

## Calendar No. 518

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H.R. 4737****[Report No. 107–221]**

## IN THE SENATE OF THE UNITED STATES

MAY 16 (legislative day, MAY 9), 2002

Received; read twice and referred to the Committee on Finance

JULY 25, 2002

Reported by Mr. BAUCUS, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]**AN ACT**

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

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 “Personal Responsi-  
5        bility, Work, and Family Promotion Act of 2002”.

6        **SEC. 2. TABLE OF CONTENTS.**

7        The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Findings.

## TITLE I—TANF

- Sec. 101. Purposes.
- Sec. 102. Family assistance grants.
- Sec. 103. Promotion of family formation and healthy marriage.
- Sec. 104. Supplemental grant for population increases in certain States.
- Sec. 105. Bonus to reward employment achievement.
- Sec. 106. Contingency fund.
- Sec. 107. Use of funds.
- Sec. 108. Repeal of Federal loan for State welfare programs.
- Sec. 109. Universal engagement and family self-sufficiency plan requirements.
- Sec. 110. Work participation requirements.
- Sec. 111. Maintenance of effort.
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- Sec. 114. Direct funding and administration by Indian tribes.
- Sec. 115. Research, evaluations, and national studies.
- Sec. 116. Studies by the Census Bureau and the General Accounting Office.
- Sec. 117. Definition of assistance.
- Sec. 118. Technical corrections.
- Sec. 119. Fatherhood program.
- Sec. 120. State option to make TANF programs mandatory partners with one-stop employment training centers.
- Sec. 121. Sense of the Congress.

## TITLE II—CHILD CARE

- Sec. 201. Short title.
- Sec. 202. Goals.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Application and plan.
- Sec. 205. Activities to improve the quality of child care.
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- Sec. 207. Definitions.
- Sec. 208. Entitlement funding.

## TITLE III—TAXPAYER PROTECTIONS

- Sec. 301. Exclusion from gross income for interest on overpayments of income tax by individuals.
- Sec. 302. Deposits made to suspend running of interest on potential underpayments.
- Sec. 303. Partial payment of tax liability in installment agreements.

## TITLE IV—CHILD SUPPORT

- Sec. 401. Federal matching funds for limited pass through of child support payments to families receiving TANF.
- Sec. 402. State option to pass through all child support payments to families that formerly received TANF.
- Sec. 403. Mandatory review and adjustment of child support orders for families receiving TANF.

- Sec. 404. Mandatory fee for successful child support collection for family that has never received TANF.
- Sec. 405. Report on undistributed child support payments.
- Sec. 406. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 407. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 408. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 409. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
- Sec. 410. Improving Federal debt collection practices.
- Sec. 411. Maintenance of technical assistance funding.
- Sec. 412. Maintenance of Federal Parent Locator Service funding.

#### TITLE V—CHILD WELFARE

- Sec. 501. Extension of authority to approve demonstration projects.
- Sec. 502. Elimination of limitation on number of waivers.
- Sec. 503. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
- Sec. 504. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
- Sec. 505. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
- Sec. 506. Availability of reports.
- Sec. 507. Technical correction.

#### TITLE VI—SUPPLEMENTAL SECURITY INCOME

- Sec. 601. Review of State agency blindness and disability determinations.

#### TITLE VII—STATE AND LOCAL FLEXIBILITY

- Sec. 701. Program coordination demonstration projects.
- Sec. 702. State food assistance block grant demonstration project.

#### TITLE VIII—ABSTINENCE EDUCATION

- Sec. 801. Extension of abstinence education funding under maternal and child health program.

#### TITLE IX—TRANSITIONAL MEDICAL ASSISTANCE

- Sec. 901. One-year reauthorization of transitional medical assistance.
- Sec. 902. Adjustment to payments for medicaid administrative costs to prevent duplicative payments and to fund a 1-year extension of transitional medical assistance.

#### TITLE X—EFFECTIVE DATE

- Sec. 1001. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the amendment or repeal shall be considered to be  
6 made to a section or other provision of the Social Security  
7 Act.

8 **SEC. 4. FINDINGS.**

9 The Congress makes the following findings:

10 (1) The Temporary Assistance for Needy Fami-  
11 lies (TANF) Program established by the Personal  
12 Responsibility and Work Opportunity Reconciliation  
13 Act of 1996 (Public Law 104–193) has succeeded in  
14 moving families from welfare to work and reducing  
15 child poverty.

16 (A) There has been a dramatic increase in  
17 the employment of current and former welfare  
18 recipients. The percentage of working recipients  
19 reached an all-time high in fiscal years 1999  
20 and 2000. In fiscal year 1999, 33 percent of  
21 adult recipients were working, compared to less  
22 than 7 percent in fiscal year 1992, and 11 per-  
23 cent in fiscal year 1996. All States met the  
24 overall participation rate standard in fiscal year  
25 2000, as did the District of Columbia and  
26 Puerto Rico.

1           (B) Earnings for welfare recipients re-  
2           maining on the rolls have also increased signifi-  
3           cantly, as have earnings for female-headed  
4           households. The increases have been particu-  
5           larly large for the bottom 2 income quintiles,  
6           that is, those women who are most likely to be  
7           former or present welfare recipients.

8           (C) Welfare dependency has plummeted.  
9           As of September 2001, 2,103,000 families and  
10          5,333,000 individuals were receiving assistance.  
11          Accordingly, the number of families in the wel-  
12          fare caseload and the number of individuals re-  
13          ceiving cash assistance declined 52 percent and  
14          56 percent, respectively, since the enactment of  
15          TANF. These declines have persisted even as  
16          unemployment rates have increased: unemploy-  
17          ment rates nationwide rose 25 percent, from  
18          3.9 percent in September 2000 to 4.9 percent  
19          in September 2001, while welfare caseloads con-  
20          tinued to drop by 7 percent.

21          (D) The child poverty rate continued to de-  
22          cline between 1996 and 2000, falling 21 percent  
23          from 20.5 to 16.2 percent. The 2000 child pov-  
24          erty rate is the lowest since 1979. Child poverty  
25          rates for African-American and Hispanic chil-

1           dren have also fallen dramatically during the  
2           past 6 years. African-American child poverty is  
3           at the lowest rate on record and Hispanic child  
4           poverty has had the largest 4-year decrease on  
5           record.

6           (E) Despite these gains, States have had  
7           mixed success in fully engaging welfare recipi-  
8           ents in work activities. While all States have  
9           met the overall work participation rates re-  
10          quired by law, in 2000, in an average month,  
11          only about 1/3 of all families with an adult par-  
12          ticipated in work activities that were countable  
13          toward the State's participation rate. Eight ju-  
14          risdictions failed to meet the more rigorous 2-  
15          parent work requirements, and about 20 States  
16          are not subject to the 2-parent requirements,  
17          most because they moved their 2-parent cases  
18          to separate State programs where they are not  
19          subject to a penalty for failing the 2-parent  
20          rates.

21          (2) As a Nation, we have made substantial  
22          progress in reducing teen pregnancies and births,  
23          slowing increases in nonmarital childbearing, and  
24          improving child support collections and paternity es-  
25          tablishment.

(A) The teen birth rate has fallen continuously since 1991, down a dramatic 22 percent by 2000. During the period of 1991–2000, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15–17 years of age is down 29 percent since 1991, and the rate for those 18 and 19 is down 16 percent. Between 1991 and 2000, teen birth rates declined for all women ages 15–19—white, African American, American Indian, Asian or Pacific Islander, and Hispanic women ages 15–19. The rate for African American teens—until recently the highest—experienced the largest decline, down 31 percent from 1991 to 2000, to reach the lowest rate ever reported for this group. Most births to teens are nonmarital; in 2000, about 73 percent of the births to teens aged 15–19 occurred outside of marriage.

(B) Nonmarital childbearing continued to increase slightly in 2000, however not at the sharp rates of increase seen in recent decades.

1 The birth rate among unmarried women in  
2 2000 was 3.5 percent lower than its peak  
3 reached in 1994, while the proportion of births  
4 occurring outside of marriage has remained at  
5 approximately 33 percent since 1998.

6 (C) The negative consequences of out-of-  
7 wedlock birth on the mother, the child, the fam-  
8 ily, and society are well documented. These in-  
9 clude increased likelihood of welfare depend-  
10 ency, increased risks of low birth weight, poor  
11 cognitive development, child abuse and neglect,  
12 and teen parenthood, and decreased likelihood  
13 of having an intact marriage during adulthood.

14 (D) An estimated 23,900,000 children do  
15 not live with their biological father. 16,000,000  
16 children live with their mother only. These facts  
17 are attributable largely to declining marriage  
18 rates, increasing divorce rates, and increasing  
19 rates of nonmarital births during the latter part  
20 of the 20th century.

21 (E) There has been a dramatic rise in co-  
22 habitation as marriages have declined. Only 40  
23 percent of children of cohabiting couples will  
24 see their parents marry. Those who do marry  
25 experience a 50 percent higher divorce rate.



1 Children in single-parent households and cohab-  
2 iting households are at much higher risk of  
3 child abuse than children in intact married and  
4 stepparent families.

5 (F) Children who live apart from their bio-  
6 logical fathers, on average, are more likely to be  
7 poor, experience educational, health, emotional,  
8 and psychological problems, be victims of child  
9 abuse, engage in criminal behavior, and become  
10 involved with the juvenile justice system than  
11 their peers who live with their married, biologi-  
12 cal mother and father. A child living in a single-  
13 parent family is nearly 5 times as likely to be  
14 poor as a child living in a married-couple fam-  
15 ily. In married-couple families, the child poverty  
16 rate is 8.1 percent, in households headed by a  
17 single mother, the poverty rate is 39.7 percent.

18 (G) Since the enactment of the Personal  
19 Responsibility and Work Opportunity Reconcili-  
20 ation Act of 1996, child support collections  
21 within the child support enforcement system  
22 have grown every year, increasing from  
23 \$12,000,000,000 in fiscal year 1996 to nearly  
24 \$19,000,000,000 in fiscal year 2001. The num-  
25 ber of paternities established or acknowledged

1 in fiscal year 2002 reached an historic high of  
2 over 1,500,000—which includes a nearly 100  
3 percent increase through in-hospital acknowl-  
4 edgement programs to 688,510 in 2000 from  
5 349,356 in 1996. Child support collections were  
6 made in over 7,000,000 cases in fiscal year  
7 2000, significantly more than the almost  
8 4,000,000 cases having a collection in 1996.

9 ~~(3)~~ The Personal Responsibility and Work Op-  
10 portunity Reconciliation Act of 1996 gave States  
11 great flexibility in the use of Federal funds to de-  
12 velop innovative programs to help families leave wel-  
13 fare and begin employment and to encourage the  
14 formation of 2-parent families.

15 ~~(A)~~ Total Federal and State TANF ex-  
16 penditures in fiscal year 2000 were  
17 \$24,000,000,000, up from \$22,600,000,000 for  
18 the previous year. This increased spending is  
19 attributable to significant new investments in  
20 supportive services in the TANF program, such  
21 as child care and activities to support work.

22 ~~(B)~~ Since the welfare reform effort began  
23 there has been a dramatic increase in work par-  
24 ticipation (including employment, community  
25 service, and work experience) among welfare re-

1 recipients, as well as an unprecedented reduction  
2 in the caseload because recipients have left wel-  
3 fare for work.

4 (C) States are making policy choices and  
5 investment decisions best suited to the needs of  
6 their citizens.

7 (i) To expand aid to working families,  
8 all States disregard a portion of a family's  
9 earned income when determining benefit  
10 levels.

11 (ii) Most States increased the limits  
12 on countable assets above the former Aid  
13 to Families with Dependent Children  
14 (AFDC) program. Every State has in-  
15 creased the vehicle asset level above the  
16 prior AFDC limit for a family's primary  
17 automobile.

18 (iii) States are experimenting with  
19 programs to promote marriage and father  
20 involvement. Over half the States have  
21 eliminated restrictions on 2-parent fami-  
22 lies. Many States use TANF, child sup-  
23 port, or State funds to support community-  
24 based activities to help fathers become  
25 more involved in their children's lives or

1                   strengthen relationships between mothers  
2                   and fathers.

3                   (4) Therefore, it is the sense of the Congress  
4                   that increasing success in moving families from wel-  
5                   fare to work, as well as in promoting healthy mar-  
6                   riage and other means of improving child well-being,  
7                   are very important Government interests and the  
8                   policy contained in part A of title IV of the Social  
9                   Security Act (as amended by this Act) is intended  
10                  to serve these ends.

## 11                   **TITLE I—TANF**

### 12   **SEC. 101. PURPOSES.**

13                  Section 401(a) (42 U.S.C. 601(a)) is amended—

14                   (1) in the matter preceding paragraph (1), by  
15                   striking “increase” and inserting “improve child  
16                   well-being by increasing”;

17                   (2) in paragraph (1), by inserting “and serv-  
18                   ices” after “assistance”;

19                   (3) in paragraph (2), by striking “parents on  
20                   government benefits” and inserting “families on gov-  
21                   ernment benefits and reduce poverty”; and

22                   (4) in paragraph (4), by striking “two-parent  
23                   families” and inserting “healthy, 2-parent married  
24                   families, and encourage responsible fatherhood”.

1 **SEC. 102. FAMILY ASSISTANCE GRANTS.**

2 (a) **EXTENSION OF AUTHORITY.**—Section  
3 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

4 (1) by striking “1996, 1997, 1998, 1999, 2000,  
5 2001, and 2002” and inserting “2003 through  
6 2007”; and

7 (2) by inserting “payable to the State for the  
8 fiscal year” before the period.

9 (b) **STATE FAMILY ASSISTANCE GRANT.**—Section  
10 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking  
11 subparagraphs (B) through (E) and inserting the fol-  
12 lowing:

13 “(B) **STATE FAMILY ASSISTANCE**  
14 **GRANT.**—The State family assistance grant  
15 payable to a State for a fiscal year shall be the  
16 amount that bears the same ratio to the  
17 amount specified in subparagraph (C) of this  
18 paragraph as the amount required to be paid to  
19 the State under this paragraph for fiscal year  
20 2002 (determined without regard to any reduc-  
21 tion pursuant to section 412(a)(1)) bears to the  
22 total amount required to be paid under this  
23 paragraph for fiscal year 2002.

24 “(C) **APPROPRIATION.**—Out of any money  
25 in the Treasury of the United States not other-  
26 wise appropriated, there are appropriated for

1 each of fiscal years 2003 through 2007  
 2 \$16,566,542,000 for grants under this para-  
 3 graph.”.

4 (c) MATCHING GRANTS FOR THE TERRITORIES.—  
 5 Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by  
 6 striking “1997 through 2002” and inserting “2003  
 7 through 2007”.

8 **SEC. 103. PROMOTION OF FAMILY FORMATION AND**  
 9 **HEALTHY MARRIAGE.**

10 (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.  
 11 602(a)(1)(A)) is amended by adding at the end the fol-  
 12 lowing:

13 “(vii) Encourage equitable treatment  
 14 of married, 2-parent families under the  
 15 program referred to in clause (i).”.

16 (b) HEALTHY MARRIAGE PROMOTION GRANTS; RE-  
 17 PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY  
 18 RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is  
 19 amended to read as follows:

20 “(2) HEALTHY MARRIAGE PROMOTION  
 21 GRANTS.—

22 “(A) AUTHORITY.—The Secretary shall  
 23 award competitive grants to States, territories,  
 24 and tribal organizations for not more than 50  
 25 percent of the cost of developing and imple-

1           menting innovative programs to promote and  
2           support healthy, married, 2-parent families.

3           ~~“(B) HEALTHY MARRIAGE PROMOTION AC-~~  
4           ~~TIVITIES.—Funds provided under subparagraph~~  
5           ~~(A) shall be used to support any of the fol-~~  
6           ~~lowing programs or activities:~~

7                   “(i) Public advertising campaigns on  
8                   the value of marriage and the skills needed  
9                   to increase marital stability and health.

10                  “(ii) Education in high schools on the  
11                  value of marriage, relationship skills, and  
12                  budgeting.

13                  “(iii) Marriage education, marriage  
14                  skills, and relationship skills programs,  
15                  that may include parenting skills, financial  
16                  management, conflict resolution, and job  
17                  and career advancement, for non-married  
18                  pregnant women and non-married expect-  
19                  ant fathers.

20                  “(iv) Pre-marital education and mar-  
21                  riage skills training for engaged couples  
22                  and for couples interested in marriage.

23                  “(v) Marriage enhancement and mar-  
24                  riage skills training programs for married  
25                  couples.

1                   “(vi) Divorce reduction programs that  
2                   teach relationship skills.

3                   “(vii) Marriage mentoring programs  
4                   which use married couples as role models  
5                   and mentors in at-risk communities.

6                   “(viii) Programs to reduce the dis-  
7                   incentives to marriage in means-tested aid  
8                   programs, if offered in conjunction with  
9                   any activity described in this subpara-  
10                  graph.

11                  “(C) APPROPRIATION.—Out of any money  
12                  in the Treasury of the United States not other-  
13                  wise appropriated, there are appropriated for  
14                  each of fiscal years 2003 through 2007  
15                  \$100,000,000 for grants under this para-  
16                  graph.”.

17                  (e) COUNTING OF SPENDING ON NON-ELIGIBLE  
18                  FAMILIES TO PREVENT AND REDUCE INCIDENCE OF  
19                  OUT-OF-WEDLOCK BIRTHS; ENCOURAGE FORMATION  
20                  AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED  
21                  FAMILIES; OR ENCOURAGE RESPONSIBLE FATHER-  
22                  HOOD.—Section 409(a)(7)(B)(i) (42 U.S.C.  
23                  609(a)(7)(B)(i)) is amended by adding at the end the fol-  
24                  lowing:



1                   “(V) COUNTING OF SPENDING  
 2                   ON NON-ELIGIBLE FAMILIES TO PRE-  
 3                   VENT AND REDUCE INCIDENCE OF  
 4                   OUT-OF-WEDLOCK BIRTHS, ENCOUR-  
 5                   AGE FORMATION AND MAINTENANCE  
 6                   OF HEALTHY, 2-PARENT MARRIED  
 7                   FAMILIES, OR ENCOURAGE RESPON-  
 8                   SIBLE FATHERHOOD.—The term  
 9                   ‘qualified State expenditures’ includes  
 10                  the total expenditures by the State  
 11                  during the fiscal year under all State  
 12                  programs for a purpose described in  
 13                  paragraph (3) or (4) of section  
 14                  401(a).”.

15 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**  
 16 **CREASES IN CERTAIN STATES.**

17       Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is  
 18 amended—

19               (1) in the subparagraph heading, by striking  
 20       “OF GRANTS FOR FISCAL YEAR 2002”;

21               (2) in clause (i), by striking “fiscal year 2002”  
 22       and inserting “each of fiscal years 2002 through  
 23       2006”;

24               (3) in clause (ii), by striking “2002” and in-  
 25       serting “2006”; and

1           (4) in clause (iii), by striking “fiscal year  
2       2002” and inserting “each of fiscal years 2002  
3       through 2006”.

4 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-**  
5 **MENT.**

6       (a) **REALLOCATION OF FUNDING.**—Section 403(a)(4)  
7 (~~42 U.S.C. 603(a)(4)~~) is amended—

8           (1) in the paragraph heading, by striking  
9       “HIGH PERFORMANCE STATES” and inserting “EM-  
10       PLOYMENT ACHIEVEMENT”;

11          (2) in subparagraph (D)(ii)—

12               (A) in subclause (I), by striking “equals  
13       \$200,000,000” and inserting “(other than  
14       2003) equals \$200,000,000, and for bonus year  
15       2003 equals \$100,000,000”; and

16               (B) in subclause (II), by striking  
17       “\$1,000,000,000” and inserting  
18       “\$900,000,000”; and

19               (3) in subparagraph (F), by striking  
20       “\$1,000,000,000” and inserting “\$900,000,000”.

21       (b) **BONUS TO REWARD EMPLOYMENT ACHIEVE-**  
22 **MENT.**—

23           (1) **IN GENERAL.**—Section 403(a)(4) (~~42~~  
24       ~~U.S.C. 603(a)(4)~~) is amended by striking subpara-  
25       graphs (A) through (F) and inserting the following:

1           “(A) IN GENERAL.—The Secretary shall  
 2           make a grant pursuant to this paragraph to  
 3           each State for each bonus year for which the  
 4           State is an employment achievement State.

5           “(B) AMOUNT OF GRANT.—

6           “(i) IN GENERAL.—Subject to clause  
 7           (ii) of this subparagraph, the Secretary  
 8           shall determine the amount of the grant  
 9           payable under this paragraph to an em-  
 10          ployment achievement State for a bonus  
 11          year, which shall be based on the perform-  
 12          ance of the State as determined under sub-  
 13          paragraph (D)(i) for the fiscal year that  
 14          immediately precedes the bonus year.

15          “(ii) LIMITATION.—The amount pay-  
 16          able to a State under this paragraph for a  
 17          bonus year shall not exceed 5 percent of  
 18          the State family assistance grant.

19          “(C) FORMULA FOR MEASURING STATE  
 20          PERFORMANCE.—

21          “(i) IN GENERAL.—Subject to clause  
 22          (ii), not later than October 1, 2003, the  
 23          Secretary, in consultation with the States,  
 24          shall develop a formula for measuring  
 25          State performance in operating the State

1 program funded under this part so as to  
2 achieve the goals of employment entry, job  
3 retention, and increased earnings from em-  
4 ployment for families receiving assistance  
5 under the program, as measured on an ab-  
6 solute basis and on the basis of improve-  
7 ment in State performance.

8 “(ii) SPECIAL RULE FOR BONUS YEAR  
9 2004.—For the purposes of awarding a  
10 bonus under this paragraph for bonus year  
11 2004, the Secretary may measure the per-  
12 formance of a State in fiscal year 2003  
13 using the job entry rate, job retention rate,  
14 and earnings gain rate components of the  
15 formula developed under section  
16 403(a)(4)(C) as in effect immediately be-  
17 fore the effective date of this paragraph.

18 “(D) DETERMINATION OF STATE PER-  
19 FORMANCE.—For each bonus year, the Sec-  
20 retary shall—

21 “(i) use the formula developed under  
22 subparagraph (C) to determine the per-  
23 formance of each eligible State for the fis-  
24 cal year that precedes the bonus year; and

1 “(ii) prescribe performance standards  
2 in such a manner so as to ensure that—

3 “(I) the average annual total  
4 amount of grants to be made under  
5 this paragraph for each bonus year  
6 equals \$100,000,000; and

7 “(II) the total amount of grants  
8 to be made under this paragraph for  
9 all bonus years equals \$500,000,000.

10 “(E) DEFINITIONS.—In this paragraph:

11 “(i) BONUS YEAR.—The term ‘bonus  
12 year’ means each of fiscal years 2004  
13 through 2008.

14 “(ii) EMPLOYMENT ACHIEVEMENT  
15 STATE.—The term ‘employment achieve-  
16 ment State’ means, with respect to a bonus  
17 year, an eligible State whose performance  
18 determined pursuant to subparagraph  
19 (D)(i) for the fiscal year preceding the  
20 bonus year equals or exceeds the perform-  
21 ance standards prescribed under subpara-  
22 graph (D)(ii) for such preceding fiscal  
23 year.

24 “(F) APPROPRIATION.—Out of any money  
25 in the Treasury of the United States not other-

wise appropriated, there are appropriated for  
fiscal years 2004 through 2008 \$500,000,000  
for grants under this paragraph.

“(G) GRANTS FOR TRIBAL ORGANIZA-  
TIONS.—This paragraph shall apply with re-  
spect to tribal organizations in the same man-  
ner in which this paragraph applies with re-  
spect to States. In determining the criteria  
under which to make grants to tribal organiza-  
tions under this paragraph, the Secretary shall  
consult with tribal organizations.”.

(2) EFFECTIVE DATE.—The amendment made  
by paragraph (1) shall take effect on October 1,  
2003.

**SEC. 106. CONTINGENCY FUND.**

(a) DEPOSITS INTO FUND.—Section 403(b)(2) (42  
U.S.C. 603(b)(2)) is amended—

(1) by striking “1997, 1998, 1999, 2000, 2001,  
and 2002” and inserting “2003 through 2007”; and

(2) by striking all that follows  
“\$2,000,000,000” and inserting a period.

(b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C.  
603(b)(3)(C)(ii)) is amended by striking “fiscal years  
1997 through 2002” and inserting “fiscal years 2003  
through 2007”.

1       (c) ~~DEFINITION OF NEEDY STATE.~~—Clauses (i) and  
 2       (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are  
 3       amended by inserting after “1996” the following: “, and  
 4       the Food Stamp Act of 1977 as in effect during the cor-  
 5       responding 3-month period in the fiscal year preceding  
 6       such most recently concluded 3-month period,”.

7       (d) ~~ANNUAL RECONCILIATION: FEDERAL MATCHING~~  
 8       ~~OF STATE EXPENDITURES ABOVE “MAINTENANCE OF~~  
 9       ~~EFFORT”~~ LEVEL.—Section 403(b)(6) (42 U.S.C.  
 10      603(b)(6)) is amended—

11               (1) in subparagraph (A)(ii)—

12                       (A) by adding “and” at the end of sub-  
 13                       clause (I);

14                       (B) by striking “, and” at the end of sub-  
 15                       clause (II) and inserting a period; and

16                       (C) by striking subclause (III);

17               (2) in subparagraph (B)(i)(II), by striking all  
 18               that follows “section 409(a)(7)(B)(iii))” and insert-  
 19               ing a period;

20               (3) by amending subparagraph (B)(ii)(I) to  
 21               read as follows:

22                               “(I) the qualified State expendi-  
 23                               tures (as defined in section  
 24                               409(a)(7)(B)(i)) for the fiscal year;  
 25                               plus”; and

1           (4) by striking subparagraph (C).

2           (e) CONSIDERATION OF CERTAIN CHILD CARE EX-  
3 PENDITURES IN DETERMINING STATE COMPLIANCE  
4 WITH CONTINGENCY FUND MAINTENANCE OF EFFORT  
5 REQUIREMENT.—Section 409(a)(10) (42 U.S.C.  
6 609(a)(10)) is amended—

7           (1) by striking “(other than the expenditures  
8 described in subelause (I)(bb) of that paragraph))  
9 under the State program funded under this part”  
10 and inserting a close parenthesis; and

11           (2) by striking “excluding any amount ex-  
12 pended by the State for child care under subsection  
13 (g) or (i) of section 402 (as in effect during fiscal  
14 year 1994) for fiscal year 1994,”.

15 **SEC. 107. USE OF FUNDS.**

16           (a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C.  
17 604(a)(2)) is amended by striking “in any manner that”  
18 and inserting “for any purposes or activities for which”.

19           (b) TREATMENT OF INTERSTATE IMMIGRANTS.—

20           (1) STATE PLAN PROVISION.—Section  
21 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended  
22 by striking clause (i) and redesignating clauses (ii)  
23 through (iv) as clauses (i) through (iii), respectively.

24           (2) USE OF FUNDS.—Section 404 (42 U.S.C.  
25 604) is amended by striking subsection (c).



1       (c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD  
 2 CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is  
 3 amended by striking “30” and inserting “50”.

4       (d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE  
 5 XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C.  
 6 604(d)(2)(B)) is amended to read as follows:

7               “(B) APPLICABLE PERCENT.—For pur-  
 8 poses of subparagraph (A), the applicable per-  
 9 cent is 10 percent for fiscal year 2003 and each  
 10 succeeding fiscal year.”

11       (e) CLARIFICATION OF AUTHORITY OF STATES TO  
 12 USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS  
 13 TO PROVIDE TANF BENEFITS AND SERVICES.—Section  
 14 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

15       “(e) AUTHORITY TO CARRYOVER OR RESERVE CER-  
 16 TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-  
 17 TURE CONTINGENCIES.—

18               “(1) CARRYOVER.—A State or tribe may use a  
 19 grant made to the State or tribe under this part for  
 20 any fiscal year to provide, without fiscal year limita-  
 21 tion, any benefit or service that may be provided  
 22 under the State or tribal program funded under this  
 23 part.

24               “(2) CONTINGENCY RESERVE.—A State or tribe  
 25 may designate any portion of a grant made to the

1 State or tribe under this part as a contingency re-  
 2 serve for future needs, and may use any amount so  
 3 designated to provide, without fiscal year limitation,  
 4 any benefit or service that may be provided under  
 5 the State or tribal program funded under this part.  
 6 If a State or tribe so designates a portion of such  
 7 a grant, the State shall, on an annual basis, include  
 8 in its report under section 411(a) the amount so  
 9 designated.”.

10 **SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE**  
 11 **PROGRAMS.**

12 ~~(a) REPEAL.—Section 406 (42 U.S.C. 606) is re-~~  
 13 ~~pealed.~~

14 ~~(b) CONFORMING AMENDMENTS.—~~

15 ~~(1) Section 409(a) (42 U.S.C. 609(a)) is~~  
 16 ~~amended by striking paragraph (6).~~

17 ~~(2) Section 412 (42 U.S.C. 612) is amended by~~  
 18 ~~striking subsection (f) and redesignating subsections~~  
 19 ~~(g) through (i) as subsections (f) through (h), re-~~  
 20 ~~spectively.~~

21 ~~(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2))~~  
 22 ~~is amended by striking “406,”.~~

1 **SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-**  
 2 **SUFFICIENCY PLAN REQUIREMENTS.**

3 (a) **MODIFICATION OF STATE PLAN REQUIRE-**  
 4 **MENTS.**—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A))  
 5 is amended by striking clauses (ii) and (iii) and inserting  
 6 the following:

7 “(ii) Require a parent or caretaker re-  
 8 ceiving assistance under the program to  
 9 engage in work or alternative self-suffi-  
 10 ciency activities (as defined by the State),  
 11 consistent with section 407(e)(2).

12 “(iii) Require families receiving assist-  
 13 ance under the program to engage in ac-  
 14 tivities in accordance with family self-suffi-  
 15 ciency plans developed pursuant to section  
 16 408(b).”.

17 (b) **ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY**  
 18 **PLANS.**—

19 (1) **IN GENERAL.**—Section 408(b) (42 U.S.C.  
 20 608(b)) is amended to read as follows:

21 “(b) **FAMILY SELF-SUFFICIENCY PLANS.**—

22 “(1) **IN GENERAL.**—A State to which a grant  
 23 is made under section 403 shall—

24 “(A) assess, in the manner deemed appro-  
 25 priate by the State, of the skills, prior work ex-  
 26 perience, and employability of each work-eligible

1 individual (as defined in section 407(b)(2)(C))  
2 receiving assistance under the State program  
3 funded under this part;

4 “(B) establish for each family that in-  
5 cludes such an individual, in consultation as the  
6 State deems appropriate with the individual, a  
7 self-sufficiency plan that specifies appropriate  
8 activities described in the State plan submitted  
9 pursuant to section 402, including direct work  
10 activities as appropriate designed to assist the  
11 family in achieving their maximum degree of  
12 self-sufficiency, and that provides for the ongo-  
13 ing participation of the individual in the activi-  
14 ties;

15 “(C) require, at a minimum, each such in-  
16 dividual to participate in activities in accord-  
17 ance with the self-sufficiency plan;

18 “(D) monitor the participation of each  
19 such individual in the activities specified in the  
20 self sufficiency plan, and regularly review the  
21 progress of the family toward self-sufficiency;

22 “(E) upon such a review, revise the self-  
23 sufficiency plan and activities as the State  
24 deems appropriate.

1           “(2) TIMING.—The State shall comply with  
2 paragraph (1) with respect to a family—

3           “(A) in the case of a family that, as of Oc-  
4 tober 1, 2002, is not receiving assistance from  
5 the State program funded under this part, not  
6 later than 60 days after the family first receives  
7 assistance on the basis of the most recent appli-  
8 cation for the assistance; or

9           “(B) in the case of a family that, as of  
10 such date, is receiving the assistance, not later  
11 than 12 months after the date of enactment of  
12 this subsection.

13           “(3) STATE DISCRETION.—A State shall have  
14 sole discretion, consistent with section 407, to define  
15 and design activities for families for purposes of this  
16 subsection, to develop methods for monitoring and  
17 reviewing progress pursuant to this subsection, and  
18 to make modifications to the plan as the State  
19 deems appropriate to assist the individual in increas-  
20 ing their degree of self-sufficiency.

21           “(4) RULE OF INTERPRETATION.—Nothing in  
22 this part shall preclude a State from requiring par-  
23 ticipation in work and any other activities the State  
24 deems appropriate for helping families achieve self-  
25 sufficiency and improving child well-being.”.

1           ~~(2) PENALTY FOR FAILURE TO ESTABLISH~~  
 2           ~~FAMILY SELF-SUFFICIENCY PLAN.—Section~~  
 3           ~~409(a)(3) (42 U.S.C. 609(a)(3)) is amended—~~

4                     ~~(A) in the paragraph heading, by inserting~~  
 5                     ~~“OR ESTABLISH FAMILY SELF-SUFFICIENCY~~  
 6                     ~~PLAN” after “RATES”; and~~

7                     ~~(B) in subparagraph (A), by inserting “or~~  
 8                     ~~408(b)” after “407(a)”.~~

9   **SEC. 110. WORK PARTICIPATION REQUIREMENTS.**

10       ~~(a) IN GENERAL.—Section 407 (42 U.S.C. 607) is~~  
 11       ~~amended by striking all that precedes subsection (b)(3)~~  
 12       ~~and inserting the following:~~

13   **“SEC. 407. WORK PARTICIPATION REQUIREMENTS.**

14       ~~“(a) PARTICIPATION RATE REQUIREMENTS.—A~~  
 15       ~~State to which a grant is made under section 403 for a~~  
 16       ~~fiscal year shall achieve a minimum participation rate~~  
 17       ~~equal to not less than—~~

18                     ~~“(1) 50 percent for fiscal year 2003;~~

19                     ~~“(2) 55 percent for fiscal year 2004;~~

20                     ~~“(3) 60 percent for fiscal year 2005;~~

21                     ~~“(4) 65 percent for fiscal year 2006; and~~

22                     ~~“(5) 70 percent for fiscal year 2007 and each~~  
 23       ~~succeeding fiscal year.~~

24       ~~“(b) CALCULATION OF PARTICIPATION RATES.—~~

1           “(1) AVERAGE MONTHLY RATE.—For purposes  
2           of subsection (a), the participation rate of a State  
3           for a fiscal year is the average of the participation  
4           rates of the State for each month in the fiscal year.

5           “(2) MONTHLY PARTICIPATION RATES; INCOR-  
6           PORATION OF 40-HOUR WORK WEEK STANDARD.—

7           “(A) IN GENERAL.—For purposes of para-  
8           graph (1), the participation rate of a State for  
9           a month is—

10           “(i) the total number of countable  
11           hours (as defined in subsection (c)) with  
12           respect to the counted families for the  
13           State for the month; divided by

14           “(ii) 160 multiplied by the number of  
15           counted families for the State for the  
16           month.

17           “(B) COUNTED FAMILIES DEFINED.—

18           “(i) IN GENERAL.—In subparagraph  
19           (A), the term ‘counted family’ means, with  
20           respect to a State and a month, a family  
21           that includes a work-eligible individual and  
22           that receives assistance in the month under  
23           the State program funded under this part,  
24           subject to clause (ii).

1           “(ii) STATE OPTION TO EXCLUDE  
2 CERTAIN FAMILIES.—At the option of a  
3 State, the term ‘counted family’ shall not  
4 include—

5           “(I) a family in the first month  
6 for which the family receives assist-  
7 ance from a State program funded  
8 under this part on the basis of the  
9 most recent application for such as-  
10 sistance; or

11           “(II) on a case-by-case basis, a  
12 family in which the youngest child has  
13 not attained 12 months of age.

14           “(iii) STATE OPTION TO INCLUDE IN-  
15 DIVIDUALS RECEIVING ASSISTANCE UNDER  
16 A TRIBAL FAMILY ASSISTANCE PLAN OR  
17 TRIBAL WORK PROGRAM.—At the option of  
18 a State, the term ‘counted family’ may in-  
19 clude families in the State that are receiv-  
20 ing assistance under a tribal family assist-  
21 ance plan approved under section 412 or  
22 under a tribal work program to which  
23 funds are provided under this part.



1           “(C) ~~WORK-ELIGIBLE INDIVIDUAL DE-~~  
 2           FINED.—In this section, the term ‘work-eligible  
 3           individual’ means an individual—

4                   “(i) who is married or a single head  
 5                   of household; and

6                   “(ii) whose needs are (or, but for  
 7                   sanctions under this part that have been in  
 8                   effect for more than 3 months (whether or  
 9                   not consecutive) in the preceding 12  
 10                  months or under part D, would be) in-  
 11                  cluded in determining the amount of cash  
 12                  assistance to be provided to the family  
 13                  under the State program funded under this  
 14                  part.”.

15       (b) ~~RECALIBRATION OF CASELOAD REDUCTION~~  
 16 ~~CREDIT.~~—Section 407(b)(3)(A)(ii) (42 U.S.C.  
 17 607(b)(3)(A)(ii)) is amended to read as follows:

18                   “(ii) the average monthly number of  
 19                   families that received assistance under the  
 20                   State program funded under this part  
 21                   during—

22                           “(I) if the fiscal year is fiscal  
 23                           year 2003, fiscal year 1996;

24                           “(II) if the fiscal year is fiscal  
 25                           year 2004, fiscal year 1998;

1                   “(III) if the fiscal year is fiscal  
 2                   year 2005, fiscal year 2001; or  
 3                   “(IV) if the fiscal year is fiscal  
 4                   year 2006 or any succeeding fiscal  
 5                   year, the then 4th preceding fiscal  
 6                   year.”.

7           (e) SUPERACHIEVER CREDIT.—Section 407(b) (42  
 8 U.S.C. 607(b)) is amended by striking paragraphs (4) and  
 9 (5) and inserting the following:

10           “(4) SUPERACHIEVER CREDIT.—

11                   “(A) IN GENERAL.—The participation  
 12                   rate, determined under paragraphs (1) and (2)  
 13                   of this subsection, of a superachiever State for  
 14                   a fiscal year shall be increased by the lesser  
 15                   of—

16                           “(i) the amount (if any) of the super-  
 17                           achiever credit applicable to the State; or

18                           “(ii) the number of percentage points  
 19                           (if any) by which the minimum participa-  
 20                           tion rate required by subsection (a) for the  
 21                           fiscal year exceeds 50 percent.

22                   “(B) SUPERACHIEVER STATE.—For pur-  
 23                   poses of subparagraph (A), a State is a super-  
 24                   achiever State if the State easeload for fiscal

year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

~~“(C) AMOUNT OF CREDIT.—~~The super-achiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

~~“(D) DEFINITIONS.—~~In this paragraph:

~~“(i) STATE CASELOAD FOR FISCAL YEAR 2001.—~~The term ‘State caseload for fiscal year 2001’ means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

~~“(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—~~The term ‘State caseload for fiscal year 1995’ means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.”.

~~(d) COUNTABLE HOURS.—~~Section 407 of such Act (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

~~“(c) COUNTABLE HOURS.—~~

1           “(1) DEFINITION.—In subsection (b)(2), the  
 2           term ‘countable hours’ means, with respect to a fam-  
 3           ily for a month, the total number of hours in the  
 4           month in which any member of the family who is a  
 5           work-eligible individual is engaged in a direct work  
 6           activity or other activities specified by the State (ex-  
 7           cluding an activity that does not address a purpose  
 8           specified in section 401(a)), subject to the other pro-  
 9           visions of this subsection.

10           “(2) LIMITATIONS.—Subject to such regula-  
 11           tions as the Secretary may prescribe:

12                   “(A) MINIMUM WEEKLY AVERAGE OF 24  
 13                   HOURS OF DIRECT WORK ACTIVITIES RE-  
 14                   QUIRED.—If the work-eligible individuals in a  
 15                   family are engaged in a direct work activity for  
 16                   an average total of fewer than 24 hours per  
 17                   week in a month, then the number of countable  
 18                   hours with respect to the family for the month  
 19                   shall be zero.

20                   “(B) MAXIMUM WEEKLY AVERAGE OF 16  
 21                   HOURS OF OTHER ACTIVITIES.—An average of  
 22                   not more than 16 hours per week of activities  
 23                   specified by the State (subject to the exclusion  
 24                   described in paragraph (1)) may be considered

1 countable hours in a month with respect to a  
 2 family.

3 ~~“(3) SPECIAL RULES.—For purposes of para-~~  
 4 ~~graph (1):~~

5 ~~“(A) PARTICIPATION IN QUALIFIED AC-~~  
 6 ~~TIVITIES.—~~

7 ~~“(i) IN GENERAL.—If, with the ap-~~  
 8 ~~proval of the State, the work-eligible indi-~~  
 9 ~~viduals in a family are engaged in 1 or~~  
 10 ~~more qualified activities for an average~~  
 11 ~~total of at least 24 hours per week in a~~  
 12 ~~month, then all such engagement in the~~  
 13 ~~month shall be considered engagement in a~~  
 14 ~~direct work activity, subject to clause (iii).~~

15 ~~“(ii) QUALIFIED ACTIVITY DE-~~  
 16 ~~FINED.—The term ‘qualified activity’~~  
 17 ~~means an activity specified by the State~~  
 18 ~~(subject to the exclusion described in para-~~  
 19 ~~graph (1)) that meets such standards and~~  
 20 ~~criteria as the State may specify,~~  
 21 ~~including—~~

22 ~~“(I) substance abuse counseling~~  
 23 ~~or treatment;~~

24 ~~“(II) rehabilitation treatment~~  
 25 ~~and services;~~

1           “(III) work-related education or  
2 training directed at enabling the fam-  
3 ily member to work;

4           “(IV) job search or job readiness  
5 assistance; and

6           “(V) any other activity that ad-  
7 dresses a purpose specified in section  
8 401(a).

9           “(iii) LIMITATION.—

10           “(I) IN GENERAL.—Except as  
11 provided in subclause (II), clause (i)  
12 shall not apply to a family for more  
13 than 3 months in any period of 24  
14 consecutive months.

15           “(II) SPECIAL RULE APPLICABLE  
16 TO EDUCATION AND TRAINING.—A  
17 State may, on a case-by-case basis,  
18 apply clause (i) to a work-eligible indi-  
19 vidual so that participation by the in-  
20 dividual in education or training, if  
21 needed to permit the individual to  
22 complete a certificate program or  
23 other work-related education or train-  
24 ing directed at enabling the individual  
25 to fill a known job need in a local

1                   area, may be considered countable  
 2                   hours with respect to the family of the  
 3                   individual for not more than 4 months  
 4                   in any period of 24 consecutive  
 5                   months.

6                   “(B) SCHOOL ATTENDANCE BY TEEN  
 7                   HEAD OF HOUSEHOLD.—The work-eligible  
 8                   members of a family shall be considered to be  
 9                   engaged in a direct work activity for an average  
 10                  of 40 hours per week in a month if the family  
 11                  includes an individual who is married, or is a  
 12                  single head of household, who has not attained  
 13                  20 years of age, and the individual—

14                  “(i) maintains satisfactory attendance  
 15                  at secondary school or the equivalent in  
 16                  the month; or

17                  “(ii) participates in education directly  
 18                  related to employment for an average of at  
 19                  least 20 hours per week in the month.

20                  “(d) DIRECT WORK ACTIVITY.—In this section, the  
 21                  term ‘direct work activity’ means—

22                  “(1) unsubsidized employment;

23                  “(2) subsidized private sector employment;

24                  “(3) subsidized public sector employment;

25                  “(4) on-the-job training;

1           ~~“(5) supervised work experience; or~~

2           ~~“(6) supervised community service.”.~~

3           ~~(c) PENALTIES AGAINST INDIVIDUALS.—Section~~  
 4 ~~407(e)(1) (42 U.S.C. 607(e)(1))~~ is amended to read as  
 5 follows:

6           ~~“(1) REDUCTION OR TERMINATION OF ASSIST-~~  
 7 ~~ANCE.—~~

8           ~~“(A) IN GENERAL.—Except as provided in~~  
 9 ~~paragraph (2), if an individual in a family re-~~  
 10 ~~ceiving assistance under a State program fund-~~  
 11 ~~ed under this part fails to engage in activities~~  
 12 ~~required in accordance with this section, or~~  
 13 ~~other activities required by the State under the~~  
 14 ~~program, and the family does not otherwise en-~~  
 15 ~~gage in activities in accordance with the self-~~  
 16 ~~sufficiency plan established for the family pur-~~  
 17 ~~suant to section 408(b), the State shall—~~

18           ~~“(i) if the failure is partial or persists~~  
 19 ~~for not more than 1 month—~~

20           ~~“(I) reduce the amount of assist-~~  
 21 ~~ance otherwise payable to the family~~  
 22 ~~pro rata (or more, at the option of the~~  
 23 ~~State) with respect to any period dur-~~  
 24 ~~ing a month in which the failure oc-~~  
 25 ~~curs; or~~



1                   ~~“(H) terminate all assistance to~~  
 2                   ~~the family, subject to such good cause~~  
 3                   ~~exceptions as the State may establish;~~  
 4                   ~~or~~

5                   ~~“(ii) if the failure is total and persists~~  
 6                   ~~for at least 2 consecutive months, termi-~~  
 7                   ~~nate all cash payments to the family in-~~  
 8                   ~~cluding qualified State expenditures (as de-~~  
 9                   ~~fin ed in section 409(a)(7)(B)(i)) for at~~  
 10                   ~~least 1 month and thereafter until the~~  
 11                   ~~State determines that the individual has~~  
 12                   ~~resumed full participation in the activities,~~  
 13                   ~~subject to such good cause exceptions as~~  
 14                   ~~the State may establish.~~

15                   ~~“(B) SPECIAL RULE.—In the event of a~~  
 16                   ~~conflict between a requirement of clause (i)(H)~~  
 17                   ~~or (ii) of subparagraph (A) and a requirement~~  
 18                   ~~of a State constitution, or of a State statute~~  
 19                   ~~that, before 1966, obligated local government to~~  
 20                   ~~provide assistance to needy parents and chil-~~  
 21                   ~~dren, the State constitutional or statutory re-~~  
 22                   ~~quirement shall control.”.~~

23                   ~~(f) CONFORMING AMENDMENTS.—~~

24                   ~~(1) Section 407(f) (42 U.S.C. 607(f)) is amend-~~  
 25                   ~~ed in each of paragraphs (1) and (2) by striking~~

1 “work activity described in subsection (d)” and in-  
 2 serting “direct work activity”.

