

December 18, 2002

The Honorable William M. Thomas  
Chair, House Committee on Ways and Means  
2208 Rayburn House Office Building  
Washington, DC 20515

The Honorable Wally Herger  
Chair, Subcommittee on Human Services  
House Committee on Ways and Means  
2208 Rayburn House Office Building  
Washington, DC 20515

The Honorable Howard P. "Buck" McKeon  
Chair, Subcommittee on 21<sup>st</sup> Century Competitiveness  
House Committee on Education and the Workforce  
2242 Rayburn House Office Building  
Washington, DC 20515

Dear Chairmen Thomas, Herger, and McKeon:

As a diverse group of California employers, workforce and economic development representatives, and providers of training and education, we urge you to reconsider two provisions of the welfare reform reauthorization bill passed last year by the House. **Specifically, we ask that you maintain current law with regard to weekly hours of participation and the ability to count 12 months of vocational training toward the participation requirement.**

The 40-hour work week and stricter limitations on vocational training contained in the House welfare reform package would reduce the quality of the country's labor supply, make it less attractive for employers to hire TANF participants, and jeopardize the successful business-government partnerships that we have created. We have the following specific concerns with the proposed changes:

- The 40-hour weekly work requirement will be problematic for employers. Many large corporations, retail establishments, and small-business owners prefer to hire employees at less than 40 hours per week. A 40-hour participation requirement will make employers think twice about hiring from the TANF rolls, as every recipient hired on a part-time basis will have to find other training, work-related activities, community service, or a second part-time job in order to fulfill their 40 hours. Applicants from the TANF program will be seen as more challenging hires than those who are not receiving assistance. These workers will have to juggle multiple required activities, along with child care and transportation to and from each location, instead of focusing on their jobs. Any scheduling problems will negatively impact attendance and job performance, in turn causing problems for employers, who expect the people they hire to be at work on time and meet their other job demands. For all of these reasons, we urge you to maintain the current participation requirements, which will make it more attractive for employers to hire TANF participants.

- Stricter limitations on vocational training will create difficulty for employers and place TANF participants at a disadvantage. Businesses seek out employees who are ready to work and have the skills to succeed. Many positions require vocational training that often lasts longer than four months. Employers want workers who have already completed this training or can do so as quickly as possible. They will not wait for a welfare recipient to complete a program on a part-time basis over a year or longer, when another applicant can attend the program full-time and finish in six months. Restricting access to training will result in a labor force that is less skilled and less desirable, both as potential hires and as candidates for career advancement. Instead, we urge you to maintain the current ability to count up to 12 months of vocational training as participation. This will give employers a broader labor pool from which to choose and will enable TANF participants to compete for skilled jobs with potential for advancement.

Since the passage of welfare reform in 1996, the business community has partnered with TANF agencies and non-profit organizations to tailor programs to the needs of the local labor market. Successful partnerships have used the flexibility with regard to training and education to help move recipients into the labor market and up the career ladder. These efforts have resulted in an unprecedented number of TANF participants in the workforce and unprecedented caseload declines. The time-limited nature of TANF makes full-time employment much more desirable, as it improves one's chances of leaving cash assistance before the lifetime limit on aid runs out. However, the current law better accounts for the fact that TANF recipients are often more able to find part-time jobs, and many "full-time" jobs do not entail 40 hours per week.

In conclusion, we urge you to take advantage of the opportunity that welfare reform reauthorization presents to strengthen the local workforce and to strengthen the ability of local businesses to hire TANF participants. We believe that the government can encourage work and self-reliance without imposing requirements that have the practical effect of making welfare recipients less attractive job candidates. Unfortunately, this would be the unintended consequence of the proposed 40-hour work week and vocational training restrictions.

We appreciate your strong leadership on issues of concern to national business and economic development leaders. Thank you for considering our concerns and alternative suggestions regarding TANF work requirements.

Sincerely,

cc: California Congressional Delegation