



## **WAYS AND MEANS**

CHAIRMAN KEVIN BRADY

### **2018 TANF Reauthorization Discussion Draft**

*Helping More Americans Enter and Remain in the Workforce*

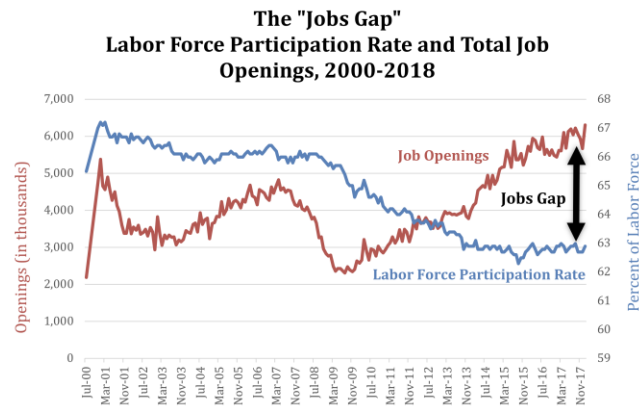
#### **This discussion draft:**

- Extends TANF, child care entitlement to states, and related programs through FY 2023.
- Expects universal engagement and case management for all work-eligible individuals receiving TANF assistance to address the needs of struggling families.
- Measures work outcomes in alignment with those used the Workforce Innovation and Opportunity Act, to be determined on a state-by-state basis including:
  - Percent of work-eligible individuals in unsubsidized employment in the 2nd quarter after exit (weighted at 40% of total);
  - Percent of work-eligible individuals in unsubsidized employment in the 2nd and 4th quarter after exit (weighted at 25% of total);
  - Median earnings of work-eligible individuals in unsubsidized employment in the 2nd quarter after exit (weighted at 25% of total); and
  - Percent of work-eligible individuals under 24 years of age, attending high school or enrolled in an equivalency program, who obtain a high school degree or equivalent (weighted at 10% of total).
- Retargets dollars on the truly needy by limiting the use of TANF funds to families whose monthly income is below 200% of the federal poverty level and reserves a portion of each state's TANF grant (25%) for matching funds allocated based on child poverty.
- Uses funds to support work and allows States greater flexibility in customizing work or work preparation activities to fit an individual's needs, as determined through an assessment and development of an individual opportunity plan.
- Promotes innovation and program coordination by allowing up to 50% of a state's TANF allocation to transferred to the Child Care and Development Fund, child welfare (up to 10%), and programs under the Workforce Innovation and Opportunity Act (WIOA).

**Cost:** No savings or cost, this is a mandatory, block grant already in the baseline at \$16.6 billion per year, the same as it has been since 1996.

**Background:**

- With the help of the Tax Cuts and Jobs Act, the labor market is strong— employers have added nearly 200,000 jobs per month so far in 2018, and the unemployment rate is 3.9%, its lowest since the turn of the century.<sup>1</sup>
- We can't strengthen and sustain economic growth if we don't expand and support our workforce. America needs everyone who *can* work to work.



- The “jobs gap,” the difference between what employers need and the number of workers currently in the labor force, is a real threat to continued economic growth. Employers are struggling to fill jobs and can't find qualified workers they need to grow their businesses.
- The number of job openings in February 2018 was 6.1 million, with a job openings rate of 3.9 percent.<sup>2</sup>
- Meanwhile, 7 million working-age men are not participating in the labor force and one in seven 16-24 year olds are not in school or working, totaling more than 5.5 million "disconnected" youth nationwide.<sup>3,4</sup>
- The current workforce crisis is impacting employers of all types and sizes across America. Good paying jobs in [construction](#), [manufacturing](#), [utilities](#) (e.g. HVAC) and [technology](#) (e.g. coding skills), which don't require a college degree, are going unfilled for lack of skilled workers.
- Our human service programs, including TANF, have a role to play in helping individuals get off the sidelines and into the workforce.

<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics, [Employment Situation Summary](#), released May 4, 2018.

<sup>2</sup> U.S. Department of Labor, [Job Openings and Labor Turnover Summary](#), released April 13, 2018.

<sup>3</sup> Measure of America, “Zeroing in on Place and Race: Youth Disconnection in America’s Cities” June 2015

<sup>4</sup>Nicholas Eberstadt, “Men Without Work: America’s Invisible Crisis” 2016.