3 (2) The heading of section 409(a)(14) (42  
 4 U.S.C. 609(a)(14)) is amended by inserting “OR RE-  
 5 FUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY  
 6 SELF-SUFFICIENCY PLAN” after “WORK”.

7 **SEC. 111. MAINTENANCE OF EFFORT.**

8 (a) IN GENERAL.—Section 409(a)(7) (42 U.S.C.  
 9 609(a)(7)) is amended—

10 (1) in subparagraph (A) by striking “fiscal year  
 11 1998, 1999, 2000, 2001, 2002, or 2003” and insert-  
 12 ing “fiscal year 2003, 2004, 2005, 2006, 2007 or  
 13 2008”; and

14 (2) in subparagraph (B)(ii)—

15 (A) by inserting “preceding” before “fiscal  
 16 year”; and

17 (B) by striking “for fiscal years 1997  
 18 through 2002.”.

19 (b) STATE SPENDING ON PROMOTING HEALTHY  
 20 MARRIAGE.—

21 (1) IN GENERAL.—Section 404 (42 U.S.C. 604)  
 22 is amended by adding at the end the following:

23 “(1) MARRIAGE PROMOTION.—A State, territory, or  
 24 tribal organization to which a grant is made under section  
 25 403(a)(2) may use a grant made to the State, territory,

1 or tribal organization under any other provision of section  
 2 403 for marriage promotion activities, and the amount of  
 3 any such grant so used shall be considered State funds  
 4 for purposes of section 403(a)(2).”.

5       (2) FEDERAL TANF FUNDS USED FOR MAR-  
 6 RIAGE PROMOTION DISREGARDED FOR PURPOSES OF  
 7 MAINTENANCE OF EFFORT REQUIREMENT.—Section  
 8 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as  
 9 amended by section 103(e) of this Act, is amended  
 10 by adding at the end the following:

11               “(VI) EXCLUSION OF FEDERAL  
 12 TANF FUNDS USED FOR MARRIAGE  
 13 PROMOTION ACTIVITIES.—Such term  
 14 does not include the amount of any  
 15 grant made to the State under section  
 16 403 that is expended for a marriage  
 17 promotion activity.”.

18 **SEC. 112. PERFORMANCE IMPROVEMENT.**

19       (a) STATE PLANS.—Section 402(a) (42 U.S.C.  
 20 602(a)) is amended—

21               (1) in paragraph (1)—

22                       (A) in subparagraph (A)—

23                               (i) by redesignating clause (vi) and  
 24                               clause (vii) (as added by section 103(a) of

1 this Act) as clauses (vii) and (viii), respec-  
2 tively; and

3 (ii) by striking clause (v) and insert-  
4 ing the following:

5 “(v) The document shall—

6 “(I) describe how the State will  
7 pursue ending dependence of needy  
8 families on government benefits and  
9 reducing poverty by promoting job  
10 preparation and work;

11 “(II) describe how the State will  
12 encourage the formation and mainte-  
13 nance of healthy 2-parent married  
14 families; encourage responsible father-  
15 hood; and prevent and reduce the inci-  
16 dence of out-of-wedlock pregnancies;

17 “(III) include specific, numerical,  
18 and measurable performance objec-  
19 tives for accomplishing subclauses (I)  
20 and (II); and with respect to sub-  
21 clause (I), include objectives con-  
22 sistent with the criteria used by the  
23 Secretary in establishing performance  
24 targets under section 403(a)(4)(B) if  
25 available; and

1                   “(IV) describe the methodology  
2                   that the State will use to measure  
3                   State performance in relation to each  
4                   such objective.

5                   “(vi) Describe any strategies and pro-  
6                   grams the State may be undertaking to  
7                   address—

8                   “(I) employment retention and  
9                   advancement for recipients of assist-  
10                  ance under the program, including  
11                  placement into high-demand jobs, and  
12                  whether the jobs are identified using  
13                  labor market information;

14                  “(II) efforts to reduce teen preg-  
15                  nancy;

16                  “(III) services for struggling and  
17                  noncompliant families, and for clients  
18                  with special problems; and

19                  “(IV) program integration, in-  
20                  cluding the extent to which employ-  
21                  ment and training services under the  
22                  program are provided through the  
23                  One-Stop delivery system created  
24                  under the Workforce Investment Act  
25                  of 1998, and the extent to which

1 former recipients of such assistance  
 2 have access to additional core, inten-  
 3 sive, or training services funded  
 4 through such Act.”; and

5 (B) in subparagraph (B), by striking  
 6 clause (iii) (as so redesignated by section  
 7 107(b)(1) of this Act) and inserting the fol-  
 8 lowing:

9 “(iii) The document shall describe  
 10 strategies and programs the State is un-  
 11 dertaking to engage religious organizations  
 12 in the provision of services funded under  
 13 this part and efforts related to section 104  
 14 of the Personal Responsibility and Work  
 15 Opportunity Reconciliation Act of 1996.

16 “(iv) The document shall describe  
 17 strategies to improve program manage-  
 18 ment and performance.”; and

19 (2) in paragraph (4), by inserting “and tribal”  
 20 after “that local”.

21 (b) CONSULTATION WITH STATE REGARDING PLAN  
 22 AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1)  
 23 (42 U.S.C. 612(b)(1)) is amended—

24 (1) by striking “and” at the end of subpara-  
 25 graph (E);

1           (2) by striking the period at the end of sub-  
2           paragraph (F) and inserting “; and”; and

3           (3) by adding at the end the following:

4                   “(G) provides an assurance that the State  
5           in which the tribe is located has been consulted  
6           regarding the plan and its design.”.

7           (c) PERFORMANCE MEASURES.—Section 413 (42  
8           U.S.C. 613) is amended by adding at the end the fol-  
9           lowing:

10           “(k) PERFORMANCE IMPROVEMENT.—The Secretary,  
11           in consultation with the States, shall develop uniform per-  
12           formance measures designed to assess the degree of effec-  
13           tiveness, and the degree of improvement, of State pro-  
14           grams funded under this part in accomplishing the pur-  
15           poses of this part.”.

16           (d) ANNUAL RANKING OF STATES.—Section  
17           413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking  
18           “long-term private sector jobs” and inserting “private sec-  
19           tor jobs; the success of the recipients in retaining employ-  
20           ment; the ability of the recipients to increase their wages”.

21           **SEC. 113. DATA COLLECTION AND REPORTING.**

22           (a) CONTENTS OF REPORT.— Section 411(a)(1)(A)  
23           (42 U.S.C. 611(a)(1)(A)) is amended—

24                   (1) in clause (vii), by inserting “and minor par-  
25           ent” after “of each adult”;

1           (2) in clause (viii), by striking “and educational  
2   level”;

3           (3) in clause (ix), by striking “, and if the lat-  
4   ter 2, the amount received”;

5           (4) in clause (x)—

6                 (A) by striking “each type of”; and

7                 (B) by inserting before the period “and, if  
8   applicable, the reason for receipt of the assist-  
9   ance for a total of more than 60 months”;

10          (5) in clause (xi), by striking the subclauses  
11   and inserting the following:

12                         “(I) Subsidized private sector  
13                         employment.

14                         “(II) Unsubsidized employment.

15                         “(III) Public sector employment,  
16                         supervised work experience, or super-  
17                         vised community service.

18                         “(IV) On-the-job training.

19                         “(V) Job search and placement.

20                         “(VI) Training.

21                         “(VII) Education.

22                         “(VIII) Other activities directed  
23                         at the purposes of this part, as speci-  
24                         fied in the State plan submitted pur-  
25                         suant to section 402.”;



1           (6) in clause (xii), by inserting “and progress  
2           toward universal engagement” after “participation  
3           rates”;

4           (7) in clause (xiii), by striking “type and” be-  
5           fore “amount of assistance”;

6           (8) in clause (xvi), by striking subclause (II)  
7           and redesignating subclauses (III) through (V) as  
8           subclauses (II) through (IV), respectively; and

9           (9) by adding at the end the following:

10                   “(xviii) The date the family first re-  
11                   ceived assistance from the State program  
12                   on the basis of the most recent application  
13                   for such assistance.

14                   “(xix) Whether a self-sufficiency plan  
15                   is established for the family in accordance  
16                   with section 408(b).

17                   “(xx) With respect to any child in the  
18                   family, the marital status of the parents at  
19                   the birth of the child, and if the parents  
20                   were not then married, whether the pater-  
21                   nity of the child has been established.”.

22           (b) USE OF SAMPLES.—Section 411(a)(1)(B) (42  
23           U.S.C. 611(a)(1)(B)) is amended—

24                   (1) in clause (i)—

1                   (A) by striking “a sample” and inserting  
2                   “samples”; and

3                   (B) by inserting before the period “; except  
4                   that the Secretary may designate core data ele-  
5                   ments that must be reported on all families”;  
6                   and

7                   (2) in clause (ii), by striking “funded under this  
8                   part” and inserting “described in subparagraph  
9                   (A)”.  
10

(c) REPORT ON FAMILIES THAT BECOME INELI-  
11 GIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42  
12 U.S.C. 611(a)) is amended—

13                   (1) by striking paragraph (5);

14                   (2) by redesignating paragraph (6) as para-  
15                   graph (5); and

16                   (3) by inserting after paragraph (5) (as so re-  
17                   designated) the following:

18                   “(6) REPORT ON FAMILIES THAT BECOME IN-  
19                   ELIGIBLE TO RECEIVE ASSISTANCE.—The report re-  
20                   quired by paragraph (1) for a fiscal quarter shall in-  
21                   clude for each month in the quarter the number of  
22                   families and total number of individuals that, during  
23                   the month, became ineligible to receive assistance  
24                   under the State program funded under this part  
25                   (broken down by the number of families that become

1 so ineligible due to earnings, changes in family com-  
 2 position that result in increased earnings, sanctions,  
 3 time limits, or other specified reasons).”.

4 (d) REGULATIONS.—Section 411(a)(7) (42 U.S.C.  
 5 611(a)(7)) is amended—

6 (1) by inserting “and to collect the necessary  
 7 data” before “with respect to which reports”;

8 (2) by striking “subsection” and inserting “sec-  
 9 tion”; and

10 (3) by striking “in defining the data elements”  
 11 and all that follows and inserting “, the National  
 12 Governors’ Association, the American Public Human  
 13 Services Association, the National Conference of  
 14 State Legislatures, and others in defining the data  
 15 elements.”.

16 (e) ADDITIONAL REPORTS BY STATES.—Section 411  
 17 (42 U.S.C. 611) is amended—

18 (1) by redesignating subsection (b) as sub-  
 19 section (e); and

20 (2) by inserting after subsection (a) the fol-  
 21 lowing:

22 “(b) ANNUAL REPORTS ON PROGRAM CHARACTERIS-  
 23 TICS.—Not later than 90 days after the end of fiscal year  
 24 2004 and each succeeding fiscal year, each eligible State  
 25 shall submit to the Secretary a report on the characteris-

1 ties of the State program funded under this part and other  
 2 State programs funded with qualified State expenditures  
 3 (as defined in section 409(a)(7)(B)(i)). The report shall  
 4 include, with respect to each such program, the program  
 5 name, a description of program activities, the program  
 6 purpose, the program eligibility criteria, the sources of  
 7 program funding, the number of program beneficiaries,  
 8 sanction policies, and any program work requirements.

9       “(c) MONTHLY REPORTS ON CASELOAD.—Not later  
 10 than 3 months after the end of a calendar month that  
 11 begins 1 year or more after the enactment of this sub-  
 12 section, each eligible State shall submit to the Secretary  
 13 report on the number of families and total number of indi-  
 14 viduals receiving assistance in the calendar month under  
 15 the State program funded under this part.

16       “(d) ANNUAL REPORT ON PERFORMANCE IMPROVE-  
 17 MENT.—Beginning with fiscal year 2004, not later than  
 18 January 1 of each fiscal year, each eligible State shall sub-  
 19 mit to the Secretary a report on achievement and improve-  
 20 ment during the preceding fiscal year under the numerical  
 21 performance goals and measures under the State program  
 22 funded under this part with respect to each of the matters  
 23 described in section 402(a)(1)(A)(v).”.

1       (f) ANNUAL REPORTS TO CONGRESS BY THE SEC-  
 2 RETARY.—Section 411(e), as so redesignated by sub-  
 3 section (e) of this section, is amended—

4           (1) in the matter preceding paragraph (1), by  
 5 striking “and each fiscal year thereafter” and insert-  
 6 ing “and by July 1 of each fiscal year thereafter”;

7           (2) in paragraph (2), by striking “families ap-  
 8 plying for assistance,” and by striking the last  
 9 comma; and

10          (3) in paragraph (3), by inserting “and other  
 11 programs funded with qualified State expenditures  
 12 (as defined in section 409(a)(7)(B)(i))” before the  
 13 semicolon.

14       (g) INCREASED ANALYSIS OF STATE SINGLE AUDIT  
 15 REPORTS.—Section 411 (42 U.S.C. 611) is amended by  
 16 adding at the end the following:

17       “(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT  
 18 REPORTS.—

19           “(1) IN GENERAL.—Within 3 months after a  
 20 State submits to the Secretary a report pursuant to  
 21 section 7502(a)(1)(A) of title 31, United States  
 22 Code, the Secretary shall analyze the report for the  
 23 purpose of identifying the extent and nature of prob-  
 24 lems related to the oversight by the State of non-  
 25 governmental entities with respect to contracts en-

tered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

“(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (a) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.”.

**SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.**

(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by striking “1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”.

(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking “1997, 1998, 1999, 2000, 2001, and 2002” and inserting “2003 through 2007”.

1 **SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**  
2 **IES.**

3 (a) SECRETARY'S FUND FOR RESEARCH, DEM-  
4 ONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section  
5 413 (42 U.S.C. 613), as amended by section 112(e) of  
6 this Act, is further amended by adding at the end the fol-  
7 lowing:

8 “(1) FUNDING FOR RESEARCH, DEMONSTRATIONS,  
9 AND TECHNICAL ASSISTANCE.—

10 “(1) IN GENERAL.—Out of any money in the  
11 Treasury of the United States not otherwise appro-  
12 priated, there are appropriated \$102,000,000 for  
13 each of fiscal years 2003 through 2007, which shall  
14 be available to the Secretary for the purpose of con-  
15 ducting and supporting research and demonstration  
16 projects by public or private entities, and providing  
17 technical assistance to States, Indian tribal organi-  
18 zations, and such other entities as the Secretary  
19 may specify that are receiving a grant under this  
20 part, which shall be expended primarily on activities  
21 described in section 403(a)(2)(B), and which shall  
22 be in addition to any other funds made available  
23 under this part.

24 “(2) SET ASIDE FOR DEMONSTRATION  
25 PROJECTS FOR COORDINATION OF PROVISION OF

1 CHILD WELFARE AND TANF SERVICES TO TRIBAL  
2 FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

3 “(A) IN GENERAL.—Of the amounts made  
4 available under paragraph (1) for a fiscal year,  
5 \$2,000,000 shall be awarded on a competitive  
6 basis to fund demonstration projects designed  
7 to test the effectiveness of tribal governments  
8 or tribal consortia in coordinating the provision  
9 to tribal families at risk of child abuse or ne-  
10 glect of child welfare services and services  
11 under tribal programs funded under this part.

12 “(B) USE OF FUNDS.—A grant made to  
13 such a project shall be used—

14 “(i) to improve case management for  
15 families eligible for assistance from such a  
16 tribal program;

17 “(ii) for supportive services and as-  
18 sistance to tribal children in out-of-home  
19 placements and the tribal families caring  
20 for such children, including families who  
21 adopt such children; and

22 “(iii) for prevention services and as-  
23 sistance to tribal families at risk of child  
24 abuse and neglect.



1           “(C) REPORTS.—The Secretary may re-  
 2           quire a recipient of funds awarded under this  
 3           paragraph to provide the Secretary with such  
 4           information as the Secretary deems relevant to  
 5           enable the Secretary to facilitate and oversee  
 6           the administration of any project for which  
 7           funds are provided under this paragraph.”.

8           (b) FUNDING OF STUDIES AND DEMONSTRATIONS.—  
 9           Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in  
 10          the matter preceding subparagraph (A) by striking “1997  
 11          through 2002” and inserting “2003 through 2007”.

12          (c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDA-  
 13          VITS OF SUPPORT AND SPONSOR DEEMING.—Not later  
 14          than March 31, 2004, the Secretary of Health and Human  
 15          Services, in consultation with the Attorney General, shall  
 16          submit to the Congress a report on the enforcement of  
 17          affidavits of support and sponsor deeming as required by  
 18          section 421, 422, and 432 of the Personal Responsibility  
 19          and Work Opportunity Reconciliation Act of 1996.

20          (d) REPORT ON COORDINATION.—Not later than 6  
 21          months after the date of the enactment of this Act, the  
 22          Secretary of Health and Human Services and the Sec-  
 23          retary of Labor shall jointly submit a report to the Con-  
 24          gress describing common or conflicting data elements,  
 25          definitions, performance measures, and reporting require-

1 ments in the Workforce Investment Act of 1998 and part  
 2 A of title IV of the Social Security Act, and, to the degree  
 3 each Secretary deems appropriate, at the discretion of ei-  
 4 ther Secretary, any other program administered by the re-  
 5 spective Secretary, to allow greater coordination between  
 6 the welfare and workforce development systems.

7 **SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GEN-**  
 8 **ERAL ACCOUNTING OFFICE.**

9 (a) CENSUS BUREAU STUDY.—

10 (1) IN GENERAL.—Section 414(a) (42 U.S.C.  
 11 614(a)) is amended to read as follows:

12 “(a) IN GENERAL.—The Bureau of the Census shall  
 13 implement a new longitudinal survey of program dynam-  
 14 ics, developed in consultation with the Secretary and made  
 15 available to interested parties, to allow for the assessment  
 16 of the outcomes of continued welfare reform on the eco-  
 17 nomic and child well-being of low-income families with  
 18 children, including those who received assistance or serv-  
 19 ices from a State program funded under this part, and,  
 20 to the extent possible, shall provide State representative  
 21 samples. The content of the survey should include such  
 22 information as may be necessary to examine the issues of  
 23 out-of-wedlock childbearing, marriage, welfare dependency  
 24 and compliance with work requirements, the beginning

1 and ending of spells of assistance, work, earnings and em-  
 2 ployment stability, and the well-being of children.”.

3           ~~(2)~~ APPROPRIATION.—Section 414(b) ~~(42~~  
 4 U.S.C. 614(b)) is amended by striking “1996,” and  
 5 all that follows through “2002” and inserting “2003  
 6 through 2007”.

7           ~~(b)~~ GAO STUDY.—

8           ~~(1)~~ IN GENERAL.—The Comptroller General of  
 9 the United States shall conduct a study to determine  
 10 the combined effect of the phase-out rates for Fed-  
 11 eral programs and policies which provide support to  
 12 low-income families and individuals as they move  
 13 from welfare to work, at all earning levels up to  
 14 \$35,000 per year, for at least 5 States including  
 15 Wisconsin and California, and any potential dis-  
 16 incentives the combined phase-out rates create for  
 17 families to achieve independence or to marry.

18           ~~(2)~~ REPORT.—Not later than 1 year after the  
 19 date of the enactment of this subsection, the Com-  
 20 ptroller General shall submit a report to Congress  
 21 containing the results of the study conducted under  
 22 this section and, as appropriate, any recommenda-  
 23 tions consistent with the results.

1 **SEC. 117. DEFINITION OF ASSISTANCE.**

2       (a) ~~IN GENERAL.~~—Section 419 (42 U.S.C. 619) is  
3 amended by adding at the end the following:

4           “(6) ASSISTANCE.—

5               “(A) ~~IN GENERAL.~~—The term ‘assistance’  
6 means payment, by cash, voucher, or other  
7 means, to or for an individual or family for the  
8 purpose of meeting a subsistence need of the in-  
9 dividual or family (including food, clothing,  
10 shelter, and related items, but not including  
11 costs of transportation or child care).

12               “(B) ~~EXCEPTION.~~—The term ‘assistance’  
13 does not include a payment described in sub-  
14 paragraph (A) to or for an individual or family  
15 on a short-term, nonrecurring basis (as defined  
16 by the State in accordance with regulations pre-  
17 scribed by the Secretary).”.

18       (b) ~~CONFORMING AMENDMENTS.~~—

19           (1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is  
20 amended by striking “assistance” and inserting  
21 “aid”.

22           (2) Section 404(f) (42 U.S.C. 604(f)) is amend-  
23 ed by striking “assistance” and inserting “benefits  
24 or services”.

1           ~~(3)~~ Section 408(a)(5)(B)(i) ~~(42 U.S.C.~~  
 2           ~~608(a)(5)(B)(i))~~ is amended in the heading by strik-  
 3           ing “ASSISTANCE” and inserting “AID”.

4           ~~(4)~~ Section 413(d)(2) ~~(42 U.S.C. 613(d)(2))~~ is  
 5           amended by striking “assistance” and inserting  
 6           “aid”.

7 **SEC. 118. TECHNICAL CORRECTIONS.**

8           ~~(a)~~ Section 409(e)(2) ~~(42 U.S.C. 609(e)(2))~~ is  
 9           amended by inserting a comma after “appropriate”.

10          ~~(b)~~ Section 411(a)(1)(A)(ii)(III) ~~(42 U.S.C.~~  
 11          ~~611(a)(1)(A)(ii)(III))~~ is amended by striking the last close  
 12          parenthesis.

13          ~~(c)~~ Section 413(j)(2)(A) ~~(42 U.S.C. 613(j)(2)(A))~~ is  
 14          amended by striking “section” and inserting “sections”.

15          ~~(d)(1)~~ Section 413 ~~(42 U.S.C. 613)~~ is amended by  
 16          striking subsection ~~(g)~~ and redesignating subsections ~~(h)~~  
 17          through ~~(j)~~ and subsections ~~(k)~~ and ~~(l)~~ (as added by sec-  
 18          tions 112(e) and 115(a) of this Act, respectively) as sub-  
 19          sections ~~(g)~~ through ~~(k)~~, respectively.

20          ~~(2)~~ Each of the following provisions is amended by  
 21          striking “413(j)” and inserting “413(i)”.

22                 ~~(A)~~ Section 403(a)(5)(A)(ii)(III) ~~(42 U.S.C.~~  
 23                 ~~603(a)(5)(A)(ii)(III))~~.

24                 ~~(B)~~ Section 403(a)(5)(F) ~~(42 U.S.C.~~  
 25                 ~~603(a)(5)(F))~~.

1           ~~(C) Section 403(a)(5)(G)(ii) (42 U.S.C.~~  
 2           ~~603(a)(5)(G)(ii)).~~

3           ~~(D) Section 412(a)(3)(B)(iv) (42 U.S.C.~~  
 4           ~~612(a)(3)(B)(iv)).~~

5 **SEC. 119. FATHERHOOD PROGRAM.**

6           ~~(a) SHORT TITLE.—This section may be cited as the~~  
 7           ~~“Promotion and Support of Responsible Fatherhood and~~  
 8           ~~Healthy Marriage Act of 2002”.~~

9           ~~(b) FATHERHOOD PROGRAM.—~~

10           ~~(1) IN GENERAL.—Title I of the Personal Re-~~  
 11           ~~sponsibility and Work Opportunity Reconciliation~~  
 12           ~~Act of 1996 (Public Law 104–193) is amended by~~  
 13           ~~adding at the end the following:~~

14 **“SEC. 117. FATHERHOOD PROGRAM.**

15           ~~“(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b)~~  
 16           ~~is amended by inserting after part B the following:~~

17           ~~**“PART C—FATHERHOOD PROGRAM**~~

18 ~~**“SEC. 441. FINDINGS AND PURPOSES.**~~

19           ~~“(a) FINDINGS.—The Congress finds that there is~~  
 20           ~~substantial evidence strongly indicating the urgent need~~  
 21           ~~to promote and support involved, committed, and respon-~~  
 22           ~~sible fatherhood, and to encourage and support healthy~~  
 23           ~~marriages between parents raising children, including data~~  
 24           ~~demonstrating the following:~~

1           ~~‘(1) In approximately 90 percent of cases where~~  
2           ~~a parent is absent, that parent is the father.~~

3           ~~‘(2) By some estimates, 60 percent of children~~  
4           ~~born in the 1990’s will spend a significant portion~~  
5           ~~of their childhood in a home without a father.~~

6           ~~‘(3) Nearly 75 percent of children in single-par-~~  
7           ~~ent homes will experience poverty before they are 11~~  
8           ~~years old, compared with only 20 percent of children~~  
9           ~~in 2-parent families.~~

10          ~~‘(4) Low income is positively correlated with~~  
11          ~~children’s difficulties with education, social adjust-~~  
12          ~~ment, and delinquency, and single-parent households~~  
13          ~~constitute a disproportionate share of low-income~~  
14          ~~households.~~

15          ~~‘(5) Where families (whether intact or with a~~  
16          ~~parent absent) are living in poverty, a significant~~  
17          ~~factor is the father’s lack of job skills.~~

18          ~~‘(6) Children raised in 2-parent married fami-~~  
19          ~~lies, on average, fare better as a group in key areas,~~  
20          ~~including better school performance, reduced rates of~~  
21          ~~substance abuse, crime, and delinquency, fewer~~  
22          ~~health, emotional, and behavioral problems, lower~~  
23          ~~rates of teenage sexual activity, less risk of abuse or~~  
24          ~~neglect, and lower risk of teen suicide.~~

1           ‘(7) Committed and responsible fathering dur-  
2           ing infancy and early childhood contributes to the  
3           development of emotional security, curiosity, and  
4           math and verbal skills.

5           ‘(8) An estimated 24,000,000 children (33.5  
6           percent) live apart from their biological father.

7           ‘(9) A recent national survey indicates that of  
8           all children under age 18 not living with their bio-  
9           logical father, 29 percent had not seen their father  
10          even once in the last 12 months.

11          ‘(b) PURPOSES.—The purposes of this part are:

12           ‘(1) To provide for projects and activities by  
13           public entities and by nonprofit community entities,  
14           including religious organizations, designed to test  
15           promising approaches to accomplishing the following  
16           objectives:

17           ‘(A) Promoting responsible, caring, and ef-  
18           fective parenting through counseling, men-  
19           toring, and parenting education; dissemination  
20           of educational materials and information on  
21           parenting skills; encouragement of positive fa-  
22           ther involvement, including the positive involve-  
23           ment of nonresident fathers, and other meth-  
24           ods.



1           ~~“(B) Enhancing the abilities and commit-~~  
2           ~~ment of unemployed or low-income fathers to~~  
3           ~~provide material support for their families and~~  
4           ~~to avoid or leave welfare programs by assisting~~  
5           ~~them to take full advantage of education, job~~  
6           ~~training, and job search programs, to improve~~  
7           ~~work habits and work skills, to secure career~~  
8           ~~advancement by activities such as outreach and~~  
9           ~~information dissemination, coordination, as ap-~~  
10          ~~propriate, with employment services and job~~  
11          ~~training programs, including the One-Stop de-~~  
12          ~~livery system established under title I of the~~  
13          ~~Workforce Investment Act of 1998, encourage-~~  
14          ~~ment and support of timely payment of current~~  
15          ~~child support and regular payment toward past~~  
16          ~~due child support obligations in appropriate~~  
17          ~~cases, and other methods.~~

18          ~~“(C) Improving fathers’ ability to effee-~~  
19          ~~tively manage family business affairs by means~~  
20          ~~such as education, counseling, and mentoring in~~  
21          ~~matters including household management,~~  
22          ~~budgeting, banking, and handling of financial~~  
23          ~~transactions, time management, and home~~  
24          ~~maintenance.~~

1           ~~‘(D) Encouraging and supporting healthy~~  
2           marriages and married fatherhood through such  
3           activities as premarital education, including the  
4           use of premarital inventories, marriage prepara-  
5           tion programs, skills-based marriage education  
6           programs, marital therapy, couples counseling,  
7           divorce education and reduction programs, di-  
8           vorce mediation and counseling, relationship  
9           skills enhancement programs, including those  
10          designed to reduce child abuse and domestic vi-  
11          olence, and dissemination of information about  
12          the benefits of marriage for both parents and  
13          children.

14          ~~‘(2) Through the projects and activities de-~~  
15          scribed in paragraph (1), to improve outcomes for  
16          children with respect to measures such as increased  
17          family income and economic security, improved  
18          school performance, better health, improved emo-  
19          tional and behavioral stability and social adjustment,  
20          and reduced risk of delinquency, crime, substance  
21          abuse, child abuse and neglect, teen sexual activity,  
22          and teen suicide.

23          ~~‘(3) To evaluate the effectiveness of various ap-~~  
24          proaches and to disseminate findings concerning out-  
25          comes and other information in order to encourage

1 and facilitate the replication of effective approaches  
2 to accomplishing these objectives.

3 **~~SEC. 442. DEFINITIONS.~~**

4 ~~‘In this part, the terms “Indian tribe” and “tribal~~  
5 ~~organization” have the meanings given them in sub-~~  
6 ~~sections (c) and (1), respectively, of section 4 of the Indian~~  
7 ~~Self-Determination and Education Assistance Act.~~

8 **~~SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.~~**

9 ~~‘(a) IN GENERAL.—The Secretary may make grants~~  
10 ~~for fiscal years 2003 through 2007 to public and nonprofit~~  
11 ~~community entities, including religious organizations, and~~  
12 ~~to Indian tribes and tribal organizations, for demonstra-~~  
13 ~~tion service projects and activities designed to test the ef-~~  
14 ~~fectiveness of various approaches to accomplish the objec-~~  
15 ~~tives specified in section 441(b)(1).~~

16 ~~‘(b) ELIGIBILITY CRITERIA FOR FULL SERVICE~~  
17 ~~GRANTS.—In order to be eligible for a grant under this~~  
18 ~~section, except as specified in subsection (c), an entity~~  
19 ~~shall submit an application to the Secretary containing the~~  
20 ~~following:~~

21 ~~‘(1) PROJECT DESCRIPTION.—A statement~~  
22 ~~including—~~

23 ~~‘(A) a description of the project and how~~  
24 ~~it will be carried out, including the geographical~~  
25 ~~area to be covered and the number and charac-~~

1           teristics of clients to be served, and how it will  
 2           address each of the 4 objectives specified in sec-  
 3           tion 441(b)(1); and

4           ‘(B) a description of the methods to be  
 5           used by the entity or its contractor to assess  
 6           the extent to which the project was successful  
 7           in accomplishing its specific objectives and the  
 8           general objectives specified in section 441(b)(1).

9           ‘(2) EXPERIENCE AND QUALIFICATIONS.—A  
 10          demonstration of ability to carry out the project, by  
 11          means such as demonstration of experience in suc-  
 12          cessfully carrying out projects of similar design and  
 13          scope, and such other information as the Secretary  
 14          may find necessary to demonstrate the entity’s ca-  
 15          pacity to carry out the project, including the entity’s  
 16          ability to provide the non-Federal share of project  
 17          resources.

18          ‘(3) ADDRESSING CHILD ABUSE AND NEGLECT  
 19          AND DOMESTIC VIOLENCE.—A description of how  
 20          the entity will assess for the presence of, and inter-  
 21          vene to resolve, domestic violence and child abuse  
 22          and neglect, including how the entity will coordinate  
 23          with State and local child protective service and do-  
 24          mestic violence programs.

1           ‘(4) ADDRESSING CONCERNS RELATING TO  
2           SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-  
3           mitment to make available to each individual partici-  
4           pating in the project education about alcohol, to-  
5           bacco, and other drugs, and about the health risks  
6           associated with abusing such substances, and infor-  
7           mation about diseases and conditions transmitted  
8           through substance abuse and sexual contact, includ-  
9           ing HIV/AIDS, and to coordinate with providers of  
10          services addressing such problems, as appropriate.

11          ‘(5) COORDINATION WITH SPECIFIED PRO-  
12          GRAMS.—An undertaking to coordinate, as appro-  
13          priate, with State and local entities responsible for  
14          the programs under parts A, B, and D of this title,  
15          including programs under title I of the Workforce  
16          Investment Act of 1998 (including the One-Stop de-  
17          livery system), and such other programs as the Sec-  
18          retary may require.

19          ‘(6) RECORDS, REPORTS, AND AUDITS.—An  
20          agreement to maintain such records, make such re-  
21          ports, and cooperate with such reviews or audits as  
22          the Secretary may find necessary for purposes of  
23          oversight of project activities and expenditures.

24          ‘(7) SELF-INITIATED EVALUATION.—If the enti-  
25          ty elects to contract for independent evaluation of

1 the project (part or all of the cost of which may be  
2 paid for using grant funds), a commitment to sub-  
3 mit to the Secretary a copy of the evaluation report  
4 within 30 days after completion of the report and  
5 not more than 1 year after completion of the project.

6 ~~‘(8) COOPERATION WITH SECRETARY’S OVER-~~  
7 ~~SIGHT AND EVALUATION.—An agreement to cooper-~~  
8 ~~ate with the Secretary’s evaluation of projects as-~~  
9 ~~sisted under this section, by means including ran-~~  
10 ~~dom assignment of clients to service recipient and~~  
11 ~~control groups, if determined by the Secretary to be~~  
12 ~~appropriate, and affording the Secretary access to~~  
13 ~~the project and to project-related records and docu-~~  
14 ~~ments, staff, and clients.~~

15 ~~‘(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE~~  
16 ~~GRANTS.—In order to be eligible for a grant under this~~  
17 ~~section in an amount under \$25,000 per fiscal year, an~~  
18 ~~entity shall submit an application to the Secretary con-~~  
19 ~~taining the following:~~

20 ~~‘(1) PROJECT DESCRIPTION.—A description of~~  
21 ~~the project and how it will be carried out, including~~  
22 ~~the number and characteristics of clients to be~~  
23 ~~served, the proposed duration of the project, and~~  
24 ~~how it will address at least 1 of the 4 objectives~~  
25 ~~specified in section 441(b)(1).~~

1           ‘(2) QUALIFICATIONS.—Such information as  
2           the Secretary may require as to the capacity of the  
3           entity to carry out the project, including any pre-  
4           vious experience with similar activities.

5           ‘(3) COORDINATION WITH RELATED PRO-  
6           GRAMS.—As required by the Secretary in appro-  
7           priate cases, an undertaking to coordinate and co-  
8           operate with State and local entities responsible for  
9           specific programs relating to the objectives of the  
10          project including, as appropriate, jobs programs and  
11          programs serving children and families.

12          ‘(4) RECORDS, REPORTS, AND AUDITS.—An  
13          agreement to maintain such records, make such re-  
14          ports, and cooperate with such reviews or audits as  
15          the Secretary may find necessary for purposes of  
16          oversight of project activities and expenditures.

17          ‘(5) COOPERATION WITH SECRETARY’S OVER-  
18          SIGHT AND EVALUATION.—An agreement to cooper-  
19          ate with the Secretary’s evaluation of projects as-  
20          sisted under this section, by means including afford-  
21          ing the Secretary access to the project and to  
22          project-related records and documents, staff, and eli-  
23          ents.

24          ‘(d) CONSIDERATIONS IN AWARDING GRANTS.—

1           ‘(1) DIVERSITY OF PROJECTS.—In awarding  
2           grants under this section, the Secretary shall seek to  
3           achieve a balance among entities of differing sizes;  
4           entities in differing geographic areas; entities in  
5           urban and in rural areas; and entities employing dif-  
6           fering methods of achieving the purposes of this sec-  
7           tion, including working with the State agency re-  
8           sponsible for the administration of part D to help fa-  
9           thers satisfy child support arrearage obligations.

10          ‘(2) PREFERENCE FOR PROJECTS SERVING  
11          LOW-INCOME FATHERS.—In awarding grants under  
12          this section, the Secretary may give preference to  
13          applications for projects in which a majority of the  
14          clients to be served are low-income fathers.

15          ‘(c) FEDERAL SHARE.—

16          ‘(1) IN GENERAL.—Grants for a project under  
17          this section for a fiscal year shall be available for a  
18          share of the cost of such project in such fiscal year  
19          equal to—

20                 ‘(A) up to 80 percent (or up to 90 percent,  
21                 if the entity demonstrates to the Secretary’s  
22                 satisfaction circumstances limiting the entity’s  
23                 ability to secure non-Federal resources) in the  
24                 case of a project under subsection (b); and



1           ~~‘(B) up to 100 percent, in the case of a~~  
 2           ~~project under subsection (c).~~

3           ~~‘(2) NON-FEDERAL SHARE.—The non-Federal~~  
 4           ~~share may be in cash or in kind. In determining the~~  
 5           ~~amount of the non-Federal share, the Secretary may~~  
 6           ~~attribute fair market value to goods, services, and~~  
 7           ~~facilities contributed from non-Federal sources.~~

8   **~~SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION~~**  
 9           **~~PROJECTS.~~**

10       ~~‘(a) IN GENERAL.—The Secretary may make grants~~  
 11       ~~under this section for fiscal years 2003 through 2007 to~~  
 12       ~~eligible entities (as specified in subsection (b)) for 2~~  
 13       ~~multicity, multistate projects demonstrating approaches to~~  
 14       ~~achieving the objectives specified in section 441(b)(1). One~~  
 15       ~~of the projects shall test the use of married couples to~~  
 16       ~~deliver program services.~~

17       ~~‘(b) ELIGIBLE ENTITIES.—An entity eligible for a~~  
 18       ~~grant under this section must be a national nonprofit fa-~~  
 19       ~~therhood promotion organization that meets the following~~  
 20       ~~requirements:~~

21           ~~‘(1) EXPERIENCE WITH FATHERHOOD PRO-~~  
 22           ~~GRAMS.—The organization must have substantial ex-~~  
 23           ~~perience in designing and successfully conducting~~  
 24           ~~programs that meet the purposes described in sec-~~  
 25           ~~tion 441.~~

1           ‘(2) EXPERIENCE WITH MULTICITY,  
 2           MULTISTATE PROGRAMS AND GOVERNMENT COORDI-  
 3           NATION.—The organization must have experience in  
 4           simultaneously conducting such programs in more  
 5           than 1 major metropolitan area in more than 1  
 6           State and in coordinating such programs, where ap-  
 7           propriate, with State and local government agencies  
 8           and private, nonprofit agencies (including commu-  
 9           nity-based and religious organizations), including  
 10          State or local agencies responsible for child support  
 11          enforcement and workforce development.

12          ‘(c) APPLICATION REQUIREMENTS.—In order to be  
 13          eligible for a grant under this section, an entity must sub-  
 14          mit to the Secretary an application that includes the fol-  
 15          lowing:

16               ‘(1) QUALIFICATIONS.—

17                   ‘(A) ELIGIBLE ENTITY.—A demonstration  
 18                   that the entity meets the requirements of sub-  
 19                   section (b).

20                   ‘(B) OTHER.—Such other information as  
 21                   the Secretary may find necessary to dem-  
 22                   onstrate the entity’s capacity to carry out the  
 23                   project, including the entity’s ability to provide  
 24                   the non-Federal share of project resources.

1           “(2) PROJECT DESCRIPTION.—A description of  
2           and commitments concerning the project design, in-  
3           cluding the following:

4           “(A) IN GENERAL.—A detailed description  
5           of the proposed project design and how it will  
6           be carried out, which shall—

7           “(i) provide for the project to be con-  
8           ducted in at least 3 major metropolitan  
9           areas;

10          “(ii) state how it will address each of  
11          the 4 objectives specified in section  
12          441(b)(1);

13          “(iii) demonstrate that there is a suffi-  
14          cient number of potential clients to allow  
15          for the random selection of individuals to  
16          participate in the project and for compari-  
17          sons with appropriate control groups com-  
18          posed of individuals who have not partici-  
19          pated in such projects; and

20          “(iv) demonstrate that the project is  
21          designed to direct a majority of project re-  
22          sources to activities serving low-income fa-  
23          thers (but the project need not make serv-  
24          ices available on a means-tested basis).

1           ‘(B) OVERSIGHT, EVALUATION, AND AD-  
2 JUSTMENT COMPONENT.—An agreement that  
3 the entity—

4           ‘(i) in consultation with the evaluator  
5 selected pursuant to section 445, and as  
6 required by the Secretary, will modify the  
7 project design, initially and (if necessary)  
8 subsequently throughout the duration of  
9 the project, in order to facilitate ongoing  
10 and final oversight and evaluation of  
11 project operation and outcomes (by means  
12 including, to the maximum extent feasible,  
13 random assignment of clients to service re-  
14 cipient and control groups), and to provide  
15 for mid-course adjustments in project de-  
16 sign indicated by interim evaluations;

17           ‘(ii) will submit to the Secretary re-  
18 vised descriptions of the project design as  
19 modified in accordance with clause (i); and

20           ‘(iii) will cooperate fully with the Sec-  
21 retary’s ongoing oversight and ongoing and  
22 final evaluation of the project, by means  
23 including affording the Secretary access to  
24 the project and to project-related records  
25 and documents, staff, and clients.

1           ‘(3) ADDRESSING CHILD ABUSE AND NEGLECT  
2           AND DOMESTIC VIOLENCE.—A description of how  
3           the entity will assess for the presence of, and inter-  
4           vene to resolve, domestic violence and child abuse  
5           and neglect, including how the entity will coordinate  
6           with State and local child protective service and do-  
7           mestic violence programs.

8           ‘(4) ADDRESSING CONCERNS RELATING TO  
9           SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-  
10          mitment to make available to each individual partici-  
11          pating in the project education about alcohol, to-  
12          bacco, and other drugs, and about the health risks  
13          associated with abusing such substances, and infor-  
14          mation about diseases and conditions transmitted  
15          through substance abuse and sexual contact, includ-  
16          ing HIV/AIDS, and to coordinate with providers of  
17          services addressing such problems, as appropriate.

18          ‘(5) COORDINATION WITH SPECIFIED PRO-  
19          GRAMS.—An undertaking to coordinate, as appro-  
20          priate, with State and local entities responsible for  
21          the programs funded under parts A, B, and D of  
22          this title, programs under title I of the Workforce  
23          Investment Act of 1998 (including the One-Stop de-  
24          livery system), and such other programs as the Sec-  
25          retary may require.

1           ‘(6) RECORDS, REPORTS, AND AUDITS.—An  
 2           agreement to maintain such records, make such re-  
 3           ports, and cooperate with such reviews or audits (in  
 4           addition to those required under the preceding provi-  
 5           sions of paragraph (2)) as the Secretary may find  
 6           necessary for purposes of oversight of project activi-  
 7           ties and expenditures.

8           ‘(d) FEDERAL SHARE.—

9           ‘(1) IN GENERAL.—Grants for a project under  
 10          this section for a fiscal year shall be available for up  
 11          to 80 percent of the cost of such project in such fis-  
 12          cal year.

13          ‘(2) NON-FEDERAL SHARE.—The non-Federal  
 14          share may be in cash or in kind. In determining the  
 15          amount of the non-Federal share, the Secretary may  
 16          attribute fair market value to goods, services, and  
 17          facilities contributed from non-Federal sources.

18   **‘SEC. 445. EVALUATION.**

19          ‘(a) IN GENERAL.—The Secretary, directly or by con-  
 20          tract or cooperative agreement, shall evaluate the effec-  
 21          tiveness of service projects funded under sections 443 and  
 22          444 from the standpoint of the purposes specified in sec-  
 23          tion 441(b)(1).

24          ‘(b) EVALUATION METHODOLOGY.—Evaluations  
 25          under this section shall—

1           ~~‘(1) include, to the maximum extent feasible,~~  
 2           ~~random assignment of clients to service delivery and~~  
 3           ~~control groups and other appropriate comparisons of~~  
 4           ~~groups of individuals receiving and not receiving~~  
 5           ~~services;~~

6           ~~‘(2) describe and measure the effectiveness of~~  
 7           ~~the projects in achieving their specific project goals;~~  
 8           ~~and~~

9           ~~‘(3) describe and assess, as appropriate, the im-~~  
 10           ~~pact of such projects on marriage, parenting, domes-~~  
 11           ~~tie violence, child abuse and neglect, money manage-~~  
 12           ~~ment, employment and earnings, payment of child~~  
 13           ~~support, and child well-being, health, and education.~~

14          ~~‘(c) EVALUATION REPORTS.—The Secretary shall~~  
 15          ~~publish the following reports on the results of the evalua-~~  
 16          ~~tion.~~

17               ~~‘(1) An implementation evaluation report cov-~~  
 18               ~~ering the first 24 months of the activities under this~~  
 19               ~~part to be completed by 36 months after initiation~~  
 20               ~~of such activities.~~

21               ~~‘(2) A final report on the evaluation to be com-~~  
 22               ~~pleted by September 30, 2010.~~

23   ~~**‘SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**~~

24           ~~‘The Secretary is authorized, by grant, contract, or~~  
 25          ~~cooperative agreement, to carry out projects and activities~~

1 of national significance relating to fatherhood promotion;  
2 including—

3       ~~‘(1) COLLECTION AND DISSEMINATION OF IN-~~  
4       ~~FORMATION.—Assisting States, communities, and~~  
5       ~~private entities, including religious organizations, in~~  
6       ~~efforts to promote and support marriage and respon-~~  
7       ~~sible fatherhood by collecting, evaluating, developing,~~  
8       ~~and making available (through the Internet and by~~  
9       ~~other means) to all interested parties information re-~~  
10      ~~garding approaches to accomplishing the objectives~~  
11      ~~specified in section 441(b)(1).~~

12      ~~‘(2) MEDIA CAMPAIGN.—Developing, promoting,~~  
13      ~~and distributing to interested States, local govern-~~  
14      ~~ments, public agencies, and private nonprofit organi-~~  
15      ~~zations, including charitable and religious organiza-~~  
16      ~~tions, a media campaign that promotes and encour-~~  
17      ~~ages involved, committed, and responsible fatherhood~~  
18      ~~and married fatherhood.~~

19      ~~‘(3) TECHNICAL ASSISTANCE.—Providing tech-~~  
20      ~~nical assistance, including consultation and training,~~  
21      ~~to public and private entities, including community~~  
22      ~~organizations and faith-based organizations, in the~~  
23      ~~implementation of local fatherhood promotion pro-~~  
24      ~~grams.~~



1           ~~“(4) RESEARCH.—Conducting research related~~  
 2           ~~to the purposes of this part.~~

3   ~~“SEC. 447. NONDISCRIMINATION.~~

4           ~~“The projects and activities assisted under this part~~  
 5   ~~shall be available on the same basis to all fathers and ex-~~  
 6   ~~pectant fathers able to benefit from such projects and ac-~~  
 7   ~~tivities, including married and unmarried fathers and cus-~~  
 8   ~~todial and noncustodial fathers, with particular attention~~  
 9   ~~to low-income fathers, and to mothers and expectant~~  
 10   ~~mothers on the same basis as to fathers.~~

11   ~~“SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RES-~~  
 12           ~~ERVATION FOR CERTAIN PURPOSE.~~

13           ~~“(a) AUTHORIZATION.—There are authorized to be~~  
 14   ~~appropriated \$20,000,000 for each of fiscal years 2003~~  
 15   ~~through 2007 to carry out the provisions of this part.~~

16           ~~“(b) RESERVATION.—Of the amount appropriated~~  
 17   ~~under this section for each fiscal year, not more than 15~~  
 18   ~~percent shall be available for the costs of the multicity,~~  
 19   ~~multicounty, multistate demonstration projects under sec-~~  
 20   ~~tion 444, evaluations under section 445, and projects of~~  
 21   ~~national significance under section 446.’.~~

22           ~~“(b) INAPPLICABILITY OF EFFECTIVE DATE PROVI-~~  
 23   ~~SIONS.—Section 116 shall not apply to the amendment~~  
 24   ~~made by subsection (a) of this section.’.”.~~

1           (2) CLERICAL AMENDMENT.—Section 2 of such  
 2       Act is amended in the table of contents by inserting  
 3       after the item relating to section 116 the following  
 4       new item:

“Sec. 117. Fatherhood program.”.

