

## Welfare-to-Work: Noncustodial Parents

### Background

The Balanced Budget Act of 1997 established the Welfare-to-Work Program. Through this program, Congress authorized the U.S. Department of Labor to provide \$3 billion over two years to States and communities to assist the hardest-to-employ welfare recipients and noncustodial parents of children with the greatest challenges to employment move into unsubsidized jobs and economic self-sufficiency. The Department has established numerous partnerships with welfare agencies, workforce agencies, and community-based organizations to develop new and better strategies for moving individuals to work and promoting family responsibility and accountability.

### Noncustodial Parents

The Welfare-to-Work (WtW) program is particularly important because the majority of children on welfare live with a single custodial parent. Only about 20% receive child support from the noncustodial parent. The vast majority of noncustodial parents -- especially fathers -- are unemployed or have low-wage, intermittent employment. Helping these parents find and keep jobs and increase their earnings is critical to the well-being of their children. To help noncustodial parents meet this challenge, the Department is working with public and private service providers to encourage responsible fatherhood and increase both the financial and emotional involvement of noncustodial fathers with their children.

**Formula Grants.** In FY 1998, 44 States, the District of Columbia and 3 U.S. Territories received Department of Labor Welfare-to-Work Formula Grants totaling more than \$1 billion. Forty of these States are serving noncustodial parents with their state Welfare-to-Work funds. Several states, including Missouri, Wisconsin, and Nevada, have targeted all or a significant amount of their WtW funds to serve noncustodial parents.

**Competitive Grants.** In 1998, the Department of Labor held two competitions for innovative local grants. Approximately \$468 million has been awarded to 126 grantees in local communities throughout the country. Fifty-four WtW competitive grants serve noncustodial parents, with 21 focusing primarily on this population. In January 1999, the Department released a Solicitation for Grant Application (SGA) for the third round of competitive grants that will be awarded later in the calendar year, with high priority for applications focusing on noncustodial parents. (The application deadline was April 30, 1999.)

### Welfare-to-Work Reauthorization

Based on the first two years of the Welfare-to-Work program, there is a tremendous nationwide demand for Welfare-to-Work grant funds. Although welfare caseloads have decreased dramatically, many individuals remaining on welfare face multiple, significant barriers to employment. To ensure the success of welfare reform for individuals who

face the greatest challenges, the Clinton/Gore Administration proposes to reauthorize the Welfare-to-Work program, with several program modifications including a stronger focus on increasing the employment of low income fathers so they can better meet their responsibilities to their children. The President's budget proposes to invest an additional \$1 billion in the Welfare-to-Work initiative. The Administration's reauthorization proposal is included in H.R. 1482/S.1317, "The Welfare to Work Amendments of 1999" introduced by Congressman Cardin and Senator Akaka.

**GOALS.** The program will continue to provide services to assist long term welfare recipients with the greatest barriers to employment in high poverty areas move into lasting, unsubsidized employment. The program will also continue to promote the importance of co-parenting and strengthen the family by helping low income noncustodial parents increase their employment and earnings so they can better support their children.

**PROPOSED AMENDMENT.** In keeping its focus to successfully reach this population, the Department has enhanced the program to include more intensive services. A major component of the bill will focus on fathers and help noncustodial parents get and keep jobs so they can meet their child support obligations.

**Eligibility for Noncustodial Parents.** Under this new proposal, noncustodial parents are eligible to receive services if the noncustodial parent is unemployed, underemployed or has difficulty in paying child support. Additionally, the amendment provides that the noncustodial father is eligible if the minor child of the noncustodial parent is eligible for or receiving TANF benefits; has received TANF benefits within the past year but is no longer eligible; or is eligible for or receiving Food Stamps, Supplemental Security Income or Medicaid; or the Children's Health Improvement Assistance Program.

**Funding for Noncustodial Parents.** The new legislation requires States to allocate at least 20% of their formula funds (about \$150 million a year) to assist noncustodial parents to get jobs, succeed in the workforce, and contribute to the support of their children.

**Personal Responsibility Contract.** Noncustodial parents will commit to work with the Welfare-to-Work and child support agencies to develop and comply with a Personal Responsibility Contract that identifies the reciprocal responsibilities of the parent and the agencies related to employment, paternity, and child support.