referral strategies, recruitment programs, orientation programs, work readiness information.</p>	Number of persons without a job before contact with the Workforce Development Systems (WDS) who found employment, number of WDS participants who are still working after 3,6, and 12 months, Number of WDS participants who received higher employment earnings, number of WDS participants who moved from below to above the poverty line.	The State's Job Development and Training Division will contract with the PICs and administrative entities to implement projects designed to: increase retention rates, develop innovative solutions for transportation problems, enhance working relationships with employer groups.

State	Planning Est.	Amount Applied for	State Matching	State Agency	Plan Synopsis	Performance Measures	15% Projects
Nebraska	\$4,021,585	\$4,021,585	\$2,010,793	Nebraska Department of Labor	Nebraska will focus on the "hardest-to-employ" TANF recipients, through strategic recruiting efforts and targeted outreach encouraging enrollment in WtW programs. Employment and training activities may include community service, work experience, subsidized employment and OJT.	Placement in unsubsidized employment, placement lasting more than 6 months, placement in any kind of employment, increased earnings.	Undetermined, the Governor is in the process of identifying specific projects which will support and complement the Governor's and the PICs' strategies to transition long-term welfare recipients into unsubsidized jobs and economic self sufficiency.
Nevada	\$3,384,072	\$3,384,072	\$1,692,036	Nevada State Welfare Division	Services to be provided to TANF recipients and non-custodial parents. Employment and training activities may include community service, work experience, job creation, OJT, job retention, and job placement.	Placement in unsubsidized jobs (projected 10% of the "hard to employ), Duration of placement (50% of "hard to employ" after 6 months), increased earnings and other yet-to-be-determined local outcomes.	15% funds will be distributed in the second year, based on the first year's performance.
South Carolina	\$12,006,432	\$12,006,432	\$6,003,216	South Carolina Employment Security Commission	In each SDA the ESC and the PIC will coordinate to tailor outreach and allowable activities to fit local labor market conditions. Employment and training activities may include community service, work experience, job creation and OJT.	Placement in unsubsidized jobs, job retention of at least 6 months, increased earnings and other yet-to-be-determined local outcomes.	Funds are to be used for resource development and capacity building, support activities and technology advancement, vocational rehabilitation, substance abuse treatment, and disability services.
Tennessee	\$21,643,975	\$21,643,975	\$10,821,987	Tennessee Department of Human Services, Families First Program and Food Stamp Program	Activities may include: job creation, on-the-job training, job retention/support services, specialized counseling and intervention services, basic education skills training, community service, occupational skills training, English as a second language, mentoring programs, automobile, dental and optical support services, 24-hour hotline for crisis management, career counseling.	Placement in unsubsidized jobs, duration of placement in unsubsidized employment, increased in earnings by individuals placed in unsubsidized jobs.	A minimal amount of the funds will be used for administrative costs. The remaining funds will be used to further invest in allowable services and strategies to serve eligible WTW.

WR - WP - tv - work

program implementation



THE WHITE HOUSE

Domestic Policy Council

DATE: 5/21

FACSIMILE FOR: Bruce Reed/Elena Kasan

FAX: 6-2878
PHONE:

FACSIMILE FROM: Andrea Kane

FAX: 202-456-7431
PHONE: 202-456-5573

NUMBER OF PAGES (INCLUDING COVER): 3

COMMENTS: List of 21 wtw competitive
grants (per email)

Project	Multi-site	Urban	Rural	Transportation	Child Care	Non-Custodial	Faith Based	Housing	Disability
Goodwill (GA -- Cleland, Coverdell SC -- Hollings TX -- Gramm, Gonzalez)	X	X	X						
City of Detroit	Yes	X							
Catholic Social Services, Albuquerque, NM	NO	X	X				X		X
Florida Develop. Disabled, Tallahassee, FL	Yes	X		X					X
Metropolitan Area Planning Council, Boston, MA (Kennedy, Moakley, Tierney)	maybe	X		X					
PIC of Philadelphia (Specter)	maybe	X				X			
Corporation for OH Appalachian Dev.	Yes		X						
CHARO Community Development -- Los Angeles (Boxer)	Yes	X		X					
Housing Authority, LA County	NO	X						X	
Riverside County Economic Development Agency	NO	X							
San Francisco PIC	maybe	X				X			
LA County PIC (Boxer, McKeon)	maybe	X				X			