5   **SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MAN-**  
 6                           **DATORY PARTNERS WITH ONE-STOP EMPLOY-**  
 7                           **MENT TRAINING CENTERS.**

8       Section 408 of the Social Security Act (42 U.S.C.  
 9   608) is amended by adding at the end the following:

10      “(h) STATE OPTION TO MAKE TANF PROGRAMS  
 11   MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT  
 12   TRAINING CENTERS.—For purposes of section 121(b) of  
 13   the Workforce Investment Act of 1998, a State program  
 14   funded under part A of title IV of the Social Security Act  
 15   shall be considered a program referred to in paragraph  
 16   (1)(B) of such section, unless, after the date of the enact-  
 17   ment of this subsection, the Governor of the State notifies  
 18   the Secretaries of Health and Human Services and Labor  
 19   in writing of the decision of the Governor not to make  
 20   the State program a mandatory partner.”.

21   **SEC. 121. SENSE OF THE CONGRESS.**

22       It is the sense of the Congress that a State welfare-  
 23   to-work program should include a mentoring program.

## 1                   **TITLE II—CHILD CARE**

### 2   **SEC. 201. SHORT TITLE.**

3           This title may be cited as the “Caring for Children  
4 Act of 2002”.

### 5   **SEC. 202. GOALS.**

6           (a) GOALS.—Section 658A(b) of the Child Care and  
7 Development Block Grant Act of 1990 (42 U.S.C. 9801  
8 note) is amended—

9                   (1) in paragraph (3) by striking “encourage”  
10           and inserting “assist”;

11                   (2) by amending paragraph (4) to read as fol-  
12           lows:

13                   “(4) to assist State to provide child care to low-  
14           income parents;”;

15                   (3) by redesignating paragraph (5) as para-  
16           graph (7); and

17                   (4) by inserting after paragraph (4) the fol-  
18           lowing:

19                   “(5) to encourage States to improve the quality  
20           of child care available to families;

21                   “(6) to promote school readiness by encour-  
22           aging the exposure of young children in child care to  
23           nurturing environments and developmentally-appro-  
24           priate activities, including activities to foster early  
25           cognitive and literacy development; and”.

1           (b)           CONFORMING           AMENDMENT.—Section  
 2   658E(e)(3)(B) of the Child Care and Development Block  
 3   Grant Act of 1990 (42 U.S.C. 9858e(e)(3)(B)) is amended  
 4   by striking “through (5)” and inserting “through (7)”.

5   **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

6           Section 658B of the Child Care and Development  
 7   Block Grant Act of 1990 (42 U.S.C. 9858) is amended—  
 8           (1) by striking “is” and inserting “are”, and  
 9           (2) by striking “\$1,000,000,000 for each of the  
 10   fiscal years 1996 through 2002” and inserting  
 11   “\$2,300,000,000 for fiscal year 2003,  
 12   \$2,500,000,000 for fiscal year 2004,  
 13   \$2,700,000,000 for fiscal year 2005,  
 14   \$2,900,000,000 for fiscal year 2006, and  
 15   \$3,100,000,000 for fiscal year 2007”.

16   **SEC. 204. APPLICATION AND PLAN.**

17           Section 658E(e)(2) of the Child Care and Develop-  
 18   ment Block Grant Act of 1990 (42 U.S.C. 9858C(e)(2))  
 19   is amended—  
 20           (1) by amending subparagraph (D) to read as  
 21   follows:

22                       “(D) CONSUMER AND CHILD CARE PRO-  
 23                       VIDER EDUCATION INFORMATION.—Certify that  
 24                       the State will collect and disseminate, through  
 25                       resource and referral services and other means

1 as determined by the State, to parents of eligi-  
2 ble children, child care providers, and the gen-  
3 eral public, information regarding—

4 “(i) the promotion of informed child  
5 care choices, including information about  
6 the quality and availability of child care  
7 services;

8 “(ii) research and best practices on  
9 children’s development, including early cog-  
10 nitive development;

11 “(iii) the availability of assistance to  
12 obtain child care services; and

13 “(iv) other programs for which fami-  
14 lies that receive child care services for  
15 which financial assistance is provided  
16 under this subchapter may be eligible, in-  
17 cluding the food stamp program, the WIC  
18 program under section 17 of the Child Nu-  
19 trition Act of 1966, the child and adult  
20 care food program under section 17 of the  
21 Richard B. Russell National School Lunch  
22 Act, and the medicaid and CHIP programs  
23 under titles XIX and XXI of the Social Se-  
24 curity Act.”, and

(2) by inserting after subparagraph (H) the following:

“(I) COORDINATION WITH OTHER EARLY CHILD CARE SERVICES AND EARLY CHILDHOOD EDUCATION PROGRAMS.—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start, Early Reading First, Even Start, Ready-To-Learn Television, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education without displacing services provided by the current early care and education delivery system.

“(J) PUBLIC-PRIVATE PARTNERSHIPS.—Demonstrate how the State encourages partnerships with private and other public entities to leverage existing service delivery systems of early childhood education and increase the supply and quality of child care services.

“(K) CHILD CARE SERVICE QUALITY.—

“(i) CERTIFICATION.—For each fiscal year after fiscal year 2003, certify that during the then preceding fiscal year the State was in compliance with section 658G

1 and describe how funds were used to com-  
2 ply with such section during such pre-  
3 ceeding fiscal year.

4 “(ii) STRATEGY.—For each fiscal year  
5 after fiscal year 2003, contain an outline  
6 of the strategy the State will implement  
7 during such fiscal year for which the State  
8 plan is submitted, to address the quality of  
9 child care services in child care settings  
10 that provide services for which assistance  
11 is made available under this subchapter,  
12 and include in such strategy—

13 “(I) a statement specifying how  
14 the State will address the activities  
15 described in paragraphs (1), (2), and  
16 (3) of section 658G;

17 “(II) a description of quantifi-  
18 able, objective measures for evaluating  
19 the quality of child care services sepa-  
20 rately with respect to the activities  
21 listed in each of such paragraphs that  
22 the State will use to evaluate its  
23 progress in improving the quality of  
24 such child care services;

1                   “(III) a list of State-developed  
 2                   child care service quality targets for  
 3                   such fiscal year quantified on the  
 4                   basis of such measures; and

5                   “(IV) for each fiscal year after  
 6                   fiscal year 2003, a report on the  
 7                   progress made to achieve such targets  
 8                   during the then preceding fiscal year.

9                   “(iii) RULE OF CONSTRUCTION.—  
 10                  Nothing in this subparagraph shall be con-  
 11                  strued to require that the State apply  
 12                  measures for evaluating quality to specific  
 13                  types of child care providers.

14                  “(L) ACCESS TO CARE FOR CERTAIN POPU-  
 15                  LATIONS.—Demonstrate how the State is ad-  
 16                  dressing the child care needs of parents eligible  
 17                  for child care services for which financial assist-  
 18                  ance is provided under this subchapter who  
 19                  have children with special needs, work nontradi-  
 20                  tional hours, or require child care services for  
 21                  infants or toddlers.”.



1 **SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD**  
2 **CARE.**

3 Section 658G of the Child Care and Development  
4 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended  
5 to read as follows:

6 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**  
7 **CHILD CARE SERVICES.**

8 “A State that receives funds to carry out this sub-  
9 chapter for a fiscal year, shall use not less than 6 percent  
10 of the amount of such funds for activities provided  
11 through resource and referral services or other means,  
12 that are designed to improve the quality of child care serv-  
13 ices for which financial assistance is made available under  
14 this subchapter. Such activities include—

15 “(1) programs that provide training, education,  
16 and other professional development activities to en-  
17 hance the skills of the child care workforce, includ-  
18 ing training opportunities for caregivers in informal  
19 care settings;

20 “(2) activities within child care settings to en-  
21 hance early learning for young children, to promote  
22 early literacy, and to foster school readiness;

23 “(3) initiatives to increase the retention and  
24 compensation of child care providers, including  
25 tiered reimbursement rates for providers that meet  
26 quality standards as defined by the State; or

1           ~~“(4) other activities deemed by the State to im-~~  
 2           ~~prove the quality of child care services provided in~~  
 3           ~~such State.”.~~

4   **SEC. 206. REPORT BY SECRETARY.**

5           Section 658L of the Child Care and Development  
 6   Block Grant Act of 1990 (42 U.S.C. 9858j) is amended  
 7   to read as follows:

8   ~~“SEC. 658L. REPORT BY SECRETARY.~~

9           ~~“(a) REPORT REQUIRED.—Not later than October 1,~~  
 10   ~~2004, and biennially thereafter, the Secretary shall pre-~~  
 11   ~~pare and submit to the Committee on Education and the~~  
 12   ~~Workforce of the House of Representatives and the Com-~~  
 13   ~~mittee on Health, Education, Labor and Pensions of the~~  
 14   ~~Senate a report that contains the following:~~

15           ~~“(1) A summary and analysis of the data and~~  
 16   ~~information provided to the Secretary in the State~~  
 17   ~~reports submitted under section 658K.~~

18           ~~“(2) Aggregated statistics on the supply of, de-~~  
 19   ~~mand for, and quality of child care, early education,~~  
 20   ~~and non-school-hours programs.~~

21           ~~“(3) An assessment, and where appropriate,~~  
 22   ~~recommendations for the Congress concerning ef-~~  
 23   ~~forts that should be undertaken to improve the ac-~~  
 24   ~~cess of the public to quality and affordable child care~~  
 25   ~~in the United States.~~

1       “(b) COLLECTION OF INFORMATION.—The Secretary  
 2     may utilize the national child care data system available  
 3     through resource and referral organizations at the local,  
 4     State, and national level to collect the information re-  
 5     quired by subsection (a)(2).”

6     **SEC. 207. DEFINITIONS.**

7       Section 658P(4)(B) of the Child Care and Develop-  
 8     ment Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B))  
 9     is amended by striking “85 percent of the State median  
 10    income” and inserting “income levels as established by the  
 11    State, prioritized by need,”.

12    **SEC. 208. ENTITLEMENT FUNDING.**

13       Section 418(a)(3) (42 U.S.C. 618(a)(3)) is  
 14     amended—

15           (1) by striking “and” at the end of subpara-  
 16     graph (E);

17           (2) by striking the period at the end of sub-  
 18     paragraph (F) and inserting “; and”; and

19           (3) by adding at the end the following:

20                   “(G) \$2,917,000,000 for each of fiscal  
 21     years 2003 through 2007.”.

# TITLE III—TAXPAYER PROTECTIONS

## SEC. 301. EXCLUSION FROM GROSS INCOME FOR INTEREST ON OVERPAYMENTS OF INCOME TAX BY INDIVIDUALS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 139 the following new section:

**“SEC. 139A. EXCLUSION FROM GROSS INCOME FOR INTEREST ON OVERPAYMENTS OF INCOME TAX BY INDIVIDUALS.**

“(a) IN GENERAL.—In the case of an individual, gross income shall not include interest paid under section 6611 on any overpayment of tax imposed by this subtitle.

“(b) EXCEPTION.—Subsection (a) shall not apply in the case of a failure to claim items resulting in the overpayment on the original return if the Secretary determines that the principal purpose of such failure is to take advantage of subsection (a).

“(c) SPECIAL RULE FOR DETERMINING MODIFIED ADJUSTED GROSS INCOME.—For purposes of this title, interest not included in gross income under subsection (a) shall not be treated as interest which is exempt from tax for purposes of sections 32(i)(2)(B) and 6012(d) or any

1 computation in which interest exempt from tax under this  
 2 title is added to adjusted gross income.”.

3 (b) ~~CLERICAL AMENDMENT.~~—The table of sections  
 4 for part III of subchapter B of chapter 1 of such Code  
 5 is amended by inserting after the item relating to section  
 6 ~~139~~ the following new item:

“Sec. ~~139A~~. Exclusion from gross income for interest on over-  
 payments of income tax by individuals.”.

7 (c) ~~EFFECTIVE DATE.~~—The amendments made by  
 8 this section shall apply to interest received after December  
 9 31, 2006.

10 **SEC. 302. DEPOSITS MADE TO SUSPEND RUNNING OF IN-**  
 11 **TEREST ON POTENTIAL UNDERPAYMENTS.**

12 (a) ~~IN GENERAL.~~—Subchapter A of chapter 67 of the  
 13 Internal Revenue Code of 1986 (relating to interest on un-  
 14 derpayments) is amended by adding at the end the fol-  
 15 lowing new section:

16 **“SEC. 6603. DEPOSITS MADE TO SUSPEND RUNNING OF IN-**  
 17 **TEREST ON POTENTIAL UNDERPAYMENTS,**  
 18 **ETC.**

19 ~~“(a) AUTHORITY TO MAKE DEPOSITS OTHER THAN~~  
 20 ~~AS PAYMENT OF TAX.~~—A taxpayer may make a cash de-  
 21 posit with the Secretary which may be used by the Sec-  
 22 retary to pay any tax imposed under subtitle A or B or  
 23 chapter 41, 42, 43, or 44 which has not been assessed

1 at the time of the deposit. Such a deposit shall be made  
 2 in such manner as the Secretary shall prescribe.

3       “(b) NO INTEREST IMPOSED.—To the extent that  
 4 such deposit is used by the Secretary to pay tax, for pur-  
 5 poses of section 6601 (relating to interest on underpay-  
 6 ments), the tax shall be treated as paid when the deposit  
 7 is made.

8       “(c) RETURN OF DEPOSIT.—Except in a case where  
 9 the Secretary determines that collection of tax is in jeop-  
 10 ardy, the Secretary shall return to the taxpayer any  
 11 amount of the deposit (to the extent not used for a pay-  
 12 ment of tax) which the taxpayer requests in writing.

13       “(d) PAYMENT OF INTEREST.—

14               “(1) IN GENERAL.—For purposes of section  
 15 6611 (relating to interest on overpayments), a de-  
 16 posit which is returned to a taxpayer shall be treated  
 17 as a payment of tax for any period to the extent  
 18 (and only to the extent) attributable to a disputable  
 19 tax for such period. Under regulations prescribed by  
 20 the Secretary, rules similar to the rules of section  
 21 6611(b)(2) shall apply.

22               “(2) DISPUTABLE TAX.—

23                       “(A) IN GENERAL.—For purposes of this  
 24 section, the term ‘disputable tax’ means the  
 25 amount of tax specified at the time of the de-

posit as the taxpayer's reasonable estimate of the maximum amount of any tax attributable to disputable items.

~~“(B) SAFE HARBOR BASED ON 30-DAY LETTER.—~~In the case of a taxpayer who has been issued a 30-day letter, the maximum amount of tax under subparagraph (A) shall not be less than the amount of the proposed deficiency specified in such letter.

~~“(3) OTHER DEFINITIONS.—~~For purposes of paragraph (2)—

~~“(A) DISPUTABLE ITEM.—~~The term ‘disputable item’ means any item of income, gain, loss, deduction, or credit if the taxpayer—

~~“(i) has a reasonable basis for its treatment of such item; and~~

~~“(ii) reasonably believes that the Secretary also has a reasonable basis for disallowing the taxpayer's treatment of such item.~~

~~“(B) 30-DAY LETTER.—~~The term ‘30-day letter’ means the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals.

1           ~~“(4) RATE OF INTEREST.—~~The rate of interest  
 2           allowable under this subsection shall be the Federal  
 3           short-term rate determined under section 6621(b),  
 4           compounded daily.

5           ~~“(e) USE OF DEPOSITS.—~~

6           ~~“(1) PAYMENT OF TAX.—~~Except as otherwise  
 7           provided by the taxpayer, deposits shall be treated  
 8           as used for the payment of tax in the order depos-  
 9           ited.

10          ~~“(2) RETURNS OF DEPOSITS.—~~Deposits shall  
 11          be treated as returned to the taxpayer on a last-in,  
 12          first-out basis.”.

13          (b) CLERICAL AMENDMENT.—The table of sections  
 14          for subchapter A of chapter 67 of such Code is amended  
 15          by adding at the end the following new item:

“Sec. 6603. Deposits made to suspend running of interest on po-  
 tential underpayments, etc.”.

16          (c) EFFECTIVE DATE.—

17               (1) IN GENERAL.—The amendments made by  
 18               this section shall apply to deposits made after the  
 19               date of the enactment of this Act.

20               (2) COORDINATION WITH DEPOSITS MADE  
 21               UNDER REVENUE PROCEDURE 84-58.—In the case of  
 22               an amount held by the Secretary of the Treasury or  
 23               his delegate on the date of the enactment of this Act  
 24               as a deposit in the nature of a cash bond deposit



1       pursuant to Revenue Procedure 84-58, the date that  
 2       the taxpayer identifies such amount as a deposit  
 3       made pursuant to section 6603 of the Internal Rev-  
 4       enue Code (as added by this Act) shall be treated as  
 5       the date such amount is deposited for purposes of  
 6       such section 6603.

7   **SEC. 303. PARTIAL PAYMENT OF TAX LIABILITY IN IN-**  
 8       **STALLMENT AGREEMENTS.**

9       (a) IN GENERAL.—

10           (1) Section 6159(a) of the Internal Revenue  
 11       Code of 1986 (relating to authorization of agree-  
 12       ments) is amended—

13                   (A) by striking “satisfy liability for pay-  
 14                   ment of” and inserting “make payment on”,  
 15                   and

16                   (B) by inserting “full or partial” after “fa-  
 17                   cilitate”.

18           (2) Section 6159(e) of such Code (relating to  
 19       Secretary required to enter into installment agree-  
 20       ments in certain cases) is amended in the matter  
 21       preceding paragraph (1) by inserting “full” before  
 22       “payment”.

23       (b) REQUIREMENT TO REVIEW PARTIAL PAYMENT  
 24       AGREEMENTS EVERY TWO YEARS.—Section 6159 of such  
 25       Code is amended by redesignating subsections (d) and (e)

1 as subsections (e) and (f), respectively, and inserting after  
 2 subsection (e) the following new subsection:

3       ~~“(d) SECRETARY REQUIRED TO REVIEW INSTALL-~~  
 4 ~~MENT AGREEMENTS FOR PARTIAL COLLECTION EVERY~~  
 5 ~~TWO YEARS.—In the case of an agreement entered into~~  
 6 ~~by the Secretary under subsection (a) for partial collection~~  
 7 ~~of a tax liability, the Secretary shall review the agreement~~  
 8 ~~at least once every 2 years.”.~~

9       (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to agreements entered into on or  
 11 after the date of the enactment of this Act.

## 12       **TITLE IV—CHILD SUPPORT**

### 13       **SEC. 401. FEDERAL MATCHING FUNDS FOR LIMITED PASS** 14               **THROUGH OF CHILD SUPPORT PAYMENTS TO** 15               **FAMILIES RECEIVING TANF.**

16       (a) IN GENERAL.—Section 457(a) (42 U.S.C.  
 17 657(a)) is amended—

18               (1) in paragraph (1)(A), by inserting “subject  
 19 to paragraph (7)” before the semicolon; and

20               (2) by adding at the end the following:

21               ~~“(7) FEDERAL MATCHING FUNDS FOR LIMITED~~  
 22 ~~PASS THROUGH OF CHILD SUPPORT PAYMENTS TO~~  
 23 ~~FAMILIES RECEIVING TANF.—Notwithstanding para-~~  
 24 ~~graph (1), a State shall not be required to pay to~~  
 25 ~~the Federal Government the Federal share of an~~

1 amount collected during a month on behalf of a fam-  
 2 ily that is a recipient of assistance under the State  
 3 program funded under part A, to the extent that—

4 “(A) the State distributes the amount to  
 5 the family;

6 “(B) the total of the amounts so distrib-  
 7 uted to the family during the month—

8 “(i) exceeds the amount (if any) that,  
 9 as of December 31, 2001, was required  
 10 under State law to be distributed to a fam-  
 11 ily under paragraph (1)(B); and

12 “(ii) does not exceed the greater of—

13 “(I) \$100; or

14 “(II) \$50 plus the amount de-  
 15 scribed in clause (i); and

16 “(C) the amount is disregarded in deter-  
 17 mining the amount and type of assistance pro-  
 18 vided to the family under the State program  
 19 funded under part A.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
 21 subsection (a) shall apply to amounts distributed on or  
 22 after October 1, 2004.

1 **SEC. 402. STATE OPTION TO PASS THROUGH ALL CHILD**  
 2 **SUPPORT PAYMENTS TO FAMILIES THAT**  
 3 **FORMERLY RECEIVED TANF.**

4 (a) IN GENERAL.—Section 457(a) (42 U.S.C.  
 5 657(a)), as amended by section 401(a) of this Act, is  
 6 amended—

7 (1) in paragraph (2)(B), in the matter pre-  
 8 ceeding clause (i), by inserting “; except as provided  
 9 in paragraph (8),” after “shall”; and

10 (2) by adding at the end the following:

11 “(8) STATE OPTION TO PASS THROUGH ALL  
 12 CHILD SUPPORT PAYMENTS TO FAMILIES THAT FOR-  
 13 MERLY RECEIVED TANF.—In lieu of applying para-  
 14 graph (2) to any family described in paragraph (2),  
 15 a State may distribute to the family any amount col-  
 16 lected during a month on behalf of the family.”.

17 (b) EFFECTIVE DATE.—The amendments made by  
 18 subsection (a) shall apply to amounts distributed on or  
 19 after October 1, 2004.

20 **SEC. 403. MANDATORY REVIEW AND ADJUSTMENT OF**  
 21 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**  
 22 **CEIVING TANF.**

23 (a) IN GENERAL.—Section 466(a)(10)(A)(i) (42  
 24 U.S.C. 666(a)(10)(A)(i)) is amended—

25 (1) by striking “parent, or,” and inserting  
 26 “parent or”; and

1           (2) by striking “upon the request of the State  
2           agency under the State plan or of either parent,”.

3           (b) ~~EFFECTIVE DATE.~~—The amendment made by  
4           subsection (a) shall take effect on October 1, 2004.

5   **SEC. 404. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**  
6                           **PORT COLLECTION FOR FAMILY THAT HAS**  
7                           **NEVER RECEIVED TANF.**

8           (a) ~~IN GENERAL.~~—Section 454(6)(B) (42 U.S.C.  
9   654(6)(B)) is amended—

10           (1) by inserting “(i)” after “(B)”;

11           (2) by redesignating clauses (i) and (ii) as sub-  
12           clauses (I) and (II), respectively;

13           (3) by adding “and” after the semicolon; and

14           (4) by adding after and below the end the fol-  
15           lowing new clause:

16                   “(ii) in the case of an individual who has  
17                   never received assistance under a State pro-  
18                   gram funded under part A and for whom the  
19                   State has collected at least \$500 of support, the  
20                   State shall impose an annual fee of \$25 for  
21                   each case in which services are furnished, which  
22                   shall be retained by the State from support col-  
23                   lected on behalf of the individual (but not from  
24                   the 1st \$500 so collected), paid by the indi-  
25                   vidual applying for the services, recovered from

1 the absent parent, or paid by the State out of  
 2 its own funds (the payment of which from State  
 3 funds shall not be considered as an administra-  
 4 tive cost of the State for the operation of the  
 5 plan, and shall be considered income to the pro-  
 6 gram);”.

7 (b) CONFORMING AMENDMENT.—Section 457(a)(3)  
 8 (42 U.S.C. 657(a)(3)) is amended to read as follows:

9 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-  
 10 ANCE.—In the case of any other family, the State  
 11 shall distribute to the family the portion of the  
 12 amount so collected that remains after withholding  
 13 any fee pursuant to section 454(6)(B)(ii).”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall take effect on October 1, 2003.

16 **SEC. 405. REPORT ON UNDISTRIBUTED CHILD SUPPORT**  
 17 **PAYMENTS.**

18 Not later than 6 months after the date of the enact-  
 19 ment of this Act, the Secretary of Health and Human  
 20 Services shall submit to the Committee on Ways and  
 21 Means of the House of Representatives and the Committee  
 22 on Finance of the Senate a report on the procedures that  
 23 the States use generally to locate custodial parents for  
 24 whom child support has been collected but not yet distrib-  
 25 uted. The report shall include an estimate of the total

1 amount of such undistributed child support and the aver-  
 2 age length of time it takes for such child support to be  
 3 distributed. To the extent the Secretary deems appro-  
 4 priate, the Secretary shall include in the report rec-  
 5 ommendations as to whether additional procedures should  
 6 be established at the State or Federal level to expedite  
 7 the payment of undistributed child support.

8 **SEC. 406. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
 9 **ADMINISTRATION OF UNEMPLOYMENT COM-**  
 10 **PENSATION PROGRAMS.**

11 (a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j))  
 12 is amended by adding at the end the following:

13 “(7) INFORMATION COMPARISONS AND DISCLO-  
 14 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-  
 15 MENT COMPENSATION PROGRAMS.—

16 “(A) IN GENERAL.—If a State agency re-  
 17 sponsible for the administration of an unem-  
 18 ployment compensation program under Federal  
 19 or State law transmits to the Secretary the  
 20 name and social security account number of an  
 21 individual, the Secretary shall, if the informa-  
 22 tion in the National Directory of New Hires in-  
 23 dicates that the individual may be employed,  
 24 disclose to the State agency the name, address,  
 25 and employer identification number of any pu-

1           tative employer of the individual, subject to this  
2           paragraph.

3           ~~“(B) CONDITION ON DISCLOSURE.—The~~  
4           Secretary shall make a disclosure under sub-  
5           paragraph (A) only to the extent that the Sec-  
6           retary determines that the disclosure would not  
7           interfere with the effective operation of the pro-  
8           gram under this part.

9           ~~“(C) USE OF INFORMATION.—A State~~  
10          agency may use information provided under this  
11          paragraph only for purposes of administering a  
12          program referred to in subparagraph (A).”.

13       (b) ~~EFFECTIVE DATE.—The amendment made by~~  
14       subsection (a) shall take effect on October 1, 2003.

15       **~~SEC. 407. DECREASE IN AMOUNT OF CHILD SUPPORT AR-~~**  
16       **~~REARAGE TRIGGERING PASSPORT DENIAL.~~**

17       (a) ~~IN GENERAL.—Section 452(k)(1) (42 U.S.C.~~  
18       ~~652(k)(1)) is amended by striking “\$5,000” and inserting~~  
19       ~~“\$2,500”.~~

20       (b) ~~CONFORMING AMENDMENT.—Section 454(31)~~  
21       ~~(42 U.S.C. 654(31)) is amended by striking “\$5,000” and~~  
22       ~~inserting “\$2,500”.~~

23       (c) ~~EFFECTIVE DATE.—The amendments made by~~  
24       this section shall take effect on October 1, 2003.



1 **SEC. 408. USE OF TAX REFUND INTERCEPT PROGRAM TO**  
 2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**  
 3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 (a) IN GENERAL.—Section 464 (42 U.S.C. 664) is  
 5 amended—

6 (1) in subsection (a)(2)(A), by striking “(as  
 7 that term is defined for purposes of this paragraph  
 8 under subsection (c))”; and

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as pro-  
 12 vided in paragraph (2), as used in” and in-  
 13 serting “In”; and

14 (ii) by inserting “(whether or not a  
 15 minor)” after “a child” each place it ap-  
 16 pears; and

17 (B) by striking paragraphs (2) and (3).

18 (b) EFFECTIVE DATE.—The amendments made by  
 19 subsection (a) shall take effect on October 1, 2004.

20 **SEC. 409. GARNISHMENT OF COMPENSATION PAID TO VET-**  
 21 **ERANS FOR SERVICE-CONNECTED DISABIL-**  
 22 **ITIES IN ORDER TO ENFORCE CHILD SUP-**  
 23 **PORT OBLIGATIONS.**

24 (a) IN GENERAL.—Section 459(h) (42 U.S.C.  
 25 659(h)) is amended—

1           (1) in paragraph (1)(A)(ii)(V), by striking all  
 2           that follows “Armed Forces” and inserting a semi-  
 3           colon; and

4           (2) by adding at the end the following:

5           “(3) LIMITATIONS WITH RESPECT TO COM-  
 6           PENSATION PAID TO VETERANS FOR SERVICE-CON-  
 7           NECTED DISABILITIES.—Notwithstanding any other  
 8           provision of this section:

9                   “(A) Compensation described in paragraph  
 10           (1)(A)(ii)(V) shall not be subject to withholding  
 11           pursuant to this section—

12                           “(i) for payment of alimony; or

13                           “(ii) for payment of child support if  
 14                   the individual is fewer than 60 days in ar-  
 15                   rears in payment of the support.

16                   “(B) Not more than 50 percent of any  
 17           payment of compensation described in para-  
 18           graph (1)(A)(ii)(V) may be withheld pursuant  
 19           to this section.”

20           (b) EFFECTIVE DATE.—The amendments made by  
 21           subsection (a) shall take effect on October 1, 2004.

22           **SEC. 410. IMPROVING FEDERAL DEBT COLLECTION PRAC-**  
 23           **TICES.**

24           Section 3716(h)(3) of title 31, United States Code,  
 25           is amended to read as follows:

1       “(3) In applying this subsection with respect to any  
 2 debt owed to a State, other than past due support being  
 3 enforced by the State, subsection (c)(3)(A) shall not apply.  
 4 Subsection (c)(3)(A) shall apply with respect to past due  
 5 support being enforced by the State notwithstanding any  
 6 other provision of law, including sections 207 and  
 7 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and  
 8 1383(d)(1)), section 413(b) of Public law 91-173 (30  
 9 U.S.C. 923(b)), and section 14 of the Act of August 29,  
 10 1935 (45 U.S.C. 231m).”.

11 **SEC. 411. MAINTENANCE OF TECHNICAL ASSISTANCE**  
 12 **FUNDING.**

13       Section 452(j) (42 U.S.C. 652(j)) is amended by in-  
 14 serting “or the amount appropriated under this paragraph  
 15 for fiscal year 2002, whichever is greater,” before “which  
 16 shall be available”.

17 **SEC. 412. MAINTENANCE OF FEDERAL PARENT LOCATOR**  
 18 **SERVICE FUNDING.**

19       Section 453(o) (42 U.S.C. 653(o)) is amended—

20           (1) in the 1st sentence, by inserting “or the  
 21 amount appropriated under this paragraph for fiscal  
 22 year 2002, whichever is greater,” before “which  
 23 shall be available”; and

24           (2) in the 2nd sentence, by striking “for each  
 25 of fiscal years 1997 through 2001”.

# **TITLE V—CHILD WELFARE**

## **SEC. 501. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.**

Section ~~1130(a)(2)~~ (~~42 U.S.C. 1320a-9(a)(2)~~) is amended by striking “2002” and inserting “2007”.

## **SEC. 502. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.**

Section ~~1130(a)(2)~~ (~~42 U.S.C. 1320a-9(a)(2)~~) is amended by striking “not more than 10”.

## **SEC. 503. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.**

Section ~~1130~~ (~~42 U.S.C. 1320a-9~~) is amended by adding at the end the following:

“(h) ~~NO LIMIT ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEMONSTRATION PROJECTS.~~—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.”.

1 **SEC. 504. ELIMINATION OF LIMITATION ON NUMBER OF**  
 2 **WAIVERS THAT MAY BE GRANTED TO A SIN-**  
 3 **GLE STATE FOR DEMONSTRATION PROJECTS.**

4 Section 1130 (42 U.S.C. 1320a-9) is further amend-  
 5 ed by adding at the end the following:

6 “(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED  
 7 TO, OR DEMONSTRATION PROJECTS THAT MAY BE CON-  
 8 DUCTED BY, A SINGLE STATE.—The Secretary shall not  
 9 impose any limit on the number of waivers that may be  
 10 granted to a State, or the number of demonstration  
 11 projects that a State may be authorized to conduct, under  
 12 this section.”.

13 **SEC. 505. STREAMLINED PROCESS FOR CONSIDERATION OF**  
 14 **AMENDMENTS TO AND EXTENSIONS OF DEM-**  
 15 **ONSTRATION PROJECTS REQUIRING WAIV-**  
 16 **ERS.**

17 Section 1130 (42 U.S.C. 1320a-9) is further amend-  
 18 ed by adding at the end the following:

19 “(j) STREAMLINED PROCESS FOR CONSIDERATION  
 20 OF AMENDMENTS AND EXTENSIONS.—The Secretary  
 21 shall develop a streamlined process for consideration of  
 22 amendments and extensions proposed by States to dem-  
 23 onstration projects conducted under this section.”.

24 **SEC. 506. AVAILABILITY OF REPORTS.**

25 Section 1130 (42 U.S.C. 1320a-9) is further amend-  
 26 ed by adding at the end the following:

1       “(k) AVAILABILITY OF REPORTS.—The Secretary  
 2 shall make available to any State or other interested party  
 3 any report provided to the Secretary under subsection  
 4 (f)(2), and any evaluation or report made by the Secretary  
 5 with respect to a demonstration project conducted under  
 6 this section, with a focus on information that may promote  
 7 best practices and program improvements.”.

8       **SEC. 507. TECHNICAL CORRECTION.**

9       Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is  
 10 amended by striking “422(b)(9)” and inserting  
 11 “422(b)(10)”.

12       **TITLE VI—SUPPLEMENTAL**  
 13       **SECURITY INCOME**

14       **SEC. 601. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**  
 15       **ABILITY DETERMINATIONS.**

16       Section 1633 (42 U.S.C. 1383b) is amended by add-  
 17 ing at the end the following:

18       “(e)(1) The Commissioner of Social Security shall re-  
 19 view determinations, made by State agencies pursuant to  
 20 subsection (a) in connection with applications for benefits  
 21 under this title on the basis of blindness or disability, that  
 22 individuals who have attained 18 years of age are blind  
 23 or disabled as of a specified onset date. The Commissioner  
 24 of Social Security shall review such a determination before  
 25 any action is taken to implement the determination.

1 “(2)(A) In carrying out paragraph (1), the Commis-  
 2 sioner of Social Security shall review—

3 “(i) at least 20 percent of all determinations re-  
 4 ferred to in paragraph (1) that are made in fiscal  
 5 year 2003;

6 “(ii) at least 40 percent of all such determina-  
 7 tions that are made in fiscal year 2004; and

8 “(iii) at least 50 percent of all such determina-  
 9 tions that are made in fiscal year 2005 or thereafter.

10 “(B) In carrying out subparagraph (A), the Commis-  
 11 sioner of Social Security shall, to the extent feasible, select  
 12 for review the determinations which the Commissioner of  
 13 Social Security identifies as being the most likely to be  
 14 incorrect.”.

## 15 **TITLE VII—STATE AND LOCAL** 16 **FLEXIBILITY**

### 17 **SEC. 701. PROGRAM COORDINATION DEMONSTRATION** 18 **PROJECTS.**

19 (a) **PURPOSE.**—The purpose of this section is to es-  
 20 tablish a program of demonstration projects in a State or  
 21 portion of a State to coordinate multiple public assistance,  
 22 workforce development, and other programs, for the pur-  
 23 pose of supporting working individuals and families, help-  
 24 ing families escape welfare dependency, promoting child  
 25 well-being, or helping build stronger families, using inno-

1 vative approaches to strengthen service systems and pro-  
 2 vide more coordinated and effective service delivery.

3 (b) DEFINITIONS.—In this section:

4 (1) ADMINISTERING SECRETARY.—The term  
 5 “administering Secretary” means, with respect to a  
 6 qualified program, the head of the Federal agency  
 7 responsible for administering the program.

8 (2) QUALIFIED PROGRAM.—The term “qualified  
 9 program” means—

10 (A) a program under part A of title IV of  
 11 the Social Security Act;

12 (B) the program under title XX of such  
 13 Act;

14 (C) activities funded under title I of the  
 15 Workforce Investment Act of 1998, except sub-  
 16 title C of such title;

17 (D) a demonstration project authorized  
 18 under section 505 of the Family Support Act of  
 19 1988;

20 (E) activities funded under the Wagner-  
 21 Peyser Act;

22 (F) activities funded under the Adult Edu-  
 23 cation and Family Literacy Act;

24 (G) activities funded under the Child Care  
 25 and Development Block Grant Act of 1990;



1           (H) activities funded under the United  
 2           States Housing Act of 1937 (42 U.S.C. 1437 et  
 3           seq.); except that such term shall not include—

4                   (i) any program for rental assistance  
 5                   under section 8 of such Act (42 U.S.C.  
 6                   1437f); and

7                   (ii) the program under section 7 of  
 8                   such Act (42 U.S.C. 1437e) for design-  
 9                   nating public housing for occupancy by  
 10                  certain populations;

11           (I) activities funded under title I, II, III,  
 12           or IV of the McKinney-Vento Homeless Assist-  
 13           ance Act (42 U.S.C. 11301 et seq.); or

14           (J) the food stamp program as defined in  
 15           section 3(h) of the Food Stamp Act of 1977 (7  
 16           U.S.C. 2012(h)).

17       (c) APPLICATION REQUIREMENTS.—The head of a  
 18       State entity or of a sub-State entity administering 2 or  
 19       more qualified programs proposed to be included in a dem-  
 20       onstration project under this section shall (or, if the  
 21       project is proposed to include qualified programs adminis-  
 22       tered by 2 or more such entities, the heads of the admin-  
 23       istering entities (each of whom shall be considered an ap-  
 24       plicant for purposes of this section) shall jointly) submit

1 to the administering Secretary of each such program an  
2 application that contains the following:

3           (1) PROGRAMS INCLUDED.—A statement identi-  
4           fying each qualified program to be included in the  
5           project, and describing how the purposes of each  
6           such program will be achieved by the project.

7           (2) POPULATION SERVED.—A statement identi-  
8           fying the population to be served by the project and  
9           specifying the eligibility criteria to be used.

10          (3) DESCRIPTION AND JUSTIFICATION.—A de-  
11          tailed description of the project, including—

12                (A) a description of how the project is ex-  
13                pected to improve or enhance achievement of  
14                the purposes of the programs to be included in  
15                the project, from the standpoint of quality, of  
16                cost-effectiveness, or of both; and

17                (B) a description of the performance objec-  
18                tives for the project, including any proposed  
19                modifications to the performance measures and  
20                reporting requirements used in the programs.

21          (4) WAIVERS REQUESTED.—A description of  
22          the statutory and regulatory requirements with re-  
23          spect to which a waiver is requested in order to  
24          carry out the project, and a justification of the need  
25          for each such waiver.

1           (5) COST NEUTRALITY.—Such information and  
2           assurances as necessary to establish to the satisfac-  
3           tion of the administering Secretary, in consultation  
4           with the Director of the Office of Management and  
5           Budget, that the proposed project is reasonably ex-  
6           pected to meet the applicable cost neutrality require-  
7           ments of subsection (d)(4).

8           (6) EVALUATION AND REPORTS.—An assurance  
9           that the applicant will conduct ongoing and final  
10          evaluations of the project, and make interim and  
11          final reports to the administering Secretary, at such  
12          times and in such manner as the administering Sec-  
13          retary may require.

14          (7) PUBLIC HOUSING AGENCY PLAN.—In the  
15          case of an application proposing a demonstration  
16          project that includes activities referred to in sub-  
17          section (b)(2)(H) of this section—

18                (A) a certification that the applicable an-  
19                nual public housing agency plan of any agency  
20                affected by the project that is approved under  
21                section 5A of the United States Housing Act of  
22                1937 (42 U.S.C. 1437c–1) by the Secretary in-  
23                cludes the information specified in paragraphs  
24                (1) through (4) of this subsection; and

1           ~~(B)~~ any resident advisory board rec-  
 2           ommendations, and other information, relating  
 3           to the project that, pursuant to section  
 4           5A(c)(2) of the United States Housing Act of  
 5           1937 (42 U.S.C. 1437e-1(c)(2)), is required to  
 6           be included in the public housing agency plan of  
 7           any public housing agency affected by the  
 8           project.

9           ~~(8) OTHER INFORMATION AND ASSURANCES.—~~

10          Such other information and assurances as the ad-  
 11          ministering Secretary may require.

12          ~~(d) APPROVAL OF APPLICATIONS.—~~

13           ~~(1) IN GENERAL.—~~The administering Secretary  
 14          with respect to a qualified program that is identified  
 15          in an application submitted pursuant to subsection  
 16          (c) may approve the application and, except as pro-  
 17          vided in paragraph (2), waive any requirement appli-  
 18          cable to the program, to the extent consistent with  
 19          this section and necessary and appropriate for the  
 20          conduct of the demonstration project proposed in the  
 21          application, if the administering Secretary deter-  
 22          mines that the project—

23           (A) has a reasonable likelihood of achieving  
 24          the objectives of the programs to be included in  
 25          the project;

1           ~~(B)~~ may reasonably be expected to meet  
 2           the applicable cost neutrality requirements of  
 3           paragraph ~~(4)~~, as determined by the Director of  
 4           the Office of Management and Budget; and

5           ~~(C)~~ includes the coordination of 2 or more  
 6           qualified programs.

7           ~~(2) PROVISIONS EXCLUDED FROM WAIVER AU-~~  
 8           ~~THORITY.—~~A waiver shall not be granted under  
 9           paragraph ~~(1)~~—

10           ~~(A)~~ with respect to any provision of law re-  
 11           lating to—

12                   ~~(i)~~ civil rights or prohibition of dis-  
 13                   crimination;

14                   ~~(ii)~~ purposes or goals of any program;

15                   ~~(iii)~~ maintenance of effort require-  
 16                   ments;

17                   ~~(iv)~~ health or safety;

18                   ~~(v)~~ labor standards under the Fair  
 19                   Labor Standards Act of 1938; or

20                   ~~(vi)~~ environmental protection;

21           ~~(B)~~ with respect to section 241(a) of the  
 22           Adult Education and Family Literacy Act;

23           ~~(C)~~ in the case of a program under the  
 24           United States Housing Act of 1937 (42 U.S.C.  
 25           1437 et seq.); with respect to any requirement

1 under section 5A of such Act (42 U.S.C.  
2 1437e-1; relating to public housing agency  
3 plans and resident advisory boards);

4 (D) in the case of a program under the  
5 Workforce Investment Act, with respect to any  
6 requirement the waiver of which would violate  
7 section 189(i)(4)(A)(i) of such Act;

8 (E) in the case of the food stamp program  
9 (as defined in section 3(h) of the Food Stamp  
10 Act of 1977 (7 U.S.C. 2012(h)), with respect to  
11 any requirement under—

12 (i) section 6 (if waiving a requirement  
13 under such section would have the effect of  
14 expanding eligibility for the program); 7(b)  
15 or 16(e) of the Food Stamp Act of 1977  
16 (7 U.S.C. 2011 et seq.); or

17 (ii) title IV of the Personal Responsi-  
18 bility and Work Opportunity Reconciliation  
19 Act of 1996 (8 U.S.C. 1601 et seq.);

20 (F) with respect to any requirement that a  
21 State pass through to a sub-State entity part or  
22 all of an amount paid to the State;

23 (G) if the waiver would waive any funding  
24 restriction or limitation provided in an appro-  
25 priations Act, or would have the effect of trans-

ferring appropriated funds from 1 appropria-  
 tions account to another; or

(H) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(e)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration

1 project under this section, an administering  
2 Secretary shall have in place an agreement with  
3 the applicant with respect to the payment of  
4 funds and responsibilities required of the ad-  
5 ministering Secretary with respect to the  
6 project.

7 ~~(4) COST-NEUTRALITY REQUIREMENT.—~~

8 (A) GENERAL RULE.—Notwithstanding  
9 any other provision of law (except subparagraph  
10 (B)), the total of the amounts that may be paid  
11 by the Federal Government for a fiscal year  
12 with respect to the programs in the State in  
13 which an entity conducting a demonstration  
14 project under this section is located that are af-  
15 fected by the project shall not exceed the esti-  
16 mated total amount that the Federal Govern-  
17 ment would have paid for the fiscal year with  
18 respect to the programs if the project had not  
19 been conducted, as determined by the Director  
20 of the Office of Management and Budget.

21 (B) SPECIAL RULE.—If an applicant sub-  
22 mits to the Director of the Office of Manage-  
23 ment and Budget a request to apply the rules  
24 of this subparagraph to the programs in the  
25 State in which the applicant is located that are



1 affected by a demonstration project proposed in  
2 an application submitted by the applicant pur-  
3 suant to this section, during such period of not  
4 more than 5 consecutive fiscal years in which  
5 the project is in effect, and the Director deter-  
6 mines, on the basis of supporting information  
7 provided by the applicant, to grant the request,  
8 then, notwithstanding any other provision of  
9 law, the total of the amounts that may be paid  
10 by the Federal Government for the period with  
11 respect to the programs shall not exceed the es-  
12 timated total amount that the Federal Govern-  
13 ment would have paid for the period with re-  
14 spect to the programs if the project had not  
15 been conducted.

