107TH CONGRESS
2D SESSION

H. R. 3667

To measure the self-sufficiency of families leaving State programs providing temporary assistance to needy families, and to provide an incentive for States to help move families toward self-sufficiency.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2002

Ms. WOOLSEY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To measure the self-sufficiency of families leaving State programs providing temporary assistance to needy families, and to provide an incentive for States to help move families toward self-sufficiency.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Self-Sufficiency Act".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) A principal objective of programs under the Personal Responsibility and Work Opportunity Rec-

onciliation Act of 1996 (PRWORA) is to move economically disadvantaged adults toward self-sufficiency through employment that pays a wage and benefits at a level that will allow these adults to support themselves and their dependents without public assistance.

(2) While there is evidence that PRWORA has been successful in moving people off welfare and into jobs, it is not known whether these individuals are on the path to economic independence. There is no standardized method for measuring the extent to which PRWORA is meeting the objective of moving families toward self-sufficiency or the impact of public work supports. There is no requirement that States, Congress, or the Administration ascertain the point at which individual families living in specific locations will reach self-sufficiency.

(3) At the same time, there is no way of determining what programs have been successful in preparing individuals for the workforce, helping them retain jobs, and moving them in the direction of economic independence.

(4) Absent this information, the Congress cannot fully evaluate the success of welfare reform or

ensure that state and federal funds are being allocated where they will do the most good.

(5) States should understand when families reach self-sufficiency, what programmatic investments help families toward economic independence, and should be rewarded for putting programs in place that will ensure the long-term success of welfare leavers by helping them move toward economic independence.

SEC. 3. SELF-SUFFICIENCY STANDARDS.

(a) IN GENERAL.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended—

(1) in subsection (a), by inserting ", subject to subsection (b)," after "the Secretary has found"; and

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following:

"(b) SELF-SUFFICIENCY STANDARDS.—

"(1) IN GENERAL.—The Secretary may not find that a State plan includes the material described in subsection (a) unless the plan includes a specification of the income needs of families (in this part referred to as 'self-sufficiency standards'), adopted or developed by the State, based on family size, the number and ages of children in the family, and sub-State geographical considerations.

"(2) CRITERIA.—The State self-sufficiency standards shall separately specify the monthly costs of housing, food, child care, transportation, health care, other basic needs, and taxes (including tax benefits), and shall be determined using national, State, and local data on the cost of purchasing goods and services in the marketplace.

"(3) CATEGORIES OF FAMILIES.—The State self-sufficiency standards shall categorize families—

"(A) by whether there are 1 or 2 adults in the family;

"(B) by whether there are 0, 1, 2, 3, or more than 3 children in the family; and

"(C) by the age of each child in the family, according to whether a child is an infant, of pre-school age, of school age, or a teenager.

"(4) REGULATIONS.—The Secretary shall prescribe the protocols, criteria, cost categories, definitions, and means of making inflation adjustments to be used in developing self-sufficiency standards pursuant to this subsection, which shall be based on commonly accepted definitions of adequacy, such as those used for establishing fair market rents, and that reflect, to the extent possible, consensus and use among those calculating family budgets and self-sufficiency standards.

"(5) RECENCY OF DATA.—The self-sufficiency standards developed pursuant to this subsection shall—

"(A) be recalculated on adoption if the data on which the standards are based is more than 3 years old;

"(B) be recalculated every 5 years after adoption; and

"(C) be updated for inflation each year after adoption in which the standards are not being recalculated pursuant to subparagraph (B).".

(b) REPORTS.—Section 411 of such Act (42 U.S.C. 611) is amended by adding at the end the following:

"(c) SELF-SUFFICIENCY REPORTS.—

"(1) COLLECTION OF INFORMATION ON INCOME OF PERSONS LEAVING TANF.—With respect to each family whose participation in the State program funded under this part ends during a calendar quarter in a fiscal year, the State shall collect information on the monthly income of the family as of the time the participation ends and during the same quarter in each of the next 2 fiscal years, based on data of the State unemployment insurance program and benefit programs whose assistance, subsidies, and services provided to the family by any agency of government has the effect of reducing the cost of living of the family.

"(2) ANNUAL REPORTS.—Each eligible State shall submit to the Secretary annually a report that contains the following information for the fiscal year most recently ending before the date the report is submitted:

"(A) INCOME INFORMATION.—The information collected pursuant to paragraph (1) of this subsection during the fiscal year as compared with the State self-sufficiency standards developed pursuant to section 402(b) for the families involved.

