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| U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210 | CLASSIFICATION WtW |
| | CORRESPONDENCE SYMBOL TD |
| | DATE August 28, 1998 |

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 5-98

TO : ALL STATE WELFARE-TO-WORK CONTACTS
 ALL STATE JTPA LIAISONS

FROM : DAVID HENSON *David Henson*
 Director
 Office of Regional Management

SUBJECT : Questions and Answers on the Welfare-to-Work Program Formula
 and Competitive Grants

- Purpose.** To provide States with information and policy guidance on the Welfare-to-Work (WtW) program in order to better address the needs of moving people from welfare to work.
- Authorities and References.** Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public L. 104-193) and Balanced Budget Act of 1997 (Public L. 105-33) amending Title IV-A of the Social Security Act. WtW Interim Final Rule, 20 CFR 645 (62 Federal Register No. 61588 (Nov. 18, 1997)). Planning Guidance and Instructions for Annual State Plans for Fiscal Year (FY) 1998 dated March 1998, and Training and Employment Guidance Letter (TEGL) No. 3-98, dated July 30, 1998.
- Background.** The Balanced Budget Act of 1997, which was signed by President Clinton on August 5, 1997, authorizes the Department of Labor to provide WtW grants to States and local communities for transitional employment assistance to move hard-to-employ Temporary Assistance to Needy Families recipients with significant employment barriers and certain noncustodial parents into unsubsidized jobs offering long-term employment opportunities. These grants are designed to provide many welfare recipients with the job placement services, transitional employment, job retention and support services to achieve the goal of economic self-sufficiency.

Seventy-five percent of WtW funds (less small set-asides for specific statutory purposes) are available to States in amounts based on the statutory formula set forth in Section 403 (a)(5)(A)(v) of the Social Security Act. States must provide one dollar of non-Federal matching funds for every two dollars of Federal WtW funds. States are required to pass through at least 85 percent of the money to local Private Industry Councils (PICs) (unless the Secretary approves a waiver to

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permit an alternate entity to administer funds in a particular area) and may retain up to 15 percent of the funds for WtW projects that focus on helping long-term welfare recipients enter unsubsidized employment.

The 25 percent of funds not allocated by formula will be used for competitive grants directly to local governments, PICs, and private entities (such as community corporations, community-based organizations, community action agencies, and organizations) who apply in conjunction with a PIC or local government.

4. **WtW Questions and Answers.** Individuals have raised questions relating to the implementation of the WtW program. A number of responses to inquiries have been provided in the form of Questions and Answers (Q's and A's) which have periodically been posted on the WtW website in order to give timely guidance. The address for this site is <http://wtw.doleta.gov>.

The Q's and A's have been grouped into the following categories:

- I. General Program Questions
- II. Administration and Fiscal Questions
- III. Competitive Grants-Solicitation for Grant Applications

As other questions and answers are developed, we will post them on the website and issue them through additional TEGs.

5. **Action Required.** Copies of the attachment should be distributed to the appropriate State and local staff.

6. **Inquiries.** Please direct all inquiries to your Regional Office.

7. **Attachments.** WtW Questions and Answers .

- I. General Program Questions
- II. Administration and Fiscal Questions
- III. Competitive Grant-Solicitation for Grant Applications