16 ~~(5) 90-DAY APPROVAL DEADLINE.—~~

17 (A) IN GENERAL.—If an administering  
18 Secretary receives an application to conduct a  
19 demonstration project under this section and  
20 does not disapprove the application within 90  
21 days after the receipt, then—

22 (i) the administering Secretary is  
23 deemed to have approved the application  
24 for such period as is requested in the ap-

plication, except to the extent inconsistent with subsection (e); and

(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

~~(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.~~—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

~~(c) DURATION OF PROJECTS.~~—A demonstration project under this section may be approved for a term of not more than 5 years.

~~(f) REPORTS TO CONGRESS.~~—

~~(1) REPORT ON DISPOSITION OF APPLICATIONS.~~—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall sub-

1 mit to each Committee of the Congress which has  
2 jurisdiction over a qualified program identified in  
3 the application notice of the receipt, a description of  
4 the decision of the administering Secretary with re-  
5 spect to the application, and the reasons for approv-  
6 ing or disapproving the application.

7 (2) REPORTS ON PROJECTS.—Each admin-  
8 istering Secretary shall provide annually to the Con-  
9 gress a report concerning demonstration projects ap-  
10 proved under this section, including—

11 (A) the projects approved for each appli-  
12 cant;

13 (B) the number of waivers granted under  
14 this section, and the specific statutory provi-  
15 sions waived;

16 (C) how well each project for which a waiv-  
17 er is granted is improving or enhancing pro-  
18 gram achievement from the standpoint of qual-  
19 ity, cost-effectiveness, or both;

20 (D) how well each project for which a  
21 waiver is granted is meeting the performance  
22 objectives specified in subsection (c)(3)(B);

23 (E) how each project for which a waiver is  
24 granted is conforming with the cost-neutrality  
25 requirements of subsection (d)(4); and

1           (F) to the extent the administering Sec-  
 2           retary deems appropriate, recommendations for  
 3           modification of programs based on outcomes of  
 4           the projects.

5           (g) AMENDMENT TO UNITED STATES HOUSING ACT  
 6 OF 1937.—Section 5A(d) of the United States Housing  
 7 Act of 1937 (42 U.S.C. 1437c-1(d)) is amended—

8           (1) by redesignating paragraph (18) as para-  
 9           graph (19); and

10          (2) by inserting after paragraph (17) the fol-  
 11          lowing new paragraph:

12           “(18) PROGRAM COORDINATION DEMONSTRA-  
 13          TION PROJECTS.—In the case of an agency that ad-  
 14          ministers an activity referred to in section  
 15          701(b)(2)(H) of the Personal Responsibility, Work,  
 16          and Family Promotion Act of 2002 that, during  
 17          such fiscal year, will be included in a demonstration  
 18          project under section 701 of such Act, the informa-  
 19          tion that is required to be included in the application  
 20          for the project pursuant to paragraphs (1) through  
 21          (4) of section 701(b) of such Act.”.

22 **SEC. 702. STATE FOOD ASSISTANCE BLOCK GRANT DEM-**  
 23 **ONSTRATION PROJECT.**

24          The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)  
 25 is amended by adding at the end the following:

1 **“SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEM-**  
2 **ONSTRATION PROJECT.**

3 “(a) **ESTABLISHMENT.**—The Secretary shall estab-  
4 lish a program to make grants to States in accordance  
5 with this section to provide—

6 “(1) food assistance to needy individuals and  
7 families residing in the State;

8 “(2) funds to operate an employment and train-  
9 ing program under subsection (g) for needy individ-  
10 uals under the program; and

11 “(3) funds for administrative costs incurred in  
12 providing the assistance.

13 “(b) **ELECTION.**—

14 “(1) **IN GENERAL.**—A State may elect to par-  
15 ticipate in the program established under subsection  
16 (a).

17 “(2) **ELECTION REVOCABLE.**—A State that  
18 elects to participate in the program established  
19 under subsection (a) may subsequently reverse the  
20 election of the State only once thereafter. Following  
21 the reversal, the State shall only be eligible to par-  
22 ticipate in the food stamp program in accordance  
23 with the other sections of this Act and shall not re-  
24 ceive a block grant under this section.

25 “(3) **PROGRAM EXCLUSIVE.**—A State that is  
26 participating in the program established under sub-

1 section (a) shall not be subject to, or receive any  
2 benefit under, this Act except as provided in this  
3 section.

4 “(c) LEAD AGENCY.—

5 “(1) DESIGNATION.—A State desiring to par-  
6 ticipate in the program established under subsection  
7 (a) shall designate, in an application submitted to  
8 the Secretary under subsection (d)(1), an appro-  
9 priate State agency that complies with paragraph  
10 (2) to act as the lead agency for the State.

11 “(2) DUTIES.—The lead agency shall—

12 “(A) administer, either directly, through  
13 other State agencies, or through local agencies,  
14 the assistance received under this section by the  
15 State;

16 “(B) develop the State plan to be sub-  
17 mitted to the Secretary under subsection (d)(1);  
18 and

19 “(C) coordinate the provision of food as-  
20 sistance under this section with other Federal,  
21 State, and local programs.

22 “(d) APPLICATION AND PLAN.—

23 “(1) APPLICATION.—To be eligible to receive  
24 assistance under this section, a State shall prepare  
25 and submit to the Secretary an application at such

time, in such manner, and containing such information as the Secretary shall by regulation require, including—

“(A) an assurance that the State will comply with the requirements of this section;

“(B) a State plan that meets the requirements of paragraph (2); and

“(C) an assurance that the State will comply with the requirements of the State plan under paragraph (2).

“(2) REQUIREMENTS OF PLAN.—

“(A) LEAD AGENCY.—The State plan shall identify the lead agency.

“(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

“(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i);

“(ii) to administer an employment and training program under subsection (g) for needy individuals under the program

1           and to provide reimbursements to needy  
2           individuals and families as would be al-  
3           lowed under section 16(h)(3); and

4           “(iii) to pay administrative costs in-  
5           curred in providing the assistance.

6           “(C) ASSISTANCE FOR ENTIRE STATE.—

7           The State plan shall provide that benefits under  
8           this section shall be available throughout the  
9           entire State.

10          “(D) NOTICE AND HEARINGS.—The State

11          plan shall provide that an individual or family  
12          who applies for, or receives, assistance under  
13          this section shall be provided with notice of, and  
14          an opportunity for a hearing on, any action  
15          under this section that adversely affects the in-  
16          dividual or family.

17          “(E) OTHER ASSISTANCE.—

18          “(i) COORDINATION.—The State plan  
19          may coordinate assistance received under  
20          this section with assistance provided under  
21          the State program funded under part A of  
22          title IV of the Social Security Act (42  
23          U.S.C. 601 et seq.).

24          “(ii) PENALTIES.—If an individual or  
25          family is penalized for violating part A of



1 title IV of the Act, the State plan may re-  
 2 duce the amount of assistance provided  
 3 under this section or otherwise penalize the  
 4 individual or family.

5 “(F) ELIGIBILITY LIMITATIONS.—The  
 6 State plan shall describe the income and re-  
 7 source eligibility limitations that are established  
 8 for the receipt of assistance under this section.

9 “(G) RECEIVING BENEFITS IN MORE THAN  
 10 1 JURISDICTION.—The State plan shall estab-  
 11 lish a system to verify and otherwise ensure  
 12 that no individual or family shall receive bene-  
 13 fits under this section in more than 1 jurisdic-  
 14 tion within the State.

15 “(H) PRIVACY.—The State plan shall pro-  
 16 vide for safeguarding and restricting the use  
 17 and disclosure of information about any indi-  
 18 vidual or family receiving assistance under this  
 19 section.

20 “(I) OTHER INFORMATION.—The State  
 21 plan shall contain such other information as  
 22 may be required by the Secretary.

23 “(3) APPROVAL OF APPLICATION AND PLAN.—  
 24 During fiscal years 2003 through 2007, the Sec-  
 25 retary may approve the applications and State plans

1       that satisfy the requirements of this section of not  
 2       more than 5 States for a term of not more than 5  
 3       years.

4       “(e) CONSTRUCTION OF FACILITIES.—No funds  
 5       made available under this section shall be expended for  
 6       the purchase or improvement of land, or for the purchase,  
 7       construction, or permanent improvement of any building  
 8       or facility.

9       “(f) BENEFITS FOR ALIENS.—No individual shall be  
 10      eligible to receive benefits under a State plan approved  
 11      under subsection (d)(3) if the individual is not eligible to  
 12      participate in the food stamp program under title IV of  
 13      the Personal Responsibility and Work Opportunity Rec-  
 14      onciliation Act of 1996 (8 U.S.C. 1601 et seq.).

15      “(g) EMPLOYMENT AND TRAINING.—Each State  
 16      shall implement an employment and training program for  
 17      needy individuals under the program.

18      “(h) ENFORCEMENT.—

19           “(1) REVIEW OF COMPLIANCE WITH STATE  
 20      PLAN.—The Secretary shall review and monitor  
 21      State compliance with this section and the State  
 22      plan approved under subsection (d)(3).

23           “(2) NONCOMPLIANCE.—

1           “(A) IN GENERAL.—If the Secretary, after  
2           reasonable notice to a State and opportunity for  
3           a hearing, finds that—

4                   “(i) there has been a failure by the  
5                   State to comply substantially with any pro-  
6                   vision or requirement set forth in the State  
7                   plan approved under subsection (d)(2); or

8                   “(ii) in the operation of any program  
9                   or activity for which assistance is provided  
10                  under this section, there is a failure by the  
11                  State to comply substantially with any pro-  
12                  vision of this section, the Secretary shall  
13                  notify the State of the finding and that no  
14                  further payments will be made to the State  
15                  under this section (or, in the case of non-  
16                  compliance in the operation of a program  
17                  or activity, that no further payments to the  
18                  State will be made with respect to the pro-  
19                  gram or activity) until the Secretary is sat-  
20                  isfied that there is no longer any failure to  
21                  comply or that the noncompliance will be  
22                  promptly corrected.

23           “(B) OTHER SANCTIONS.—In the case of a  
24           finding of noncompliance made pursuant to  
25           subparagraph (A), the Secretary may, in addi-

tion to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

“(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

“(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

“(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

“(B) imposing sanctions under this section.

“(i) PAYMENTS.—

“(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(3) an amount that is equal to the allotment of the State under subsection (1)(2) for the fiscal year.

1           “(2) METHOD OF PAYMENT.—The Secretary  
 2           shall make payments to a State for a fiscal year  
 3           under this section by issuing 1 or more letters of  
 4           credit for the fiscal year, with necessary adjustments  
 5           on account of overpayments or underpayments, as  
 6           determined by the Secretary.

7           “(3) SPENDING OF FUNDS BY STATE.—

8                   “(A) IN GENERAL.—Except as provided in  
 9                   subparagraph (B), payments to a State from an  
 10                  allotment under subsection (1)(2) for a fiscal  
 11                  year may be expended by the State only in the  
 12                  fiscal year.

13                  “(B) CARRYOVER.—The State may reserve  
 14                  up to 10 percent of an allotment under sub-  
 15                  section (1)(2) for a fiscal year to provide assist-  
 16                  ance under this section in subsequent fiscal  
 17                  years, except that the reserved funds may not  
 18                  exceed 30 percent of the total allotment re-  
 19                  ceived under this section for a fiscal year.

20           “(4) PROVISION OF FOOD ASSISTANCE.—A  
 21           State may provide food assistance under this section  
 22           in any manner determined appropriate by the State  
 23           to provide food assistance to needy individuals and  
 24           families in the State, such as electronic benefits  
 25           transfer limited to food purchases, coupons limited

1 to food purchases, or direct provision of commod-  
 2 ities.

3 ~~“(5) DEFINITION OF FOOD ASSISTANCE.—In~~  
 4 ~~this section, the term ‘food assistance’ means assist-~~  
 5 ~~ance that may be used only to obtain food, as de-~~  
 6 ~~finied in section 3(g).~~

7 ~~“(j) AUDITS.—~~

8 ~~“(1) REQUIREMENT.—After the close of each~~  
 9 ~~fiscal year, a State shall arrange for an audit of the~~  
 10 ~~expenditures of the State during the program period~~  
 11 ~~from amounts received under this section.~~

12 ~~“(2) INDEPENDENT AUDITOR.—An audit under~~  
 13 ~~this section shall be conducted by an entity that is~~  
 14 ~~independent of any agency administering activities~~  
 15 ~~that receive assistance under this section and be in~~  
 16 ~~accordance with generally accepted auditing prin-~~  
 17 ~~ciples.~~

18 ~~“(3) PAYMENT ACCURACY.—Each annual audit~~  
 19 ~~under this section shall include an audit of payment~~  
 20 ~~accuracy under this section that shall be based on a~~  
 21 ~~statistically valid sample of the caseload in the~~  
 22 ~~State.~~

23 ~~“(4) SUBMISSION.—Not later than 30 days~~  
 24 ~~after the completion of an audit under this section,~~

1 the State shall submit a copy of the audit to the leg-  
 2 islature of the State and to the Secretary.

3 ~~“(5) REPAYMENT OF AMOUNTS.—~~Each State  
 4 shall repay to the United States any amounts deter-  
 5 mined through an audit under this section to have  
 6 not been expended in accordance with this section or  
 7 to have not been expended in accordance with the  
 8 State plan, or the Secretary may offset the amounts  
 9 against any other amount paid to the State under  
 10 this section.

11 ~~“(k) NONDISCRIMINATION.—~~

12 ~~“(1) IN GENERAL.—~~The Secretary shall not  
 13 provide financial assistance for any program,  
 14 project, or activity under this section if any person  
 15 with responsibilities for the operation of the pro-  
 16 gram, project, or activity discriminates with respect  
 17 to the program, project, or activity because of race,  
 18 religion, color, national origin, sex, or disability.

19 ~~“(2) ENFORCEMENT.—~~The powers, remedies,  
 20 and procedures set forth in title VI of the Civil  
 21 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may  
 22 be used by the Secretary to enforce paragraph (1).

23 ~~“(l) ALLOTMENTS.—~~

24 ~~“(1) DEFINITION OF STATE.—~~In this section,  
 25 the term ‘State’ means each of the 50 States, the

1 District of Columbia, Guam, and the Virgin Islands  
2 of the United States.

3 ~~“(2) STATE ALLOTMENT.—~~

4 ~~“(A) IN GENERAL.—Except as provided in~~  
5 ~~subparagraph (B), from the amounts made~~  
6 ~~available under section 18 of this Act for each~~  
7 ~~fiscal year, the Secretary shall allot to each~~  
8 ~~State participating in the program established~~  
9 ~~under subsection (a) an amount that is equal to~~  
10 ~~the sum of—~~

11 ~~“(i) the greater of, as determined by~~  
12 ~~the Secretary—~~

13 ~~“(I) the total dollar value of all~~  
14 ~~benefits issued under the food stamp~~  
15 ~~program established under this Act by~~  
16 ~~the State during fiscal year 2002; or~~

17 ~~“(II) the average per fiscal year~~  
18 ~~of the total dollar value of all benefits~~  
19 ~~issued under the food stamp program~~  
20 ~~by the State during each of fiscal~~  
21 ~~years 2000 through 2002; and~~

22 ~~“(ii) the greater of, as determined by~~  
23 ~~the Secretary—~~

24 ~~“(I) the total amount received by~~  
25 ~~the State for administrative costs and~~



1 the employment and training program  
2 under subsections (a) and (h), respec-  
3 tively, of section 16 of this Act for fis-  
4 cal year 2002; or

5 “(II) the average per fiscal year  
6 of the total amount received by the  
7 State for administrative costs and the  
8 employment and training program  
9 under subsections (a) and (h), respec-  
10 tively, of section 16 of this Act for  
11 each of fiscal years 2000 through  
12 2002.

13 “(B) INSUFFICIENT FUNDS.—If the Sec-  
14 retary finds that the total amount of allotments  
15 to which States would otherwise be entitled for  
16 a fiscal year under subparagraph (A) will ex-  
17 ceed the amount of funds that will be made  
18 available to provide the allotments for the fiscal  
19 year, the Secretary shall reduce the allotments  
20 made to States under this subsection, on a pro  
21 rata basis, to the extent necessary to allot  
22 under this subsection a total amount that is  
23 equal to the funds that will be made available.”.

## 1           **TITLE VII—ABSTINENCE** 2                           **EDUCATION**

### 3   **SEC. 801. EXTENSION OF ABSTINENCE EDUCATION FUND-** 4                           **ING UNDER MATERNAL AND CHILD HEALTH** 5                           **PROGRAM.**

6           Section 510(d) (42 U.S.C. 710(d)) is amended by  
7 striking “2002” and inserting “2007”.

## 8           **TITLE IX—TRANSITIONAL** 9                           **MEDICAL ASSISTANCE**

### 10 **SEC. 901. ONE-YEAR REAUTHORIZATION OF TRANSITIONAL** 11                           **MEDICAL ASSISTANCE.**

12           (a) IN GENERAL.—Section 1925(f) (42 U.S.C.  
13 ~~1396r-6(f)~~) is amended by striking “2002” and inserting  
14 “2003”.

15           (b) CONFORMING AMENDMENT.—Section  
16 ~~1902(e)(1)(B)~~ (42 U.S.C. ~~1396a(c)(1)(B)~~) is amended by  
17 striking “2002” and inserting “2003”.

### 18 **SEC. 902. ADJUSTMENT TO PAYMENTS FOR MEDICAID AD-** 19                           **MINISTRATIVE COSTS TO PREVENT DUPLICA-** 20                           **TIVE PAYMENTS AND TO FUND A 1-YEAR EX-** 21                           **TENSION OF TRANSITIONAL MEDICAL AS-** 22                           **SISTANCE.**

23           Section ~~1903~~ (42 U.S.C. ~~1396b~~) is amended—

1           (1) in subsection (a)(7), by striking “section  
2           1919(g)(3)(B)” and inserting “subsection (x) and  
3           section 1919(g)(3)(C)”; and

4           (2) by adding at the end the following:

5           “~~(x) ADJUSTMENTS TO PAYMENTS FOR ADMINISTRA-~~  
6           ~~TIVE COSTS TO FUND 1-YEAR EXTENSION OF TRANSI-~~  
7           ~~TIONAL MEDICAL ASSISTANCE.—~~”

8           “~~(1) REDUCTIONS IN PAYMENTS FOR ADMINIS-~~  
9           ~~TRATIVE COSTS.—Effective for each calendar quar-~~  
10          ~~ter in fiscal year 2003 and fiscal year 2004, the Sec-~~  
11          ~~retary shall reduce the amount paid under sub-~~  
12          ~~section (a)(7) to each State by an amount equal to~~  
13          ~~50 percent for fiscal year 2003, and 75 percent for~~  
14          ~~fiscal year 2004, of one-quarter of the annualized~~  
15          ~~amount determined for the medicaid program under~~  
16          ~~section 16(k)(2)(B) of the Food Stamp Act of 1977~~  
17          ~~(7 U.S.C. 2025(k)(2)(B)).~~”

18          “~~(2) ALLOCATION OF ADMINISTRATIVE~~  
19          ~~COSTS.—None of the funds or expenditures de-~~  
20          ~~scribed in section 16(k)(5)(B) of the Food Stamp~~  
21          ~~Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used~~  
22          ~~to pay for costs—~~”

23                 “~~(A) eligible for reimbursement under sub-~~  
24                 ~~section (a)(7) (or costs that would have been el-~~”

1           igible for reimbursement but for this sub-  
2           section); and

3               “(B) allocated for reimbursement to the  
4           program under this title under a plan submitted  
5           by a State to the Secretary to allocate adminis-  
6           trative costs for public assistance programs;  
7           except that, for purposes of subparagraph (A), the  
8           reference in clause (iii) of that section to ‘subsection  
9           (a)’ is deemed a reference to subsection (a)(7) and  
10          clause (iv)(II) of that section shall be applied as if  
11          ‘medicaid program’ were substituted for ‘food stamp  
12          program’.”.

## 13           **TITLE X—EFFECTIVE DATE**

### 14   **SEC. 1001. EFFECTIVE DATE.**

15          (a) **IN GENERAL.**—Except as otherwise provided, the  
16          amendments made by this Act shall take effect on October  
17          1, 2002.

18          (b) **EXCEPTION.**—In the case of a State plan under  
19          part A or D of title IV of the Social Security Act which  
20          the Secretary determines requires State legislation in  
21          order for the plan to meet the additional requirements im-  
22          posed by the amendments made by this Act, the effective  
23          date of the amendments imposing the additional require-  
24          ments shall be 3 months after the first day of the first  
25          calendar quarter beginning after the close of the first reg-

1 ular session of the State legislature that begins after the  
 2 date of the enactment of this Act. For purposes of the  
 3 preceding sentence, in the case of a State that has a 2-  
 4 year legislative session, each year of the session shall be  
 5 considered to be a separate regular session of the State  
 6 legislature.

7 **SECTION 1. SHORT TITLE.**

8       *This Act may be cited as the “Work, Opportunity, and*  
 9 *Responsibility for Kids Act of 2002” or the “WORK Act*  
 10 *of 2002”.*

11 **SEC. 2. TABLE OF CONTENTS.**

12       *The table of contents of this Act is as follows:*

- Sec. 1. Short title.*
- Sec. 2. Table of contents.*
- Sec. 3. References.*
- Sec. 4. Findings.*

**TITLE I—FUNDING**

- Sec. 101. Reauthorization of State family assistance grants.*
- Sec. 102. Contingency fund.*
- Sec. 103. Child care.*
- Sec. 104. State option to assist legal immigrant families.*
- Sec. 105. Use of funds.*
- Sec. 106. Definition of assistance.*
- Sec. 107. Maintenance of effort.*
- Sec. 108. Funding for families assisted by a territory program.*
- Sec. 109. Repeal of Federal loan fund for State welfare programs.*
- Sec. 110. Social Services Block Grant.*
- Sec. 111. Technical corrections.*

**TITLE II—WORK**

- Sec. 201. Universal engagement.*
- Sec. 202. Work participation requirements.*

**TITLE III—FAMILY PROMOTION AND SUPPORT**

- Sec. 301. Healthy marriage promotion grants.*
- Sec. 302. Abstinence education.*
- Sec. 303. Teen pregnancy prevention resource center.*
- Sec. 304. Responsible fatherhood.*

*Sec. 305. Second chance homes.*

#### *TITLE IV—HEALTH COVERAGE*

*Sec. 401. 5-year extension and simplification of the transitional medical assistance program (TMA).*

*Sec. 402. Optional coverage of legal immigrants under the medicaid program and title XXI.*

*Sec. 403. Clarification of authority of States and local authorities to provide health care to immigrants.*

*Sec. 404. Clarification of no verification requirement for nonprofit charitable organizations.*

#### *TITLE V—CHILD SUPPORT AND CHILD WELFARE*

*Sec. 501. Distribution of child support collected by States.*

*Sec. 502. Mandatory review and adjustment of child support orders for families receiving TANF.*

*Sec. 503. Decrease in amount of child support arrearage triggering passport denial.*

*Sec. 504. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.*

*Sec. 505. Financing review and administrative funding.*

*Sec. 506. Adoption of uniform State laws.*

*Sec. 507. Tribal child support enforcement programs.*

*Sec. 508. Report on undistributed child support payments.*

*Sec. 509. Use of new hire information to assist in administration of unemployment compensation programs.*

*Sec. 510. Annual report on performance of State child support programs.*

*Sec. 511. Extension of authority to approve demonstration projects.*

*Sec. 512. Prohibition of limit on number of demonstration projects or waivers that may be granted to a single State.*

#### *TITLE VI—TRIBAL ISSUES*

*Sec. 601. Tribal TANF programs.*

*Sec. 602. Authority of Indian tribes to receive Federal funds for foster care and adoption assistance.*

#### *TITLE VII—INNOVATION, FLEXIBILITY, AND ACCOUNTABILITY*

*Sec. 701. Data collection; performance measures.*

*Sec. 702. State plan.*

*Sec. 703. Research.*

*Sec. 704. Innovative business link partnership grants for employers and nonprofit organizations.*

*Sec. 705. Grants to improve access to transportation.*

*Sec. 706. At-home infant care.*

*Sec. 707. Grants to conduct demonstration projects on housing with services for families with multiple barriers to work.*

*Sec. 708. Transitional compliance for teen parents.*

*Sec. 709. TANF programs mandatory partners with one-stop employment training centers; State opt-out.*

*Sec. 710. Advanced planning document process for information management systems procurement approval.*

*Sec. 711. Waivers.*

*Sec. 712. Antidiscrimination.*

## TITLE VIII—OTHER PROVISIONS

*Sec. 801. Review of State agency blindness and disability determinations.*

*Sec. 802. Customs user fees.*

## TITLE IX—EFFECTIVE DATE

*Sec. 901. Effective date.*

1 **SEC. 3. REFERENCES.**

2       *Except as otherwise expressly provided, wherever in*  
 3 *this Act an amendment or repeal is expressed in terms of*  
 4 *an amendment to, or repeal of, a section or other provision,*  
 5 *the amendment or repeal shall be considered to be made*  
 6 *to a section or other provision of the Social Security Act.*

7 **SEC. 4. FINDINGS.**

8       *Congress makes the following findings:*

9               *(1) The Personal Responsibility and Work Op-*  
 10 *portunity Reconciliation Act of 1996 (Public Law*  
 11 *104–193; 110 Stat. 2105) was a fundamental change*  
 12 *to reform the Federal welfare system to shift it from*  
 13 *an entitlement program into a transition program to*  
 14 *help families move from welfare to work and personal*  
 15 *responsibility.*

16               *(2) Since enactment of the 1996 welfare reform*  
 17 *law, welfare cash assistance caseloads have dropped*  
 18 *dramatically, by approximately 50 percent, and ap-*  
 19 *proximately 2/3 of welfare recipients who have left the*  
 20 *cash assistance rolls have left for work.*

21               *(3) Another sign of reform and progress is that*  
 22 *funding has shifted from providing monthly cash as-*

1        *sistance for parents to stay at home to over 1/2 of the*  
2        *funding targeted to pay for work supports, such as*  
3        *child care, transportation, job placement, limited job*  
4        *training, and services to prevent welfare dependency.*

5            *(4) More investments in quality child care will*  
6        *allow parents to enter and continue in the workforce*  
7        *knowing that their children have access to safe, mean-*  
8        *ingful child care, hopefully with emphasis on child*  
9        *development and preparation to ensure that each*  
10       *child gains the skills needed to enter school ready to*  
11       *learn.*

12           *(5) While families are moving from welfare to*  
13        *work, and employment rates are up, many families*  
14        *struggle in low-wage jobs and have trouble getting*  
15        *promised supports such as medicaid, child care, food*  
16        *stamps, and other supports available under programs*  
17        *intended to help families.*

18           *(6) Child poverty rates in the United States are*  
19        *improving but they could be lower and they remain*  
20        *high when compared to the rates of other developed*  
21        *countries. More must be done to reduce child poverty*  
22        *in our Nation.*

23           *(7) Many parents who remain on the welfare*  
24        *caseloads face multiple barriers to employment and*



1       *therefore need a range of services to address their*  
2       *needs and move from welfare to work.*

3           *(8) States should have plans for each family re-*  
4       *ceiving assistance to guide the family to self-suffi-*  
5       *ciency and to consider the well-being of the children*  
6       *in the family. While work participation levels have*  
7       *increased for recipients since 1996, those levels should*  
8       *be higher.*

9           *(9) Children deserve to be raised in supportive*  
10       *homes, preferably with 2 loving parents. It is crucial*  
11       *to end policies that discriminate against serving 2-*  
12       *parent families within the welfare system. It is also*  
13       *important to support innovative programs to encour-*  
14       *age full participation in child support and child*  
15       *rearing by noncustodial parents.*

16           *(10) Welfare reform has been successful because it*  
17       *has been a flexible partnership between the Federal*  
18       *Government and the States, and retaining the part-*  
19       *nership and flexibility will be important for future*  
20       *progress.*

21           *(11) The State and local agencies responsible for*  
22       *administering the temporary assistance to needy fam-*  
23       *ilies program have had to assume many new and*  
24       *more complex responsibilities which necessitates im-*  
25       *proving and upgrading the skills and ability of the*

workers at those agencies to ensure high quality service delivery and meet all program goals, including reducing high staff turnover rates for such agencies and staff-to-participant ratios.

(12) Studies have indicated disparate racial treatment in the implementation of the temporary assistance to needy families program with respect to determining eligibility for assistance under the program, disseminating information, providing referral for services, and imposing sanctions for noncompliance with program requirements.

## **TITLE I—FUNDING**

### **SEC. 101. REAUTHORIZATION OF STATE FAMILY ASSISTANCE GRANTS.**

Section 403(a)(1) is amended (42 U.S.C. 603(a)(1))—

(1) in subparagraph (A), by striking “1996” and all that follows through “2002” and inserting “2003 through 2007”;

(2) in subparagraph (B), by striking “As used” and inserting “Subject to subparagraph (E), as used”;

(3) by redesignating subparagraph (E) as subparagraph (F);

(4) by inserting after subparagraph (D) the following:

1                   “(E) INCREASE OF GRANT FOR CERTAIN  
2 STATES.—

3                   “(i) IN GENERAL.—With respect to a  
4 State family assistance grant made for each  
5 of fiscal years 2003 through 2007, in the  
6 case of a State that meets the criteria de-  
7 scribed in clause (ii) or (iii) (or both), the  
8 amount of the State family assistance grant  
9 determined under this paragraph for that  
10 State for each such fiscal year shall be in-  
11 creased by the applicable amount described  
12 in clause (iv).

13                   “(ii) RECEIPT OF SUPPLEMENTAL  
14 GRANT FOR FISCAL YEAR 2002.—For pur-  
15 poses of clause (i), the criteria described in  
16 this clause is that the State received a sup-  
17 plemental grant under paragraph (3) for  
18 fiscal year 2002 (as in effect with respect to  
19 such fiscal year).

20                   “(iii) STATE PER CAPITA INCOME  
21 BELOW THE NATIONAL AVERAGE.—For pur-  
22 poses of clause (i), the criteria described in  
23 this clause is that, with respect to a State,  
24 the average State per capita income for cal-  
25 endar years 1998, 1999, and 2000, as pub-

lished by the Department of Commerce in  
the May 2002 Survey of Current Business—

“(I) exceeds 80 percent, but does  
not exceed 90 percent of the average  
per capita income determined for all  
States for such calendar years; or

“(II) does not exceed 80 percent of  
the average per capita income deter-  
mined for all States for such calendar  
years.

“(iv) *APPLICABLE AMOUNT.*—For pur-  
poses of clause (i), the applicable amount  
described in this clause is the following:

“(I) *STATE WITH A SUPPLE-  
MENTAL GRANT IN FISCAL YEAR 2002.*—  
In the case of a State that meets the  
criteria described in clause (ii), the  
amount paid to the State under para-  
graph (3) for fiscal year 2002 (as in  
effect with respect to such fiscal year).

“(II) *STATE WITH PER CAPITA IN-  
COME BELOW NATIONAL AVERAGE.*—In  
the case of a State that meets the cri-  
teria described in—

1                   “(aa) clause (iii)(I), the  
 2                   amount equal to 5 percent of the  
 3                   State family assistance grant de-  
 4                   termined for the State for fiscal  
 5                   year 2003 (without regard to this  
 6                   subparagraph, in the case of a  
 7                   State that meets the criteria in  
 8                   clause (ii)); or

9                   “(bb) clause (iii)(II), the  
 10                  amount equal to 10 percent of the  
 11                  State family assistance grant de-  
 12                  termined for the State for fiscal  
 13                  year 2003 (as so determined).

14               “(III) STATE DESCRIBED IN  
 15               CLAUSES (II) AND (III).—In the case of  
 16               a State that meets the criteria de-  
 17               scribed in clauses (ii) and (iii), the  
 18               amount equal to the sum of the  
 19               amounts determined under subclauses  
 20               (I) and (II) with respect to the State.

21               “(v) DEFINITION OF STATE.—In this  
 22               subparagraph, the term ‘State’ means each  
 23               of the 50 States and the District of Colum-  
 24               bia.”; and

1           (5) in subparagraph (F), as redesignated by  
 2           paragraph (3), by striking “for fiscal years” and all  
 3           that follows through the period and inserting “for  
 4           State family assistance grants under this  
 5           paragraph—

6                           “(i) for fiscal year 2003,  
 7                           \$17,044,348,000; and

8                           “(ii) for each of fiscal years 2004  
 9                           through 2007, \$17,042,348,000.”.

10 **SEC. 102. CONTINGENCY FUND.**

11           (a) CONTINGENCY FUNDING AVAILABLE TO NEEDY  
 12 STATES.—Section 403(b) (42 U.S.C. 603(b)) is amended—  
 13           (1) by striking paragraphs (1) through (3) and  
 14           inserting the following:

15                           “(1) CONTINGENCY FUND GRANTS.—

16                                   “(A) PAYMENTS.—Subject to subparagraph  
 17                                   (C), and out of funds appropriated under sub-  
 18                                   paragraph (E), each State shall receive a contin-  
 19                                   gency fund grant for each eligible month in  
 20                                   which the State is a needy State under para-  
 21                                   graph (3).

22                                   “(B) MONTHLY CONTINGENCY FUND GRANT  
 23                                   AMOUNT.—For each eligible month in which a  
 24                                   State is a needy State, the State shall receive a  
 25                                   contingency fund grant equal to the higher of \$0

1           *and the applicable percentage (as defined in sub-*  
 2           *paragraph (D)(i)) of the product of—*

3                     *“(i) the applicable benefit level (as de-*  
 4                     *fined in subparagraph (D)(ii)); and*

5                     *“(ii) the adjusted increase in the num-*  
 6                     *ber of families receiving assistance under*  
 7                     *the State program funded under this part*  
 8                     *and all programs funded with qualified*  
 9                     *State expenditures (as defined in subpara-*  
 10                    *graph (D)(iii)).*

11           *“(C) LIMITATION.—The total amount paid*  
 12           *to a single State under subparagraph (A) during*  
 13           *a fiscal year shall not exceed the amount equal*  
 14           *to 10 percent of the State family assistance grant*  
 15           *(as defined under subparagraph (B) of subsection*  
 16           *(a)(1) and increased under subparagraph (E) of*  
 17           *that subsection).*

18           *“(D) DEFINITIONS.—In this paragraph:*

19                     *“(i) APPLICABLE PERCENTAGE.—The*  
 20                     *term ‘applicable percentage’ means the*  
 21                     *higher of—*

22                             *“(I) 60 percent; and*

23                             *“(II) the Federal medical assist-*  
 24                             *ance percentage for the State (as de-*  
 25                             *fined in section 1905(b)).*

1 “(ii) *APPLICABLE BENEFIT LEVEL.*—

2 “(I) *IN GENERAL.*—Subject to  
3 subclause (II), the term ‘applicable  
4 benefit level’ means the amount equal  
5 to the maximum cash assistance grant  
6 for a family consisting of 3 individuals  
7 under the State program funded under  
8 this part.

9 “(II) *RULE FOR STATES WITH*  
10 *MORE THAN 1 MAXIMUM LEVEL.*—In  
11 the case of a State that has more than  
12 1 maximum cash assistance grant level  
13 for families consisting of 3 individuals,  
14 the basic assistance cost shall be the  
15 amount equal to the maximum cash  
16 assistance grant level applicable to the  
17 largest number of families consisting of  
18 3 individuals receiving assistance  
19 under the State program funded under  
20 this part and all programs funded  
21 with qualified State expenditures (as  
22 defined in section 409(a)(7)(B)(i)).

23 “(iii) *ADJUSTED INCREASE IN THE*  
24 *NUMBER OF FAMILIES RECEIVING ASSIST-*  
25 *ANCE UNDER THE STATE PROGRAM FUNDED*



1                    *UNDER THIS PART AND ALL PROGRAMS*  
 2                    *FUNDED WITH QUALIFIED STATE EXPENDI-*  
 3                    *TURES.—The term ‘adjusted increase in the*  
 4                    *number of families receiving assistance*  
 5                    *under the State program funded under this*  
 6                    *part and all programs funded with quali-*  
 7                    *fied State expenditures’ means the increase*  
 8                    *in—*

9                    *“(I) the unduplicated number of*  
 10                    *families receiving assistance under the*  
 11                    *State program funded under this part*  
 12                    *and all programs funded with quali-*  
 13                    *fied State expenditures (as defined in*  
 14                    *section 409(a)(7)(B)(i)) in the most re-*  
 15                    *cent month for which data from the*  
 16                    *State are available; as compared to*

17                    *“(II) the product of—*

18                    *“(aa) the lower of the average*  
 19                    *monthly number of families re-*  
 20                    *ceiving such assistance in either of*  
 21                    *the 2 completed fiscal years imme-*  
 22                    *diately preceding the fiscal year*  
 23                    *in which the State initially quali-*  
 24                    *fies as a needy State; and*

25                    *“(bb) 1.04.*

1           “(E) *APPROPRIATION.*—*Out of any money*  
 2           *in the Treasury of the United States not other-*  
 3           *wise appropriated, there is appropriated for the*  
 4           *period of fiscal years 2003 through 2007, such*  
 5           *sums as are necessary for making contingency*  
 6           *fund grants under this subsection in a total*  
 7           *amount not to exceed \$2,000,000,000.”;*

8           (2) *by redesignating paragraph (4) as para-*  
 9           *graph (2); and*

10          (3) *in paragraph (2), as so redesignated—*

11               (A) *by striking “(3)(A)” and inserting*  
 12               *“(1)”;* and

13               (B) *by striking “2-month period that begins*  
 14               *with any” and inserting “fiscal year quarter*  
 15               *that includes a”.*

16          (b) *MODIFICATION OF DEFINITION OF NEEDY*  
 17          *STATE.*—*Section 403(b), as amended by subsection (a), (42*  
 18          *U.S.C. 603(b)) is further amended—*

19               (1) *by striking paragraphs (5) and (6);*

20               (2) *by redesignating paragraphs (7) and (8) as*  
 21               *paragraphs (5) and (6), respectively; and*

22               (3) *by inserting after paragraph (2) (as redesign-*  
 23               *ated by subsection (a)(2)) the following:*

24               “(3) *INITIAL DETERMINATION OF WHETHER A*  
 25               *STATE QUALIFIES AS A NEEDY STATE.*—

1           “(A) *IN GENERAL.*—For purposes of para-  
2           graph (1), a State will be initially determined to  
3           be a needy State for a month if the State satis-  
4           fies any of the following:

5           “(i) *The—*

6                   “(I) *average rate of total unem-*  
7                   *ployment in the State for the period*  
8                   *consisting of the most recent 3 months*  
9                   *for which data are available has in-*  
10                  *creased by the lesser of 1.5 percentage*  
11                  *points or by 50 percent over the cor-*  
12                  *responding 3-month period in either of*  
13                  *the 2 most recent preceding fiscal*  
14                  *years; or*

15                  “(II) *average insured unemploy-*  
16                  *ment rate for the most recent 3 months*  
17                  *for which data are available has in-*  
18                  *creased by 1 percentage point over the*  
19                  *corresponding 3-month period in either*  
20                  *of the 2 most recent preceding fiscal*  
21                  *years.*

22                  “(ii) *As determined by the Secretary of*  
23                  *Agriculture, the monthly average number of*  
24                  *households (as of the last day of each*  
25                  *month) that participated in the food stamp*

1            *program in the State in the then most re-*  
2            *cently concluded 3-month period for which*  
3            *data are available exceeds by at least 10*  
4            *percent the monthly average number of*  
5            *households (as of the last day of each*  
6            *month) in the State that participated in the*  
7            *food stamp program in the corresponding 3-*  
8            *month period in either of the 2 most recent*  
9            *preceding fiscal years, but only if the Sec-*  
10           *retary of Agriculture makes a determination*  
11           *that the State's increased caseload was due,*  
12           *in large measure, to economic conditions*  
13           *rather than changes in Federal or State*  
14           *policies related to the food stamp program.*

15           “(iii) *As determined by the Secretary,*  
16           *the monthly average of the unduplicated*  
17           *number of families that received assistance*  
18           *under the State program funded under this*  
19           *part and all programs funded with quali-*  
20           *fied State expenditures (as defined in sec-*  
21           *tion 409(a)(7)(B)(i)) in the most recently*  
22           *concluded 3-month period for which data*  
23           *are available from the State increased by at*  
24           *least 10 percent over the number of such*  
25           *families that received such benefits in the*

1            *corresponding 3-month period in either of*  
 2            *the 2 most recent preceding fiscal years, but*  
 3            *only if the Secretary makes a determination*  
 4            *that the State's increased caseload was due,*  
 5            *in large measure, to economic conditions*  
 6            *rather than State policy changes.*

7            *“(B) DURATION.—*

8                    *“(i) IN GENERAL.—A State that quali-*  
 9                    *fies as a needy State—*

10                    *“(I) under subparagraph (A)(i),*  
 11                    *shall be considered a needy State until*  
 12                    *either the State's (seasonally adjusted)*  
 13                    *total unemployment rate or (seasonally*  
 14                    *adjusted) insured unemployment rate,*  
 15                    *whichever rate was used to meet the*  
 16                    *definition as a needy State under that*  
 17                    *subparagraph for the most recently*  
 18                    *concluded 3-month period for which*  
 19                    *data are available, falls below the level*  
 20                    *attained in the 3-month period that*  
 21                    *was used to first determine that the*  
 22                    *State qualified as a needy State under*  
 23                    *that subparagraph;*

24                    *“(II) under subparagraph (A)(ii),*  
 25                    *shall be considered a needy State until*

the average monthly number of households participating in the food stamp program for the most recently concluded 3-month period for which data are available nationally falls below the food stamp base period level; and

“(III) under subparagraph (A)(iii), shall be considered a needy State until the unduplicated number of families receiving assistance under the State program funded under this part and all programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the most recently concluded 3-month period for which data are available falls below the TANF base period level.

“(ii) SEASONAL VARIATIONS.—

“(I) IN GENERAL.—Subject to subclause (II), notwithstanding subclauses (II) and (III) of clause (i), a State shall be considered a needy State—

“(aa) under subparagraph (A)(ii), if with respect to the

1           *State, the monthly average num-*  
2           *ber of households participating in*  
3           *the food stamp program for the*  
4           *most recent 3-month period for*  
5           *which data are available nation-*  
6           *ally falls below the food stamp*  
7           *base period level and the Sec-*  
8           *retary determines that this is due*  
9           *to expected seasonal variations in*  
10          *food stamp receipt in the State;*  
11          *and*

12                 “(bb) under subparagraph  
13                 (A)(iii), if, with respect to a  
14                 State, the monthly average of the  
15                 number of unduplicated families  
16                 receiving assistance under the  
17                 State program funded under this  
18                 part and all programs funded  
19                 with qualified State expenditures  
20                 (as defined in section  
21                 409(a)(7)(B)(i)) for the most re-  
22                 cently concluded 3-month period  
23                 for which data are available na-  
24                 tionally falls below the TANF base  
25                 period level and the Secretary de-

1 *termines that this is due to ex-*  
2 *pected seasonal variations in as-*  
3 *sistance receipt in the State.*

4 “(II) *LIMITATIONS.—A State*  
5 *shall not be considered a needy State*  
6 *pursuant to—*

7 *“(aa) item (aa) of subclause*  
8 *(I), unless the Secretary of Agri-*  
9 *culture determines that the num-*  
10 *ber of households receiving food*  
11 *stamps remained at elevated levels*  
12 *largely due to economic factors;*  
13 *and*

14 *“(bb) item (bb) of subclause*  
15 *(II), unless the Secretary deter-*  
16 *mines that the unduplicated num-*  
17 *ber of families receiving assistance*  
18 *under the State program funded*  
19 *under this part and all programs*  
20 *funded with qualified State ex-*  
21 *penditures (as defined in section*  
22 *409(a)(7)(B)(i)) remained at ele-*  
23 *vated levels largely due to eco-*  
24 *nomical factors.*



1                   “(iii) *FOOD STAMP BASE PERIOD*  
 2                   *LEVEL.*—*In this subparagraph, the term*  
 3                   *‘food stamp base period level’ means the*  
 4                   *monthly average number of households par-*  
 5                   *ticipating in the food stamp program that*  
 6                   *corresponds to the most recent 3-month pe-*  
 7                   *riod for which data are available at the*  
 8                   *time when the State first was determined to*  
 9                   *be a needy State under this paragraph.*

10                   “(iv) *TANF BASE PERIOD LEVEL.*—*In*  
 11                   *this subparagraph, the term ‘TANF base pe-*  
 12                   *riod level’ means the monthly average of the*  
 13                   *unduplicated number of families receiving*  
 14                   *assistance under the State program funded*  
 15                   *under this part and all programs funded*  
 16                   *with qualified State expenditures (as de-*  
 17                   *fin ed in section 409(a)(7)(B)(i)) that cor-*  
 18                   *responds to the most recent 3 months for*  
 19                   *which data are available at the time when*  
 20                   *the State first was determined to be a needy*  
 21                   *State under this paragraph.*

22                   “(4) *EXCEPTIONS.*—

23                   “(A) *UNEXPENDED BALANCES.*—

24                   “(i) *IN GENERAL.*—*Notwithstanding*  
 25                   *paragraph (3), a State that has unexpended*

1            *TANF balances in an amount that exceeds*  
 2            *30 percent of the total amount of grants re-*  
 3            *ceived by the State under subsection (a) for*  
 4            *the most recently completed fiscal year*  
 5            *(other than welfare-to-work grants made*  
 6            *under paragraph (5) of that subsection*  
 7            *prior to fiscal year 2000), shall not be a*  
 8            *needy State under this subsection.*

9            “(ii) *DEFINITION OF UNEXPENDED*  
 10            *TANF BALANCES.—In clause (i), the term*  
 11            *‘unexpended TANF balances’ means the les-*  
 12            *sor of—*

13                    *“(I) the total amount of grants*  
 14                    *made to the State (regardless of the fis-*  
 15                    *cal year in which such funds were*  
 16                    *awarded) under subsection (a) (other*  
 17                    *than welfare-to-work grants made*  
 18                    *under paragraph (5) of that subsection*  
 19                    *prior to fiscal year 2000) but not yet*  
 20                    *expended as of the end of the fiscal*  
 21                    *year preceding the fiscal year for*  
 22                    *which the State would, in the absence*  
 23                    *of this subparagraph, be considered a*  
 24                    *needy State under this subsection; and*

1           “(II) the total amount of grants  
 2           made to the State under subsection (a)  
 3           (other than welfare-to-work grants  
 4           made under paragraph (5) of that sub-  
 5           section prior to fiscal year 2000) but  
 6           not yet expended as of the end of such  
 7           preceding fiscal year, plus the dif-  
 8           ference between—

9                   “(aa) the pro rata share of  
 10           the current fiscal year grant to be  
 11           made under subsection (a) to the  
 12           State; and

13                   “(bb) current year expendi-  
 14           tures of the total amount of grants  
 15           made to the State under sub-  
 16           section (a) (regardless of the fiscal  
 17           year in which such funds were  
 18           awarded) (other than such wel-  
 19           fare-to-work grants) through the  
 20           end of the most recent calendar  
 21           quarter.

