



## H.R. 2842 - Accelerating Individuals into the Workforce Act (Rep. Curbelo, R-FL)

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### FLOOR SCHEDULE:

H.R. 2842 is expected to be considered on Friday, June 23, 2017, under a [structured rule](#). The rule makes in order 7 amendments, which are [described below](#).

### TOPLINE SUMMARY:

[H.R. 2842](#) would create a one-year federal grant program within current funding levels for states to provide subsidized employment for welfare beneficiaries.

### COST:

The [Congressional Budget Office](#) (CBO) estimates “that direct spending from the contingency fund under the bill would mostly follow similar patterns as spending from the fund under current law. Thus, any net effect on direct spending would be insignificant.”

### CONSERVATIVE VIEWS:

Some conservatives may be concerned that this new grant program would be added to the [maze of more than 80 different federal welfare programs](#) that spends almost \$800 billion per year, with disappointing results. Some conservatives may further be concerned that this program may be duplicative of other welfare programs.

While H.R. 2842 only provides for one year of funding for the grant program, some conservatives may be concerned that as [President Reagan](#) said “We have long discovered that nothing lasts longer than a temporary government program”.

Many conservatives will be pleased that the bill includes conservative principles advocated for by the [RSC's Empowerment Initiative](#) for welfare reform, including:

- Requirement that beneficiaries engage in [work](#) in order to receive welfare benefits.
- Benefits are [time-limited](#) to move beneficiaries off of welfare and into work.
- The program will be [evaluated](#) to measure success and failure.

▪ **Expand the Size and Scope of the Federal Government?** The bill would establish a new grant program to provide for subsidized employment for TANF recipients using current funding.

- **Encroach into State or Local Authority?** Some conservatives may believe that the issues addressed by this bill would be more appropriately handled by state or local governments, the private sector, and civil society.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

## DETAILED SUMMARY AND ANALYSIS:

The bill would create a new grant program that would provide funding to states to conduct demonstration projects to provide wage subsidies to low-income welfare recipients that begin new jobs. The bill would require at least one of the state programs to include apprenticeships.

The bill would make \$100 million in federal funding available for FY 2018, but states would have until the end of FY 2019 to spend the funds. This funding would be reserved from the Temporary Assistance for Needy Families (TANF) [Contingency Fund](#). The Contingency Fund was originally established to provide additional TANF funds to states that meet certain requirements during economic downturns, but according to [CRS](#) “is not working as intended” and there have been several proposals to alter or abolish the fund.

To be eligible for a wage subsidy, a person must be unemployed, have income of less than 200 percent of the [Federal Poverty Level](#) (\$12,060 for a single individual in 2017), and be a TANF beneficiary or the noncustodial parent of a minor child who is a TANF recipient.

Funds would only be available to subsidize wages for no more than 12 months for any recipient. Federal funds would be limited to no more than 50 percent of the wages received by the recipient.

Funds would be prohibited from being used to place a recipient in a workplace where another individual is laid off or terminated in order to hire the subsidized employee. States would be required to establish a grievance procedure to resolve complaints related to displacement.

States would be required to report to HHS on:

- The number of individuals receiving subsidized employment,
- The structure of the state’s program,
- The outcomes of the state’s program, including the percentage of recipients who are in unsubsidized employment in the fourth quarter after the subsidy ended and the median earnings of recipients in the second quarter after the subsidy ended.

HHS would also be required to conduct an evaluation of the program and to submit recommendations to Congress on “how to increase employment, retention, and advancement of individuals” currently or formerly receiving TANF benefits.

The bill would require 15 percent (\$15 million) of the funds provided by the bill to be used for programs that offer [career pathway services](#) which are defined as “a combination of rigorous and high-quality education, training, and other services” to help align skills with the needs of local industries or prepares an individual to be successful in educational options.

Under current law, states may already use federal TANF funds for employment subsidies. According to [CRS](#), “In FY2015, a monthly average of 12,960 TANF recipients, out of a total of 1.2 million TANF “work-eligible” individuals, participated in subsidized private or public sector employment,” and \$186 million of federal and state funds was spent for subsidized employment.

According to the [Committee Report](#), “some welfare recipients have a difficult time transitioning from welfare into a job. In some cases, employers may be reluctant to hire welfare recipients who may have limited work experience or other barriers to working, which can be better managed when the cost of hiring a TANF recipient is decreased.” According to [CRS](#), evaluations of subsidized employment have shown these types of programs to have a positive impact in the short-term while the long-term results are mixed.

A CRS report specifically on this bill can be found [here](#).

## AMENDMENTS:

1. [Foxx \(R-NC\)](#): Would require that subsidized jobs be “in an in-demand industry sector or occupation identified by the appropriate State or local workforce development board” and require states to report on efforts to ensure non-displacement and implement grievance procedures as required by the bill.
2. [Bost \(R-IL\)](#): Would require applications from states for grant funds to describe how states will coordinate subsidized employment with efforts to help “individuals displaced or relocated from a public housing authority to an alternative public housing facility or placed on rental assistance”.
3. [Bonamici \(D-OR\)](#): Would require applications from states for grant funds to describe how the state will coordinate subsidized employment with the Federal Work-Study Program, career pathway services, and other Federal programs to help low-income individuals complete education and training programs and enter the workforce.
4. [Krishnamoorthi \(D-IL\)](#): Would require states to report on the percentage of wage subsidy recipients are those “whose employment is in an area that matches their previous training and work experience”
5. [Davidson \(R-OH\)](#): Would require states to report on the number of individuals who concurrently receive a wage subsidy and another state or federal means-tested benefit.
6. [Khanna \(D-CA\)](#): Would require the evaluation of the program to include an “analysis of the project’s effect on eligible recipients who received additional credentialing and training during their subsidized employment or participation in an apprenticeship or career pathways program” and HHS’s recommendations to include “recommendations on the effects of additional credentialing and training provided during subsidized employment or participation in an apprenticeship or career pathways program”.
7. [Kilmer \(D-WA\)](#): Would require HHS’s recommendations to include “recommendations on how to address employment-related challenges in rural areas and among members of federally recognized Indian tribes”.

## OUTSIDE GROUPS:

The American Enterprise Institute has written several pieces in support of wage subsidies:

- [In defense of wage subsidies for low-income workers](#)
- [Wage subsidies help workers, not business](#)
- [Thinking about wage subsidies and wage insurance](#)

**COMMITTEE ACTION:**

H.R. 2842 was introduced on June 8, 2017, and referred to the Committee on Ways and Means. The Committee marked up and reported the bill by a voice vote on [June 15, 2017](#).

The Committee has also held a number of hearings regarding welfare reform in the 115<sup>th</sup> and 144<sup>th</sup> Congresses.

**ADMINISTRATION POSITION:**

No Statement of Administration Policy is available at this time.

**CONSTITUTIONAL AUTHORITY:**

“Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 1 of the United States Constitution, to “provide for the common Defence and general Welfare of the United States.””

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