Project	Multi-site	Urban	Rural	Transportation	Child Care	Non-Custodial	Faith Based	Housing	Disability
Oakland PIC <i>maybe</i>		X		X	X				
Bethel New Life -- Chicago, IL <i>NO</i>		X					X		
DePaul University <i>NO</i>		X							
City of Chicago <i>maybe</i>		X		X					
Non Profit Assistance Corp, NY, NY <i>NO</i>		X							
Consortium for Workers, NY, NY <i>possible NO</i>		X			X (and labor) <i>trains people to be unionized</i>		<i>home</i>	<i>child care workers</i>	
City of Little Rock <i>- substance abuse</i>		<i>NO</i>		X	X				
Institute for Responsible Fathers, Nashville, TN <i>yes</i>	X	X		X		X			
NAPIC (11 counties surrounding Nashville/Davidson County TN) <i>yes</i>	X	X	X			X			

21

maybe - Yes Detroit
 re Disabilities
 rural partnerships
 Charo-
 noncustodial
 - IRF or LACO
 NAPIC - innovative post placement model
maybe

W2 - W2-to-work program
implementation

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98: IL, LA, MI, NE, NV \$122 M

2 States announced 2/19: MA, SC \$33 M

3 States announced 3/2: KA, HI, MN \$26 M

2 States announced 3/30: MO, TN \$40 M

1 State announced 4/10?: KY \$18 M

TOTAL TO DATE: 13 states \$240 M

States with pending plans:

AL (\$14 M), AR (\$8.5), DE (\$2.8) -- week of 4/20	\$25
GA	\$28.4M
CA	\$190.4M
RI	\$4.4 M
MT	\$3.2 M
CO	\$9.9 M
NC	\$25.3 M
WI	\$12.9

TOTAL PENDING: 10 states \$300 M

States indicating they don't plan to apply:

ID, UT, OH, SD, WY, MS (DOL discussing further) \$71 M

TRIBAL PLANS

26 approved 3/19 \$5.8 M

33 approved 4/1 \$4.4 M

TOTAL TO DATE: 59 \$10.2M

As of 4/20/98

Welfare-to-Work Formula Grant Status

*WR - Wa-to-work
Program
implementation*

5 States announced 1/29/98: \$122M
IL, LA, MI, NE, NV

2 States announced 2/19: \$32.6 M
MA, SC

3 States announced 3/2: \$26.3 M
KA, HI, MN

2 States announced 3/30: \$40 M
MO, TN

TOTAL TO DATE: 12 states \$221 M

States with pending plans:

KY (probably week of 4/6)

DE (close)

GA

CA

OH

AR

AL

RI

MT

CO

NC

States indicating they don't plan to apply:

ID, UT, MS (DOL discussing further)

TRIBAL PLANS

26 approved 3/19 \$5.8 M

33 approved 4/1 \$4.4 M

TOTAL TO DATE: 59 \$10.2M

Statement of Secretary Alexis M. Herman

I am very disappointed that the state of Ohio has chosen not to utilize the money being made available to help states to combat welfare dependency. Ohio is one of the states with the highest number of welfare recipients and this is money that will help move the hardest to serve welfare population toward jobs and self-sufficiency. We know that \$88 million in welfare-to-work funding could be very helpful in areas like Cleveland, Toledo and Youngstown where people are trying to move from welfare to work. In fact the funding almost doubles the resources available in areas with a high concentration of welfare recipients.

We recognize that Ohio has been effective in reducing its welfare caseload. But the hardest work remains because the hardest to serve remain.

**OFFICE OF THE GOVERNOR
GEORGE V. VOINOVICH
COMMUNICATIONS OFFICE**

**FOR IMMEDIATE RELEASE
April 17, 1998**

**GOVERNOR VOINOVICH DOES NOT APPLY FOR \$88 MILLION
FEDERAL WELFARE to WORK GRANT,
SAYS STATE CAN USE EXISTING TANF FUNDS FOR SERVICES**

COLUMBUS - Governor George V. Voinovich today announced that the State of Ohio has decided not to apply for the U.S. Department of Labor's Welfare-to-Work (WtW) grant and not accept \$88 million over three years from the federal government. In lieu of this new, and somewhat duplicative, grant program, Ohio is developing a more flexible employment and training program for long-term, hard-to-place TANF (Temporary Assistance for Needy Families) participants utilizing a portion of the state's unobligated TANF funds.