22                   “(B) FAILURE TO SATISFY MAINTENANCE  
 23           OF EFFORT REQUIREMENT.—Notwithstanding  
 24           paragraph (3), a State that fails to satisfy the  
 25           requirement of section 409(a)(7) with respect to

1           *a fiscal year shall not be a needy State under*  
 2           *this subsection for that fiscal year.”.*

3           (c) *CLARIFICATION OF REPORTING REQUIREMENTS.—*  
 4           *Paragraph (6) of section 403(b) (42 U.S.C. 603(b)), as re-*  
 5           *designated by subsection (b)(2), is amended by striking “on*  
 6           *the status of the Fund” and inserting “on the States that*  
 7           *qualified for contingency funds and the amount of funding*  
 8           *awarded under this subsection”.*

9           (d) *ELIMINATION OF PENALTY FOR FAILURE TO MAIN-*  
 10          *TAIN 100 PERCENT MAINTENANCE OF EFFORT.—Section*  
 11          *409(a) (42 U.S.C. 609(a)) is amended—*

12                   (1) *by striking paragraph (10); and*

13                   (2) *be redesignating paragraphs (11) through*  
 14          *(14) as paragraphs (10) through (13), respectively.*

15       **SEC. 103. CHILD CARE.**

16           (a) *MANDATORY FUNDING.—*

17                   (1) *IN GENERAL.—Section 418(a) (42 U.S.C.*  
 18                  *618(a)) is amended—*

19                           (A) *in paragraph (1), in the matter pre-*  
 20                           *ceding subparagraph (A), by inserting “and*  
 21                           *paragraph (6)” after “paragraph (3)”;*

22                           (B) *in paragraph (3)—*

23                                   (i) *by striking “and” at the end of sub-*  
 24                                   *paragraph (E);*

1                   (ii) in subparagraph (F), by striking  
2                   “fiscal year 2002.” and inserting “each of  
3                   fiscal years 2002 through 2005; and”; and  
4                   (iii) by adding at the end the fol-  
5                   lowing:

6                   “(G) \$2,967,000,000 for each of fiscal years  
7                   2006 and 2007.”;

8                   (C) by striking paragraph (4) and inserting  
9                   the following:

10                  “(4) AMOUNTS RESERVED.—

11                   “(A) INDIAN TRIBES.—The Secretary shall  
12                   reserve 2 percent of the aggregate amount appro-  
13                   priated to carry out this section under para-  
14                   graphs (3) and (5) for each fiscal year for pay-  
15                   ments to Indian tribes and tribal organizations  
16                   for each such fiscal year for the purpose of pro-  
17                   viding child care assistance.

18                   “(B) PUERTO RICO.—The Secretary shall  
19                   reserve \$10,000,000 of the amount appropriated  
20                   under paragraph (5) for each fiscal year for pay-  
21                   ments to the Commonwealth of Puerto Rico for  
22                   each such fiscal year for the purpose of providing  
23                   child care assistance.

24                   “(C) USE OF FUNDS; APPLICATION OF  
25                   CHILD CARE AND DEVELOPMENT BLOCK GRANT

1        *ACT.—Subsections (b) and (c) apply to amounts*  
 2        *received under this paragraph in the same man-*  
 3        *ner as such subsections apply to amounts re-*  
 4        *ceived by a State under this section.*

5                *“(D) NO MATCHING REQUIREMENT.—No*  
 6        *matching requirement shall apply to amounts*  
 7        *paid under this paragraph for a fiscal year.”;*

8                *(D) by redesignating paragraph (5) as*  
 9        *paragraph (7); and*

10               *(E) by inserting after paragraph (4) the fol-*  
 11       *lowing:*

12               *“(5) ADDITIONAL GENERAL ENTITLEMENT*  
 13       *GRANTS.—*

14               *“(A) APPROPRIATION.—For additional*  
 15       *grants under paragraph (1), there is appro-*  
 16       *priated \$1,000,000,000 for each of fiscal years*  
 17       *2003 through 2007. Amounts appropriated under*  
 18       *this subparagraph for a fiscal year shall be in*  
 19       *addition to amounts appropriated under para-*  
 20       *graph (3) for such fiscal year.*

21               *“(B) ADDITIONAL GRANT.—In addition to*  
 22       *the grant paid to a State under paragraph (1)*  
 23       *for each of fiscal years 2003 through 2007, of the*  
 24       *amount available for additional grants under*  
 25       *subparagraph (A) for a fiscal year, the Secretary*

1        *shall pay the State an amount equal to the same*  
 2        *proportion of such amount as the proportion of*  
 3        *the State’s grant under paragraph (1) to the*  
 4        *amount appropriated under paragraph (3) for*  
 5        *such fiscal year.*

6        “(6) *REQUIREMENT FOR GRANT INCREASE.—*  
 7        *Notwithstanding paragraphs (1), (2), or (5), the ag-*  
 8        *gregate amount paid to a State under this section for*  
 9        *each of fiscal years 2003 through 2007 may not exceed*  
 10       *the aggregate amount paid to the State under this*  
 11       *section for fiscal year 2002 unless the State ensures*  
 12       *that the level of State expenditures for child care for*  
 13       *such fiscal year is not less than the level of State ex-*  
 14       *penditures for child care that were matched under a*  
 15       *grant made to the State under paragraph (2) or that*  
 16       *the State expended to meet its maintenance of effort*  
 17       *obligation under paragraph (2) for fiscal year 2002.”.*

18       (2) *CONFORMING AMENDMENT.—Section*  
 19       *1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by*  
 20       *striking “or 413(f)” and inserting “413(f), or*  
 21       *418(a)(4)(B)”.*

22       (b) *APPLICABILITY OF STATE OR LOCAL HEALTH AND*  
 23       *SAFETY STANDARDS TO OTHER TANF CHILD CARE*  
 24       *SPENDING.—Section 402(a) (42 U.S.C. 602(a)) is amended*  
 25       *by adding at the end the following:*

1           “(8) *CERTIFICATION OF PROCEDURES TO EN-*  
 2           *SURE THAT CHILD CARE PROVIDERS COMPLY WITH*  
 3           *APPLICABLE STATE OR LOCAL HEALTH AND SAFETY*  
 4           *STANDARDS.—A certification by the chief executive of-*  
 5           *ficer of the State that procedures are in effect to en-*  
 6           *sure that any child care provider in the State that*  
 7           *provides services for which assistance is provided*  
 8           *under the State program funded under this part com-*  
 9           *plies with all applicable State or local health and*  
 10          *safety requirements as described in section*  
 11          *658E(c)(2)(F) of the Child Care and Development*  
 12          *Block Grant Act of 1990 (other than a relative ex-*  
 13          *cluded from the definition of ‘child care provider’ in*  
 14          *section 98.41(e) of title 45 of the Code of Federal Reg-*  
 15          *ulations (as in effect on June 1, 2002)).’.*”

16 **SEC. 104. STATE OPTION TO ASSIST LEGAL IMMIGRANT**  
 17 **FAMILIES.**

18           (a) *STATE OPTION.—*

19                   (1) *IN GENERAL.—Section 403(c)(2) of the Per-*  
 20                   *sonal Responsibility and Work Opportunity Rec-*  
 21                   *onciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is*  
 22                   *amended by adding at the end the following:*

23                           “(M) *At State option, assistance, benefits,*  
 24                           *or services under a State program funded under*



1           *part A of title IV of the Social Security Act (42*  
 2           *U.S.C. 601 et seq.).”.*

3           (2) *CONFORMING AMENDMENT.—Section 408(e)*  
 4           *(42 U.S.C. 608(e)) is amended to read as follows:*

5           “(e) *ELIGIBILITY OF CERTAIN ALIENS.—Except as*  
 6           *provided in subsection (f), at State option, a State may*  
 7           *provide assistance, benefits, or services to a qualified alien*  
 8           *(as defined in subsections (b) and (c) of section 431 of the*  
 9           *Personal Responsibility and Work Opportunity Reconcili-*  
 10           *ation Act of 1996 (8 U.S.C. 1641)) under the State program*  
 11           *funded under this part in the same manner and to the same*  
 12           *extent as a citizen of the United States would be provided*  
 13           *such assistance, benefits, or services.”.*

14           (b) *ATTRIBUTION OF SPONSOR’S INCOME AND RE-*  
 15           *SOURCES TO ALIENS.—*

16           (1) *IN GENERAL.—Section 408(f) (42 U.S.C.*  
 17           *608(f)) is amended—*

18                     (A) *in the heading, by striking “NON-213A”*  
 19                     *and inserting “SPONSORED”;*

20                     (B) *by striking “The following” and all that*  
 21                     *follows through the colon and inserting “The fol-*  
 22                     *lowing rules shall apply in determining whether*  
 23                     *an alien sponsored under section 213A of the Im-*  
 24                     *migration and Nationality Act (and, at the op-*  
 25                     *tion of the State, a non-213A alien) is eligible*

1 *for cash assistance under the State program*  
 2 *funded under this part, or in determining the*  
 3 *amount of such assistance to be provided to a*  
 4 *sponsored alien.”;*

5 *(C) in paragraph (1)—*

6 *(i) in the matter preceding subpara-*  
 7 *graph (A), by striking “non-213A” and in-*  
 8 *serting “sponsored”;*

9 *(ii) in subparagraph (B), by inserting*  
 10 *“(or, a greater amount as determined by the*  
 11 *State)” before the period; and*

12 *(iii) in the heading of subparagraph*  
 13 *(C), by striking “NON-213A” and inserting*  
 14 *“SPONSORED”;*

15 *(D) by striking paragraph (5) and insert-*  
 16 *ing the following:*

17 *“(5) EXCEPTIONS.—This subsection shall not*  
 18 *apply to an alien who is—*

19 *“(A) a minor child if the sponsor of the*  
 20 *alien or any spouse of the sponsor is a parent*  
 21 *of the alien child; or*

22 *“(B) described in subsection (e) or (f) of sec-*  
 23 *tion 421 of the Personal Responsibility and*  
 24 *Work Opportunity Reconciliation Act of 1996 (8*  
 25 *U.S.C. 1631).”; and*

1                   (E) by adding at the end the following:

2                   “(7) *INAPPLICABILITY TO FAMILY MEMBERS WHO*  
 3                   *ARE NOT SPONSORED ALIENS.*—*Income and resources*  
 4                   *of a sponsor which are deemed under this subsection*  
 5                   *to be the income and resources of any alien indi-*  
 6                   *vidual in a family shall not be considered in deter-*  
 7                   *mining the need of other family members except to the*  
 8                   *extent such income or resources are actually available*  
 9                   *to such other family members.*

10                  “(8) *RULE OF CONSTRUCTION.*—*For purposes of*  
 11                  *section 421 of the Personal Responsibility and Work*  
 12                  *Opportunity Reconciliation Act of 1996 (8 U.S.C.*  
 13                  *1631), the State program funded under this part is*  
 14                  *not a Federal means-tested public benefits program.”.*

15                  “(2) *CONFORMING AMENDMENTS.*—*Section 423(d)*  
 16                  *of the Personal Responsibility and Work Opportunity*  
 17                  *Reconciliation Act of 1996 (8 U.S.C. 1183a note) is*  
 18                  *amended by adding at the end the following:*

19                  “(12) *Assistance, benefits, or services under part*  
 20                  *A of title IV of the Social Security Act except for cash*  
 21                  *assistance provided to a sponsored alien who is sub-*  
 22                  *ject to deeming pursuant to section 408(f) of that*  
 23                  *Act.”.*

24                  “(c) *STATE AUTHORITY TO PROVIDE STATE AND LOCAL*  
 25                  *PUBLIC BENEFITS FOR CERTAIN ALIENS.*—*Section 411(d)*

1 *of the Personal Responsibility and Work Opportunity Rec-*  
 2 *onciliation Act of 1996 (8 U.S.C. 1621(d)) is amended—*

3 *(1) in the heading, by inserting “AND OTHER”*  
 4 *before “ALIENS”; and*

5 *(2) by inserting “or who otherwise is not a*  
 6 *qualified alien (as defined in subsections (b) and (c)*  
 7 *of section 431)” after “United States”.*

8 **SEC. 105. USE OF FUNDS.**

9 *(a) CLARIFICATION OF AUTHORITY OF STATES TO*  
 10 *USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO*  
 11 *PROVIDE TANF BENEFITS AND SERVICES.—Section 404(e)*  
 12 *(42 U.S.C. 604(e)) is amended to read as follows:*

13 *“(e) AUTHORITY TO CARRY OVER CERTAIN AMOUNTS*  
 14 *FOR BENEFITS OR SERVICES OR FOR FUTURE CONTIN-*  
 15 *GENCIES.—A State or tribe may use a grant made to the*  
 16 *State or tribe under this part for any fiscal year to provide,*  
 17 *without fiscal year limitation, any benefit or service that*  
 18 *may be provided under the State or tribal program funded*  
 19 *under this part.”.*

20 *(b) CLARIFICATION OF APPLICATION OF CAP ON AD-*  
 21 *MINISTRATIVE EXPENDITURES.—Section 404(b)(1) (42*  
 22 *U.S.C. 604(b)(1)) is amended by inserting “(determined*  
 23 *without regard to any amounts transferred under subsection*  
 24 *(d))” after “of the grant”.*

1       (c) *ELIMINATION OF TRUST REQUIREMENT FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.*—Section 404(h)(3)(A)  
 2       (42 U.S.C. 604(h)(3)(A)) is amended by striking “a trust  
 3       created or organized in the United States and”.

5       (d) *AUTHORITY TO TRANSFER TANF FUNDS TO CARRY OUT AN ACCESS TO JOBS PROJECT OR A REVERSE  
 6       COMMUTE PROJECT.*—Section 404(d)(1) (42 U.S.C.  
 7       604(d)(1)) is amended by adding at the end the following:  
 8       “(C) An access to jobs project or a reverse  
 9       commute project under a grant made under section 3037 of the Transportation Equity Act for  
 10       the 21st Century (49 U.S.C. 5309 note).”.

13       (e) *STATE OPTION TO ESTABLISH POSTSECONDARY EDUCATION PROGRAM.*—Section 404 (42 U.S.C. 604) is  
 14       amended by adding at the end the following:

16       “(l) *AUTHORITY TO ESTABLISH POSTSECONDARY EDUCATION PROGRAM.*—

18       “(1) *IN GENERAL.*—Subject to paragraph (2), a  
 19       State to which a grant is made under section 403  
 20       may use the grant to establish a program under  
 21       which an eligible participant (as defined in paragraph (3)) may be provided assistance and other benefits as determined by the State, including support  
 22       services described in paragraph (5).  
 23         
 24

1           “(2) *NO FEDERAL FUNDS FOR TUITION.*—A State  
2           *may not use Federal funds provided under a grant*  
3           *made under section 403 to pay tuition for an eligible*  
4           *participant in a program established under this sub-*  
5           *section.*

6           “(3) *DEFINITION OF ELIGIBLE PARTICIPANT.*—

7                   “(A) *IN GENERAL.*—In this subsection, the  
8                   *term ‘eligible participant’ means an individual*  
9                   *eligible for assistance, benefits, or services under*  
10                  *the State program funded under this part and*  
11                  *satisfies the following requirements:*

12                           “(i) *The individual is enrolled in a*  
13                           *postsecondary 2- or 4-year degree program.*

14                           “(ii) *Enrollment in the postsecondary*  
15                           *program is a requirement of the individ-*  
16                           *ual’s individual responsibility plan under*  
17                           *section 408(b).*

18                           “(iii) *During the first 24 months that*  
19                           *the individual participates in the postsec-*  
20                           *ondary program, the individual engages in*  
21                           *a combination of educational activities in*  
22                           *connection with a course of study, training,*  
23                           *study time, employment, or work experience*  
24                           *for an average of not less than 24 hours (20*

1           *hours, in the case of an individual described*  
2           *in section 407(c)(2)(B)) per week.*

3           “(iv) *After the first 24 months of the*  
4           *individual’s participation in the postsec-*  
5           *ondary program, the individual—*

6                     “(I) *works not less than an aver-*  
7                     *age of 15 hours per week (in addition*  
8                     *to school and study time, and with pri-*  
9                     *ority for hours engaged in work related*  
10                    *to the individual’s course of study); or*

11                   “(II) *engages in a combination of*  
12                    *educational activities in connection*  
13                    *with a course of study, training, study*  
14                    *time, employment, or work experience*  
15                    *for an average of not less than 30*  
16                    *hours (20 hours, in the case of an indi-*  
17                    *vidual described in section*  
18                    *407(c)(2)(B)) per week.*

19           “(v) *During the period the individual*  
20            *participates in the postsecondary program,*  
21            *the individual maintains satisfactory aca-*  
22            *ademic progress, as defined by the institution*  
23            *operating the undergraduate postsecondary*  
24            *program in which the individual is en-*  
25            *rolled.*

1           “(B) *DETERMINATION OF HOURS.*—For  
 2           purposes of determining hours per week under  
 3           clause (ii) or (iii) of subparagraph (A), a State  
 4           may not count study time of less than 1 hour for  
 5           every hour of class time or more than 2 hours for  
 6           every hour of class time.

7           “(4) *REQUIRED TIME PERIODS FOR COMPLETION*  
 8           *OF DEGREE.*—

9           “(A) *IN GENERAL.*—Subject to subpara-  
 10          graph (B), an individual participating in a pro-  
 11          gram established under this subsection shall be  
 12          required to complete the requirements of a degree  
 13          program within the normal timeframe for full  
 14          time students seeking the particular degree.

15          “(B) *EXCEPTION.*—For good cause, the  
 16          State may allow an individual to complete their  
 17          degree requirements within a period not to ex-  
 18          ceed 1½ times the normal timeframe established  
 19          under subparagraph (A) (unless further modi-  
 20          fication is required by the Americans with Dis-  
 21          abilities Act of 1990 (42 U.S.C. 12101 et seq.),  
 22          or section 504 of the Rehabilitation Act of 1973  
 23          (29 U.S.C. 794)) and may modify the require-  
 24          ments applicable to an individual participating  
 25          in the program. For purposes of the preceding



1           *sentence, good cause includes the case of an indi-*  
 2           *vidual with 1 or more significant barriers to*  
 3           *normal participation, as determined by the*  
 4           *State, such as the need to care for a family mem-*  
 5           *ber with special needs.*

6           “(5) *SUPPORT SERVICES DESCRIBED.*—*For pur-*  
 7           *poses of paragraph (1), the support services described*  
 8           *in this paragraph include any or all of the following*  
 9           *during the period the eligible participant is in the*  
 10          *program established under this subsection:*

11                   “(A) *Child care.*

12                   “(B) *Transportation services.*

13                   “(C) *Payment for books and supplies.*

14                   “(D) *Other services provided under policies*  
 15                   *determined by the State to ensure coordination*  
 16                   *and lack of duplication with other programs*  
 17                   *available to provide support services.”.*

18          “(f) *SUPPLEMENTAL HOUSING BENEFITS.*—*Section 404*  
 19          *(42 U.S.C. 604), as amended by subsection (d), is amended*  
 20          *by adding at the end the following:*

21                   “(m) *USE OF FUNDS FOR SUPPLEMENTAL HOUSING*  
 22          *BENEFITS.*—

23                   “(1) *IN GENERAL.*—*A State to which a grant is*  
 24                   *made under section 403 may use the grant to provide*  
 25                   *supplemental housing benefits (as defined in para-*

1        *graph (4)) in order to carry out the purposes specified*  
2        *in section 401(a).*

3                “(2) *NOT CONSIDERED ASSISTANCE.*—*Supple-*  
4        *mental housing benefits (as so defined) shall not for*  
5        *any purpose, be considered assistance under the State*  
6        *program funded under this part.*

7                “(3) *LIMITATION ON USE OF FUNDS.*—*A State*  
8        *may not use any part of the funds made available*  
9        *under a grant made under section 403 to supplant ex-*  
10       *isting State expenditures on housing-related pro-*  
11       *grams. Notwithstanding the preceding sentence, a*  
12       *State may use such funds to supplement such State*  
13       *expenditures.*

14               “(4) *DEFINITION OF SUPPLEMENTAL HOUSING*  
15       *BENEFITS.*—*In this subsection, the term ‘supple-*  
16       *mental housing benefits’ means payments made to, or*  
17       *on behalf of, an individual with significant annual*  
18       *earnings (as defined by the State) to reduce or reim-*  
19       *burse the costs incurred by the individual for housing*  
20       *accommodations.*

21               “(n) *STATE AUTHORITY TO DEFINE MINOR HOUSING*  
22       *REHABILITATION COSTS.*—*A State to which a grant is*  
23       *made under section 403 may use the grant to provide*  
24       *grants, loans, or to otherwise pay the costs of minor reha-*  
25       *bilitation of housing owned or rented by individuals eligible*

1 *for assistance under the State program funded under this*  
 2 *part, consistent with a definition of minor housing rehabili-*  
 3 *tation adopted by the State and incorporated into the State*  
 4 *plan required under section 402(a).”.*

5 **SEC. 106. DEFINITION OF ASSISTANCE.**

6 (a) *DEFINITION.*—Section 419 (42 U.S.C. 619) is  
 7 amended by adding at the end the following:

8 “(6) *ASSISTANCE.*—

9 “(A) *IN GENERAL.*—The term ‘assistance’  
 10 means payment, by cash, voucher, or other  
 11 means, to or for an individual or family for the  
 12 purpose of meeting a subsistence need of the in-  
 13 dividual or family (including food, clothing,  
 14 shelter, and related items, but not including costs  
 15 of transportation, child care, or supplemental  
 16 housing benefits (as defined in section  
 17 404(m)(4)).

18 “(B) *EXCEPTION.*—The term ‘assistance’  
 19 does not include a payment described in sub-  
 20 paragraph (A) to or for an individual or family  
 21 on a short-term, nonrecurring basis (as defined  
 22 by the State in accordance with regulations pre-  
 23 scribed by the Secretary) or any other benefit or  
 24 service excluded from the definition of assistance  
 25 under section 260.31 of title 45 of the Code of

1           *Federal Regulations (as in effect on June 1,*  
 2           *2002).”.*

3           **(b) CONFORMING AMENDMENTS.—**

4           (1) *Section 404(a)(1) (42 U.S.C. 604(a)(1)) is*  
 5           *amended by striking “assistance” and inserting*  
 6           *“aid”.*

7           (2) *Section 404(f) (42 U.S.C. 604(f)) is amended*  
 8           *by striking “assistance” and inserting “benefits or*  
 9           *services”.*

10          (3) *Section 408(a)(5)(B)(i) (42 U.S.C.*  
 11          *608(a)(5)(B)(i)) is amended in the heading by strik-*  
 12          *ing “ASSISTANCE” and inserting “AID”.*

13          (4) *Section 5(g)(2)(D) of the Food Stamp Act of*  
 14          *1977 (7 U.S.C. 2014(g)(2)(D)) is amended—*

15                 *(A) by striking “If the vehicle allowance”*  
 16                 *and inserting the following:*

17                         *“(i) IN GENERAL.—If the vehicle allow-*  
 18                         *ance”; and*

19                 *(B) by adding at the end the following:*

20                         *“(ii) DEFINITION OF ASSISTANCE.—In*  
 21                         *clause (i), the term ‘assistance’ shall have*  
 22                         *the meaning given such term in section*  
 23                         *260.31 of title 45 of the Code of Federal*  
 24                         *Regulations, as in effect on June 1, 2002.”.*

1 **SEC. 107. MAINTENANCE OF EFFORT.**

2       (a) *INCLUSION OF CHILD SUPPORT ARREARAGES DIS-*  
 3 *TRIBUTED TO FAMILIES NO LONGER RECEIVING ASSIST-*  
 4 *ANCE.*—Section 409(a)(7)(B)(i) (42 U.S.C.  
 5 609(a)(7)(B)(i)) is amended—

6           (1) in subclause (I)(aa), by striking  
 7 “457(a)(1)(B)” and inserting “457(a)(1)”; and  
 8           (2) by adding at the end the following:

9                               “(V) PORTIONS OF CERTAIN  
 10 CHILD SUPPORT PAYMENTS COLLECTED  
 11 ON BEHALF OF AND DISTRIBUTED TO  
 12 FAMILIES NO LONGER RECEIVING AS-  
 13 SISTANCE.—Any amount paid by a  
 14 State pursuant to section 457(a)(2)(B),  
 15 but only to the extent that the State  
 16 properly elects under section 457(a)(6)  
 17 to have the payment considered a  
 18 qualified State expenditure.”.

19       (b) *REAUTHORIZATION.*—Section 409(a)(7) (42 U.S.C.  
 20 609(a)(7)) is amended—

21           (1) in subparagraph (A) by striking “fiscal year  
 22 1998, 1999, 2000, 2001, 2002, or 2003” and inserting  
 23 “fiscal year 2003, 2004, 2005, 2006, 2007 or 2008”;  
 24 and

25           (2) in subparagraph (B)(ii)—

1                   (A) by inserting “preceding” before “fiscal  
2                   year”; and

3                   (B) by striking “for fiscal years 1997  
4                   through 2002,”.

5   **SEC. 108. FUNDING FOR FAMILIES ASSISTED BY A TERRI-**  
6                   **TORY PROGRAM.**

7           (a) *INCREASE IN MANDATORY CEILING AMOUNT.*—  
8   Section 1108(c)(4) (42 U.S.C. 1308(c)(4)) is amended—

9                   (1) in subparagraph (A), by striking  
10                  “\$107,255,000” and inserting “\$109,936,375”;

11                  (2) in subparagraph (B), by striking  
12                  “\$4,686,000” and inserting “\$4,803,150”;

13                  (3) in subparagraph (C), by striking  
14                  “\$3,554,000” and inserting “\$3,642,850”; and

15                  (4) in subparagraph (D), by striking  
16                  “\$1,000,000” and inserting “\$1,250,000”.

17           (b) *REAUTHORIZATION OF MATCHING GRANTS.*—Sec-  
18   tion 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by strik-  
19   ing “fiscal years 1997 through 2002” and inserting “each  
20   of fiscal years 2003 through 2007”.

21   **SEC. 109. REPEAL OF FEDERAL LOAN FUND FOR STATE**  
22                   **WELFARE PROGRAMS.**

23           (a) *REPEAL.*—Section 406 (42 U.S.C. 606) is repealed.

24           (b) *CONFORMING AMENDMENTS.*—

1           (1) *Section 409(a) (42 U.S.C. 609(a)) is amend-*  
 2           *ed by striking paragraph (6).*

3           (2) *Section 412 (42 U.S.C. 612) is amended by*  
 4           *striking subsection (f) and redesignating subsections*  
 5           *(g) through (i) as subsections (f) through (h), respec-*  
 6           *tively.*

7           (3) *Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is*  
 8           *amended by striking “406.”.*

9   **SEC. 110. SOCIAL SERVICES BLOCK GRANT.**

10       (a) *RESTORATION OF AUTHORITY TO TRANSFER UP*  
 11       *TO 10 PERCENT OF TANF FUNDS.—*

12           (1) *IN GENERAL.—Section 404(d)(2) (42 U.S.C.*  
 13           *604(d)(2)) is amended to read as follows:*

14           “(2) *LIMITATION ON AMOUNT TRANSFERABLE TO*  
 15           *TITLE XX PROGRAMS.—A State may use not more*  
 16           *than 10 percent of the amount of any grant made to*  
 17           *the State under section 403(a) for a fiscal year to*  
 18           *carry out State programs pursuant to title XX.”.*

19           (2) *EFFECTIVE DATE.—The amendment made by*  
 20           *paragraph (1) applies to amounts made available for*  
 21           *fiscal year 2003 and each fiscal year thereafter.*

22       (b) *FUNDING FOR FISCAL YEAR 2005.—Section*  
 23       *2003(c)(11) (42 U.S.C. 1397b(c)(11)) is amended by insert-*  
 24       *ing “, except that, with respect to fiscal year 2005, the*  
 25       *amount shall be \$1,952,000,000” after “thereafter”.*

1 **SEC. 111. TECHNICAL CORRECTIONS.**

2       (a) Section 404 (42 U.S.C. 604) is amended by strik-  
3 ing subsection (c).

4       (b) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended  
5 by inserting a comma after “appropriate”.

6       (c) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.  
7 611(a)(1)(A)(ii)(III)) is amended by striking the last close  
8 parenthesis.

9       (d) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is  
10 amended by striking “section” and inserting “sections”.

11 **TITLE II—WORK**

12 **SEC. 201. UNIVERSAL ENGAGEMENT.**

13       (a) *MODIFICATION OF INDIVIDUAL RESPONSIBILITY*  
14 *PLANS.*—Section 408(b) (42 U.S.C. 608(b)) is amended to  
15 read as follows:

16       “(b) *INDIVIDUAL RESPONSIBILITY PLANS.*—

17               “(1) *ASSESSMENT.*—The State agency respon-  
18 sible for administering the State program funded  
19 under this part shall make an initial screening and  
20 assessment of the following for each family with an  
21 adult or minor child head of household receiving as-  
22 sistance:

23                       “(A) The education obtained, skills, prior  
24 work experience, work readiness, and barriers to  
25 work of each adult or minor child head of house-  
26 hold recipient of assistance in the family who



1       *has attained age 18 or who has not completed*  
2       *high school or obtained a certificate of high*  
3       *school equivalency, and is not attending sec-*  
4       *ondary school.*

5               *“(B) The work support, work readiness, and*  
6       *family support services for which families receiv-*  
7       *ing assistance are eligible.*

8               *“(C) The well-being of the children in the*  
9       *family and, where appropriate, activities or re-*  
10       *sources to improve the well-being of the children.*

11       *“(2) CONTENTS OF PLANS.—*

12               *“(A) IN GENERAL.—On the basis of the*  
13       *screening and assessment required under para-*  
14       *graph (1) for a family with an adult or minor*  
15       *child head of household receiving assistance*  
16       *under the State program funded under this part,*  
17       *the State agency, in consultation with the fam-*  
18       *ily, shall develop an individual responsibility*  
19       *plan that—*

20               *“(i) establishes for each adult and*  
21       *minor child head of household recipient a*  
22       *self-sufficiency plan that specifies activities*  
23       *described in the State plan submitted pur-*  
24       *suant to section 402, including work activi-*  
25       *ties specified in section 407(d), as appro-*

1        *priate, that are designed to assist the family*  
2        *in achieving their maximum degree of self-*  
3        *sufficiency, and that provides for the ongo-*  
4        *ing participation of the adult or minor*  
5        *child head of household recipient in the ac-*  
6        *tivities;*

7                *“(ii) sets forth the obligations of the*  
8        *adult or minor child head of household re-*  
9        *recipient which may include registering for*  
10       *work and commencing a search for employ-*  
11       *ment for a specified number of hours each*  
12       *week;*

13               *“(iii) requires, at a minimum, each*  
14       *such recipient to participate in activities in*  
15       *accordance with the individual responsi-*  
16       *bility plan;*

17               *“(iv) sets forth the appropriate sup-*  
18       *portive services the State intends to provide*  
19       *for the family;*

20               *“(v) establishes for the family a plan*  
21       *that addresses the issue of child well-being*  
22       *and, when appropriate, adolescent well-*  
23       *being, and that may include services such*  
24       *as domestic violence counseling, mental*  
25       *health referrals, and parenting courses; and*

1           “(vi) includes a section designed to as-  
2           sist the family by informing the family of  
3           the work support assistance for which the  
4           family may be eligible, including (but not  
5           limited to)—

6                   “(I) the food stamp program es-  
7                   tablished under the Food Stamp Act of  
8                   1977 (7 U.S.C. 2011 et seq.);

9                   “(II) the medicaid program fund-  
10                  ed under title XIX;

11                  “(III) the State children’s health  
12                  insurance program funded under title  
13                  XXI;

14                  “(IV) child care funded under the  
15                  Child Care Development Block Grant  
16                  Act of 1990 (42 U.S.C. 9858 et seq.);

17                  “(V) the earned income tax credit  
18                  under section 32 of the Internal Rev-  
19                  enue Code of 1986;

20                  “(VI) the low-income home energy  
21                  assistance program established under  
22                  the Low-Income Home Energy Assist-  
23                  ance Act of 1981 (42 U.S.C. 8621 et  
24                  seq.);

1           “(VII) the special supplemental  
2           nutrition program for women, infants,  
3           and children established under section  
4           17 of the Child Nutrition Act of 1966  
5           (42 U.S.C. 1786);

6           “(VIII) programs conducted under  
7           the Workforce Investment Act of 1998  
8           (29 U.S.C. 2801 *et seq.*); and

9           “(IX) low-income housing assist-  
10          ance programs.

11       “(3) REVIEW.—

12           “(A) REGULAR REVIEW.—The State agency  
13       shall—

14           “(i) monitor the participation of each  
15           adult recipient in the activities specified in  
16           the individual responsibility plan, and reg-  
17           ularly review the progress of the family to-  
18           ward self-sufficiency; and

19           “(ii) upon such a review, revise the  
20           plan and activities required under the plan  
21           as the State deems appropriate in consulta-  
22           tion with the family.

23           “(B) PRIOR TO THE IMPOSITION OF A SANC-  
24       TION.—The State agency shall—

1           “(i) review the individual responsi-  
2           bility plan prior to imposing a sanction  
3           against the adult recipient or the family for  
4           failure to comply with a requirement of the  
5           plan or the State program funded under  
6           this part; and

7           “(ii) make a good faith effort (as de-  
8           fined by the State) to consult with the fam-  
9           ily as part of such review.

10          “(4) *TIMING.*—With respect to a family, the  
11          State shall comply with this subsection—

12               “(A) in the case of a family that, as of Oc-  
13               tober 1, 2003, is not receiving assistance from  
14               the State program funded under this part, not  
15               later than 60 days after the family first receives  
16               assistance on the basis of the most recent appli-  
17               cation for the assistance; and

18               “(B) in the case of a family that, as of such  
19               date, is receiving the assistance, not later than  
20               September 30, 2004.

21          “(5) *RULE OF INTERPRETATION.*—Nothing in  
22          this subsection shall preclude a State from requiring  
23          participation in work and any other activities the  
24          State deems appropriate for helping families achieve  
25          self-sufficiency and improving child well-being.”.

1       (b) *IMPLEMENTATION.*—

2               (1) *DEVELOPMENT OF MODEL SCREENING AND*  
3       *ASSESSMENT TOOLS.*—

4               (A) *IN GENERAL.*—*The Secretary of Health*  
5       *and Human Services shall develop or identify*  
6       *model screening and assessment tools to assist*  
7       *States (at their option) in identifying an indi-*  
8       *vidual's barriers to employment or program*  
9       *compliance.*

10              (B) *CONSULTATION.*—*The Secretary of*  
11       *Health and Human Services shall develop or*  
12       *identify the model tools required under para-*  
13       *graph (1) in consultation with individuals and*  
14       *groups with expertise in circumstances such as*  
15       *physical or mental impairments (including*  
16       *learning disabilities), substance abuse, limited*  
17       *English proficiency, domestic violence, or the*  
18       *need to care for a family member with a dis-*  
19       *ability.*

20              (C) *DISSEMINATION.*—*The Secretary of*  
21       *Health and Human Services shall disseminate*  
22       *the tools developed or identified under this para-*  
23       *graph to States (as defined in section 1101(a)(1)*  
24       *of the Social Security Act (42 U.S.C. 1301(a)(1))*  
25       *for purposes of part A of title IV of such Act)*

1           *and Indian tribes with programs funded under*  
2           *part A of title IV of the Social Security Act (42*  
3           *U.S.C. 601 et seq.).*

4           (2) *GRANTS TO ASSIST WITH IMPLEMENTA-*  
5           *TION.—Section 403(a) (42 U.S.C. 603(a)) is amended*  
6           *by adding at the end the following:*

7           “(6) *GRANTS TO ASSIST WITH IMPLEMENTATION*  
8           *OF UNIVERSAL ENGAGEMENT REQUIREMENTS.—*

9           “(A) *IN GENERAL.—Each eligible State*  
10           *shall be entitled to receive from the Secretary, for*  
11           *each of fiscal years 2003 through 2006, a grant*  
12           *under this paragraph to carry out any or all of*  
13           *the following activities:*

14           “(i) *To provide training for super-*  
15           *visory and non-supervisory staff of the*  
16           *State or local agency with responsibility for*  
17           *the administration of the State program*  
18           *funded under this part, including (but not*  
19           *limited to) training that is designed to im-*  
20           *prove the ability of such staff to identify*  
21           *barriers to employment and indicators of*  
22           *child well-being, and to improve the under-*  
23           *standing of such staff of program require-*  
24           *ments and services funded under this part*  
25           *and of nondiscrimination and employment*

1           *laws for families receiving assistance under*  
2           *the State program.*

3           “(ii) *To improve the communication of*  
4           *information concerning program require-*  
5           *ments to recipients of, and applicants for,*  
6           *assistance, including services related to*  
7           *communicating such information to fami-*  
8           *lies with a primary language other than*  
9           *English.*

10          “(iii) *To improve the quality of the*  
11          *agency workforce.*

12          “(iv) *To improve the coordination of*  
13          *support programs for low-income families.*

14          “(v) *To conduct outreach to promote*  
15          *the enrollment of eligible families in such*  
16          *programs.*

17          “(vi) *To establish advisory review pan-*  
18          *els to advise States with respect to improv-*  
19          *ing the State’s policies and procedures for*  
20          *assisting individuals under the State pro-*  
21          *gram funded under this part who have bar-*  
22          *riers to work in accordance with the re-*  
23          *quirements of subparagraph (C).*

24          “(B) *AMOUNT OF GRANT.—Of the amount*  
25          *appropriated under subparagraph (E) for a fis-*



1        *cal year, the Secretary shall pay each State an*  
 2        *amount equal to the same proportion of such*  
 3        *amount as the proportion of the number of fami-*  
 4        *lies receiving assistance under the State program*  
 5        *funded under this part to all such families for*  
 6        *all States.*

7                *“(C) REQUIREMENTS FOR ADVISORY RE-*  
 8        *VIEW PANELS.—A State that uses funds provided*  
 9        *under a grant made under this paragraph to es-*  
 10        *tablish an advisory review panel shall establish*  
 11        *such panels consistent with the following:*

12                *“(i) MEMBERSHIP.—*

13                        *“(I) IN GENERAL.—The advisory*  
 14        *review panel shall consist of the fol-*  
 15        *lowing:*

16                                *“(aa) At least 1 member*  
 17        *shall be a representative of the*  
 18        *State or local agency responsible*  
 19        *for administering the State pro-*  
 20        *gram funded under this part.*

21                                *“(bb) At least 1 member shall*  
 22        *be an employer.*

23                                *“(cc) At least 1 member shall*  
 24        *be a representative of other State*  
 25        *or local agencies with expertise in*

1 *providing services to individuals*  
2 *with disabilities or other barriers*  
3 *to work, such as vocational reha-*  
4 *bilitation agencies, the State*  
5 *workforce investment board estab-*  
6 *lished under section 111 of the*  
7 *Workforce Investment Act of 1998*  
8 *(29 U.S.C. 2821), or mental*  
9 *health agencies.*

10 *“(dd) At least 1 member*  
11 *shall be a parent with a barrier to*  
12 *work who is receiving, or who has*  
13 *ceased receiving, cash assistance*  
14 *or support services under the*  
15 *State program funded under this*  
16 *part.*

17 *“(ee) At least 1 member shall*  
18 *be an individual or representative*  
19 *of an entity with expertise in de-*  
20 *signing and implementing policies*  
21 *and programs to successfully serve*  
22 *individuals with barriers to work.*

23 *“(ff) At least 1 member shall*  
24 *be a representative of an organi-*  
25 *zation that represent recipients of*

1 assistance under the State pro-  
2 gram funded under this part or  
3 individuals with barriers to em-  
4 ployment.

5 “(gg) At least 1 member shall  
6 be a representative of non-super-  
7 visory employees of the State or  
8 local agency with responsibility  
9 for the administration of the State  
10 program funded under this part.

11 “(I) CHAIR.—

12 “(aa) IN GENERAL.—Subject  
13 to item (bb), the chair of the advi-  
14 sory review panel shall be ap-  
15 pointed by the chief executive offi-  
16 cer of the State.

17 “(bb) LIMITATION.—The  
18 chair shall not be a State em-  
19 ployee.

20 “(III) COORDINATION WITH EX-  
21 ISTING PANELS.—A State shall coordi-  
22 nate the establishment of an advisory  
23 review panel with other advisory pan-  
24 els established as of October 1, 2002,  
25 that serve recipients of assistance

1           *under the State program funded under*  
2           *this part.*

3           “(ii) *DUTIES AND USE OF FUNDS.—*

4                     “(I) *IN GENERAL.—In seeking to*  
5                     *improve a State’s policies and proce-*  
6                     *dures for assisting individuals with*  
7                     *barriers to work, an advisory review*  
8                     *panel established with funds paid*  
9                     *under a grant made this paragraph*  
10                    *may hold meetings, hire support staff,*  
11                    *and enter into contracts for inde-*  
12                    *pendent evaluations.*

13                   “(II) *SITE VISITS; PUBLIC HEAR-*  
14                    *INGS.—To the extent it determines ap-*  
15                    *propriate, an advisory review panel es-*  
16                    *tablished under this paragraph may—*

17                             “(aa) *conduct site visits to*  
18                             *State or local agencies responsible*  
19                             *for administering the State pro-*  
20                             *gram funded under this part; and*

21                             “(bb) *hold public hearings.*

22                   “(III) *EXPENSES.—At the option*  
23                    *of the State, an advisory review panel*  
24                    *established under this paragraph may*  
25                    *reimburse a panel member who is a re-*

1                    *recipient, or a former recipient, of assist-*  
2                    *ance under the State program funded*  
3                    *under this part for reasonable travel*  
4                    *expenses associated with the member's*  
5                    *participation on the panel.*

6                    “(IV) *RULE OF CONSTRUCTION.*—

7                          “(aa) *IN GENERAL.*—*Nothing*  
8                    *in this paragraph shall be con-*  
9                    *strued as authorizing an advisory*  
10                    *review panel established under*  
11                    *this paragraph to resolve com-*  
12                    *plaints filed by individuals or en-*  
13                    *tities related to possible violations*  
14                    *of laws protecting civil rights, to*  
15                    *review specific individual's claims*  
16                    *against the State agency respon-*  
17                    *sible for administering the State*  
18                    *program funded under this part,*  
19                    *or to become involved in advising*  
20                    *the State as to the specific provi-*  
21                    *sions that should be included in a*  
22                    *specific individual's individual*  
23                    *responsibility plan under section*  
24                    *408(b).*

1                   “(bb) *RECIPIENT PARTICIPA-*  
2                   *TION.*—Nothing in item (aa) shall  
3                   prevent an individual who is a  
4                   recipient, or a former recipient of  
5                   assistance under the State pro-  
6                   gram funded under this part from  
7                   providing the advisory review  
8                   panel with information that could  
9                   help inform the panel’s delibera-  
10                  tions regarding improvements  
11                  that may be needed in the State’s  
12                  policies and procedures to better  
13                  meet the needs of individuals and  
14                  families with barriers to employ-  
15                  ment.

16               “(iii) *REPORTS.*—An advisory review  
17               panel established under this paragraph  
18               shall submit to the Secretary at least 1 re-  
19               port that identifies areas in the State where  
20               improvement is needed with respect to the  
21               State’s policies and procedures for assisting  
22               individuals under the State program funded  
23               under this part who have barriers to work.

24               “(D) *INAPPLICABILITY OF SECTION 404.*—A  
25               grant made under this paragraph shall not be

1       *considered a grant made under this section for*  
2       *purposes of section 404.*

3               “(E) *APPROPRIATIONS.*—*Out of any money*  
4       *in the Treasury of the United States not other-*  
5       *wise appropriated, there is appropriated to*  
6       *carry out this paragraph, \$120,000,000 for the*  
7       *period of fiscal years 2003 through 2006.”.*

8               “(3) *CONSULTATION.*—*The Secretary of Health*  
9       *and Human Services shall consult with representa-*  
10       *tives of the National Governors Association, the Amer-*  
11       *ican Public Human Services Association, and the Na-*  
12       *tional Conference of State Legislatures with respect to*  
13       *implementation of the universal engagement require-*  
14       *ments under the temporary assistance to needy fami-*  
15       *lies program under part A of title IV of the Social*  
16       *Security Act (42 U.S.C. 601 et seq.), as added by the*  
17       *amendments made by this section, including—*

18               *(A) the development of regulations to carry*  
19       *out the amendments made by this section;*

20               *(B) the provision of technical assistance to*  
21       *States (in participation with the organizations*  
22       *the Secretary is required to consult with under*  
23       *this paragraph) regarding compliance with such*  
24       *requirements; and*

1                   (C) the model screening tools required to be  
2                   developed under paragraph (1).

3                   (4) *GAO EVALUATION AND REPORT.*—Not later  
4                   than September 30, 2005, the Comptroller General of  
5                   the United States shall submit a report to the Com-  
6                   mittee on Ways and Means of the House of Represent-  
7                   atives and the Committee on Finance of the Senate  
8                   evaluating the implementation of the universal en-  
9                   gagement provisions under the temporary assistance  
10                  to needy families program under part A of title IV  
11                  of the Social Security Act (42 U.S.C. 601 et seq.), as  
12                  added by the amendments made by this section.

