

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5011

To authorize the waiver of such provisions of law as may be necessary to enable a limited amount of private sector earnings to be disregarded in determining eligibility for assistance under welfare programs.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 21, 1994

Mr. BARCA of Wisconsin (for himself, Mr. SWETT, Ms. MCKINNEY, Mr. NADLER, Mr. BARRETT of Wisconsin, and Mr. HINCHEY) introduced the following bill; which was referred to the Committee on Government Operations

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## A BILL

To authorize the waiver of such provisions of law as may be necessary to enable a limited amount of private sector earnings to be disregarded in determining eligibility for assistance under welfare programs.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare-to-Work In-  
5 centives Act of 1994”.

1 **SEC. 2. APPLICATION FOR WAIVERS NECESSARY TO DIS-**  
2 **REGARD PRIVATE SECTOR INCOME.**

3 Any entity that administers a welfare program in a  
4 State or a political subdivision of a State may submit to  
5 the Secretary an application that contains the following:

6 (1) **REQUEST FOR WAIVER.**—A request that  
7 compliance by the applicant with any Federal statu-  
8 tory or regulatory requirement be waived to the ex-  
9 tent necessary to enable the applicant in determining  
10 eligibility for, or amount of, benefits under the pro-  
11 gram to disregard private sector income in accord-  
12 ance with rules set forth in the application.

13 (2) **GEOGRAPHIC AREA.**—The geographic area  
14 in which the waiver is requested to apply.

15 (3) **RECIPIENTS.**—The particular groups of in-  
16 dividuals, by age, service needs, economic cir-  
17 cumstances, or other defining factors, with respect  
18 to whom the waiver is requested to apply.

19 (4) **OBJECTIVES AND PERFORMANCE CRI-**  
20 **TERIA.**—Specific objectives and criteria for measur-  
21 ing levels of performance under the program during  
22 the period for which the waiver is requested to  
23 apply, a description of how such objectives and levels  
24 of performance are expected to be achieved, a de-  
25 scription of how such criteria are to be used to  
26 measure performance, and a system for the com-

1       prehensive evaluation of the impact of the waiver on  
2       participants, on the community, and on costs.

3           (5) COVERED PROGRAM.—The welfare program  
4       to which the waiver is requested to apply, and the  
5       criteria for determining eligibility for benefits under  
6       the program.

7           (6) FISCAL CONTROL AND ACCOUNTABILITY.—  
8       Fiscal control and related accountability procedures  
9       that are to apply under the program during the pe-  
10      riod for which the waiver is requested to apply.

11          (7) WAIVER PERIOD.—The period during which  
12      the waiver is requested to be in effect.

13          (8) OTHER INFORMATION.—Any other informa-  
14      tion the Secretary may require to approve the appli-  
15      cation.

16 **SEC. 3. REVIEW AND APPROVAL OF APPLICATIONS; WAIV-**  
17 **ERS.**

18          (a) REVIEW.—Upon receipt of an application submit-  
19      ted in accordance with section 2, the Secretary shall—

20           (1) approve or disapprove the application within  
21      90 days after such receipt;

22           (2) notify the applicant in writing of such ap-  
23      proval or disapproval; and

1           (3) if the application is disapproved, include in  
2           the notice of disapproval a written justification of  
3           the reasons therefor.

4           (b) **CONDITIONAL APPROVAL.**—The Secretary may  
5           condition approval of such an application on the accept-  
6           ance by the applicant of specific modifications to the appli-  
7           cation.

8           (c) **APPROVAL.**—

9           (1) **REQUIREMENTS.**—The Secretary shall ap-  
10          prove such an application, subject to paragraph (2),  
11          if the Secretary determines that—

12               (A) granting the waiver requested in the  
13               application will improve the effectiveness of the  
14               covered program;

15               (B) the applicant has adequately consid-  
16               ered, and the application appropriately address-  
17               es, the effects that the administration of the  
18               covered program will have on the administra-  
19               tion of any other welfare program; and

20               (C) the applicant has or is developing data  
21               bases, planning, and evaluation processes that  
22               are adequate for operating the covered program  
23               under the waiver and evaluating the effects of  
24               the waiver.

1           (2) LIMITATION.—The Secretary may not ap-  
2           prove such an application with respect to a covered  
3           program if the Secretary determines that, over time,  
4           the operation of the covered program under the  
5           waiver requested in the application will result in a  
6           net cost to the Federal Government. In making the  
7           determination, the Secretary shall take into account  
8           the estimated benefits of the covered program, in-  
9           cluding any resulting reduction in the costs of other  
10          welfare programs and any resulting increase in Fed-  
11          eral revenues.

12          (3) IMPLEMENTATION PERIOD.—In approving  
13          such an application, the Secretary shall specify the  
14          period during which the waiver is to apply to the  
15          covered program.

