

General Program Questions

GP1: What are the new welfare-to-work grants?

A: The new welfare-to-work (WtW) grants to States and local communities are intended to help hard-to-employ welfare recipients move into lasting, unsubsidized jobs. The grants will be used to equip long-term welfare recipients -- generally those with poor education, low skills, and little job experience -- with the resources and support they need to find and keep good jobs. Local communities will have the flexibility to design programs that fit their particular needs.

GP2: What is the total funding level?

A: The total funding level for WtW grants is \$3 billion, \$1.5 billion each in Fiscal Years 1998 and 1999. There are two types of grants. There are formula grants to States and competitive grants to local communities. Seventy-five percent of the WtW funds will be distributed as grants to States according to a formula and the remaining twenty-five percent of the WtW funds will be distributed through a competitive process to various entities.

GP3: What matching funds are required of grant recipients ?

A: For the formula grant portion of the program, States must spend \$1 of non-Federal funds for every \$2 they receive in Federal funds. In-kind contributions can constitute one-half of matching funds. Applicants for competitive grants are not required to match Federal funds, but applications must indicate what resources the applicants will be contributing to their projects so that ETA can determine how well competitive grant funds will "leverage" local resources.

GP4: How are welfare-to-work grant funds distributed?

A: Seventy-five percent of the WtW funds will be distributed to States according to a formula set by the WtW statute and implementing regulations. The States then distribute at least 85 percent of what they receive to local Private Industry Councils (PICs) (sometimes called Workforce Development Boards). The formula focuses funding on high poverty areas. The States can use the remaining 15 percent of the formula funds to operate their own WtW projects or to provide additional support for projects operated by the PICs.

The Department of Labor will distribute the other 25 percent of the WtW funds (through a competitive process) in grants to PICs, political subdivisions and private entities (such as community based organizations) who apply in conjunction with a PIC or political subdivision. Special consideration will be given to rural areas and cities with large concentrations of poverty.

Finally there are small set-asides from the FY 1998 and 1999 appropriations for special purposes such as for Indian tribes (\$30 million), for program evaluations (\$18 million) and for performance bonuses for the States (\$100 million).

GP5: How soon will grantees receive funds and begin to run programs.

A: For the most part, grantees will begin to receive funds early in calendar year 1998. For States to receive formula-grant funds, they must submit State plans. These plans will be reviewed by the Department of Labor for overall compliance with provisions of the authorizing statute. For competitive grants, recipients will receive awards after they have submitted an application and been selected through a competitive process. For formula grants, awards are expected to commence in January; competitive grants are expected to be awarded beginning in early Spring.

GP6: How can the funds be used?

A: Grantees will have great flexibility in designing welfare-to-work strategies geared to the needs of their own labor markets and economies. Possible grant activities may include job readiness; community service or work experience; job creation through public-sector or private-sector employment wage subsidies; on-the-job training; job placement services; post-employment services; or job retention and support services.

Although a variety of activities are authorized, program services need to be viewed overall as employment-based developmental steps to help individuals get and keep unsubsidized employment. To this end, each participant must receive an assessment of skills, prior work experience, and employability. In addition, an individualized strategy for transition to unsubsidized employment must be in place.

GP7: Which welfare recipients can receive assistance under this grant program?

A: At least 70 percent of grant funds must be spent for those welfare recipients who will have the most difficulty moving from welfare to employment. Essentially these are long-term welfare recipients who have two of three specified barriers to employment -- (1) holds no high school diploma or GED and has low reading or math skills, (2) requires substance abuse treatment for employment, or (3) has a poor work history.

Up to 30 percent of the funds may be spent on welfare recipients who have characteristics that are predictive of long-term welfare dependence, such as school dropout and teen pregnancy.

GP8: What role do employers have in welfare-to-work?

A: First and foremost, employers will play a critical role in hiring welfare recipients. Employers should contact their local PIC, elected officials, public employment service or welfare agency to find out more about how to participate in welfare-to-work efforts in their communities. Employers can find out more about how companies are working together nationwide to encourage and assist private sector businesses with hiring people on public assistance by contacting the business-led Welfare-to-Work Partnership at 202-955-3005; [www.welfareto-work.org](http://www.welfareto-work.org). If you are an employer who is interested in the tax benefits of hiring welfare recipients, ETA has information available on the Work Opportunity Tax Credit for employers.

GP 9: How can nonprofit, faith-based, and other community-based organizations participate in welfare-to-work grant efforts?

A: As subrecipients of formula grant funds and as recipients of competitive grant awards, nonprofit, faith-based, and other community-based organizations can be key providers of services to welfare recipients under the new WtW grants. One of the major challenges welfare recipients face in the "work first" strategy is not only finding a job, but also keeping a job. The nonprofit, service-provider community are key resources -- in conjunction with PICs and political subdivisions -- for ensuring child care, transportation, mentoring, housing, and other crucial supports are available to welfare recipients.

GP10: States and local communities already offer welfare-to-work programs. Why are these new grants needed?

A: In creating the Welfare-to-Work (WtW) program, Congress emphasized the need for strong relationships between public and private organizations in order to provide the most effective services to the hard-to-employ welfare population.

Traditionally, social service agencies have provided case management and supportive services, including cash assistance, to welfare recipients, while workforce development agencies have provided employment and training services to a more general economically-disadvantaged population. The new WtW program forges a stronger partnership between these two service delivery systems to better meet the needs of the hardest-to-employ population, providing transitional employment assistance to move welfare recipients into permanent unsubsidized employment and economic self-sufficiency.

In implementing this new program, the Department has also attempted to foster new partnerships between and among public and private organizations who have traditionally served welfare recipients. The formation of these collaborative relationships among a variety of service organizations in local communities to implement creative strategies to place and support welfare recipients in jobs constitutes our Nation's best hope for reducing welfare dependency in the long-term.