Governor Voinovich stated that even though it's a natural tendency of state officials to scramble to spend every cent of new federal funding when it becomes available, it's important to look at the bigger picture.

Because Ohio got a jump start on welfare reform prior to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act, the state has been able to reduce its caseload by 376,476 recipients, or 50 percent, since 1992. Savings from caseload reduction allowed Ohio to fund comprehensive supports for current participants while reserving \$225 million in TANF funds for a future rainy day. An additional \$150 million in unobligated TANF money gives Ohio the flexibility to turn back WtW funds.

When Congress gave the states responsibility for the TANF program, the state of Ohio took seriously its obligation to work within a fixed, flexible block grant to break the cycle of welfare dependency and move toward self-sufficiency for former AFDC families. Recognizing that TANF participants face time-limited assistance, the state always considered providing employment and training services to participants to be an important part of the TANF block grant.

TANF funds are more flexible than WtW dollars. WtW funds are limited regarding the population who can be served and the types of services that can be provided. USDOL reporting and data requirements may exceed TANF law which means time-consuming computer changes and increased costs.

Since Ohio has already met its federal maintenance-of-effort requirements for TANF funds, meeting the match requirements for WtW to serve essentially the same population did not appear to be a prudent use of state funds. And, by utilizing TANF, the state can calculate the amount of employment training funds necessary to aid Ohio Works First participants based upon their skill needs rather than simply developing programs capable of spending every penny of a new federal program.

Finally, a TANF-funded program can be distributed with stronger linkages between county commissioners and Private Industry Councils ... something the WtW regulations made more difficult to achieve. This local partnership is crucial to the success of Ohio's welfare reform initiative.

"I believe Ohio's decision regarding WtW reflects that devolving responsibility to the states can secure solid services to enhance the employability of Ohio Works First participants while ensuring that scarce taxpayer dollars are not wasted. I believe Ohio's decision reflects a win/win deal for welfare reform and for the federal deficit," Governor Voinovich said.

At least three other states, Idaho, Utah and Wyoming, are considering not applying for WtW funds.

-30-

NOTE: Attached is the Governor's letter to U.S. Department of Labor Secretary Alexis Herman. A letter also has been distributed to leadership of the Ohio General Assembly and Ohio's Congressional delegation.



GEORGE V. VOINOVICH
GOVERNOR

STATE OF OHIO
OFFICE OF THE GOVERNOR
COLUMBUS 43266-0601

April 17, 1998

The Honorable Alexis Herman
Secretary of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Dear Secretary Herman,

I am writing to inform you of a change in Ohio's strategy regarding the new Welfare to Work Grant. Since last fall, we have been working diligently and constructively with our local partners to devise a state plan and to assist the Private Industry Councils in getting ready for this new effort. At the same time we have been struggling with how to resolve major issues created by the complexity of the Welfare to Work legislation, especially match funding, eligibility, and information reporting. While we have had some success in our preparation efforts, many difficult questions and problems remain.

Because of these difficulties, and because funding is available for a different approach to serving the TANF population, I have determined that Ohio will not be accepting the Welfare to Work Grant funds. Instead we will use a like amount of unobligated federal TANF funds to create a new program to be operated by the Boards of County Commissioners and the Private Industry Councils. This new TANF Employment and Training program will target individuals who have received welfare benefits for 24 months or more, as well as other special populations. This program will provide job preparation, placement, retention, training and support services. We believe Ohio's program will be a far more flexible and far less complex and burdensome program, as compared with the Welfare to Work Grant, and will build on the plans and partnerships we have already developed. This approach also demonstrates good stewardship of public funds.

The enclosed fact sheet provides additional information about this program.

I am hereby withdrawing our state plan for the Welfare to Work Grant. I appreciate the assistance the Department of Labor provided in our preparation of this plan.