16          (d) WAIVERS.—If the Secretary approves an applica-  
17          tion for the waiver under subsection (c), the Secretary  
18          shall, subject to this subsection, waive compliance by the  
19          applicant with any requirement of Federal law or regula-  
20          tion that would prevent the applicant from disregarding  
21          private sector income in determining eligibility for, or  
22          amount of, benefits under the covered program.

1 **SEC. 4. EVALUATIONS.**

2 (a) IN GENERAL.—Any entity whose application is  
3 approved under this Act shall, in accordance with regula-  
4 tions issued by the Secretary—

5 (1) submit such reports on, and cooperate in  
6 such audits of, the implementation of the assistance  
7 plan contained in the application; and

8 (2) periodically evaluate the effects that imple-  
9 mentation of the plan has had on—

10 (A) individuals who receive benefits under  
11 the covered program included in the plan;

12 (B) communities where such individuals  
13 live; and

14 (C) costs of administering the covered pro-  
15 gram included in the plan.

16 (b) ANNUAL REPORTS.—Not later than 90 days after  
17 the end of the 1-year period beginning on the date an ap-  
18 plication is approved under this Act, and annually there-  
19 after, the applicant shall submit to the Secretary a report  
20 on the principal activities and achievements under the cov-  
21 ered program operated in accordance with the approved  
22 application during the period covered by the report, and  
23 the report shall compare those achievements to the objec-  
24 tives and performance criteria included in the application  
25 pursuant to section 2(4).

1 (c) FINAL REPORT.—Not later than 45 days after  
2 the end of the period for which the Secretary has initially  
3 authorized an applicant to operate a covered program in  
4 accordance with an approved application under this Act,  
5 or at any time that the applicant determines that the plan  
6 has demonstrated its worth and proven to be a superior  
7 way to provide benefits under the covered program, the  
8 entity shall submit to the Secretary a final report on such  
9 implementation, including a full evaluation of the suc-  
10 cesses and shortcomings of the covered program as so op-  
11 erated and the effects of such implementation on individ-  
12 uals who receive benefits under the covered program.

13 (d) EXTENSION OF PLANS.—The Secretary may ex-  
14 tend, for such period as may be appropriate, the period  
15 for which an applicant may operate a covered program in  
16 accordance with an approved application under this Act,  
17 based on the report of the applicant under subsection (c).

18 (e) SUSPENSION AND TERMINATION.—

19 (1) IN GENERAL.—The Secretary may suspend  
20 or terminate the effectiveness of any waiver granted  
21 under this Act with respect to a covered program if  
22 the Secretary determines that—

23 (A) the applicant has failed to carry out  
24 the covered program in accordance with any ap-  
25 plicable provision of law or regulation; or

1 (B) the objectives and performance criteria  
2 included in the application pursuant to section  
3 2(4) have not been met.

4 (2) TIMING.—In suspending or terminating  
5 waiver under paragraph (1), the Secretary shall  
6 allow a reasonable period of time for appropriate  
7 Federal, State, and local agencies to resume admin-  
8 istration of the covered program in accordance with  
9 otherwise applicable law.

10 **SEC. 5. DEFINITIONS.**

11 As used in this Act:

12 (1) COVERED PROGRAM.—The term “covered  
13 program” means, with respect to an application for  
14 a waiver, the welfare program to which the applica-  
15 tion requests the waiver to apply.

16 (2) SECRETARY.—The term “Secretary”  
17 means, with respect to a covered program, the Sec-  
18 retary of Health and Human Services and the head  
19 of the Federal agency responsible for the administra-  
20 tion of the covered program.

21 (3) STATE.—

22 (A) IN GENERAL.—The term “State”  
23 means the 50 States, the District of Columbia,  
24 Puerto Rico, American Samoa, Guam, and the  
25 Virgin Islands.

1 (B) INDIAN TRIBES.—In the case of a wel-  
2 fare program under which assistance is pro-  
3 vided with respect to an Indian tribe, the In-  
4 dian tribal organization is deemed to be a  
5 State.

6 (4) WELFARE PROGRAM.—The term “welfare  
7 program” means any Federal or federally assisted  
8 program eligibility for which is based, in whole or in  
9 part, on financial need.

10 **SEC. 6. REPORTS.**

11 (a) IN GENERAL.—The Comptroller General of the  
12 United States shall submit to the Congress 2 reports  
13 that—

14 (1) describe the extent to which welfare pro-  
15 grams have been operated in accordance with waiv-  
16 ers granted under this Act;

17 (2) evaluate the effectiveness of the welfare pro-  
18 grams as so operated; and

19 (3) include recommendations with respect to  
20 whether to continue activities under this Act.

21 (b) TIMING.—The Comptroller General shall submit  
22 a report under subsection (a) not later than 3 years after  
23 the date of the enactment of this Act, and another such  
24 report not later than 6 years after such date of enactment.

1 **SEC. 7. SUNSET.**

2 Any authority provided under this Act shall expire

3 7 years after the date of the enactment of this Act.

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