13               (c) *RULES OF CONSTRUCTION.*—Nothing in this sec-  
14               tion or the amendments made by this section shall be  
15               construed—

16               (1) as establishing a private right or cause of ac-  
17               tion against a State for failure to comply with the re-  
18               quirements imposed under this section or the amend-  
19               ments made by this section; or

20               (2) as limiting claims that may be available  
21               under other Federal or State laws.

22 **SEC. 202. WORK PARTICIPATION REQUIREMENTS.**

23               (a) *MINIMUM PARTICIPATION RATES.*—The table set  
24               forth in section 407(a)(1) (42 U.S.C. 607(a)(1)) is  
25               amended—



1           (1) *in the item relating to fiscal year 2002—*

2                   (A) *by striking “or thereafter” and insert-*  
 3           *ing “or 2003”; and*

4                   (B) *by striking the period; and*

5           (2) *by adding at the end the following:*

“2004 .....	55
2005 .....	60
2006 .....	65
2007 or thereafter .....	70.”.

6           (b) *ELIMINATION OF SEPARATE WORK PARTICIPATION*

7   *RATE FOR 2-PARENT FAMILIES.—Section 407 (42 U.S.C.*  
 8   *607) is amended—*

9           (1) *in subsection (a)—*

10                   (A) *in the heading of paragraph (1), by*  
 11           *striking “ALL FAMILIES” and inserting “IN GEN-*  
 12           *ERAL”; and*

13                   (B) *by striking paragraph (2);*

14           (2) *in subsection (b)—*

15                   (A) *by striking paragraph (2);*

16                   (B) *in paragraph (4), by striking “para-*  
 17           *graphs (1)(B) and (2)(B)” and inserting “para-*  
 18           *graph (1)(B)”;* and

19                   (C) *in paragraph (5), by striking “rates”*  
 20           *and inserting “rate”; and*

21           (3) *in subsection (c)—*

22                   (A) *in paragraph (1)—*

1                   (i) by striking “GENERAL RULES.—”  
 2                   and all that follows through “For purposes”  
 3                   in subparagraph (A) and inserting “GEN-  
 4                   ERAL RULE.—For purposes”; and  
 5                   (ii) by striking subparagraph (B); and  
 6                   (B) in paragraph (2)(D)—  
 7                   (i) by striking “paragraphs (1)(B)(i)  
 8                   and (2)(B) of subsection (b)” and inserting  
 9                   “subsection (b)(1)(B)(i)”; and  
 10                   (ii) by striking “and in 2-parent fami-  
 11                   lies, respectively,”.

12           (c) MAKING WORK PAY.—

13                   (1) REPLACEMENT OF CASELOAD REDUCTION  
 14                   CREDIT WITH EMPLOYMENT CREDIT.—

15                   (A) EMPLOYMENT CREDIT TO REWARD  
 16                   STATES IN WHICH FAMILIES LEAVE WELFARE  
 17                   FOR WORK; ADDITIONAL CREDIT FOR FAMILIES  
 18                   WITH HIGHER EARNINGS.—

19                   (i) IN GENERAL.—Section 407(a) (42  
 20                   U.S.C. 607(a)), as amended by subsection  
 21                   (b)(1)(B), is further amended by adding at  
 22                   the end the following:

23                   “(2) EMPLOYMENT CREDIT.—

24                   “(A) IN GENERAL.—In consultation with  
 25                   the States, and subject to subparagraph (C), the

1        *Secretary shall prescribe regulations for reducing*  
 2        *the minimum participation rate otherwise appli-*  
 3        *cable to a State under this subsection for a fiscal*  
 4        *year by the number of percentage points in the*  
 5        *employment credit for the State for the fiscal*  
 6        *year, as determined by the Secretary—*

7                *“(i) using information in the National*  
 8                *Directory of New Hires; and*

9                *“(ii) with respect to a recipient of as-*  
 10                *sistance under the State program funded*  
 11                *under this part who is placed with an em-*  
 12                *ployer whose hiring information is not re-*  
 13                *ported to the National Directory of New*  
 14                *Hires, using quarterly wage information*  
 15                *submitted by the State to the Secretary not*  
 16                *later than such date as the Secretary shall*  
 17                *prescribe in regulations.*

18                *“(B) CALCULATION OF CREDIT.—*

19                *“(i) IN GENERAL.—The employment*  
 20                *credit for a State for a fiscal year is an*  
 21                *amount equal to—*

22                        *“(I)(aa) twice the unduplicated*  
 23                        *number of families that include an*  
 24                        *adult recipient of assistance under the*  
 25                        *State program funded under this part,*

1           *that ceased to receive such assistance*  
2           *for at least a 2-month period during*  
3           *the applicable period (as defined in*  
4           *clause (iii)), that did not receive assist-*  
5           *ance under a separate State-funded*  
6           *program during such 2-month period,*  
7           *that were employed during the cal-*  
8           *endar quarter immediately succeeding*  
9           *the quarter in which the assistance*  
10           *under the State program funded under*  
11           *this part ceased, and that are not oth-*  
12           *erwise included in the determination of*  
13           *a credit against the minimum partici-*  
14           *pation rate otherwise applicable to a*  
15           *State under this subsection for a fiscal*  
16           *year, plus;*

17           *“(bb) at State option, the number*  
18           *of families that received a non-*  
19           *recurring short-term benefit under the*  
20           *State program funded under this part*  
21           *during the applicable period (as so de-*  
22           *fined), that were employed during the*  
23           *calendar quarter immediately suc-*  
24           *ceeding the quarter in which the non-*  
25           *recurring short-term benefit was so re-*

1           *ceived, and that earned at least \$1000*  
2           *during the applicable period (as so de-*  
3           *defined); divided by*

4                     *“(II) the average monthly number*  
5           *of families that include an adult who*  
6           *received assistance under the State pro-*  
7           *gram funded under this part during*  
8           *the applicable period (as so defined),*  
9           *plus, if the State elected the option*  
10          *under subclause (I)(bb), the number of*  
11          *families that received a nonrecurring*  
12          *short-term benefit under the State pro-*  
13          *gram funded under this part during*  
14          *the applicable period (as so defined).*

15                    *“(ii) SPECIAL RULE FOR FORMER RE-*  
16          *CIPIENTS WITH HIGHER EARNINGS.—In cal-*  
17          *culating the employment credit for a State*  
18          *for a fiscal year, a family that, with respect*  
19          *to the quarter in which the family’s earn-*  
20          *ings was examined during the preceding fis-*  
21          *cal year, earned at least 33 percent of the*  
22          *average quarterly earnings in the State (de-*  
23          *termined on the basis of State unemploy-*  
24          *ment data) shall be considered to be 1.5*  
25          *families.*

1           “(iii) *DEFINITION OF APPLICABLE PE-*  
2           *RIOD.*—For purposes of this subparagraph,  
3           the term ‘applicable period’ means the most  
4           recent 4 quarters for which data are avail-  
5           able to the Secretary providing information  
6           on the work status of—

7                     “(I) individuals in the quarter  
8                     after the individuals ceased receiving  
9                     assistance under the State program  
10                    funded under this part; and

11                   “(II) at State option, individuals  
12                   in the quarter after the individuals re-  
13                   ceived a short-term, non recurring ben-  
14                   efit.

15           “(C) *LIMITATION.*—

16                   “(i) *IN GENERAL.*—Except with respect  
17                   to a State described in clause (ii), the min-  
18                   imum participation rate applicable to fam-  
19                   ilies receiving assistance under the State  
20                   program funded under this part shall not  
21                   have the effect of being reduced through the  
22                   application of the employment credit deter-  
23                   mined under subparagraph (B)(i)(I)(aa) or  
24                   the inclusion, at State option, of individ-  
25                   uals who receive substantial child care or

1           *transportation assistance in the determina-*  
2           *tion of the minimum participation rate*  
3           *under paragraph (1), below—*

4                     “(I) 20 percent, in the case of fis-  
5                     cal year 2004;

6                     “(II) 30 percent, in the case of fis-  
7                     cal year 2005;

8                     “(III) 40 percent, in the case of  
9                     fiscal year 2006; or

10                    “(IV) 50 percent, in the case of  
11                    fiscal year 2007.

12                    “(ii) *STATE DESCRIBED.*—Clause (i)  
13                    *shall not apply to a State that meets at*  
14                    *least 2 of the criteria for being considered a*  
15                    *needy State under section 403(b)(3)(A).*

16                    “(D) *QUARTERLY REPORTS.*—Not later  
17                    *than 6 months after the end of a fiscal year*  
18                    *quarter, the Secretary shall issue a report to*  
19                    *Congress and each State for the preceding quar-*  
20                    *ter that includes information regarding the per-*  
21                    *formance of each State on the factors used to de-*  
22                    *termine the employment credit for a State under*  
23                    *this paragraph during that quarter, including*  
24                    *any option selected by the State.”.*

1                   (ii) *AUTHORITY OF SECRETARY TO USE*  
 2                   *INFORMATION IN NATIONAL DIRECTORY OF*  
 3                   *NEW HIRES.—Section 453(i) (42 U.S.C.*  
 4                   *653(i)) is amended by adding at the end the*  
 5                   *following:*

6                   “(5) *CALCULATION OF EMPLOYMENT CREDIT FOR*  
 7                   *PURPOSES OF DETERMINING STATE WORK PARTICIPA-*  
 8                   *TION RATES UNDER TANF.—The Secretary may use*  
 9                   *the information in the National Directory of New*  
 10                   *Hires for purposes of calculating State employment*  
 11                   *credits pursuant to section 407(a)(2).”.*

12                   (B) *ELIMINATION OF CASELOAD REDUCTION*  
 13                   *CREDIT.—Section 407(b) (42 U.S.C. 607(b)), as*  
 14                   *amended by subsection (b)(2)(A), is further*  
 15                   *amended by striking paragraph (3) and redesign-*  
 16                   *ating paragraphs (4) and (5) as paragraphs*  
 17                   *(2) and (3), respectively.*

18                   (2) *STATES TO RECEIVE PARTIAL CREDIT TO-*  
 19                   *WARD WORK PARTICIPATION RATE FOR RECIPIENTS*  
 20                   *ENGAGED IN PART-TIME WORK.—Section 407(c)(1)*  
 21                   *(42 U.S.C. 607(c)(1)), as amended by subsection*  
 22                   *(b)(3)(A), is further amended by adding at the end*  
 23                   *the following flush sentence: “For purposes of sub-*  
 24                   *section (b)(1)(B)(i), a family that does not include a*  
 25                   *recipient who is participating in work activities for*



1        *an average of 30 hours per week during a month but*  
 2        *includes a recipient who is participating in activities*  
 3        *described in paragraph (1), (2), (3), (4), (5), (6), (7),*  
 4        *(8), (12), or 13(A) of subsection (d) during the month*  
 5        *for an average of at least 50 percent of the minimum*  
 6        *average number of hours per week specified for the*  
 7        *month in the table set forth in this paragraph shall*  
 8        *be counted as a percentage of a family that includes*  
 9        *an adult or minor child head of household who is en-*  
 10       *gaged in work for the month, which percentage shall*  
 11       *be the number of hours for which the recipient par-*  
 12       *ticipated in such activities during the month divided*  
 13       *by the number of hours of such participation required*  
 14       *of the recipient under this section for the month.”.*

15                *(3) TANF RECIPIENTS WHO QUALIFY FOR SUP-*  
 16        *PLEMENTAL SECURITY INCOME BENEFITS REMOVED*  
 17        *FROM WORK PARTICIPATION RATE CALCULATION FOR*  
 18        *ENTIRE YEAR.—Section 407(b)(1)(B)(ii) (42 U.S.C.*  
 19        *607(b)(1)(B)(ii)) is amended—*

20                        *(A) in subclause (I), by inserting “who has*  
 21                        *not become eligible for supplemental security in-*  
 22                        *come benefits under title XVI during the fiscal*  
 23                        *year” before the semicolon; and*

24                        *(B) in subclause (II), by inserting “, and*  
 25                        *that do not include an adult or minor child head*

1           *of household who has become eligible for supple-*  
 2           *mental security income benefits under title XVI*  
 3           *during the fiscal year” before the period.*

4           (4) *STATE OPTION TO INCLUDE RECIPIENTS OF*  
 5           *SUBSTANTIAL CHILD CARE OR TRANSPORTATION AS-*  
 6           *SISTANCE IN WORK PARTICIPATION RATE.—*

7                   (A) *IN GENERAL.—*Section 407(a)(1) (42  
 8           *U.S.C. 607(a)(1)) is amended by inserting “(in-*  
 9           *cluding, at the option of the State, a family that*  
 10           *includes an adult who is receiving substantial*  
 11           *child care or transportation assistance (as de-*  
 12           *finied by the Secretary, in consultation with di-*  
 13           *rectors of State programs funded under this part,*  
 14           *which definition shall specify for each type of as-*  
 15           *sistance a threshold which is a dollar value or a*  
 16           *length of time over which the assistance is re-*  
 17           *ceived, and take into account large one-time*  
 18           *transition payments) except any family taken*  
 19           *into account under paragraph (2)(B)(i)(I))” be-*  
 20           *fore the colon.*

21                   (B) *DATA COLLECTION AND REPORTING.—*  
 22           Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is  
 23           amended in the matter preceding clause (i) by  
 24           inserting “(including any family with respect to  
 25           whom the State has exercised its option under

1        *section 407(a)(1) or 407(a)(2)(B)(i)(I)(bb)” after*  
 2        *“assistance”.*

3        (5) *EFFECTIVE DATE.*—

4            (A) *IN GENERAL.*—*Except as provided in*  
 5        *subparagraph (B), the amendments made by this*  
 6        *subsection shall take effect on October 1, 2003.*

7            (B) *STATE OPTION TO PHASE-IN REPLACE-*  
 8        *MENT OF CASELOAD REDUCTION CREDIT WITH*  
 9        *EMPLOYMENT CREDIT AND DELAY APPLICABILITY*  
 10       *OF OTHER PROVISIONS.*—*A State may elect to*  
 11       *have the amendments made by subsections (a)(2),*  
 12       *(b), (c), and (d) not apply to the State program*  
 13       *funded under part A of title IV of the Social Se-*  
 14       *curity Act until October 1, 2004, and if the State*  
 15       *makes the election, then, in determining the par-*  
 16       *ticipation rate of the State for purposes of sec-*  
 17       *tions 407 and 409(a)(3) of the Social Security*  
 18       *Act for fiscal year 2004, the State shall be cred-*  
 19       *ited with 1/2 of the reduction in the rate that*  
 20       *would otherwise result from applying section*  
 21       *407(a)(2) of the Social Security Act (as added*  
 22       *by subsection (c)(1)(A)(i)) to the State for fiscal*  
 23       *year 2004 and 1/2 of the reduction in the rate*  
 24       *that would otherwise result from applying sec-*

1            *tion 407(b)(3) of the Social Security Act to the*  
 2            *State for fiscal year 2004.*

3            *(d) INCREASE IN NUMBER OF HOURS REQUIRED FOR*  
 4            *WORK-RELATED ACTIVITIES.—Section 407(c)(1) (42*  
 5            *U.S.C. 607(c)(1)), as amended by subsection (b)(3), is fur-*  
 6            *ther amended in the matter preceding the table set forth*  
 7            *in that paragraph, by striking “20 hours” and inserting*  
 8            *“24 hours”.*

9            *(e) ADDITIONAL WORK ACTIVITIES.—*

10            *(1) IN GENERAL.—Section 407(d) (42 U.S.C.*  
 11            *607(d)) is amended—*

12                    *(A) in paragraph (11), by striking “and”*  
 13                    *at the end;*

14                    *(B) in paragraph (12), by striking the pe-*  
 15                    *riod and inserting “; and”; and*

16                    *(C) by adding at the end the following:*

17                    *“(13)(A) rehabilitative services, such as adult*  
 18                    *basic education, participation in a program designed*  
 19                    *to increase proficiency in the English language, or, in*  
 20                    *the case of an individual determined by a qualified*  
 21                    *medical, mental health, or social services professional*  
 22                    *as having a physical or mental disability, substance*  
 23                    *abuse problem, or other problem that requires reha-*  
 24                    *bilitative services, substance abuse treatment, mental*  
 25                    *health treatment, or other rehabilitative services, pro-*

1        *vided that the provision of such services is a require-*  
 2        *ment of the individual's individual responsibility*  
 3        *plan under section 408(b) (not to exceed 3 months out*  
 4        *of any 24-month period, or, if such services for a*  
 5        *longer period of time is a requirement of the individ-*  
 6        *ual's plan under section 408(b), up to 6 months, but*  
 7        *only if, during the last 3 months of such 6 months,*  
 8        *such services are combined with work or job-readiness*  
 9        *activities); and*

10            *“(B) for purposes of counting toward the min-*  
 11        *imum average number of hours per week specified in*  
 12        *the table set forth in subsection (c)(1), services de-*  
 13        *scribed in subparagraph (A), the provision of which*  
 14        *is a requirement of the individual's individual re-*  
 15        *sponsibility plan under section 408(b), until an indi-*  
 16        *vidual successfully completes such services (and with-*  
 17        *out regard to the time limits for the receipt of such*  
 18        *services for purposes of subparagraph (A)).”.*

19            (2)        *CONFORMING        AMENDMENTS.—Section*  
 20        *407(c)(1) (42 U.S.C. 607(c)(1)), as amended by sub-*  
 21        *sections (b) and (d), is further amended by striking*  
 22        *“or (12)” and inserting “(12), or (13)(A)”.*

23            (f)        *NUMBER OF WEEKS FOR WHICH JOB SEARCH*  
 24        *COUNTS AS WORK.—Section 407(c)(2)(A)(i) (42 U.S.C.*  
 25        *607(c)(2)(A)(i)) is amended—*

1           (1) *by striking “6 weeks” and inserting “8*  
2           *weeks”;*

3           (2) *by striking “403(b)(6)” and inserting*  
4           *“403(b)”;* *and*

5           (3) *by striking “, or if the participation is for*  
6           *a week that immediately follows 4 consecutive weeks*  
7           *of such participation”.*

8           (g) *EDUCATION AND TRAINING.—*

9           (1) *VOCATIONAL AND POSTSECONDARY EDU-*  
10          *CATION.—*

11           (A) *IN GENERAL.—Section 407(d)(8) is*  
12          *amended to read as follows:*

13           *“(8) vocational education and training and post-*  
14          *secondary education that is a requirement of the indi-*  
15          *vidual’s individual responsibility plan under section*  
16          *408(b) (not to exceed 24 months with respect to any*  
17          *individual);”.*

18           (B) *ELIMINATION OF RECIPIENTS COM-*  
19          *PLETING SECONDARY SCHOOL FROM LIMIT ON*  
20          *NUMBER OF TANF RECIPIENTS PARTICIPATING IN*  
21          *VOCATIONAL EDUCATION TRAINING.—*

22           (i) *IN GENERAL.—Section 407(c)(2)(D)*  
23          *(42 U.S.C. 607(c)(2)(D)) is amended by*  
24          *striking “educational training, or (if the*  
25          *month is in fiscal year 2000 or thereafter)*

1           *deemed to be engaged in work for the month*  
 2           *by reason of subparagraph (C) of this para-*  
 3           *graph” and inserting “education and train-*  
 4           *ing (determined without regard to any indi-*  
 5           *vidual described in subparagraph (C)”.*

6           (ii) *CONFORMING AMENDMENTS.—*

7                   (I) *Section 407(c)(2)(C)(ii) (42*  
 8                   *U.S.C. 607(c)(2)(C)(ii) is amended by*  
 9                   *inserting “including vocational edu-*  
 10                   *cation and training” after “employ-*  
 11                   *ment”.*

12                   (II) *Section 407(c)(2)(D) (42*  
 13                   *U.S.C. 607(c)(2)(D)) is amended in the*  
 14                   *heading, by striking “EDUCATIONAL*  
 15                   *ACTIVITIES” and inserting “VOCA-*  
 16                   *TIONAL EDUCATION ACTIVITIES”.*

17           (2) *STATE OPTION TO TREAT PARTICIPANTS IN*  
 18           *POSTSECONDARY EDUCATION PROGRAM AS ENGAGED*  
 19           *IN WORK.—*

20                   (A) *IN GENERAL.—Section 407(c)(2) (42*  
 21                   *U.S.C. 607(c)(2)) is amended by adding at the*  
 22                   *end the following:*

23                   “(E) *STATE OPTION TO TREAT PARTICI-*  
 24                   *PANTS IN POSTSECONDARY EDUCATION PROGRAM*  
 25                   *AS ENGAGED IN WORK.—*

1           “(i) *IN GENERAL.*—Subject to clause  
2           (ii), in the case of a State that elects to es-  
3           tablish a postsecondary education program  
4           under section 404(l), the State may include,  
5           for purposes of determining monthly par-  
6           ticipation rates under subsection  
7           (b)(1)(B)(i), all families that include an in-  
8           dividual participating in the program dur-  
9           ing the month as being engaged in work for  
10          the month, so long as each such individual  
11          is in compliance with the requirements of  
12          that program.

13          “(ii) *LIMITATION.*—With respect to a  
14          month, the number of families treated as  
15          being engaged in work under clause (i) may  
16          not exceed the amount equal to 10 percent  
17          of the average monthly number of families  
18          to which assistance is provided under the  
19          State program funded under this part dur-  
20          ing the fiscal year or the immediately pre-  
21          ceding fiscal year (but not both), as the  
22          State may elect.”.

23          (B) *CONFORMING AMENDMENTS.*—



1                   (i) *Section 407(c)(2)(D) (42 U.S.C.*  
 2                   *607(c)(2)(D)), as amended by paragraph*  
 3                   *(1)(B)(ii)(II), is amended—*

4                   *(I) in the heading, by inserting*  
 5                   *“CERTAIN” after “PARTICIPATION IN”;*  
 6                   *and*

7                   *(II) by inserting “(determined*  
 8                   *without regard to individuals partici-*  
 9                   *pating in a program referred to in*  
 10                   *subparagraph (E)(i))” after “train-*  
 11                   *ing”.*

12                   (ii) *Section 407(d)(8), as amended by*  
 13                   *paragraph (1)(A), is amended inserting “,*  
 14                   *or such longer period as the State may*  
 15                   *allow for an individual who is treated as*  
 16                   *being engaged in work through participa-*  
 17                   *tion in a program that meets the require-*  
 18                   *ments of section 404(l))” after “any indi-*  
 19                   *vidual”.*

20           (h) *STATE OPTION TO EXEMPT FULL TIME CARE-*  
 21           *GIVER OF A FAMILY MEMBER WITH A DISABILITY FROM*  
 22           *WORK REQUIREMENTS.—Section 407(c)(2) (42 U.S.C.*  
 23           *607(c)(2)), as amended by subsection (g)(2), is further*  
 24           *amended by adding at the end the following:*

1           “(F) *STATE OPTION TO EXEMPT FULL TIME*  
2           *CAREGIVER OF A FAMILY MEMBER WITH A DIS-*  
3           *ABILITY FROM WORK REQUIREMENTS.*—

4           “(i) *IN GENERAL.*—*Subject to clause*  
5           *(ii), a State may exempt an adult recipient*  
6           *from the requirement to engage in work in*  
7           *accordance with this section and may ex-*  
8           *clude the family of the recipient from the*  
9           *determination required under subsection*  
10          *(b)(1)(B)(ii) if—*

11           “(I) *there are no other adults in*  
12          *the family who are able-bodied;*

13           “(II) *the recipient is the primary*  
14          *caregiver for a child with a physical or*  
15          *mental disability or chronic illness (as*  
16          *defined by the State), or for another*  
17          *family member with a physical or*  
18          *mental disability or chronic illness (as*  
19          *so defined);*

20           “(III) *the State or locality admin-*  
21          *istering the State program funded*  
22          *under this part determines that the de-*  
23          *mands of caregiving do not allow the*  
24          *recipient to obtain or retain employ-*  
25          *ment of at least 30 hours per week; and*

1           “(IV) the need to provide  
2           caregiving is specified in the recipi-  
3           ent’s individual responsibility plan es-  
4           tablished under section 408(b) and re-  
5           viewed not less than annually.

6           “(ii) LIMITATION.—The average  
7           monthly number of families excluded under  
8           clause (i) from the determination required  
9           under subsection (b)(1)(B)(ii) shall not ex-  
10          ceed 10 percent of the average monthly  
11          number of families to which assistance is  
12          provided under the State program funded  
13          under this part during the fiscal year or the  
14          immediately preceding fiscal year (but not  
15          both), as the State may elect.

16          “(iii) RULES OF CONSTRUCTION.—

17                 “(I) SOME WORK ACTIVITY.—  
18                 Nothing in this subparagraph shall be  
19                 construed as prohibiting a State from  
20                 determining that, taking into consider-  
21                 ation the needs of the child or other  
22                 family member with a physical or  
23                 mental disability or chronic illness, the  
24                 adult recipient caregiver can engage in  
25                 some work activity, or another activity

1           that may lead to work, on a basis that  
2           is less than 30 hours a week. A State  
3           may exclude the family of such a re-  
4           cipient from the determination re-  
5           quired under subsection (b)(1)(B)(ii) if  
6           the individual meets the requirements  
7           specified in subclauses (I) through (IV)  
8           of clause (i), but subject to the limita-  
9           tion under clause (ii).

10                   “(II) AUTHORITY TO EXEMPT  
11           OTHER RECIPIENT CAREGIVERS.—  
12           Nothing in this subparagraph shall be  
13           construed as prohibiting a State from  
14           exempting from the work requirements  
15           under this section an adult recipient  
16           who is a caregiver of a child or other  
17           family member with a physical or  
18           mental disability or chronic illness but  
19           who does not meet the requirements  
20           specified in subclauses (I) through (IV)  
21           of clause (i), except that the State may  
22           not exclude the family of such a recipi-  
23           ent from the determination required  
24           under subsection (b)(1)(B)(ii).”.

1       (i) *LIMITATION ON PENALTY FOR FAILURE OF CER-*  
 2 *TAIN STATES TO SATISFY WORK PARTICIPATION RATE.*—  
 3 *Section 409(a)(7)(B)(ii) (42 U.S.C. 609(a)(7)(B)(ii)) is*  
 4 *amended by inserting “(or fails to meet such requirements*  
 5 *but meets at least 1 of the criteria for being considered a*  
 6 *needy State under section 403(b)(3)(A))” after “year”.*

7       ***TITLE III—FAMILY PROMOTION***  
 8                   ***AND SUPPORT***

9       ***SEC. 301. HEALTHY MARRIAGE PROMOTION GRANTS.***

10       *Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended*  
 11 *to read as follows:*

12               “(2)       *HEALTHY       MARRIAGE       PROMOTION*  
 13       *GRANTS.*—

14               “(A) *AUTHORITY.*—

15                       “(i) *IN GENERAL.*—*The Secretary shall*  
 16                       *award grants to States, Indian tribes, and*  
 17                       *nonprofit entities for not more than 75 per-*  
 18                       *cent of the cost of developing and imple-*  
 19                       *menting demonstration projects to promote*  
 20                       *stronger families, with an emphasis on the*  
 21                       *promotion of healthy marriages, through the*  
 22                       *testing and evaluation of a wide variety of*  
 23                       *approaches to strengthening families.*

24                       “(ii) *MATCHING FUNDS.*—*A State, In-*  
 25                       *dian tribe, or nonprofit entity awarded a*

1           *grant under this paragraph shall provide*  
2           *non-Federal contributions toward the costs*  
3           *of programs or activities supported with*  
4           *funds provided under the grant in an*  
5           *amount equal to not less than 25 percent of*  
6           *the Federal funds provided under the grant.*  
7           *Such contributions may be provided in cash*  
8           *or in kind, fairly valued, including plant,*  
9           *equipment, or services.*

10           “(B) *HEALTHY MARRIAGE PROMOTION AC-*  
11           *TIVITIES.—Funds provided under a grant*  
12           *awarded under this paragraph shall be used to*  
13           *support any of the following programs or activi-*  
14           *ties:*

15                   “(i) *Public advertising campaigns on*  
16                   *the value of marriage and the skills needed*  
17                   *to increase marital stability and health.*

18                   “(ii) *Voluntary marriage education*  
19                   *and marriage skills programs for nonmar-*  
20                   *ried pregnant women and nonmarried ex-*  
21                   *pectant fathers.*

22                   “(iii) *Voluntary premarital education*  
23                   *and marriage skills training for engaged*  
24                   *couples and for couples interested in mar-*  
25                   *riage.*

1                   “(iv) *Voluntary marriage enhancement*  
2                   *and marriage skills training programs for*  
3                   *married couples.*

4                   “(v) *Marriage mentoring programs*  
5                   *that use married couples as role models and*  
6                   *mentors in at-risk communities.*

7                   “(vi) *Teen pregnancy prevention pro-*  
8                   *grams.*

9                   “(vii) *Broad-based income support and*  
10                  *supplementation strategies, such as the*  
11                  *strategies implemented under the dem-*  
12                  *onstration project authorized under section*  
13                  *22 of the Food Stamp Act of 1977 (7 U.S.C.*  
14                  *2031), that provide increased assistance to*  
15                  *low-income working families, such as hous-*  
16                  *ing, transportation, and transitional bene-*  
17                  *fits, and that do not exclude families from*  
18                  *participation based on the number of par-*  
19                  *ents in the household.*

20                  “(viii) *Development and dissemination*  
21                  *of best practices for addressing domestic and*  
22                  *sexual violence as a barrier to economic se-*  
23                  *curity, including caseworker training, tech-*  
24                  *nical assistance, and voluntary services for*  
25                  *victims.*

1 “(C) *SELECTION OF GRANTEES.*—

2 “(i) *REQUIREMENT.*—*The Secretary*  
3 *may not award a grant under this para-*  
4 *graph unless the State, Indian tribe, or*  
5 *nonprofit entity receiving the grant—*

6 “(I) *consults with national, State,*  
7 *local, or tribal organizations with dem-*  
8 *onstrated expertise in working with*  
9 *survivors of domestic violence; and*

10 “(II) *agrees to participate in the*  
11 *evaluation conducted under subpara-*  
12 *graph (D).*

13 “(ii) *PUBLIC COMMENT AND AVAIL-*  
14 *ABILITY.*—

15 “(I) *SELECTION CRITERIA.*—*The*  
16 *Secretary shall promulgate regulations*  
17 *detailing the criteria for awarding*  
18 *grants under this paragraph and shall*  
19 *make such regulations available for a*  
20 *period of public comment.*

21 “(II) *FUNDED APPLICATIONS.*—  
22 *The Secretary shall make all grant ap-*  
23 *plications funded under this para-*  
24 *graph available to the public.*

25 “(D) *EVALUATION.*—



1           “(i) *IN GENERAL.*—*The Director of the*  
2           *National Academy of Sciences shall conduct,*  
3           *directly or through contracts, a rigorous*  
4           *comprehensive evaluation of a representa-*  
5           *tive sample of the programs and activities*  
6           *described in subparagraph (B) and carried*  
7           *out with funds provided under a grant*  
8           *made under this paragraph. The Director*  
9           *shall seek public input on both the methods*  
10           *and measures to be used in the evaluation.*

11           “(ii) *REQUIRED INFORMATION.*—*The*  
12           *evaluation conducted under this subpara-*  
13           *graph shall, with respect to each program*  
14           *and activity described in subparagraph (B),*  
15           *include measures of family structure, levels*  
16           *of family conflict and violence, and child*  
17           *well-being (including measures of health*  
18           *status, educational performance, food secu-*  
19           *rity, and family income).*

20           “(iii) *FUNDING.*—*\$5,000,000 of the*  
21           *amount appropriated under subparagraph*  
22           *(F) for each fiscal year shall be reserved for*  
23           *carrying out the evaluation required under*  
24           *this subparagraph.*

25           “(E) *REPORTS.*—

1           “(i) *INITIAL REPORT ON GRANTS.*—Not  
2           *later than September 30, 2005, the Sec-*  
3           *retary shall submit an initial report to*  
4           *Congress describing the programs and ac-*  
5           *tivities funded under grants made under*  
6           *this paragraph.*

7           “(ii) *INITIAL EVALUATION FINDINGS.*—  
8           *Not later than September 30, 2006, the Di-*  
9           *rector of the National Academy of Sciences*  
10          *shall submit a report to Congress describing*  
11          *the initial findings of the evaluation con-*  
12          *ducted under subparagraph (D).*

13          “(iii) *FINAL REPORTS.*—Not later than  
14          *September 30, 2008, the Secretary and the*  
15          *Director of the National Academy of*  
16          *Sciences shall each submit final reports on*  
17          *the grants made under this paragraph and*  
18          *the evaluation conducted under subpara-*  
19          *graph (D), respectively.*

20          “(iv) *GAO.*—Not later than September  
21          *30, 2006, the Comptroller General of the*  
22          *United States shall submit a report to the*  
23          *Chairman and Ranking Member of the*  
24          *Committee on Ways and Means of the*  
25          *House of Representatives and the Chairman*

and Ranking Member of the Committee on  
Finance of the Senate describing—

“(I) the process the Secretary used  
to award grants under this paragraph;

“(II) the programs and activities  
supported by such funds; and

“(II) the results of such programs  
and activities.

“(F) APPROPRIATION.—Out of any money  
in the Treasury of the United States not other-  
wise appropriated, there is appropriated for each  
of fiscal years 2003 through 2007, \$200,000,000  
for grants under this paragraph.”.

**SEC. 302. ABSTINENCE EDUCATION.**

(a) EXTENSION OF ABSTINENCE EDUCATION FUNDING  
UNDER THE MATERNAL AND CHILD HEALTH PROGRAM.—  
Section 510(d) (42 U.S.C. 710(d)) is amended by striking  
“2002” and inserting “2007”.

(b) GRANTS TO IMPLEMENT ABSTINENCE FIRST TEEN  
PREGNANCY PREVENTION STRATEGIES.—

(1) IN GENERAL.—Title V (42 U.S.C. 701 et  
seq.) is amended by adding at the end the following:

“GRANTS TO IMPLEMENT ABSTINENCE FIRST TEEN  
PREGNANCY PREVENTION STRATEGIES

“SEC. 511. (a) AUTHORITY.—

1           “(1) *IN GENERAL.*—*The Secretary shall award*  
2           *grants to States and Indian tribes to implement teen*  
3           *pregnancy prevention strategies that—*

4                   “(A) *are abstinence-first (as defined in*  
5                   *paragraph (3)(A);*

6                   “(B) *replicate or substantially incorporate*  
7                   *the elements of 1 or more teen pregnancy preven-*  
8                   *tion programs, including certain youth develop-*  
9                   *ment programs and service learning programs,*  
10                  *that have been proven effective (on the basis of*  
11                  *rigorous scientific research (as defined in para-*  
12                  *graph (3)(D));*

13                  “(C) *delay or decrease sexual intercourse or*  
14                  *sexual activity and increase contraceptive use*  
15                  *among sexually active teens or reduce teenage*  
16                  *pregnancies without increasing risky behavior;*  
17                  *and*

18                  “(D) *incorporate outreach or media pro-*  
19                  *grams.*

20           “(2) *DESIGN AND IMPLEMENTATION FLEXI-*  
21           *BILITY.*—*States and Indian tribes shall have flexi-*  
22           *bility to determine how to design and implement teen*  
23           *pregnancy prevention strategies under paragraph (1).*

24           “(3) *DEFINITIONS.*—*In this section:*

1           “(A) *ABSTINENCE-FIRST*.—The term ‘absti-

2           *nence-first*’ means a strategy that strongly em-

3           *phasizes abstinence as the best and only certain*

4           *way to avoid pregnancy and sexually trans-*

5           *mitted infections and that discusses the scientif-*

6           *ically proven effectiveness, benefits, and limita-*

7           *tions of contraception technologies and other pre-*

8           *vention approaches in a manner that is medi-*

9           *cally accurate (as defined in subparagraph (C)).*

10           “(B) *INDIAN TRIBE*.—The term ‘Indian

11           *tribe*’ has the meaning given that term in section

12           *419(4).*

13           “(C) *MEDICALLY ACCURATE*.—The term

14           ‘*medically accurate*’ means information that is—

15                   “(i) *supported by research recognized*

16                   *as accurate and objective by leading med-*

17                   *ical, psychological, psychiatric, or public*

18                   *health organizations and agencies; and*

19                   “(ii) *where relevant, is published in a*

20                   *peer-reviewed journal (as defined by the*

21                   *American Medical Association).*

22           “(D) *RIGOROUS SCIENTIFIC RESEARCH*.—

23           The term ‘*rigorous scientific research*’ means re-

24           *search that typically uses randomized control*

1           *trials and other similar strong experimental de-*  
 2           *signs.*

3           “(b) *APPLICATION OF OTHER REQUIREMENTS.*—*With*  
 4   *respect to a grant made under this section—*

5           “(1) *sections 503, 507, and 508 apply to the*  
 6   *grant to the same extent and in the same manner as*  
 7   *such sections apply to allotments under section*  
 8   *502(c); and*

9           “(2) *sections 505 and 506 apply to the grant to*  
 10   *the extent determined by the Secretary to be appro-*  
 11   *priate.*

12          “(c) *COMPARATIVE EVALUATION OF EDUCATION AP-*  
 13   *PROACHES.*—

14          “(1) *IN GENERAL.*—*The Secretary shall, in con-*  
 15   *sultation with an advisory panel of researchers iden-*  
 16   *tified by the Board on Children, Youth, and Families*  
 17   *of the National Academy of Sciences, conduct an ex-*  
 18   *perimental, independent evaluation, directly or*  
 19   *through contract or interagency agreement, that as-*  
 20   *sesses the relative efficacy of the 2 approaches to ab-*  
 21   *stinence education established under section 510 and*  
 22   *this section.*

23          “(2) *DESIGN.*—*The evaluation conducted under*  
 24   *paragraph (1) shall be designed to—*

1           “(A) enable a comparison of the efficacy of  
2           a program that precludes education about con-  
3           traception with a similar program that includes  
4           education about contraception and means of pre-  
5           venting the transmission of HIV and sexually-  
6           transmitted diseases; and

7           “(B) measure key outcomes, including be-  
8           haviors that put teens at risk for unintended  
9           pregnancy and childbearing and for HIV and  
10          other sexually transmitted diseases, such as sex-  
11          ual activity, contraceptive use, condom use and  
12          patterns of sexual relationships.

13          “(3) *REPORT.*—Not later than 5 years after the  
14          date of enactment of this section, the Secretary shall  
15          submit a report to Congress that contains the results  
16          of the evaluation conducted under paragraph (1).

17          “(d) *APPROPRIATIONS.*—

18                 “(1) *IN GENERAL.*—Out of any money in the  
19                 Treasury not otherwise appropriated, there is appro-  
20                 priated to the Secretary for the purpose of making  
21                 grants under this section, \$50,000,000 for each of fis-  
22                 cal years 2003 through 2007.

23                 “(2) *RESERVATION OF FUNDS.*—Of the amount  
24                 appropriated under paragraph (1) for a fiscal year,  
25                 the Secretary shall reserve—

“(A) an amount equal to 1.5 percent of such amount for each such fiscal year for the purpose of awarding grants to Indian tribes under this section in such manner, and subject to such requirements as the Secretary, in consultation with such tribes, determines appropriate; and

“(B) up to \$5,000,000 of such amount for each such fiscal year for the purpose of conducting the evaluation required under subsection (c).”.

(2) *CONFORMING AMENDMENT.*—The heading for section 510 (42 U.S.C. 710) is amended by striking “SEPARATE PROGRAM FOR”.

**SEC. 303. TEEN PREGNANCY PREVENTION RESOURCE CENTER.**

Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

“(k) *TEEN PREGNANCY PREVENTION RESOURCE CENTER.*—

“(1) *AUTHORITY.*—

“(A) *IN GENERAL.*—The Secretary shall make a grant to a nationally recognized, non-partisan, nonprofit organization that meets the requirements described in subparagraph (B) to establish and operate a national teen pregnancy



1        *prevention resource center (in this subsection re-*  
2        *ferred to as the ‘Resource Center’) to carry out*  
3        *the purposes and activities described in para-*  
4        *graph (2).*

5                *“(B) REQUIREMENTS.—The requirements*  
6        *described in this subparagraph are the following:*

7                    *“(i) The organization has at least 5*  
8                    *years of experience in working with diverse*  
9                    *sectors of society to reduce teen pregnancy.*

10                   *“(ii) The organization has a dem-*  
11                   *onstrated ability to work with and provide*  
12                   *assistance to a broad range of individuals*  
13                   *and entities, including teens, parents, the*  
14                   *entertainment and news media, State, trib-*  
15                   *al, and local organizations, networks of teen*  
16                   *pregnancy prevention practitioners, busi-*  
17                   *nesses, faith and community leaders, and*  
18                   *researchers.*

19                   *“(iii) The organization is research-*  
20                   *based and has capabilities in scientific*  
21                   *analysis and evaluation.*

22                   *“(iv) The organization has comprehen-*  
23                   *sive knowledge and data about teen preg-*  
24                   *nancy prevention strategies.*

1           “(v) *The organization has experiences*  
2           *operating a resource center that carries out*  
3           *activities similar to the activities described*  
4           *in paragraph (2)(B).*

5           “(2) *PURPOSES AND ACTIVITIES.—*

6           “(A) *PURPOSES.—The purposes of the Re-*  
7           *source Center are to—*

8           “(i) *provide information and technical*  
9           *assistance to States, Indian tribes, local*  
10           *communities, and other public or private*  
11           *organizations seeking to reduce rates of teen*  
12           *pregnancy; and*

13           “(ii) *assist such entities in their efforts*  
14           *to work through all forms of media to com-*  
15           *municate effective messages about pre-*  
16           *venting teen pregnancy, including messages*  
17           *that focus on abstinence, responsible behav-*  
18           *ior, family communication, relationships,*  
19           *and values.*

20           “(B) *ACTIVITIES.—The Resource Center*  
21           *shall carry out the purposes described in sub-*  
22           *paragraph (A) through the following activities:*

23           “(i) *Synthesizing and disseminating*  
24           *research and information regarding effective*

1           *and promising practices to prevent teen*  
2           *pregnancy.*

3           “(ii) *Developing and providing infor-*  
4           *mation on how to design and implement ef-*  
5           *fective programs to prevent teen pregnancy.*

6           “(iii) *Helping States, local commu-*  
7           *nities, and other organizations increase*  
8           *their knowledge of existing resources that*  
9           *can be used to advance teen pregnancy pre-*  
10          *vention efforts.*

11          “(iv) *Linking organizations working to*  
12          *reduce teen pregnancy with experts and*  
13          *peer groups, including the creation of tech-*  
14          *nical assistance networks.*

15          “(v) *Providing consultation and re-*  
16          *sources on how to reduce teen pregnancy*  
17          *through a broad array of strategies, includ-*  
18          *ing enlisting the help of various sectors of*  
19          *society such as parents, other adults (such*  
20          *as coaches and mentors), community or*  
21          *faith-based groups, the entertainment and*  
22          *news media, business, and other teens.*

23          “(vi) *Working directly with individ-*  
24          *uals and organizations in the entertainment*  
25          *industry to provide consultation and serve*

1                   *as a source of factual information on issues*  
 2                   *related to teen pregnancy prevention.*

3                   “(3) *COLLABORATION WITH OTHER ORGANIZA-*  
 4                   *TIONS.—The organization operating the Resource*  
 5                   *Center shall collaborate with other nonprofit organi-*  
 6                   *zations that have expertise and interest in teen preg-*  
 7                   *nancy prevention.*

8                   “(4) *APPROPRIATIONS.—Out of any money in*  
 9                   *the Treasury of the United States not otherwise ap-*  
 10                  *propriated, there is appropriated to carry out this*  
 11                  *subsection, \$5,000,000 for each of fiscal years 2003*  
 12                  *through 2007.”.*

13 **SEC. 304. RESPONSIBLE FATHERHOOD.**

14                  (a) *NONCUSTODIAL PARENT EMPLOYMENT GRANT*  
 15                  *PROGRAM.—Part D of title IV (42 U.S.C. 651 et seq.) is*  
 16                  *amended by adding at the end the following:*

17 **“SEC. 469C. NONCUSTODIAL PARENT EMPLOYMENT GRANT**  
 18 **PROGRAM.**

19                  “(a) *DEFINITIONS.—In this section:*

20                         “(1) *ELIGIBLE STATE.—The term ‘eligible State’*  
 21                         *means a State that has obtained a commitment from*  
 22                         *at least 1 county within the State to establish a su-*  
 23                         *pervised employment program to provide noncusto-*  
 24                         *dial parents described in subsection (b) with an op-*  
 25                         *tion to participate in that program prior to a court*

1        *entering a finding that the noncustodial parent is in*  
2        *contempt of court for failure to pay a child support*  
3        *obligation.*

4            “(2) *SUPERVISED EMPLOYMENT PROGRAM.*—*The*  
5        *term ‘supervised employment program’ means an em-*  
6        *ployment program supervised by a court or adminis-*  
7        *tered by the State agency responsible for admin-*  
8        *istering the State plan under section 454.*

9            “(b) *AUTHORITY TO AWARD GRANTS.*—*Subject to the*  
10       *availability of appropriations, the Secretary and the Sec-*  
11       *retary of Labor (in this subsection referred to as the ‘Secre-*  
12       *taries’) jointly shall award grants to eligible States for the*  
13       *purpose of establishing, in coordination with counties and*  
14       *other local governments, supervised employment programs*  
15       *for noncustodial parents who are determined by a court or*  
16       *the State agency responsible for administering the State*  
17       *plan under section 454 to have a history of nonpayment*  
18       *or irregular payment of child support obligations and are*  
19       *determined to be in need of employment services in order*  
20       *to pay such child support obligations. A noncustodial par-*  
21       *ent described in the preceding sentence who is an ex-offender*  
22       *shall be eligible to participate in a program established*  
23       *with a grant made under this subsection.*

24            “(c) *ADMINISTRATION.*—*An eligible State that receives*  
25       *a grant under this section may contract with a public, pri-*

1 *vate, faith-based or community-based organization to ad-*  
2 *minister (in conjunction with the court of jurisdiction or*  
3 *State agency responsible for administering the State plan*  
4 *under section 454) the supervised employment program.*

5 “(d) *PROGRAM GOALS AND REQUIREMENT.*—

6 “(1) *GOALS.*—*The goals of a supervised employ-*  
7 *ment program established with funds made available*  
8 *under a grant made under this section shall include*  
9 *the following:*

10 “(A) *To assist noncustodial parents de-*  
11 *scribed in subsection (b) establish a pattern of*  
12 *regular child support payments by obtaining*  
13 *and maintaining employment.*

14 “(B) *To increase the dollar amount and*  
15 *total number of child support orders with collec-*  
16 *tions.*

17 “(C) *To help noncustodial parents described*  
18 *in subsection (b) improve relationships with*  
19 *their children.*

20 “(2) *REQUIREMENT.*—*A supervised employment*  
21 *program established with funds made available under*  
22 *a grant made under this section shall not permit a*  
23 *noncustodial parent placed in the program to grad-*  
24 *uate from the program and avoid penalties for failure*  
25 *to pay a child support obligation until the noncusto-*

1        *dial parent completes at least 6 months of continuous,*  
2        *timely payment of the parent's child support obliga-*  
3        *tions.*

4        “(e) *USE OF FUNDS.—Services provided under a su-*  
5        *pervised employment program established with funds made*  
6        *available under a grant made under this section may in-*  
7        *clude the following:*

8                “(1) *Job development.*

9                “(2) *Supervised job search.*

10               “(3) *Job placement.*

11               “(4) *Case management.*

12               “(5) *Court and child support liaison services.*

13               “(6) *Educational assessment.*

14               “(7) *Educational referrals.*

15               “(8) *Vocational assessment.*

16               “(9) *Counseling on responsible fatherhood and ef-*  
17        *fective parenting.*

18               “(10) *Support funds for services such as trans-*  
19        *portation or short-term training.*

20               “(11) *Referral for support services.*

21               “(12) *Employment retention services.*

22               “(13) *Outreach to community agencies that pro-*  
23        *vide bonding programs.*

24               “(14) *Domestic violence services and health serv-*  
25        *ices.*

1       “(f) *AMOUNT OF GRANTS.*—

2               “(1) *IN GENERAL.*—*The Secretaries shall deter-*  
3       *mine the amount of each grant to be awarded under*  
4       *this section, taking into account the number of coun-*  
5       *ties participating in an eligible State and the popu-*  
6       *lation of the noncustodial parents to be served by the*  
7       *employment programs in that State.*

8               “(2) *PRIORITY FOR CERTAIN PROGRAMS.*—*In*  
9       *awarding grants under this section, the Secretaries*  
10      *shall give priority to eligible States with programs*  
11      *that are designed to target noncustodial parents*  
12      *whose income does not exceed 150 percent of the pov-*  
13      *erty line (as defined in section 673(2) of the Commu-*  
14      *nity Services Block Grant Act (42 U.S.C. 9902(2)),*  
15      *including any revision required by such section appli-*  
16      *cable to a family of the size involved).*

17              “(3) *MATCHING REQUIREMENT.*—

18                      “(A) *IN GENERAL.*—*The Secretaries may*  
19      *not award a grant to an eligible State under this*  
20      *section unless the eligible State agrees that, with*  
21      *respect to the costs to be incurred by the eligible*  
22      *State in supporting the supervised employment*  
23      *program established with funds provided under*  
24      *the grant, the State will make available non-Fed-*  
25      *eral contributions in an amount equal to 25 per-*



1           *cent of the amount of Federal funds paid to the*  
2           *State under such grant.*

3           “(B) *NON-FEDERAL CONTRIBUTIONS.—In*  
4           *this paragraph, the term ‘non-Federal contribu-*  
5           *tions’ includes contributions by the State and by*  
6           *public and private entities that may be in cash*  
7           *or in kind, but does not include any amounts*  
8           *provided by the Federal Government, or services*  
9           *assisted or subsidized to any significant extent*  
10          *by the Federal Government or any amount ex-*  
11          *pende**d by a State before October 1, 2002.*

12          “(g) *APPLICATION.—In order to receive a grant under*  
13          *this section, an eligible State shall submit an application*  
14          *to the Secretaries, at such time and in such manner as the*  
15          *Secretaries may require, and that includes the following:*

16               “(1) *Evidence of an agreement between the State*  
17               *and 1 or more counties to establish a supervised em-*  
18               *ployment program that meets the requirements of this*  
19               *section.*

20               “(2) *The number of potential noncustodial par-*  
21               *ents to be served by the program.*

22               “(3) *The purposes specific to that State’s pro-*  
23               *gram.*

24               “(4) *The income of the target population.*

1           “(5) *The amount of proposed grant funds to be*  
2           *awarded.*

3           “(6) *A certification that the State matching re-*  
4           *quirements of subsection (f)(3) will be satisfied if the*  
5           *grant is awarded to that State.*

6           “(7) *Such other information as the Secretaries*  
7           *deem appropriate.*

8           “(h) *AUTHORIZATION OF APPROPRIATIONS.—There is*  
9           *authorized to be appropriated for making grants under this*  
10          *section, \$25,000,000 for each of fiscal years 2004 through*  
11          *2007.”.*

12          (b) *POLICY REVIEWS AND DEMONSTRATION PROJECTS*  
13          *TO COORDINATE SERVICES FOR LOW-INCOME, NONCUSTO-*  
14          *DIAL PARENTS.—Part D of title IV (42 U.S.C. 651), as*  
15          *amended by subsection (a), is further amended by adding*  
16          *at the end the following:*

17          **“SEC. 469D. GRANTS TO CONDUCT POLICY REVIEWS AND**  
18                               **DEMONSTRATION PROJECTS TO COORDI-**  
19                               **NATE SERVICES FOR LOW-INCOME, NON-**  
20                               **CUSTODIAL PARENTS.**

21          “(a) *POLICY REVIEWS.—Subject to the availability of*  
22          *appropriations, the Secretary shall make grants to States*  
23          *desiring to conduct policy reviews and develop rec-*  
24          *ommendations with the goals of—*

1           “(1) obtaining and retaining employment, in-  
2           creasing child support payments, and increasing the  
3           healthy involvement of low-income, noncustodial par-  
4           ents with their children; and

5           “(2) coordinating services for low-income, non-  
6           custodial parents among the different systems or pro-  
7           grams in which such parents are involved, including  
8           the criminal justice system, the State program funded  
9           under part A, the State program funded under this  
10          part, and job training or employment programs.