Sincerely,

George V. Voinovich
Governor

cc: Donna Shalala, Secretary Department of Health & Human Services
Patricia A. King, Assistant Secretary for Employment & Training, USDOL
Melvin Howard (Region V COL)
Linda D. Lee (Region V HHS)



**TANF Employment & Training Program
(TANF E&T Program)**

Ohio has accepted the challenge of developing a program that mirrors or improves upon the Department of Labor's (DOL) Welfare-to-Work (WtW) grant program using TANF federal funds as the funding source. Ohio's proposal provides the maximum flexibility to local government in serving OhioWorks First participants while ensuring that scarce taxpayer dollars are not wasted.

Why Consider This?

- The new program ensures a flexible employment and training focus in line with Ohio's welfare reform program (Ohio Works First) and its six supporting principles. It can strengthen the partnerships between the Boards of County Commissioners, Private Industry Councils and County Departments of Human Services.
- Ohio has identified unobligated TANF funds and has chosen to utilize those funds to provide additional employment and training services in each county while not accepting \$88 million over three years in WtW funds to the federal government. This is a more effective use of taxpayer dollars for the benefit of OhioWorks First participants.
- TANF funds are more flexible than WtW dollars. WtW funds are limited regarding the population who can be served and the types of services that can be provided. USDOL reporting and data requirements may exceed TANF law which means time-consumer computer changes and increased costs.
- Federal maintenance-of-effort (MOE) requirements have already been met for TANF funds. No additional match or MOE dollars will be needed to access these funds.
- Employment and training funds for Ohio Works First participants will be calculated at the state level based upon the skill needs of eligible Ohioans rather than being driven by the desire to spend every penny of a new, and perhaps duplicative, federal program.

Program Design

- Given new flexibility, the TANF Employment & Training program will target TANF clients who have received TANF benefits for more than 24 months, regardless of educational level, work history or reading and math skill levels.
- The program may also target special populations who, while not long-term TANF clients, have characteristics that are indicative of long-term receipt of benefits, e.g., teen mothers, individuals with multiple barriers to work.

- Given the desire to align services closely with the OhioWorks First effort, the counties will use the community plan, plan of cooperation and the partnership agreement to:
 - develop a targeted plan for this population.
 - ensure coordination among local agencies such as SDA/PIC, JTPA, local OBES office, One Stop partners, CDHS, Board of Education, vocational schools and technical colleges, local ADAS board and local MH board.
 - set goals and performance objectives for this population.
- In submitting the plan for joint ODHS/OBES approval, the following signatures will be required: Chief Elected Official (Mayor or County Commissioner) for the SDA/PIC and the President of the Board of County Commissioners for each county indicating that coordination with the County Department of Human Services (CDHS) has occurred.
- The CDHS will be the common entry point for all clients and all TANF E&T referrals. The TANF E&T plan will address who performs the initial assessment as well as how agencies will ensure that sufficient referrals are made to the SDA/PIC.
- The self-sufficiency contract will be developed jointly by the participant, CDHS and the SDA/PIC when participants will receive services from the one-stop agency (or E&T contracted service). The work plan will establish the hours to be worked, the job or training assignment, and any developmental activities. Each agency will be responsible for reporting worked and failed hours for their respective work activities to determine federal TANF participation rates.
- ODHS and OBES will establish outcome-based performance measures for the TANF E&T program with the assistance of the Planning Group used to draft the WtW state plan. The state will monitor and report progress.

Financial Commitments

- TANF funds will be available to the counties for this program for FY99 and FY2000. The program's budget will be capped at \$44 million annually with an initial appropriation of \$25 million. Following six months of implementation, the need for supplemental allocations will be assessed. After two years, the entire program will be reviewed.
- TANF fund distribution will be based on a plan approved by resolution of the Board of County Commissioners. A contract between the Board of County Commissioners and the Service Delivery Area/Private Industry Council (SDA/PIC) will outline how the TANF E&T allocation is drawn down. Funds will be allocated based upon a statewide formula.
- Local contract will be developed under Cash Management Improvement Act (CMIA) regulations. TANF funds must be expended within the state fiscal year in which they were obligated. Reallocating unspent funds into the following fiscal year(s) may be considered.

