Overview

This bill directs the commissioners of finance, children, families and learning and economic security to use state appropriations for child care assistance to draw down federal welfare-to-work grants. The federal grant money must be used for qualifying child care assistance and qualifying adult basic education expenditures for welfare-to-work participants. The departments must ensure that the state continues to meet the TANF maintenance of effort and that new expenditures must not supplant existing expenditures.

The federal welfare-to-work program targets hard-to-serve welfare recipients with challenges to employment. These include long term recipients with poor work histories, low basic skills, or substance abuse problems and noncustodial parents with barriers to employment. Federal law defines the hard-to-serve as having employment barriers including lack of a high school diploma or GED, deficient in basic skills, in need of drug treatment, homeless, poor work history, or disabled. The department of economic security is the lead agency for the federal welfare to work program. The governor's budget recommends using $10 million in TANF funds for welfare-to-work initiatives and foregoing approximately $10 million in federal welfare-to-work funds. The additional federal funds would require $5 million in state match which is provided in this bill.

1 **State money to be used as match for welfare-to-work grant money.** Establishes a procedure to use state appropriations for child care assistance to draw down federal welfare-to-work grants. The federal grant money is used for qualifying child care assistance and qualifying adult basic education expenditures.

   **Subd. 1. Commissioner of children, families, and learning.** Directs the commissioner to use up to $5 million of state child care expenditures as a match to obtain federal welfare-to-work grant money. Qualifying expenditures must be for families enrolled in welfare-to-work...
activities.

**Subd. 2. Expenditures.** Provides for spending the federal welfare-to-work grant for discretionary expenditures for federal fiscal year 1998 and 1999. The grant must be used for child care assistance or adult education programs for families meeting the welfare-to-work requirements. Of the amount available, the department of economic security may use up to five percent for administrative expenses.

**Subd. 3. Transfers.** Directs the transfer of an unspecified amount of welfare-to-work grant money from commissioner of economic security to the commissioner of children, families and learning for child care assistance and adult education programs for qualified individuals. Grant money must be distributed through an RFP, must not supplant existing funds, and must be used in conjunction with welfare-to-work activities.

**Subd. 4. Allocation.** Directs the commissioner of finance to allocate child care assistance money in the child care fund to match the welfare-to-work grant and meet the TANF maintenance of effort requirements.

2 **Effective date.** Makes section 1 effective for state fiscal year 2000.