"(B) INFORMATION ON PROGRAMS AND SERVICES LEADING TO SELF-SUFFICIENCY.—A description of the ways in which, during the fiscal year, the State program funded under this part and support services provided by the State to recipients of assistance from the program moved families toward self-sufficiency, which shall highlight programs and services that appeared to have a particularly positive effect on achieving self-sufficiency.

"(C) USES OF SELF-SUFFICIENCY STANDARDS.—A description of how the State used the self-sufficiency standards during the fiscal year, including whether the standards were used—

"(i) in counseling recipients of assistance from the State program funded under this part about their income needs and career options;

"(ii) as a benchmark for program evaluation;

"(iii) to identify opportunities to improve program performance, including identifying sub-groups or geographic areas in need of enhanced services;

"(iv) to assess need of recipients of assistance for vocational training, pre-apprenticeship and apprenticeship activities, post-secondary education, and basic literacy, English-as-a-second-language, mental health, substance abuse, domestic violence, and homelessness services; and

"(v) to identify programs or strategies which are most promising in assisting those who participate in the State program to achieve self-sufficiency.

"(3) SUMMARIES OF STATE REPORTS.—The Secretary shall annually submit to the Congress a report that summarizes the reports submitted pursuant to paragraph (2), and shall make the reports available electronically to the general public in a timely manner.".

(c) FUNDING.—Section 413 of such Act (42 U.S.C. 613) is amended by adding at the end the following:

"(k) TECHNICAL ASSISTANCE IN DEVELOPING SELF-SUFFICIENCY STANDARDS.—

"(1) IN GENERAL.—The Secretary may provide financial or technical assistance to an eligible State to enable the State to develop or improve the State self-sufficiency standards and produce State reports required by section 402(b). The Secretary shall carry out this paragraph by making a grant to or entering into a contract with an organization or institution with substantial experience in calculating and implementing on the State level family budgets and self-sufficiency standards. An organization or institution desiring to provide technical assistance described in this paragraph shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"(2) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the cost of carrying out paragraph (1), there are authorized to be appropriated to the Secretary not more than $1,000,000 for each fiscal year.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 1 year after the date of the enactment of this Act.

SEC. 4. SELF-SUFFICIENCY BONUS.

(a) IN GENERAL.—Section 403(a) of the Social Security Act (42 U.S.C. 603(a)) is amended by adding at the end the following:

"(6) BONUS TO ENCOURAGE STATES TO MOVE FAMILIES TO SELF-SUFFICIENCY.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to an eligible State for each fiscal year specified in subparagraph (G) for which the State is a self-sufficiency improvement State.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—The amount of the grant payable under this paragraph to a self-sufficiency improvement State for a fiscal year shall, subject to clause (ii), be an amount equal to 1 percent of the State family assistance grant.

"(ii) PRO RATA INCREASE.—If the dollar amount specified in subparagraph (G) for a fiscal year exceeds the total amount otherwise payable under this paragraph for a fiscal year, the Secretary shall increase the amount of the grant otherwise payable to each State by such equal percentage as is necessary to ensure that such dollar amount equals the total amount so payable.

"(C) SELF-SUFFICIENCY IMPROVEMENT STATE.—A State is a self-sufficiency improvement State for a fiscal year for purposes of this paragraph if the self-sufficiency score of the State for the fiscal year is greater than the self-sufficiency score of the State for the preceding fiscal year.

"(D) STATE SELF-SUFFICIENCY SCORE.—The self-sufficiency score of a State for a fiscal year for purposes of this paragraph shall be an amount equal to the average of the self-sufficiency scores of the qualified leaver families in the State for the fiscal year.

"(E) FAMILY SELF-SUFFICIENCY SCORE.—

"(i) IN GENERAL.—The self-sufficiency score of a family for a fiscal year for purposes of this paragraph shall be an amount equal to the income of the family for the fiscal year divided by the State self-sufficiency standard for the family for the fiscal year.

"(ii) DETERMINATION OF INCOME.—In determining the income of a family, the State shall take into account as income earnings, child support, and the value of benefits, assistance, subsidies, and services of any kind that are provided to the family by any agency of government and the receipt of which has the effect of reducing the cost of living of the family, net of any premium, copayment, or fee required to obtain the benefit, assistance, or service.

"(F) DEFINITIONS.—In this paragraph:

"(i) QUALIFIED LEAVER FAMILIES.—The term 'qualified leaver families' means, with respect to a State, the leaver families in the State.

"(ii) LEAVER FAMILIES.—The term 'leaver families' means, with respect to a State and a particular fiscal year, all families that whose participation in the State program funded under this part ended during the period that begins with October 1 of the fiscal year in which this paragraph is enacted, and ends with the end of the particular fiscal year.

"(G) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2002 through 2006 $200,000,000 for grants under this paragraph.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2002.

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