Additional program details may be obtained from OBES and/or ODHS.

WR - WR to work program
implementation

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Ohio Doesn't Want WtW Formula Grant

Governor Voinovovich has decided not to apply for \$88 M in Welfare to Work formula grant funds. He sent a letter to Secretary Herman today and issued a press release. "In lieu of this new, and somewhat duplicative, grant program, Ohio is developing a more flexible employment and training program for long-term, hard-to-place TANF participants utilizing a portion of the state's unobligated TANF funds". Other reasons he cites: TANF \$ are more flexible, data reporting burden, match requirement, and WtW regs complicate linkages between county commissioners (OH is a county-administered welfare system) and PICs. The new program they've developed with unobligated TANF \$ will be operated by County Boards and PICs, and will require sign off by mayor or county commissioner. I'll fax Bruce, Keith, Larry, Emil and Fred a package with Herman's statement, Voinovich's press release, letter, and fact sheet about their alternative program. If anyone else wants it, let me know.

Herman has issued a strong statement expressing her disappointment that these funds will not be available to help move hardest to serve welfare recipients towards self-sufficiency (she specifically mentions how it would have helped cities like Cleveland, Toledo and Youngstown).

DOL also says that Judy Haveman is writing a story (probably for Sunday) on states who are deciding not to apply for these funds. I'll get more info about the story and do Q&A for Monday.

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Laura Emmett/WHO/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Fred DuVal/WHO/EOP
Barry White/OMB/EOP
Emil E. Parker/OPD/EOP
Keith J. Fontenot/OMB/EOP
Anil Kakani/OMB/EOP
Larry R. Matlack/OMB/EOP
Maureen H. Walsh/OMB/EOP
Laura Oliven Silberfarb/OMB/EOP
Barry J. Toiv/WHO/EOP
Nanda Chitre/WHO/EOP

Wp- Wp-to-work
program implements
file

Andrea Kane

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Maureen H. Walsh/OMB/EOP, Anil Kakani/OMB/EOP, Maria J. Hanratty/CEA/EOP, Sanders D. Korenman/CEA/EOP

Subject: WtW Formula Grant Update

Attached is latest status of states and tribes applying for Welfare-to-Work formula grants. It looks like Ohio's decision to turn down the grant does not reflect a trend. Since then, at least 7 more states have submitted plans. A total of 30 states have applied, 17 have been approved, 6 have indicated they don't plan to apply, and 18 have not yet applied.



wtwplans.wpd

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Cynthia A. Rice/OPD/EOP
Diana Fortuna/OPD/EOP
Emil E. Parker/OPD/EOP
Lynn G. Cutler/WHO/EOP
Fred DuVal/WHO/EOP

Welfare-to-Work Formula Grant Status

5 States announced 1/29/98:	IL, LA, MI, NE, NV	\$122 M
2 States announced 2/19:	MA, SC	\$33 M
3 States announced 3/2:	KA, HI, MN	\$26 M
2 States announced 3/30:	MO, TN	\$40 M
1 State announced 4/10?:	KY	\$18 M
3 States announced 4/28-4/29	AR, AL, DE	\$19 M
1 State announced 5/1	GA	\$28 M

TOTAL TO DATE: 17 states (31% of states) **\$287 M (26%**
of \$)

States with pending plans:

CA		\$190.4M
RI		\$4.4 M
MT		\$3.2 M
CO		\$9.9 M
NC		\$25.3 M
WI		\$12.9 M
FL		\$50.8 M
OK		\$11.7 M
VT		\$2.8 M
OR		\$8.6 M
IN		\$14.6 M
WV		\$9.8 M
PR		\$34.6 M

TOTAL PENDING: 13 states (24% of states) **\$379 M (34%**
of \$)

6 States indicate they don't plan to apply (11%): **\$71 M (6% of \$)**
ID, UT, OH, SD, WY, MS (DOL discussing further)

TRIBAL PLANS

26 approved 3/19		\$5.8 M
33 approved 4/1		\$4.4 M
13 approved 5/1		\$1.0 M

TOTAL TO DATE: 72 **\$11.2M**

Welfare-to-Work Formula Grant Status

States announced 1/29/98: \$122M
IL
LA
MI
NE
NV

States announced 2/19: \$32.6 M
MA
SC

States announced 3/2: \$26.3 M
KA
HI
MN

3/19:
26 tribal plans approved \$5.8 M

States with pending plans:
MO (probably by 3/27)
TN (probably by 3/27)

NOTE: DOL is working with OVP to do press release with VP quote and provide talking points so VP can call TN delegation and possibly Governor Camehan.