11          “(b) *DEMONSTRATION PROJECTS.*—

12           “(1) *IN GENERAL.*—The Secretary shall make  
13           grants to States desiring to conduct a demonstration  
14           project for the purpose of—

15           “(A) testing innovative policies and to bet-  
16           ter coordinate policies and services for low-in-  
17           come, noncustodial parents to accomplish the  
18           goals described in subsection (a); or

19           “(B) if the State conducted a policy review  
20           with a grant made under subsection (a) and de-  
21           sires to implement the recommendations of that  
22           review, implementing such recommendations.

23           “(2) *USE OF FUNDS.*—Funds made available  
24           under a grant made under this subsection may be  
25           used to provide a wide variety of services to, and to

1        *implement policies regarding, low-income, noncusto-*  
 2        *dial parents, including providing economic incentives*  
 3        *(with or without penalty) to increase the employment*  
 4        *of such parents or to increase the amount of child*  
 5        *support paid by such parents.*

6        “(c) *APPLICATION.—A State desiring to receive a*  
 7        *grant to conduct a policy review under subsection (a) or*  
 8        *a grant to conduct a demonstration project under subsection*  
 9        *(b) shall submit an application to the Secretary at such*  
 10       *time, in such manner, and containing such information as*  
 11       *the Secretary may require.*

12       “(d) *AUTHORIZATION OF APPROPRIATIONS.—There is*  
 13       *authorized to be appropriated for making grants under this*  
 14       *section, \$25,000,000 for each of fiscal years 2004 through*  
 15       *2007.”.*

16       **SEC. 305. SECOND CHANCE HOMES.**

17       *Section 403(a) (42 U.S.C. 603(a)), as amended by sec-*  
 18       *tion 201(c)(2), is amended by adding at the end the fol-*  
 19       *lowing:*

20                “(7) *GRANTS TO PROMOTE SECOND CHANCE*  
 21        *HOMES.—*

22                “(A) *AUTHORITY TO AWARD GRANTS.—*

23                        “(i) *IN GENERAL.—The Secretary may*  
 24                        *award grants to eligible entities to enable*

1           *such eligible entities to carry out the activi-*  
2           *ties described in subparagraph (D).*

3           “(ii) *PROCESS.—The Secretary shall*  
4           *award grants under this paragraph on a*  
5           *competitive basis, after reviewing all appli-*  
6           *cations submitted under subparagraph (C).*

7           “(B) *ELIGIBLE ENTITIES.—*

8           “(i) *IN GENERAL.—To be eligible to re-*  
9           *ceive a grant under this paragraph, an en-*  
10          *tity shall be—*

11               “(I) *a State;*

12               “(II) *a unit of local government;*

13               “(III) *an Indian tribe; or*

14               “(IV) *a public or private non-*  
15               *profit agency, organization, or institu-*  
16               *tion, or other nonprofit entity, includ-*  
17               *ing a nonprofit urban Indian organi-*  
18               *zation or an Indian group or commu-*  
19               *nity that is not an Indian tribe.*

20           “(ii) *DEFINITION OF STATE.—In this*  
21           *paragraph, the term ‘State’ means each of*  
22           *the 50 States, the District of Columbia, the*  
23           *Commonwealth of Puerto Rico, Guam,*  
24           *American Samoa, the United States Virgin*

1 *Islands, and the Commonwealth of the*  
2 *Northern Mariana Islands.*

3 “(C) *APPLICATION.*—

4 “(i) *IN GENERAL.*—*An eligible entity*  
5 *that desires a grant under this paragraph*  
6 *shall submit an application to the Secretary*  
7 *at such time, in such manner, and con-*  
8 *taining such information as the Secretary*  
9 *shall reasonably require.*

10 “(ii) *PRIORITY.*—*In awarding grants*  
11 *under this paragraph, the Secretary shall*  
12 *give priority to an eligible entity that sub-*  
13 *mits an application—*

14 “(I) *proposing to establish a new*  
15 *second chance home, especially in a*  
16 *rural area or tribal community;*

17 “(II) *proposing to collaborate*  
18 *with a nonprofit entity in establishing,*  
19 *expanding, or enhancing a second*  
20 *chance home; or*

21 “(III) *demonstrating that the eli-*  
22 *gible entity will use funds provided*  
23 *under a grant made under this section*  
24 *(other than under this paragraph) to*  
25 *support a portion of the operating*

1                   *costs of the applicable second chance*  
2                   *home.*

3                   “(D) *USE OF FUNDS.*—

4                   “(i) *IN GENERAL.*—*An eligible entity*  
5                   *that receives a grant under this paragraph*  
6                   *shall use such grant funds to establish, ex-*  
7                   *pand, or enhance a second chance home.*

8                   “(ii) *DEFINITION OF SECOND CHANCE*  
9                   *HOME.*—*In this paragraph, the term ‘second*  
10                  *chance home’ means a community-based,*  
11                  *adult-supervised group home that provides*  
12                  *young mothers and their children with a*  
13                  *supportive and supervised living arrange-*  
14                  *ment in which such mothers are required to*  
15                  *learn parenting skills, including child devel-*  
16                  *opment, family budgeting, health and nutri-*  
17                  *tion, and other skills to promote their long-*  
18                  *term economic independence and the well-*  
19                  *being of their children.*

20                  “(iii) *REQUIREMENT.*—*A second*  
21                  *chance home that receives grant funds under*  
22                  *this paragraph shall provide services to*  
23                  *mothers who are not more than 23 years of*  
24                  *age and their children.*

1           “(E) *MATCHING FUNDS.*—*The Secretary*  
2           *shall not award a grant to an eligible entity*  
3           *under this paragraph unless the eligible entity*  
4           *agrees that, with respect to the costs to be in-*  
5           *curred in carrying out the activities for which*  
6           *the grant was awarded, the eligible entity will*  
7           *make available non-Federal contributions in an*  
8           *amount equal to not less than 20 percent of the*  
9           *Federal funds provided under the grant. Such*  
10          *contributions may be provided in cash or in*  
11          *kind, fairly valued, including plant, equipment,*  
12          *or services.*

13          “(F) *DURATION.*—*A grant shall be awarded*  
14          *under this paragraph for a period of 5 years.*

15          “(G) *CONTRACT FOR EVALUATION.*—

16                 “(i) *IN GENERAL.*—*The Secretary shall*  
17                 *enter into a contract with a public or pri-*  
18                 *vate entity for the evaluation of the second*  
19                 *chance homes that are supported by grants*  
20                 *awarded under this paragraph.*

21                 “(ii) *INFORMATION.*—*The evaluation*  
22                 *shall include the collection of information*  
23                 *about the relevant characteristics of individ-*  
24                 *uals who benefit from second chance homes*  
25                 *such as those that are supported by grant*



1 *funds under this paragraph and what serv-*  
2 *ices provided by such second chance homes*  
3 *are most beneficial to such individuals.*

4 “(iii) *REPORT.*—

5 “(I) *IN GENERAL.*—*The entity*  
6 *conducting the evaluation under this*  
7 *subparagraph shall submit to Congress*  
8 *an interim report and a final report*  
9 *in accordance with subclause (II) con-*  
10 *taining the results of the evaluation.*

11 “(II) *DATE.*—

12 “(aa) *INTERIM REPORT.*—  
13 *The interim report shall be sub-*  
14 *mitted not later than 2 years after*  
15 *the date on which the entity enters*  
16 *into a contract.*

17 “(bb) *FINAL REPORT.*—*The*  
18 *final report shall be submitted not*  
19 *later than 5 years after the date*  
20 *on which the entity enters into a*  
21 *contract.*

22 “(iv) *RESERVATION OF FUNDS.*—*From*  
23 *amounts appropriated in accordance with*  
24 *subparagraph (I) for fiscal year 2004, the*  
25 *Secretary shall reserve \$1,000,000 to carry*

1           *out the evaluation required under this sub-*  
2           *paragraph.*

3           “(H) *TECHNICAL ASSISTANCE.*—

4                 “(i) *IN GENERAL.*—*From amounts ap-*  
5                 *propriated under subparagraph (I)(i), the*  
6                 *Secretary may use an amount not to exceed*  
7                 *\$500,000 to enter into a contract, with a*  
8                 *public or private entity, for the provision of*  
9                 *technical assistance to eligible entities re-*  
10                *ceiving grant funds under this paragraph.*

11               “(ii) *CONFERENCES.*—*The technical*  
12               *assistance provided under this subpara-*  
13               *graph may include conferences for the pur-*  
14               *pose of disseminating information con-*  
15               *cerning best practices for second chance*  
16               *homes.*

17           “(I) *AUTHORIZATION OF APPROPRIA-*  
18           *TIONS.*—

19               “(i) *IN GENERAL.*—*There is authorized*  
20               *to be appropriated to carry out this para-*  
21               *graph, \$33,000,000 for each of fiscal years*  
22               *2004 through 2007.*

23               “(ii) *AVAILABILITY.*—*Any amounts*  
24               *appropriated under the authority of clause*  
25               *(i) shall remain available until expended.”.*

1     ***TITLE IV—HEALTH COVERAGE***

2     ***SEC. 401. 5-YEAR EXTENSION AND SIMPLIFICATION OF THE***  
 3                   ***TRANSITIONAL MEDICAL ASSISTANCE PRO-***  
 4                   ***GRAM (TMA).***

5         *(a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12*  
 6     *MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO*  
 7     *AN ADDITIONAL YEAR.—*

8             *(1) OPTION OF CONTINUOUS ELIGIBILITY FOR 12*  
 9     *MONTHS BY MAKING REPORTING REQUIREMENTS OP-*  
 10     *TIONAL.—Section 1925(b) (42 U.S.C. 1396r–6(b)) is*  
 11     *amended—*

12             *(A) in paragraph (1), by inserting “, at the*  
 13     *option of a State,” after “and which”;*

14             *(B) in paragraph (2)(A), by inserting*  
 15     *“Subject to subparagraph (C):” after “(A) NO-*  
 16     *TICES.—”;*

17             *(C) in paragraph (2)(B), by inserting*  
 18     *“Subject to subparagraph (C):” after “(B) RE-*  
 19     *PORTING REQUIREMENTS.—”;*

20             *(D) by adding at the end the following new*  
 21     *subparagraph:*

22             *“(C) STATE OPTION TO WAIVE NOTICE AND*  
 23     *REPORTING REQUIREMENTS.—A State may*  
 24     *waive some or all of the reporting requirements*  
 25     *under clauses (i) and (ii) of subparagraph (B).*

1        *Insofar as it waives such a reporting require-*  
 2        *ment, the State need not provide for a notice*  
 3        *under subparagraph (A) relating to such require-*  
 4        *ment.”; and*

5                *(E) in paragraph (3)(A)(iii), by inserting*  
 6        *“the State has not waived under paragraph*  
 7        *(2)(C) the reporting requirement with respect to*  
 8        *such month under paragraph (2)(B) and if”*  
 9        *after “6-month period if”.*

10        *(2) STATE OPTION TO EXTEND ELIGIBILITY FOR*  
 11        *LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL*  
 12        *MONTHS.—Section 1925 (42 U.S.C. 1396r–6) is fur-*  
 13        *ther amended—*

14                *(A) by redesignating subsections (c) through*  
 15        *(f) as subsections (d) through (g), respectively;*  
 16        *and*

17                *(B) by inserting after subsection (b) the fol-*  
 18        *lowing new subsection:*

19        *“(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-*  
 20        *TIONAL ELIGIBILITY.—*

21                *“(1) IN GENERAL.—Notwithstanding any other*  
 22        *provision of this title, each State plan approved*  
 23        *under this title may provide, at the option of the*  
 24        *State, that the State shall offer to each family which*  
 25        *received assistance during the entire 6-month period*

1     *under subsection (b) and which meets the applicable*  
 2     *requirement of paragraph (2), in the last month of*  
 3     *the period the option of extending coverage under this*  
 4     *subsection for the succeeding period not to exceed 12*  
 5     *months.*

6             “(2) *INCOME RESTRICTION.*—*The option under*  
 7     *paragraph (1) shall not be made available to a family*  
 8     *for a succeeding period unless the State determines*  
 9     *that the family’s average gross monthly earnings (less*  
 10    *such costs for such child care as is necessary for the*  
 11    *employment of the caretaker relative) as of the end of*  
 12    *the 6-month period under subsection (b) does not ex-*  
 13    *ceed 185 percent of the official poverty line (as de-*  
 14    *fined by the Office of Management and Budget, and*  
 15    *revised annually in accordance with section 673(2) of*  
 16    *the Omnibus Budget Reconciliation Act of 1981) ap-*  
 17    *plicable to a family of the size involved.*

18            “(3) *APPLICATION OF EXTENSION RULES.*—*The*  
 19    *provisions of paragraphs (2), (3), (4), and (5) of sub-*  
 20    *section (b) shall apply to the extension provided*  
 21    *under this subsection in the same manner as they*  
 22    *apply to the extension provided under subsection*  
 23    *(b)(1), except that for purposes of this subsection—*

24                    “(A) *any reference to a 6-month period*  
 25                    *under subsection (b)(1) is deemed a reference to*

1        *the extension period provided under paragraph*  
 2        *(1) and any deadlines for any notices or report-*  
 3        *ing and the premium payment periods shall be*  
 4        *modified to correspond to the appropriate cal-*  
 5        *endar quarters of coverage provided under this*  
 6        *subsection; and*

7                *“(B) any reference to a provision of sub-*  
 8                *section (a) or (b) is deemed a reference to the*  
 9                *corresponding provision of subsection (b) or of*  
 10               *this subsection, respectively.”.*

11        *(b) STATE OPTION TO WAIVE RECEIPT OF MEDICAID*  
 12        *FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.—*  
 13        *Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is amended*  
 14        *by adding at the end the following: “A State may, at its*  
 15        *option, also apply the previous sentence in the case of a*  
 16        *family that was receiving such aid for fewer than 3 months,*  
 17        *or that had applied for and was eligible for such aid for*  
 18        *fewer than 3 months, during the 6 immediately preceding*  
 19        *months described in such sentence.”.*

20        *(c) 5-YEAR EXTENSION OF SUNSET FOR TMA.—*

21                *(1) IN GENERAL.—Subsection (g) of section 1925*  
 22                *(42 U.S.C. 1396r–6), as redesignated under subsection*  
 23                *(a)(2)(A), is further redesignated as subsection (i)*  
 24                *and is amended by striking “2002” and inserting*  
 25                *“2007”.*

1           (2)       CONFORMING       AMENDMENT.—Section  
 2       1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended  
 3       by striking “2002” and inserting “2007”.

4       (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-  
 5       TION RATES UNDER TMA.—Section 1925 (42 U.S.C.  
 6       1396r–6), as amended by subsections (a)(2)(A) and (c), is  
 7       amended by inserting after subsection (f) the following:

8       “(g) ADDITIONAL PROVISIONS.—

9           “(1) COLLECTION AND REPORTING OF PARTICI-  
 10       PATION INFORMATION.—Each State shall—

11           “(A) collect and submit to the Secretary, in  
 12           a format specified by the Secretary, information  
 13           on average monthly enrollment and average  
 14           monthly participation rates for adults and chil-  
 15           dren under this section; and

16           “(B) make such information publicly avail-  
 17           able.

18       Such information shall be submitted under subpara-  
 19       graph (A) at the same time and frequency in which  
 20       other enrollment information under this title is sub-  
 21       mitted to the Secretary. Using such information, the  
 22       Secretary shall submit to Congress annual reports  
 23       concerning such rates.”.

1       (e) *COORDINATION OF WORK.*—Section 1925(g) (42  
2   U.S.C. 1396r–6(g)), as added by subsection (d), is amended  
3   by adding at the end the following new paragraph:

4               “(2) *COORDINATION WITH ADMINISTRATION FOR*  
5       *CHILDREN AND FAMILIES.*—The Administrator of the  
6       Centers for Medicare & Medicaid Services, in car-  
7       rying out this section, shall work with the Assistant  
8       Secretary for the Administration for Children and  
9       Families to develop guidance or other technical assist-  
10      ance for States regarding best practices in guaran-  
11      teeing access to transitional medical assistance under  
12      this section.”.

13      (f) *ELIMINATION OF TMA REQUIREMENT FOR STATES*  
14      *THAT EXTEND COVERAGE TO CHILDREN AND PARENTS*  
15      *THROUGH 185 PERCENT OF POVERTY.*—

16              (1) *IN GENERAL.*—Section 1925 (42 U.S.C.  
17      1396r–6) is further amended by inserting after sub-  
18      section (g), as added by subsection (d), the following:

19              “(h) *PROVISIONS OPTIONAL FOR STATES THAT EX-*  
20      *TEND COVERAGE TO CHILDREN AND PARENTS THROUGH*  
21      *185 PERCENT OF POVERTY.*—A State may meet (but is not  
22      required to meet) the requirements of subsections (a) and  
23      (b) if it provides for medical assistance under section 1931  
24      to families (including both children and caretaker relatives)  
25      the average gross monthly earning of which (less such costs



1 *for such child care as is necessary for the employment of*  
 2 *a caretaker relative) is at or below a level that is at least*  
 3 *185 percent of the official poverty line (as defined by the*  
 4 *Office of Management and Budget, and revised annually*  
 5 *in accordance with section 673(2) of the Omnibus Budget*  
 6 *Reconciliation Act of 1981) applicable to a family of the*  
 7 *size involved.”.*

8           (2) *CONFORMING AMENDMENTS.—Section 1925*  
 9           *(42 U.S.C. 1396r–6) is further amended, in sub-*  
 10          *sections (a)(1) and (b)(1), by inserting “, but subject*  
 11          *to subsection (h),” after “Notwithstanding any other*  
 12          *provision of this title,” each place it appears.*

13          (g) *REQUIREMENT OF NOTICE FOR ALL FAMILIES*  
 14          *LOSING TANF.—Subsection (a)(2) of section 1925 (42*  
 15          *U.S.C. 1396r–6) is amended by adding at the end the fol-*  
 16          *lowing flush sentences:*

17          *“Each State shall provide, to families whose aid*  
 18          *under part A or E of title IV has terminated but*  
 19          *whose eligibility for medical assistance under this*  
 20          *title continues, written notice of their ongoing eligi-*  
 21          *bility for such medical assistance. If a State makes a*  
 22          *determination that any member of a family whose aid*  
 23          *under part A or E of title IV is being terminated is*  
 24          *also no longer eligible for medical assistance under*  
 25          *this title, the notice of such determination shall be*

1       supplemented by a 1-page notification form describ-  
 2       ing the different ways in which individuals and fami-  
 3       lies may qualify for such medical assistance and ex-  
 4       plaining that individuals and families do not have to  
 5       be receiving aid under part A or E of title IV in  
 6       order to qualify for such medical assistance. Such no-  
 7       tice shall further be supplemented by information on  
 8       how to apply for child health assistance under the  
 9       State children's health insurance program under title  
 10      XXI and how to apply for medical assistance under  
 11      this title.”.

12      (h) *EXTENDING USE OF OUTSTATIONED WORKERS TO*  
 13      *ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL AS-*  
 14      *SISTANCE.*—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55))  
 15      is amended by inserting “and under section 1931” after  
 16      “(a)(10)(A)(ii)(IX)”.

17      (i) *EFFECTIVE DATES.*—

18           (1) *IN GENERAL.*—Except as provided in this  
 19      subsection, the amendments made by this section shall  
 20      apply to calendar quarters beginning on or after Oc-  
 21      tober 1, 2002, without regard to whether or not final  
 22      regulations to carry out such amendments have been  
 23      promulgated by such date.

1           (2) *NOTICE.*—*The amendment made by sub-*  
2           *section (g) shall take effect 6 months after the date of*  
3           *enactment of this Act.*

4           (3) *DELAY PERMITTED FOR STATE PLAN AMEND-*  
5           *MENT.*—*In the case of a State plan for medical assist-*  
6           *ance under title XIX of the Social Security Act which*  
7           *the Secretary of Health and Human Services deter-*  
8           *mines requires State legislation (other than legisla-*  
9           *tion appropriating funds) in order for the plan to*  
10          *meet the additional requirements imposed by the*  
11          *amendments made by this section, the State plan*  
12          *shall not be regarded as failing to comply with the re-*  
13          *quirements of such title solely on the basis of its fail-*  
14          *ure to meet these additional requirements before the*  
15          *first day of the first calendar quarter beginning after*  
16          *the close of the first regular session of the State legis-*  
17          *lature that begins after the date of enactment of this*  
18          *Act. For purposes of the previous sentence, in the case*  
19          *of a State that has a 2-year legislative session, each*  
20          *year of such session shall be deemed to be a separate*  
21          *regular session of the State legislature.*

1 **SEC. 402. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
2 **UNDER THE MEDICAID PROGRAM AND TITLE**  
3 **XXI.**

4 (a) *MEDICAID PROGRAM*.—Section 1903(v) (42 U.S.C.  
5 1396b(v)) is amended—

6 (1) in paragraph (1), by striking “paragraph  
7 (2)” and inserting “paragraphs (2) and (4)”; and  
8 (2) by adding at the end the following:

9 “(4)(A) A State may elect (in a plan amendment  
10 under this title) to provide medical assistance under this  
11 title (including under a waiver authorized by the Sec-  
12 retary), notwithstanding sections 401(a), 402(b), 403, and  
13 421 of the Personal Responsibility and Work Opportunity  
14 Reconciliation Act of 1996, for aliens who are lawfully re-  
15 siding in the United States (including battered aliens de-  
16 scribed in section 431(c) of such Act) and who are otherwise  
17 eligible for such assistance, within any of the following eli-  
18 gibility categories:

19 “(i) *PREGNANT WOMEN*.—Women during preg-  
20 nancy (and during the 60-day period beginning on  
21 the last day of the pregnancy).

22 “(ii) *CHILDREN*.—Children (as defined under  
23 such plan), including optional targeted low-income  
24 children described in section 1905(u)(2)(B).

25 “(B) In the case of a State that has elected to provide  
26 medical assistance to a category of aliens under subpara-

1 *graph (A), no debt shall accrue under an affidavit of sup-*  
2 *port against any sponsor of such an alien on the basis of*  
3 *provision of assistance to such category and the cost of such*  
4 *assistance shall not be considered as an unreimbursed*  
5 *cost.”.*

6 (b) *TITLE XXI.—Section 2107(e)(1) (42 U.S.C.*  
7 *1397gg(e)(1)) is amended by adding at the end the fol-*  
8 *lowing:*

9 “(E) *Section 1903(v)(4) (relating to op-*  
10 *tional coverage of categories of lawful resident*  
11 *alien pregnant women and children), but only*  
12 *with respect to an eligibility category under this*  
13 *title, if the same eligibility category has been*  
14 *elected under such section for purposes of title*  
15 *XIX.”.*

16 (c) *EFFECTIVE DATE.—The amendments made by this*  
17 *section take effect on October 1, 2002, and apply to medical*  
18 *assistance and child health assistance furnished on or after*  
19 *such date, whether or not regulations implementing such*  
20 *amendments have been issued.*

1 **SEC. 403. CLARIFICATION OF AUTHORITY OF STATES AND**  
2 **LOCAL AUTHORITIES TO PROVIDE HEALTH**  
3 **CARE TO IMMIGRANTS.**

4 (a) *IN GENERAL.*—Section 411 of the Personal Re-  
5 sponsibility and Work Opportunity Reconciliation Act of  
6 1996 (8 U.S.C. 1621) is amended—

7 (1) in subsection (b)—

8 (A) by striking paragraphs (1) and (3); and

9 (B) by redesignating paragraphs (2) and  
10 (4) as paragraphs (1) and (2), respectively; and  
11 (2) in subsection (c)—

12 (A) in paragraph (1)—

13 (i) in the matter preceding subpara-  
14 graph (A), by striking “(2) and (3)” and  
15 inserting “(2), (3), and (4)”; and

16 (ii) in subparagraph (B), by striking  
17 “health,”; and

18 (B) by adding at the end the following new  
19 paragraph

20 “(4) Such term does not include any health ben-  
21 efit for which payments or assistance are provided to  
22 an individual, household, or family eligibility unit by  
23 an agency of a State or local government or by ap-  
24 propriated funds of a State or local government.”.

1       (b) *EFFECTIVE DATE.*—*The amendments made by sub-*  
 2 *section (a) shall apply to health care furnished before, on,*  
 3 *or after the date of enactment of this Act.*

4 **SEC. 404. CLARIFICATION OF NO VERIFICATION REQUIRE-**  
 5 **MENT FOR NONPROFIT CHARITABLE ORGANI-**  
 6 **ZATIONS.**

7       *Section 432(d) of the Personal Responsibility and*  
 8 *Work Opportunity Reconciliation Act of 1996 (8 U.S.C.*  
 9 *1642(d)) is amended—*

10           (1) *by striking “Subject to subsection (a), a” and*  
 11 *inserting “A”;*

12           (2) *by striking “is not” and inserting “shall not*  
 13 *be”;* *and*

14           (3) *by inserting “or under section 1137 of the*  
 15 *Social Security Act (42 U.S.C. 1320b–7)” after “this*  
 16 *title”.*

17 **TITLE V—CHILD SUPPORT AND**  
 18 **CHILD WELFARE**

19 **SEC. 501. DISTRIBUTION OF CHILD SUPPORT COLLECTED**  
 20 **BY STATES.**

21       (a) *MODIFICATION OF RULE REQUIRING ASSIGNMENT*  
 22 *OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING*  
 23 *TANF.*—*Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amend-*  
 24 *ed to read as follows:*

1           “(3) *NO ASSISTANCE FOR FAMILIES NOT ASSIGN-*  
 2           *ING CERTAIN SUPPORT RIGHTS TO THE STATE.—A*  
 3           *State to which a grant is made under section 403*  
 4           *shall require, as a condition of paying assistance to*  
 5           *a family under the State program funded under this*  
 6           *part, that a member of the family assign to the State*  
 7           *any right the family member may have (on behalf of*  
 8           *the family member or of any other person for whom*  
 9           *the family member has applied for or is receiving*  
 10           *such assistance) to support from any other person,*  
 11           *not exceeding the total amount of assistance so paid*  
 12           *to the family, which accrues during the period that*  
 13           *the family receives assistance under the program.”.*

14           **(b) *INCREASING CHILD SUPPORT PAYMENTS TO FAMI-***  
 15           ***LIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION***  
 16           ***RULES.—***

17                   **(1) *DISTRIBUTION RULES.—***

18                           **(A) *IN GENERAL.—***Section 457(a) (42  
 19                           *U.S.C. 657(a)) is amended to read as follows:*

20                   “(a) *IN GENERAL.—*Subject to subsections (e) and (f),  
 21                   *the amounts collected on behalf of a family as support by*  
 22                   *a State pursuant to a plan approved under this part shall*  
 23                   *be distributed as follows:*



1           “(1) *FAMILIES RECEIVING ASSISTANCE.*—*In the*  
2           *case of a family receiving assistance from the State,*  
3           *the State shall—*

4                   “(A) *pay to the Federal Government the*  
5                   *Federal share of the amount collected, subject to*  
6                   *paragraph (3)(A);*

7                   “(B) *retain, or pay to the family, the State*  
8                   *share of the amount collected, subject to para-*  
9                   *graph (3)(B); and*

10                  “(C) *pay to the family any remaining*  
11                  *amount.*

12           “(2) *FAMILIES THAT FORMERLY RECEIVED AS-*  
13           *SISTANCE.*—*In the case of a family that formerly re-*  
14           *ceived assistance from the State:*

15                   “(A) *CURRENT SUPPORT.*—*To the extent*  
16                   *that the amount collected does not exceed the cur-*  
17                   *rent support amount, the State shall pay the*  
18                   *amount to the family.*

19                   “(B) *ARREARAGES.*—*Except as otherwise*  
20                   *provided in an election made under section*  
21                   *454(34), to the extent that the amount collected*  
22                   *exceeds the current support amount, the State—*

23                           “(i) *shall first pay to the family the*  
24                           *excess amount, to the extent necessary to*

1           *satisfy support arrearages not assigned pur-*  
 2           *suant to section 408(a)(3);*

3           “(ii) *if the amount collected exceeds the*  
 4           *amount required to be paid to the family*  
 5           *under clause (i), shall—*

6                     “(I) *pay to the Federal Govern-*  
 7                     *ment, the Federal share of the excess*  
 8                     *amount described in this clause, subject*  
 9                     *to paragraph (3)(A); and*

10                    “(II) *retain, or pay to the family,*  
 11                    *the State share of the excess amount*  
 12                    *described in this clause, subject to*  
 13                    *paragraph (3)(B); and*

14                    “(iii) *shall pay to the family any re-*  
 15                    *maining amount.*

16           “(3) *LIMITATIONS.—*

17                    “(A) *FEDERAL REIMBURSEMENTS.—The*  
 18                    *total of the amounts paid by the State to the*  
 19                    *Federal Government under paragraphs (1) and*  
 20                    *(2) of this subsection with respect to a family*  
 21                    *shall not exceed the Federal share of the amount*  
 22                    *assigned with respect to the family pursuant to*  
 23                    *section 408(a)(3).*

24                    “(B) *STATE REIMBURSEMENTS.—The total*  
 25                    *of the amounts retained by the State under para-*

1        *graphs (1) and (2) of this subsection with respect*  
2        *to a family shall not exceed the State share of the*  
3        *amount assigned with respect to the family pur-*  
4        *suant to section 408(a)(3).*

5        *“(4) FAMILIES THAT NEVER RECEIVED ASSIST-*  
6        *ANCE.—In the case of any other family, the State*  
7        *shall pay the amount collected to the family.*

8        *“(5) FAMILIES UNDER CERTAIN AGREEMENTS.—*  
9        *Notwithstanding paragraphs (1) through (3), in the*  
10       *case of an amount collected for a family in accord-*  
11       *ance with a cooperative agreement under section*  
12       *454(33), the State shall distribute the amount col-*  
13       *lected pursuant to the terms of the agreement.*

14       *“(6) STATE FINANCING OPTIONS.—To the extent*  
15       *that the State’s share of the amount payable to a fam-*  
16       *ily pursuant to paragraph (2)(B) of this subsection*  
17       *exceeds the amount that the State estimates (under*  
18       *procedures approved by the Secretary) would have*  
19       *been payable to the family pursuant to former section*  
20       *457(a)(2)(B) (as in effect for the State immediately*  
21       *before the date this subsection first applies to the*  
22       *State) if such former section had remained in effect,*  
23       *the State may elect to use the grant made to the State*  
24       *under section 403(a) to pay the amount, or to have*

1        *the payment considered a qualified State expenditure*  
 2        *for purposes of section 409(a)(7)(B)(i), but not both.*

3            “(7) STATE OPTION TO PASS THROUGH ADDI-  
 4        TIONAL SUPPORT WITH FEDERAL COST-SHARING.—

5            “(A) IN GENERAL.—Notwithstanding para-  
 6        graph (2), a State shall not be required to pay  
 7        to the Federal Government the Federal share of  
 8        an amount collected on behalf of a family that  
 9        formerly received assistance under the State pro-  
 10       gram funded under part A, to the extent that the  
 11       State pays the amount to the family.

12           “(B) RECIPIENTS OF TANF FOR LESS THAN  
 13        5 YEARS.—

14           “(i) IN GENERAL.—Notwithstanding  
 15        paragraph (1), a State shall not be required  
 16        to pay to the Federal Government the Fed-  
 17        eral share of an amount collected on behalf  
 18        of a family that is a recipient of assistance  
 19        under the State program funded under part  
 20        A and, if the family includes an adult, that  
 21        has received the assistance for not more  
 22        than 5 years after the date of enactment of  
 23        this paragraph, to the extent that—

24           “(I) the State pays the amount to  
 25        the family; and

1                   “(II) subject to clause (ii), the  
2                   amount is disregarded in determining  
3                   the amount and type of the assistance  
4                   provided to the family.

5                   “(ii) *LIMITATION.*—Of the amount dis-  
6                   regarded as described in clause (i)(II), the  
7                   maximum amount that may be taken into  
8                   account for purposes of clause (i) shall not  
9                   exceed \$400 per month, except that, in the  
10                  case of a family that includes 2 or more  
11                  children, the State may elect to increase the  
12                  maximum amount to not more than \$600  
13                  per month.

14                  “(8) *STATES WITH DEMONSTRATION WAIVERS.*—  
15                  Notwithstanding the preceding paragraphs, a State  
16                  with a waiver under section 1115, effective on or be-  
17                  fore October 1, 1997, the terms of which allow pass-  
18                  through of child support payments, may pass through  
19                  payments in accordance with such terms with respect  
20                  to families subject to the waiver.”.

21                  (B) *STATE PLAN TO INCLUDE ELECTION AS*  
22                  *TO WHICH RULES TO APPLY IN DISTRIBUTING*  
23                  *CHILD SUPPORT ARREARAGES COLLECTED ON*  
24                  *BEHALF OF FAMILIES FORMERLY RECEIVING AS-*

1           *SISTANCE.—Section 454 (42 U.S.C. 654) is*  
2           *amended—*

3                     *(i) by striking “and” at the end of*  
4                     *paragraph (32);*

5                     *(ii) by striking the period at the end of*  
6                     *paragraph (33) and inserting “; and”; and*

7                     *(iii) by inserting after paragraph (33)*  
8                     *the following:*

9                     *“(34) include an election by the State to apply*  
10                    *section 457(a)(2)(B) of this Act or former section*  
11                    *457(a)(2)(B) of this Act (as in effect for the State im-*  
12                    *mediately before the date this paragraph first applies*  
13                    *to the State) to the distribution of the amounts which*  
14                    *are the subject of such sections, and for so long as the*  
15                    *State elects to so apply such former section, the*  
16                    *amendments made by subsection (e) of section 501 of*  
17                    *the Work, Opportunity, and Responsibility for Kids*  
18                    *Act of 2002 shall not apply with respect to the State,*  
19                    *notwithstanding subsection (f)(1) of such section*  
20                    *501.”.*

21                    (C) *APPROVAL OF ESTIMATION PROCE-*  
22                    *DURES.—Not later than October 1, 2003, the*  
23                    *Secretary of Health and Human Services, in*  
24                    *consultation with the States (as defined for pur-*  
25                    *poses of part D of title IV of the Social Security*

1       *Act), shall establish the procedures to be used to*  
 2       *make the estimate described in section 457(a)(6)*  
 3       *of such Act.*

4       (2) *CURRENT SUPPORT AMOUNT DEFINED.*—*Sec-*  
 5       *tion 457(c) (42 U.S.C. 657(c)) is amended by adding*  
 6       *at the end the following:*

7           “(5) *CURRENT SUPPORT AMOUNT.*—*The term*  
 8       *‘current support amount’ means, with respect to*  
 9       *amounts collected as support on behalf of a family,*  
 10       *the amount designated as the monthly support obliga-*  
 11       *tion of the noncustodial parent in the order requiring*  
 12       *the support.’”.*

13       (c) *BAN ON RECOVERY OF MEDICAID COSTS FOR CER-*  
 14       *TAIN BIRTHS.*—

15           (1) *IN GENERAL.*—*Section 454 (42 U.S.C. 654)*  
 16       *as amended by subsection (b)(1)(B), is amended—*

17           (A) *by striking “and” at the end of para-*  
 18       *graph (33);*

19           (B) *by striking the period at the end of*  
 20       *paragraph (34) and inserting “; and”; and*

21           (C) *by inserting after paragraph (34) the*  
 22       *following:*

23           “(35) *provide that the State shall not use the*  
 24       *State program operated under this part to collect any*  
 25       *amount owed to the State by reason of costs incurred*

1        *under the State plan approved under title XIX for the*  
 2        *birth of a child for whom support rights have been as-*  
 3        *signed pursuant to section 408(a)(3), 471(a)(17), or*  
 4        *1912.”.*

5            (2) *EFFECTIVE DATE.*—*The amendments made*  
 6        *by paragraph (1) shall take effect on October 1, 2004.*

7            (d) *STATE OPTION TO DISCONTINUE PRE-1997 SUP-*  
 8        *PORT ASSIGNMENTS.*—*Section 457(b) (42 U.S.C. 657(b)) is*  
 9        *amended by striking “shall” and inserting “may”.*

10          (e) *CONFORMING AMENDMENTS.*—*Section 404(a) (42*  
 11        *U.S.C. 604(a)) is amended—*

12            (1) *by striking “or” at the end of paragraph (1);*

13            (2) *by striking the period at the end of para-*  
 14        *graph (2) and inserting “; or”; and*

15            (3) *by adding at the end the following:*

16            “(3) *to fund payment of an amount pursuant to*  
 17        *clause (i) or (ii) of section 457(a)(2)(B), but only to*  
 18        *the extent that the State properly elects under section*  
 19        *457(a)(6) to use the grant to fund the payment.”.*

20          (f) *EFFECTIVE DATE.*—

21            (1) *IN GENERAL.*—*The amendments made by*  
 22        *this section shall take effect on October 1, 2006, and*  
 23        *shall apply to payments under parts A and D of title*  
 24        *IV of the Social Security Act for calendar quarters be-*  
 25        *ginning on or after such date, and without regard to*



1        *whether regulations to implement such amendments*  
 2        *(in the case of State programs operated under such*  
 3        *part D) are promulgated by such date.*

4            (2) *STATE OPTION TO ACCELERATE EFFECTIVE*  
 5        *DATE.—A State may elect to have the amendments*  
 6        *made by this section apply to the State and to*  
 7        *amounts collected by the State, on and after such date*  
 8        *as the State may select that is after the date of enact-*  
 9        *ment of this Act and before October 1, 2006.*

10 **SEC. 502. MANDATORY REVIEW AND ADJUSTMENT OF**  
 11                    **CHILD SUPPORT ORDERS FOR FAMILIES RE-**  
 12                    **CEIVING TANF.**

13        (a) *IN GENERAL.—Section 466(a)(10)(A)(i) (42*  
 14        *U.S.C. 666(a)(10)(A)(i)) is amended—*

15            (1) *by striking “parent, or,” and inserting “par-*  
 16        *ent or”;* and

17            (2) *by striking “upon the request of the State*  
 18        *agency under the State plan or of either parent,”.*

19        (b) *EFFECTIVE DATE.—The amendment made by sub-*  
 20        *section (a) shall take effect on October 1, 2004.*

21 **SEC. 503. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**  
 22                    **REARAGE TRIGGERING PASSPORT DENIAL.**

23        *Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by*  
 24        *striking “\$5,000” and inserting “\$2,500”.*

1 **SEC. 504. USE OF TAX REFUND INTERCEPT PROGRAM TO**  
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**  
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 *Section 464 (42 U.S.C. 664) is amended—*

5 *(1) in subsection (a)(2)(A), by striking “(as that*  
6 *term is defined for purposes of this paragraph under*  
7 *subsection (c))”; and*

8 *(2) in subsection (c)—*

9 *(A) in paragraph (1)—*

10 *(i) by striking “(1) Except as provided*  
11 *in paragraph (2), as used in” and inserting*  
12 *“In”; and*

13 *(ii) by inserting “(whether or not a*  
14 *minor)” after “a child” each place it ap-*  
15 *pears; and*

16 *(B) by striking paragraphs (2) and (3).*

17 **SEC. 505. FINANCING REVIEW AND ADMINISTRATIVE FUND-**  
18 **ING.**

19 *Section 455 (42 U.S.C. 655) is amended by adding*  
20 *at the end the following:*

21 *“(g)(1) In addition to any other payments made to*  
22 *a State under this part, the Secretary shall pay each State*  
23 *an amount determined in accordance with paragraph (2)*  
24 *for fiscal year 2003 to carry out any of the following activi-*  
25 *ties:*

1           “(A) *To review State policies on collecting fees*  
2           *under the State program operated under the State*  
3           *plan approved under this part.*

4           “(B) *To review the distribution options provided*  
5           *under section 457(a) (as amended by section*  
6           *501(b)(1)(A) of the Work, Opportunity, and Responsi-*  
7           *bility for Kids Act of 2002), and, if a State elects*  
8           *such options, to prepare for the implementation of the*  
9           *options.*

10          “(C) *To update automated systems to conform*  
11          *with requirements of the State program operated*  
12          *under the State plan approved under this part, in-*  
13          *cluding as amended by the Work, Opportunity, and*  
14          *Responsibility for Kids Act of 2002.*

15          “(D) *To improve customer service under such*  
16          *State program.*

17          “(E) *To examine the causes of, and propose solu-*  
18          *tions for, undistributed collections under such State*  
19          *program.*

20          “(F) *To examine the buildup of arrears and ap-*  
21          *proaches to arrears management under such State*  
22          *program.*

23          “(G) *To develop approaches to improving inter-*  
24          *state collections of child support obligations.*

1           “(H) To develop approaches to improving the  
2           percentage of cases under such State program with an  
3           established order for child support.