GA
KY
DE (probably week of 4/30)
CA

Tribes with pending plans:
20 (probably by 4/30)

NOTE: OVP and IG are aware but OVP can't do anything before 4/1. DOL will probably release grants, but work with OVP to do a conference call to all tribal grantees soon.

As of 3/25

WR - WR-to-work
implementation

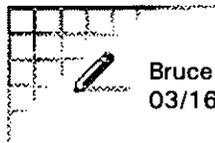
Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
bcc:
Subject: Re: Cars for welfare recipients 

The concerns you identify are important. So you would be comfortable with the current version of the guidance where HHS does not specifically mention outright purchasing cars, but would you oppose HHS taking a position that a state could choose to use their TANF \$ or MOE \$ to do this? This would of course be subject to general guidelines about reasonableness of costs, which HHS lays out in the guidance.

Bruce N. Reed



Bruce N. Reed
03/16/98 03:54:43 PM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
Subject: Re: Cars for welfare recipients 

I don't think buying cars outright is a particularly good use of funds. It costs too much, lends itself too easily to abuse, and will cause too many people (including a lot of working poor) to roll their eyes and think we're a little out of step.

Matching somebody's car payment for a limited period, or leasing/renting a vehicle while they're making the transition from WTW, seems fine.

If a state wants to run a no-strings attached grant diversion program, where they say here's 3 months worth of checks all at once, go spend it however you want, that's OK. But buying recipients a car would cost a lot more than that, don't you think?

WtW - WtW-to-work implementation

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
bcc:
Subject: Re: Cars for welfare recipients 

We can certainly ignore it in the guidance, since we only list some examples of how TANF/MOE \$ can be spent and it's not intended to be an exhaustive list. But, if we feel strongly that it is *not* an appropriate use of funds, it seems to me we should communicate that to HHS in case they get questions. Also, DOL will probably want to explicitly say WtW \$ *cannot* be used to buy cars for individuals, so that begs the question for TANF. I'll work with the 2 agencies and OMB to see if we can craft something that 1) doesn't specifically say TANF/MOE \$ can be used to do outright purchases, 2) satisfies DOL's interest in saying that WtW cannot be used for this purpose without raising the question for TANF. Will let you know what we come up with.

Bruce N. Reed

 Bruce N. Reed
03/17/98 04:55:35 PM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
Subject: Re: Cars for welfare recipients 

Do we have to come right out and say it's an acceptable use of TANF/MOE \$? Couldn't we just ignore the issue?

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Cars for welfare recipients

In the process of developing the joint guidance from HHS, DOL and DOT on using TANF and WtW funds for transportation, an issue has been raised about whether either funding source can be used to buy a car for a welfare recipient. We're interested in your reaction.

HHS' lawyers believe TANF funds can be used this way, but there is concern--particularly on OMB's part--about whether we should specifically mention this in the guidance. In the current version, HHS mentions using TANF funds for loans to help someone lease or purchase a car. Even if not mentioned, we need to be prepared with a response when some state or community asks if this is allowable.

DOL strongly opposes using WtW funds to purchase cars for individuals. They have several arguments including the time-limited nature of WtW funds, the more limited amount of funding compared to TANF, the fact that if TANF can be used for this purpose than we fail the 'if not otherwise available' test on WtW supportive services. More generally, they're concerned about appearances and potential IG issues. Also, under JTPA, capital items over a certain dollar amount (\$5,000?) belong to the federal government. We're exploring whether DOL might entertain allowing car purchases for individuals if they were under this limit.

A few states/counties have car purchase initiatives, but on an extremely limited scale and usually in partnership with banks or non-profits who are involved in financing. We do not think anyone is inclined to do this on a large scale, but it does seem to be an option we should consider if it helps someone succeed on the job.

W2-W2-to-work program
implementation

Andrea Kane

Record Type: Record

To: Lynn G. Cutler/WHO/EOP

cc: See the distribution list at the bottom of this message

Subject: Indian and Native American Welfare-to-Work Grants

Yesterday, Secretary Herman announced Welfare-to-Work grants totaling \$5.8 million for 26 tribes. This is the first round of \$15 million in grants to help tribal governments assist long-term welfare recipients. Grants range from \$10,000 for the Hualapai tribe in Arizona to nearly \$2 million for the Navajo nation. DOL anticipates announcing grants to another 20 tribes next week. Within the \$3 billion Welfare-to-Work grants established in the 1997 Balanced Budget Act, \$30 million was set aside for tribes for FY 1998 and 1999. Let me know if you'd like a copy of DOL's press release listing the grant recipients.

FYI, ten tribes have also received approval to operate their own welfare reform (Temporary Assistance for Needy Families or TANF) block grants.

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WELFARE-TO-WORK FORMULA GRANT
STATE PLAN APPROVALS

January 28, 1998

I. BACKGROUND

Funding: The Welfare-to-Work program provides grants totaling \$3 billion. \$1.5 is to be awarded in fiscal year 1998 and \$1.5 billion in 1999. There will be two kinds of grants: (1) Formula Grants to States representing 75 percent of total funding. Eighty-five percent of the funds are to be passed through to Private Industry Councils and the Governor will be able to retain 15 percent of the funds for his own use and (2) Competitive Grants to local communities representing approximately 25 percent of funding. There is a match requirement for formula grant money, for every \$2 of federal money the states must provide \$1 in match.

Targeting of Eligible Participants: The WtW legislation targets service in this program to that group of hard-to-serve TANF recipients which has significant barriers making it difficult for them to move into unsubsidized jobs providing long-term employment opportunities.

Allowable Uses of Funds: Funds can be used by States, PICs and other entities to help move eligible individuals into long-term unsubsidized jobs by any of the following means:

- job creation through short-term public or private sector wage subsidies
- on-the-job training
- contracts with public or private providers of job readiness, job placement, and post-employment services;
- job vouchers for similar services; community service or work experience;
- or job retention and supportive services such as transportation services, substance abuse treatment, child care and housing assistance (if such services are not otherwise available to the individual participants receiving WtW services). —

Post-employment services: An individual can receive these services after (s)he is working in any unsubsidized or subsidized job. These include, but are not limited to, basic education, English as a second language, and occupational skills training. Examples of job retention and support service which include, but are not limited to, transportation, child care, and housing assistance and non-medical substance abuse treatment, are provided.

II. STATE PLANS

Requirement of a State Plan: As part of the initiative, states were required to submit a state plan for their share of the formula grant money. Again, 70 per cent of this money is targeted to the hardest to serve population.

Plans submitted: To date, only 12 states have submitted their plans.

Plans approved: Of those 12 plans submitted, five have been approved.

Michigan

Planning Estimate Provided to the State: \$42,226,331
State Match: \$21,113,165

Illinois

Planning Estimate Provided to the State: \$48,662,838
State Match: \$36,000,000 for FY 1998

Louisiana

Planning Estimate Provided to the State: \$23,707,338
State Match: \$11,853,669

Nebraska

Planning Estimate Provided to the State: \$4,021,585
State Match: \$2,010,792

Nevada

Planning Estimate Provided to the State: \$3,384,072
State Match: \$1,692,036

III. ISSUES TO NOTE

- Secretary Herman plans to announce the approval of the five state plans before the US Conference of Mayors on the morning of Thursday, January 29, 1998.
- State plans should offer a broad array of work activities that truly will provide citizens on welfare with the tools they need to achieve permanent employment and self sufficiency such as subsidized and unsubsidized employment, on the job training, community service, job search and job readiness, work testing, education and skills training.
- The Administration needs to emphasize the point that most of the welfare to work money available is formula grant money and that governors, mayors and other state and local officials need to be thinking strategically on how best to incorporate their competitive bids to the uses of formula money in their localities.