4           “(I) To review the review and adjustment poli-  
5           cies under such program and the State program fund-  
6           ed under part A for families receiving assistance or  
7           services under the State program funded under part  
8           A.

9           “(2)(A) Subject to subparagraph (B), the Secretary  
10          shall determine the amount of each payment to a State  
11          under this subsection for fiscal year 2003 based on the pro-  
12          portion of cases under the State program operated under  
13          the State plan approved under this part for the most recent  
14          fiscal year for which data is available, as compared to all  
15          such cases in all States for that fiscal year.

16          “(B) No State shall receive a payment under this sub-  
17          section for fiscal year 2003 that is less than \$750,000.

18          “(3) Out of any money in the Treasury of the United  
19          States not otherwise appropriated, there is appropriated for  
20          fiscal year 2003, \$50,000,000 for making payments to  
21          States under this subsection.”.

22   **SEC. 506. ADOPTION OF UNIFORM STATE LAWS.**

23          (a) *IN GENERAL.*—Section 466(f) (42 U.S.C. 666(f))  
24          is amended—

1           (1) by striking “January 1, 1998” and inserting  
2           “October 1, 2004”; and

3           (2) by striking “August 22, 1996” and inserting  
4           “January 1, 2002”.

5           (b) *FULL FAITH AND CREDIT FOR CHILD SUPPORT*  
6 *ORDERS*.—Section 1738B of title 28, United States Code,  
7 is amended—

8           (1) by striking subsection (d) and inserting the  
9           following:

10          “(d) *CONTINUING EXCLUSIVE JURISDICTION*.—

11           “(1) *IN GENERAL*.—Subject to paragraph (2), a  
12           court of a State that has made a child support order  
13           consistently with this section has continuing, exclu-  
14           sive jurisdiction to modify its order if the order is the  
15           controlling order and—

16           “(A) the State is the child’s State or the res-  
17           idence of any individual contestant; or

18           “(B) if the State is not the residence of the  
19           child or an individual contestant, the contestants  
20           consent in a record or in open court that the  
21           court may continue to exercise jurisdiction to  
22           modify its order.

23           “(2) *REQUIREMENT*.—A court may not exercise  
24           its continuing, exclusive jurisdiction to modify the  
25           order if the court of another State, acting in accord-

1        *ance with subsections (e) and (f), has made a modi-*  
2        *fication of the order.”;*

3            *(2) in subsection (e)(2)—*

4            *(A) in subparagraph (A), by striking “be-*  
5        *cause” and all that follows through the semicolon*  
6        *and inserting “pursuant to paragraph (1) or (2)*  
7        *of subsection (d);” and*

8            *(B) in subparagraph (B), by inserting*  
9        *“with jurisdiction over at least 1 of the indi-*  
10       *vidual contestants or that is located in the*  
11       *child’s State” after “another State”;*

12          *(3) in subsection (f)—*

13          *(A) in the subsection heading, by striking*  
14        *“RECOGNITION OF” and inserting “DETERMINA-*  
15        *TION OF CONTROLLING”;*

16          *(B) in the matter preceding paragraph (1),*  
17        *by striking “shall apply” and all that follows*  
18        *through the colon and inserting “having personal*  
19        *jurisdiction over both individual contestants*  
20        *shall apply the following rules and by order shall*  
21        *determine which order controls:”*

22          *(C) in paragraph (1), by striking “must be”*  
23        *and inserting “controls and must be so”;*

24          *(D) in paragraph (2), by striking “must be*  
25        *recognized” and inserting “controls”;*

1                   (E) in paragraph (3), by striking “must be  
2                   recognized” each place it appears and inserting  
3                   “controls”;

4                   (F) in paragraph (4)—

5                   (i) by striking “may” and inserting  
6                   “shall”; and

7                   (ii) by striking “must be recognized”  
8                   and inserting “controls”; and

9                   (G) by striking paragraph (5);

10                  (4) by striking subsection (g) and inserting the  
11                  following:

12                  “(g) *ENFORCEMENT OF MODIFIED ORDERS.—If a*  
13                  *child support order issued by a court of a State is modified*  
14                  *by a court of another State which properly assumed juris-*  
15                  *diction, the issuing court—*

16                  “(1) *may enforce its order that was modified*  
17                  *only as to arrears and interest accruing before the*  
18                  *modification;*

19                  “(2) *may provide appropriate relief for viola-*  
20                  *tions of its order which occurred before the effective*  
21                  *date of the modification; and*

22                  “(3) *shall recognize the modifying order of the*  
23                  *other State for the purpose of enforcement.”;*

24                  (5) in subsection (h)—

1           (A) in paragraph (1), by striking “and (3)”  
 2           and inserting “, (3), and (4)”;

3           (B) in paragraph (2), by inserting “the  
 4           computation and payment of arrearages, and the  
 5           accrual of interest on the arrearages,” after “ob-  
 6           ligations of support,”; and

7           (C) by adding at the end the following:

8           “(4) *PROSPECTIVE APPLICATION.*—After a court  
 9           determines which is the controlling order and issues  
 10          an order consolidating arrears, if any, a court shall  
 11          prospectively apply the law of the State issuing the  
 12          controlling order, including that State’s law with re-  
 13          spect to interest on arrears, current and future sup-  
 14          port, and consolidated arrears.”; and

15          (6) in subsection (i), by inserting “and sub-  
 16          section (d)(2) does not apply” after “issuing State”.

17 **SEC. 507. TRIBAL CHILD SUPPORT ENFORCEMENT PRO-**  
 18 **GRAMS.**

19          Not later than 1 year after the date of enactment of  
 20          this Act, the Secretary of Health and Human Services shall  
 21          promulgate final regulations for making direct payments  
 22          to Indian tribes and tribal organizations under section  
 23          455(f) of the Social Security Act (42 U.S.C. 655(f)).



1 **SEC. 508. REPORT ON UNDISTRIBUTED CHILD SUPPORT**  
2 **PAYMENTS.**

3 *Not later than 6 months after the date of enactment*  
4 *of this Act, the Secretary of Health and Human Services*  
5 *shall submit to the Committee on Ways and Means of the*  
6 *House of Representatives and the Committee on Finance*  
7 *of the Senate a report on the procedures that the States use*  
8 *generally to locate custodial parents for whom child support*  
9 *has been collected but not yet distributed. The report shall*  
10 *include an estimate of the total amount of such undistrib-*  
11 *uted child support and the average length of time it takes*  
12 *for such child support to be distributed. To the extent the*  
13 *Secretary deems appropriate, the Secretary shall include in*  
14 *the report recommendations as to whether additional proce-*  
15 *dures should be established at the Federal or State level to*  
16 *expedite the payment of undistributed child support.*

17 **SEC. 509. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
18 **ADMINISTRATION OF UNEMPLOYMENT COM-**  
19 **PENSATION PROGRAMS.**

20 *(a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j))*  
21 *is amended by adding at the end the following:*

22 *“(7) INFORMATION COMPARISONS AND DISCLO-*  
23 *SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-*  
24 *MENT COMPENSATION PROGRAMS.—*

25 *“(A) IN GENERAL.—If a State agency re-*  
26 *sponsible for the administration of an unemploy-*

1            *ment compensation program under Federal or*  
2            *State law transmits to the Secretary the name*  
3            *and social security account number of an indi-*  
4            *vidual, the Secretary shall, if the information in*  
5            *the National Directory of New Hires indicates*  
6            *that the individual may be employed, disclose to*  
7            *the State agency the name, address, and em-*  
8            *ployer identification number of any putative em-*  
9            *ployer of the individual, subject to this para-*  
10          *graph.*

11            “(B) *CONDITION ON DISCLOSURE.—The*  
12            *Secretary shall make a disclosure under subpara-*  
13            *graph (A) only to the extent that the Secretary*  
14            *determines that the disclosure would not interfere*  
15            *with the effective operation of the program under*  
16            *this part.*

17            “(C) *USE OF INFORMATION.—A State agen-*  
18            *cy may use information provided under this*  
19            *paragraph only for purposes of administering a*  
20            *program referred to in subparagraph (A).”.*

21            (b) *EFFECTIVE DATE.—The amendment made by sub-*  
22            *section (a) shall take effect on October 1, 2002.*

1 **SEC. 510. ANNUAL REPORT ON PERFORMANCE OF STATE**  
 2 **CHILD SUPPORT PROGRAMS.**

3 *Beginning on January 1, 2003, and annually there-*  
 4 *after, the Secretary of Health and Human Services shall*  
 5 *submit to the Committee on Ways and Means of the House*  
 6 *of Representatives and the Committee on Finance of the*  
 7 *Senate a report regarding the performance of State child*  
 8 *support programs funded under part D of title IV of the*  
 9 *Social Security Act (42 U.S.C. 651 et seq.).*

10 **SEC. 511. EXTENSION OF AUTHORITY TO APPROVE DEM-**  
 11 **ONSTRATION PROJECTS.**

12 *Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is*  
 13 *amended by striking “2002” and inserting “2007”.*

14 **SEC. 512. PROHIBITION OF LIMIT ON NUMBER OF WAIVERS**  
 15 **OR DEMONSTRATION PROJECTS THAT MAY**  
 16 **BE GRANTED TO A SINGLE STATE.**

17 *Section 1130 (42 U.S.C. 1320a-9) is amended by add-*  
 18 *ing at the end the following:*

19 *“(h) NO LIMIT ON NUMBER OF WAIVERS GRANTED TO,*  
 20 *OR DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED*  
 21 *BY, A SINGLE STATE.—The Secretary shall not impose any*  
 22 *limit on the number of waivers that may be granted to a*  
 23 *State, or the number of demonstration projects that a State*  
 24 *may be authorized to conduct, under this section.”.*

## **TITLE VI—TRIBAL ISSUES**

### **SEC. 601. TRIBAL TANF PROGRAMS.**

*(a) FINDINGS.—Congress makes the following findings:*

*(1) The Federal Government bears a unique trust responsibility for Indian tribes.*

*(2) Despite this responsibility, Indians remain remarkably impoverished. According to the Bureau of the Census, 25.9 percent of American Indians live in poverty, more than twice the national poverty rate. The average household income for Indians in 2000 was only 75 percent of that of the rest of Americans.*

*(3) In some States with substantial Indian populations, the percentage of the welfare caseload that is made up of Indians has increased since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 because some Indians face substantial barriers in their moving from welfare to work.*

*(4) A General Accounting Office review of data from the Bureau of the Census found that 25 of the 26 counties in the United States with a majority of American Indians had poverty rates “significantly” higher than average.*

*(5) Many Indian tribes are located in isolated rural areas that lack sufficient economic opportuni-*

1        *ties, including jobs and economic development, trans-*  
 2        *portation services, child care, and other services nec-*  
 3        *essary to ensure a successful transition from welfare*  
 4        *to work.*

5            *(6) Tribal temporary assistance to needy fami-*  
 6        *lies programs have demonstrated remarkable success*  
 7        *in moving Indians from welfare to work.*

8            *(7) Tribal governments, unlike State govern-*  
 9        *ments, have not been afforded an opportunity to ad-*  
 10       *minister and fully participate in the Federal entitle-*  
 11       *ment program for foster care and adoption assistance,*  
 12       *a program Congress recognizes as an important com-*  
 13       *ponent of welfare services.*

14           *(8) Welfare reform has not brought enough*  
 15        *change to Indian Country. Welfare reform has not,*  
 16        *and will not, succeed unless it adequately addresses*  
 17        *the unique barriers many Indians face in moving*  
 18        *from welfare to work.*

19        *(b) FUNDING FOR TRIBAL TANF PROGRAMS.—*

20           *(1) REAUTHORIZATION OF TRIBAL FAMILY AS-*  
 21        *SISTANCE GRANTS.—Section 412(a)(1)(A) (42 U.S.C.*  
 22        *612(a)(1)(A)) is amended by striking “1997” and all*  
 23        *that follows through “2002” and inserting “2003*  
 24        *through 2007”.*

1           (2) *TRIBAL TANF IMPROVEMENT FUND.*—Section  
2       412(a) (42 U.S.C. 612(a)) is amended by striking  
3       paragraph (2) and inserting the following:

4           “(2) *TRIBAL TANF IMPROVEMENT GRANTS.*—

5           “(A) *TRIBAL CAPACITY GRANTS.*—

6           “(i) *IN GENERAL.*—Of the amount ap-  
7       propriated under subparagraph (D) for the  
8       period of fiscal years 2003 through 2006,  
9       \$35,000,000 shall be used by the Secretary  
10      to award grants for tribal human services  
11      program infrastructure improvement (as de-  
12      fined in clause (v)) to—

13           “(I) *Indian tribes that have ap-*  
14      plied for approval of a tribal family  
15      assistance plan and that meet the re-  
16      quirements of clause (ii)(I);

17           “(II) *Indian tribes with an ap-*  
18      proved tribal family assistance plan  
19      and that meet the requirements of  
20      clause (ii)(II); and

21           “(III) *Indian tribes that have ap-*  
22      plied for approval of a foster care and  
23      adoption assistance program under  
24      section 479B or that plan to enter into,  
25      or have in place, a tribal-State cooper-

1            *ative agreement under section 479B(c)*  
2            *and that meet the requirements of*  
3            *clause (ii)(III).*

4            “(ii) *PRIORITIES FOR AWARDING OF*  
5            *GRANTS.—The Secretary shall give priority*  
6            *in awarding grants under this subpara-*  
7            *graph as follows:*

8            “(I) *First, for grants to Indian*  
9            *tribes that have applied for approval of*  
10           *a tribal family assistance plan, that*  
11           *have not operated such a plan as of the*  
12           *date of enactment of the Work, Oppor-*  
13           *tunity, and Responsibility for Kids Act*  
14           *of 2002 that will have such plan ap-*  
15           *proved, and that include in the plan*  
16           *submission provisions for tribal human*  
17           *services program infrastructure im-*  
18           *provement (as so defined) and related*  
19           *management information systems*  
20           *training.*

21           “(II) *Second, for Indian tribes*  
22           *with an approved tribal family assist-*  
23           *ance plan that are not described in*  
24           *subclause (I) and that submit an ad-*  
25           *dendum to such plan that includes pro-*

visions for tribal human services program infrastructure improvement that includes implementing or improving management information systems of the tribe (including management information systems training), as such systems relate to the operation of the tribal family assistance plan.

“(III) Third, for Indian tribes that have applied for approval of a foster care and adoption assistance program under section 479B or that plan to enter into, or have in place, a tribal-State cooperative agreement under section 479B(c) and that include in the plan submission under section 471 (or in an addendum to such plan) provisions for tribal human services program infrastructure improvement (as so defined) and related management information systems training.

“(iii) OTHER REQUIREMENTS FOR AWARDING GRANTS.—In awarding grants under this subparagraph, the Secretary—



1           “(I) may not award an Indian  
2           tribe more than 1 grant under this  
3           subparagraph per fiscal year;

4           “(II) shall award grants in such a  
5           manner as to maximize the number of  
6           Indian tribes that receive grants under  
7           this subparagraph; and

8           “(III) shall consult with Indian  
9           tribes located throughout the United  
10          States.

11          “(iv) APPLICATION.—An Indian tribe  
12          desiring a grant under this subparagraph  
13          shall submit an application to the Sec-  
14          retary, at such time, in such manner, and  
15          containing such information as the Sec-  
16          retary may require.

17          “(v) DEFINITION OF HUMAN SERVICES  
18          PROGRAM INFRASTRUCTURE IMPROVE-  
19          MENT.—In this subparagraph, the term  
20          ‘human services program infrastructure im-  
21          provement’ includes (but is not limited to)  
22          improvement of management information  
23          systems, management information systems-  
24          related training, equipping offices, and ren-  
25          ovating, but not constructing, buildings, as

1 *described in an application for a grant*  
2 *under this subparagraph, and subject to ap-*  
3 *proval by the Secretary.*

4 *“(B) TRIBAL DEVELOPMENT GRANTS.—*

5 *“(i) IN GENERAL.—Of the amount ap-*  
6 *propriated under subparagraph (D) for the*  
7 *period of fiscal years 2003 through 2006,*  
8 *\$35,000,000 shall be used by the Secretary*  
9 *to award, through the Commissioner of the*  
10 *Administration for Native Americans,*  
11 *grants to nonprofit organizations, Indian*  
12 *tribes, and tribal organizations to enable*  
13 *such organizations and tribes to provide*  
14 *technical assistance to Indian tribes and*  
15 *tribal organizations in any or all of the fol-*  
16 *lowing areas:*

17 *“(I) The development and im-*  
18 *provement of uniform commercial*  
19 *codes.*

20 *“(II) The creation or expansion of*  
21 *small business or microenterprise pro-*  
22 *grams.*

23 *“(III) The development and im-*  
24 *provement of tort liability codes.*

1           “(IV) *The creation or expansion*  
2           *of tribal marketing efforts.*

3           “(V) *The creation or expansion of*  
4           *for-profit collaborative business net-*  
5           *works.*

6           “(VI) *The development of innova-*  
7           *tive uses of telecommunications to as-*  
8           *sist with distance learning or telecom-*  
9           *muting.*

10          “(VII) *The development of eco-*  
11          *nomic opportunities and job creation*  
12          *in areas of high joblessness in Alaska*  
13          *(as defined in section*  
14          *408(a)(7)(D)(ii)).*

15          “(ii) *REQUIREMENTS.—*

16          “(I) *IN GENERAL.—At least an*  
17          *amount equal to 10 percent of the total*  
18          *amount of grants awarded under this*  
19          *subparagraph shall be awarded to*  
20          *carry out clause (i)(VII).*

21          “(II) *CONSULTATION.—In award-*  
22          *ing grants under this subparagraph*  
23          *the Secretary shall consult with other*  
24          *Federal agencies with expertise in the*  
25          *areas described in clause (i).*

1           “(iii) *APPLICATION.*—A nonprofit or-  
2           ganization, Indian tribe, or tribal organiza-  
3           tion desiring a grant under this subpara-  
4           graph shall submit an application to the  
5           Secretary at such time, in such manner,  
6           and containing such information as the  
7           Secretary may require.

8           “(C) *TECHNICAL ASSISTANCE.*—

9           “(i) *IN GENERAL.*—Of the amount ap-  
10          propriated under subparagraph (D) for the  
11          period of fiscal years 2003 through 2006,  
12          \$5,000,000 shall be used by the Secretary  
13          for making grants, or entering into con-  
14          tracts, to provide technical assistance to In-  
15          dian tribes—

16               “(I) *in applying for or carrying*  
17               *out a grant made under this para-*  
18               *graph;*

19               “(II) *in applying for or carrying*  
20               *out a tribal family assistance plan*  
21               *under this section; or*

22               “(III) *related to best practices*  
23               *and approaches for State and tribal*  
24               *coordination on the transfer of the ad-*

1                    *ministration of social services pro-*  
2                    *grams to Indian tribes.*

3                    “(ii) *RESERVATION OF FUNDS.—Not*  
4                    *less than—*

5                    “(I) *\$2,500,000 of the amount de-*  
6                    *scribed in clause (i) shall be used by*  
7                    *the Secretary to support, through*  
8                    *grants or contracts, peer-learning pro-*  
9                    *grams among tribal administrators;*  
10                   *and*

11                   “(II) *\$1,000,000 of such amount*  
12                   *shall be used by the Secretary for mak-*  
13                   *ing grants to Indian tribes to conduct*  
14                   *feasibility studies of the capacity of In-*  
15                   *dian tribes to operate tribal family as-*  
16                   *sistance plans under this part.*

17                   “(D) *APPROPRIATION.—Out of any money*  
18                   *in the Treasury of the United States not other-*  
19                   *wise appropriated, there is appropriated*  
20                   *\$75,000,000 for the period of fiscal years 2003*  
21                   *through 2006 to carry out this paragraph.*  
22                   *Amounts appropriated under this subparagraph*  
23                   *shall remain available until expended.”.*

1           (3) *CONFORMING AMENDMENT.*—Section 405(a)  
 2           (42 U.S.C. 605(a)) is amended by striking “section  
 3           403” and inserting “sections 403 and 412(a)(2)(C)”.

4           (c) *ELIGIBILITY FOR CONTINGENCY FUND.*—

5           (1) *IN GENERAL.*—Section 403(b)(1) (42 U.S.C.  
 6           603(b)(3)), as amended by section 102(a)(1), is  
 7           amended—

8                   (A) in subparagraph (A), by striking “sub-  
 9                   paragraph (C)” and inserting “subparagraphs  
 10                  (C) and (D)”;

11                  (B) by redesignating subparagraphs (D)  
 12                  and (E) as subparagraphs (E) and (F), respec-  
 13                  tively; and

14                  (C) by inserting after subparagraph (C), the  
 15                  following:

16                   “(D) *PAYMENTS TO INDIAN TRIBES.*—

17                           “(i) *IN GENERAL.*—Of the total  
 18                           amount appropriated pursuant to subpara-  
 19                           graph (F), \$25,000,000 of such amount  
 20                           shall be reserved for making payments to  
 21                           Indian tribes with approved tribal family  
 22                           assistance plans that are operating in situ-  
 23                           ations of increased economic hardship.

24                           “(ii) *DETERMINATION OF CRITERIA*  
 25                           *FOR TRIBAL ACCESS.*—

1           “(I) *IN GENERAL.*—Subject to  
2           *subclause (II), the Secretary, in con-*  
3           *sultation with Indian tribes with ap-*  
4           *proved tribal family assistance plans,*  
5           *shall determine the criteria for access*  
6           *by Indian tribes to the amount re-*  
7           *served under clause (i).*

8           “(II) *INCLUSION OF CERTAIN FAC-*  
9           *TORS.*—Such criteria shall include fac-  
10          *tors related to increases in unemploy-*  
11          *ment and loss of employers.*

12          “(iii) *APPLICATION OF REQUIREMENTS*  
13          *FOR PAYMENTS TO STATES.*—The Secretary,  
14          *in consultation with Indian tribes with ap-*  
15          *proved tribal family assistance plans lo-*  
16          *cated throughout the United States, shall*  
17          *determine the extent to which requirements*  
18          *of States for payments from the contingency*  
19          *fund established under this subsection shall*  
20          *apply to Indian tribes receiving payments*  
21          *under this subparagraph.”.*

22          (2) *CONFORMING AMENDMENTS.*—Section  
23          403(b)(1)(B) (42 U.S.C. 603(b)(1)(B)), as so amend-  
24          ed, is further amended—

1           (A) in the matter preceding clause (i), by  
 2           striking “subparagraph (D)(i)” and inserting  
 3           “subparagraph (E)(i)”;

4           (B) in clause (i), by striking “subparagraph  
 5           (D)(ii)” and inserting “subparagraph (E)(ii”;  
 6           and

7           (C) in clause (ii), by striking “subpara-  
 8           graph (D)(iii)” and inserting “subparagraph  
 9           (E)(iii)”.

10       (d) *TRIBAL JOB TRAINING PROGRAMS.*—

11           (1) *TRIBAL EMPLOYMENT SERVICES PRO-*  
 12       *GRAMS.*—

13           (A) *IN GENERAL.*—Section 412(a) (42  
 14       U.S.C. 612(a)), as amended by subsection (b)(2),  
 15       is amended by adding at the end the following:

16           “(4) *GRANTS FOR TRIBAL EMPLOYMENT SERV-*  
 17       *ICES PROGRAMS.*—

18           “(A) *PURPOSE.*—The purpose of this para-  
 19       graph is to support comprehensive services to en-  
 20       able eligible beneficiaries to support themselves  
 21       through employment without requiring cash ben-  
 22       efits from public assistance programs for them-  
 23       selves or their families.

24           “(B) *STATEMENT OF POLICY.*—The pro-  
 25       grams funded under grants made under this



1 paragraph shall be administered in a manner  
2 consistent with the principles of the Indian Self-  
3 Determination and Education Assistance Act (25  
4 U.S.C. 450 et seq.) and the government-to-gov-  
5 ernment relationship between the Federal Gov-  
6 ernment and Indian tribal governments.

7 “(C) *DEFINITIONS.*—In this paragraph:

8 “(i) *ALASKA NATIVE ORGANIZATION.*—  
9 The term ‘Alaska Native organization’ has  
10 the meaning given the term ‘Indian tribe’  
11 with respect to the State of Alaska in sec-  
12 tion 419(4)(B).

13 “(ii) *DEPARTMENT.*—Unless otherwise  
14 specified, the term ‘Department’ means the  
15 Department of Labor.

16 “(iii) *ELIGIBLE BENEFICIARY.*— The  
17 term ‘eligible beneficiary’ means—

18 “(I) an individual who is an In-  
19 dian or Alaska Native receiving or eli-  
20 gible to receive cash benefits for the in-  
21 dividual or the individual’s family  
22 under the State program funded under  
23 this part, a tribal family assistance  
24 program under this section, or the  
25 General Assistance program;

1           “(II) an individual who is an In-  
2           dian or Alaska Native transitioning  
3           from receipt of cash benefits under any  
4           such programs to employment;

5           “(III) an individual who is an  
6           Indian or Alaska Native with a history  
7           of long-term dependence (as defined in  
8           clause (v)) on cash benefits under any  
9           such programs or under the aid for  
10          families with dependent children pro-  
11          gram under this part (as in effect be-  
12          fore August 22, 1996);

13          “(IV) an individual who is an In-  
14          dian or Alaska Native who is a non-  
15          custodial parent of a minor child re-  
16          ceiving, eligible to receive, or with a  
17          history of receiving cash benefits under  
18          any such programs, or an individual  
19          who has an obligation to provide sup-  
20          port for such children; or

21          “(V) an individual who is an In-  
22          dian or Alaska Native and is a mem-  
23          ber of a family who is at risk of becom-  
24          ing dependent on cash benefits under  
25          any such programs or who has ex-

1           *hausted eligibility for such benefits be-*  
2           *cause of the application of time limits*  
3           *on benefits.*

4           “(iv) *GENERAL ASSISTANCE.*—*The*  
5           *term ‘General Assistance’ means the General*  
6           *Assistance program supported through the*  
7           *Bureau of Indian Affairs in the Depart-*  
8           *ment of the Interior.*

9           “(v) *LONG-TERM DEPENDENCE.*—*The*  
10          *term ‘long-term dependence’ means receipt*  
11          *of cash benefits under a program referred to*  
12          *in clause (iii)(III) for at least 24 months,*  
13          *which need not be consecutive.*

14          “(vi) *SECRETARY.*—*Unless otherwise*  
15          *specified, the term ‘Secretary’ means the*  
16          *Secretary of Labor.*

17          “(D) *AUTHORITY TO MAKE GRANTS.*—

18          “(i) *DIRECT SERVICES.*—*The Secretary*  
19          *shall make grants to Indian tribes, tribal*  
20          *organizations, and Alaska Native organiza-*  
21          *tions on the basis of a formula determined*  
22          *in accordance with subparagraph (H)(ii) to*  
23          *carry out the activities described in sub-*  
24          *paragraph (E).*

1           “(ii) *PROGRAM SUPPORT.*—*The Sec-*  
2           *retary shall, through grants or contracts*  
3           *with entities, or interagency agreements,*  
4           *carry out the activities described in sub-*  
5           *paragraph (F).*

6           “(iii) *APPROPRIATION.*—

7                   “(I) *IN GENERAL.*—*Out of any*  
8           *money in the Treasury of the United*  
9           *States not otherwise appropriated,*  
10          *there is appropriated \$37,000,000 for*  
11          *each of fiscal years 2003 through 2007*  
12          *to carry out this paragraph.*

13                  “(II) *RESERVATION OF FUNDS*  
14          *FOR PROGRAM SUPPORT.*—*The Sec-*  
15          *retary may reserve an amount equal to*  
16          *not more than 1.5 percent of the*  
17          *amount appropriated under subclause*  
18          *(I) for a fiscal year to make grants or*  
19          *enter into contracts under clause (ii).*

20          “(E) *DIRECT SERVICE ACTIVITIES.*—

21                  “(i) *IN GENERAL.*—*A recipient of a*  
22          *grant made under subparagraph (D)(i)*  
23          *shall use the funds provided under the grant*  
24          *to support any services which may be useful*  
25          *in preparing eligible beneficiaries to enter*

1            *or reenter the workforce, to retain employ-*  
2            *ment or to advance to positions which may*  
3            *enable the eligible beneficiary and the bene-*  
4            *ficiary's family to become economically self-*  
5            *sufficient.*

6            “(ii) *SERVICES PERMITTED.*—*Services*  
7            *provided with funds made available under a*  
8            *grant made under subparagraph (D)(i)*  
9            *may include—*

10            *“(I) assessment;*

11            *“(II) education;*

12            *“(III) job readiness and place-*  
13            *ment;*

14            *“(IV) occupational training (in-*  
15            *cluding on-the-job training);*

16            *“(V) work experience;*

17            *“(VI) wage subsidies;*

18            *“(VII) job retention;*

19            *“(VIII) job creation specifically*  
20            *for eligible beneficiaries;*

21            *“(IX) case management;*

22            *“(X) counseling;*

23            *“(XI) supportive services, includ-*  
24            *ing (but not limited to) child care,*  
25            *transportation, mental health and sub-*

1            *stance abuse treatment, and prevention*  
2            *services important to employability;*  
3            *and*

4            *“(XII) counseling and other serv-*  
5            *ices to promote marriage, discourage*  
6            *teen pregnancies, assist in the forma-*  
7            *tion and stabilization of 2-parent fam-*  
8            *ilies, and address situations involving*  
9            *domestic violence.*

10           *“(iii) RETENTION OF ELIGIBILITY FOR*  
11           *OTHER SERVICES.—An eligible beneficiary*  
12           *who receives services through funds provided*  
13           *under a grant made under subparagraph*  
14           *(D)(i) shall not be precluded from receiving*  
15           *other services from any State, local, or trib-*  
16           *al government agency, or any other entity.*

17           *“(iv) DISREGARD.—Income or services*  
18           *received by an eligible beneficiary under*  
19           *this paragraph shall be disregarded for pur-*  
20           *poses of determining eligibility for benefits*  
21           *under any means-tested program for which*  
22           *the eligibility requirements are established*  
23           *under Federal law.*

24           *“(F) PROGRAM SUPPORT ACTIVITIES.—*

1           “(i) *IN GENERAL.*—*In order to im-*  
2           *prove the effectiveness of services provided*  
3           *by Indian tribes, tribal organizations, and*  
4           *Alaska Native organizations under grants*  
5           *made under this paragraph, the Secretary*  
6           *shall support, through grants, contracts, or*  
7           *interagency agreements, activities that—*

8                     “(I) *enhance the capacity of In-*  
9                     *dian tribes, tribal organizations, and*  
10                    *Alaska Native organizations under this*  
11                    *section to deliver the services author-*  
12                    *ized under subparagraph (E); and*

13                   “(II) *test or demonstrate new or*  
14                    *improved methods of providing such*  
15                    *services.*

16           “(ii) *PREFERENCE.*—*In awarding*  
17           *grants or contracts under subparagraph*  
18           *(D)(ii) to carry out this subparagraph, the*  
19           *Secretary shall implement a preference pol-*  
20           *icy consistent with the terms of section 7(b)*  
21           *of the Indian Self-Determination and Edu-*  
22           *cation Assistance Act (25 U.S.C. 450e(b)).*

23           “(G) *ADDITIONAL REQUIREMENTS.*—

24                   “(i) *DIRECT SERVICE ACTIVITIES.*—

1                   “(I) *AUTHORITY TO CONSOLIDATE*  
2                   *FUNDS.*—An Indian tribe, tribal orga-  
3                   nization, or Alaska Native organiza-  
4                   tion receiving a grant under subpara-  
5                   graph (D)(i) may consolidate funds re-  
6                   ceived under the grant with assistance  
7                   received from other programs in ac-  
8                   cordance with the provisions of the In-  
9                   dian Employment, Training and Re-  
10                  lated Services Demonstration Act of  
11                  1992 (25 U.S.C. 3401 et seq.) or the  
12                  provisions of the Tribal Self-Govern-  
13                  ance Act of 1994 (25 U.S.C. 458aa et  
14                  seq.).

15                  “(II) *OPTION TO EXCLUDE PAR-*  
16                  *TICIPANTS FROM DETERMINATION OF*  
17                  *WORK PARTICIPATION RATES.*—A  
18                  State, Indian tribe, or tribal organiza-  
19                  tion may exclude individuals partici-  
20                  pating in a direct services program  
21                  funded under a grant made under sub-  
22                  paragraph (D)(i) for a month from the  
23                  calculation of the work participation  
24                  rate for the State or tribe for such  
25                  month.



1                   “(ii)    *APPLICABLE RULES.*—*Any*  
 2                   *amount paid to an Indian tribe, tribal or-*  
 3                   *ganization, or Alaska Native organization*  
 4                   *under this part that is used to carry out the*  
 5                   *activities described in subparagraph (E) or*  
 6                   *(F) shall not be subject to the requirements*  
 7                   *of this part, but shall be subject to the re-*  
 8                   *quirements specified in the regulations re-*  
 9                   *quired under subparagraph (H)(iii), and*  
 10                  *the expenditure of any amount so used shall*  
 11                  *not be considered to be an expenditure*  
 12                  *under this part.*

13                  “(iii)   *AVAILABILITY OF FUNDS.*—  
 14                  *Funds provided to a recipient of a grant or*  
 15                  *contract under subparagraph (D)(ii) shall*  
 16                  *remain available for obligation for 2 suc-*  
 17                  *ceeding fiscal years after the fiscal year in*  
 18                  *which the grant is made or the contract is*  
 19                  *entered into.*

20                  “(H) *PROGRAM ADMINISTRATION.*—

21                       “(i)   *DESIGNATION OF OFFICE WITH*  
 22                       *PRIMARY RESPONSIBILITY.*—*The Secretary*  
 23                       *shall designate a single organizational unit*  
 24                       *within the Department that shall have as*  
 25                       *its primary responsibility the administra-*

1            *tion of the activities authorized under this*  
2            *paragraph and of any related Indian pro-*  
3            *grams administered by the Department.*

4            “(ii) *CONSULTATION.*—

5                    “(I) *IN GENERAL.*—*The Secretary*  
6                    *shall consult with Indian tribes and*  
7                    *tribal organizations eligible to admin-*  
8                    *ister activities authorized under this*  
9                    *paragraph that are located throughout*  
10                   *the United States on all aspects of the*  
11                   *operation and administration of such*  
12                   *activities, including the promulgation*  
13                   *of regulations, the design of a formula*  
14                   *for the allocation of funds among In-*  
15                   *dian tribes and tribal organizations,*  
16                   *and the implementation of program*  
17                   *support activities described in sub-*  
18                   *paragraph (F).*

19            “(II) *ADVISORY COMMITTEE.*—

20                   *The Secretary may utilize a broadly*  
21                   *based advisory committee whose mem-*  
22                   *bers are nominated by Indian tribes*  
23                   *and tribal organizations eligible to ad-*  
24                   *minister activities authorized under*  
25                   *this paragraph as part of the consulta-*

1            *tion required under subclause (I), ex-*  
2            *cept that the consultation process shall*  
3            *not be limited to discussions with such*  
4            *committee.*

5            “(iii) *REGULATIONS.—The Secretary*  
6            *may issue regulations for the conduct of ac-*  
7            *tivities under this paragraph. All require-*  
8            *ments imposed by such regulations, includ-*  
9            *ing reporting requirements, shall take into*  
10           *full consideration tribal circumstances and*  
11           *conditions.”.*

12           *(B) TRANSITION FROM OTHER TANF INDIAN*  
13           *EMPLOYMENT PROGRAMS.—*

14           *(i) IN GENERAL.—Subject to clause*  
15           *(ii), the Secretary of Health and Human*  
16           *Services shall provide for an orderly close-*  
17           *out of activities under the work program*  
18           *authorized in section 412(a)(2) of the Social*  
19           *Security Act (42 U.S.C. 612(a)(2)) (com-*  
20           *monly referred to as the “Native Employ-*  
21           *ment Works program” or the “NEW” pro-*  
22           *gram) as such section is in effect on Sep-*  
23           *tember 30, 2002.*

24           *(ii) REQUIREMENT.—In closing out the*  
25           *activities referred to in clause (i), the Sec-*

retary of Health and Human Services shall provide that grantees under a program referred to in that subparagraph shall be permitted to provide services through June 30, 2003, and shall be permitted to spend funds on administrative activities related to the close-out of grants under programs for up to 6 months after that date.

(2) *APPLICATION OF INDIAN EMPLOYMENT, TRAINING, AND RELATED SERVICES DEMONSTRATION ACT OF 1992.*—Section 412(a) (42 U.S.C. 612(a)), as amended by paragraph (1)(A), is amended by adding at the end the following:

“(5) *APPLICATION OF INDIAN EMPLOYMENT, TRAINING, AND RELATED SERVICES DEMONSTRATION ACT OF 1992.*—Notwithstanding any other provision of law, if an Indian tribe elects to incorporate the services it provides under this part into a plan under section 6 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 U.S.C. 3405), the programs authorized to be conducted with grants made under this part shall be—

“(A) considered to be programs subject to section 5 of the Indian Employment, Training,

1 *and Related Services Demonstration Act of 1992*  
 2 *(25 U.S.C. 3404); and*

3 *“(B) subject to the single plan and single*  
 4 *budget requirements of section 6 of that Act (25*  
 5 *U.S.C. 3405) and the single report format re-*  
 6 *quired under section 11 of that Act (25 U.S.C.*  
 7 *3410).”.*

8 *(e) TRIBAL FAMILY ASSISTANCE PLANS.—*

9 *(1) EQUITABLE ACCESS.—Section 412(b)(1) (42*  
 10 *U.S.C. 612(b)(1)) is amended—*

11 *(A) in subparagraph (E), by striking “and”*  
 12 *at the end;*

13 *(B) in subparagraph (F), by striking the*  
 14 *period and inserting “; and”; and*

15 *(C) by adding at the end the following:*

16 *“(G) describes how the Indian tribe will en-*  
 17 *sure equitable access to benefits and services pro-*  
 18 *vided under the plan for each member of the pop-*  
 19 *ulation to be served by the plan.”.*

20 *(2) CONSULTATION BETWEEN STATES AND IN-*  
 21 *DIAN TRIBES OR OTHER INDIANS RESIDING ON A RES-*  
 22 *ERVATION.—*

23 *(A) STATE PLAN REQUIREMENT.—Section*  
 24 *402(a)(5) (42 U.S.C. 602(a)(5)) is amended to*  
 25 *read as follows:*

1           “(5) *CERTIFICATION THAT THE STATE WILL*  
2           *PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-*  
3           *SISTANCE.—*

4           “(A) *IN GENERAL.—A certification by the*  
5           *chief executive officer of the State that, during*  
6           *the fiscal year, the State will—*

7           “(i) *subject to subparagraph (B), con-*  
8           *sult with Indian tribes located within the*  
9           *State regarding the State plan in an effort*  
10          *to ensure equitable access to benefits or serv-*  
11          *ices provided under the plan for any mem-*  
12          *ber of such a tribe who is not eligible for as-*  
13          *sistance under a tribal family assistance*  
14          *plan approved under section 412; and*

15          “(ii) *provide each member of an In-*  
16          *Indian tribe, who is domiciled in the State*  
17          *and is not eligible for assistance under a*  
18          *tribal family assistance plan approved*  
19          *under section 412, with equitable access to*  
20          *assistance under the State program funded*  
21          *under this part attributable to funds pro-*  
22          *vided by the Federal Government.*

23          “(B) *EXCEPTION.—Clause (i) of subpara-*  
24          *graph (A) shall not apply to the State of Alas-*  
25          *ka.”.*

(B) *TRIBAL FAMILY ASSISTANCE PLAN REQUIREMENT*.—Section 412(b)(1) (42 U.S.C. 612(b)(1)), as amended by paragraph (1), is amended—

(i) in subparagraph (F), by striking “and” at the end;

(ii) in subparagraph (G), by striking the period and inserting “; and”; and

(iii) by adding at the end the following:

“(H) provides that the Indian tribe will consult with each State in which a service area of the plan is located on the operation of the plan and the provision of assistance or services to families under the plan.”.

(f) *AREAS WITH HIGH JOBLESSNESS*.—

(1) *TIME LIMIT FOR RECEIPT OF ASSISTANCE*.—Section 408(a)(7)(D) (42 U.S.C. 608(a)(7)(D)) is amended—

(A) in the subparagraph heading, by striking “BY ADULT” and all that follows through “UNEMPLOYMENT” and inserting “IN AREAS OF INDIAN COUNTRY OR AN ALASKAN NATIVE VILLAGE WITH HIGH JOBLESSNESS”; and

(B) in clause (i)—

1                   (i) by striking “In” and inserting  
2                   “Subject to clauses (ii) and (iii), in”; and

3                   (ii) by striking “50 percent” and all  
4                   that follows through the period and insert-  
5                   ing “20 percent of the adults who were liv-  
6                   ing in Indian country were jobless.”;

7                   (C) by redesignating clause (ii) as clause  
8                   (iv); and

9                   (D) by inserting after clause (i), the fol-  
10                  lowing:

11                   “(ii) *ALASKAN NATIVE VILLAGE*.—With  
12                   respect to an Alaskan Native village, this  
13                   subparagraph shall be applied—

14                   “(I) in clause (i), by substituting  
15                   ‘50 percent of the adults living in in  
16                   the village were not employed’ for ‘20  
17                   percent of the adults who were living  
18                   in Indian country were jobless’; and

19                   “(II) without regard to clause  
20                   (iii).

21                   “(iii) *REQUIREMENT*.—A month may  
22                   only be disregarded under clause (i) with  
23                   respect to an adult recipient described in  
24                   that clause if the adult is in compliance  
25                   with program requirements.”.



1           (2) *FLEXIBILITY TO DEFINE WORK ACTIVITIES.*—  
 2           *Section 407(c)(2) (42 U.S.C. 607(c)(2)), as amended*  
 3           *by section 202(h), is amended by adding at the end*  
 4           *the following:*

5                   “(G) *OPTIONAL MODIFICATION OF WORK*  
 6                   *REQUIREMENTS FOR RECIPIENTS RESIDING IN*  
 7                   *AREAS OF INDIAN COUNTRY OR AN ALASKAN NA-*  
 8                   *TIVE VILLAGE WITH HIGH JOBLESSNESS.*—*Not-*  
 9                   *withstanding paragraph (1), if a State has in-*  
 10                  *cluded in the State plan a description of the*  
 11                  *State’s policies in areas of Indian country or an*  
 12                  *Alaskan Native village described in section*  
 13                  *408(a)(7)(D), the State may define the activities*  
 14                  *described in subsection (d) that a recipient who*  
 15                  *resides in such an area and who is participating*  
 16                  *in activities in accordance with an individual*  
 17                  *responsibility plan under section 408(b) may en-*  
 18                  *gage in for purposes of satisfying work require-*  
 19                  *ments under the State program and for purposes*  
 20                  *of determining monthly participation rates*  
 21                  *under subsection (b).”.*

22           (g) *ADVISORY COMMITTEES.*—

23                  (1) *ADVISORY COMMITTEE ON THE STATUS OF*  
 24                  *INDIANS WHO DO NOT RESIDE IN INDIAN COUNTRY.*—

1           (A) *IN GENERAL.*—*The Secretary of Health*  
2           *and Human Services shall convene an advisory*  
3           *committee on the status of Indians who do not*  
4           *reside in Indian country (as defined in section*  
5           *1151 of title 18, United States Code).*

6           (B) *DUTIES.*—*The committee established*  
7           *under subparagraph (A) shall make rec-*  
8           *ommendations regarding how to ensure that In-*  
9           *dians who do not reside in Indian country (as*  
10          *so defined) receive appropriate assistance under*  
11          *the temporary assistance to needy families pro-*  
12          *gram under part A of title IV of the Social Secu-*  
13          *rity Act (42 U.S.C. 601 et seq.) and other pub-*  
14          *licly funded assistance programs.*

15          (C) *MEMBERSHIP.*—

16               (i) *IN GENERAL.*—*The committee es-*  
17               *tablished under subparagraph (A) shall in-*  
18               *clude representatives of—*

19                       (I) *Federal, State, and tribal gov-*  
20                       *ernments; and*

21                       (II) *Indians who do not reside in*  
22                       *Indian country (as so defined).*

23               (ii) *MAJORITY.*—*A majority of the*  
24               *members of such committee shall be rep-*

1                    *representatives of Indians who do not reside in*  
2                    *Indian country (as so defined).*

3                    (2) *ADVISORY COMMITTEE ON FAITH-BASED INI-*  
4                    *TIATIVES.—*

5                    (A) *IN GENERAL.—The Secretary of Health*  
6                    *and Human Services, through the Director of the*  
7                    *Center for Faith-Based and Community Initia-*  
8                    *tives of the Department of Health and Human*  
9                    *Services, shall convene an advisory committee of*  
10                   *Indians who are expert in social services and the*  
11                   *spiritual aspects of traditional Indian cultures.*

12                   (B) *REPORT.—Not later than 18 months*  
13                   *after the date of enactment of this Act, the advi-*  
14                   *sory committee convened under subparagraph*  
15                   *(A) shall issue a report that includes best prac-*  
16                   *tices with respect to the delivery of social services*  
17                   *in relation to the spiritual aspects of traditional*  
18                   *Indian cultures for State and tribal administra-*  
19                   *tors of temporary assistance to needy families*  
20                   *programs under part A of title IV of the Social*  
21                   *Security Act (42 U.S.C. 601 et seq.).*

22                   (h) *GAO STUDY AND REPORT.—*

23                   (1) *STUDY.—The Comptroller General of the*  
24                   *United States shall conduct a study of the demo-*  
25                   *graphics of Indians who do not—*

1                   (A) reside in Indian country (as defined in  
2                   section 1151 of title 18, United States Code);

3                   (B) reside in Alaska; or

4                   (C) receive assistance under a tribal family  
5                   assistance plan under section 412 of the Social  
6                   Security Act (42 U.S.C. 612).

7                   (2) *REQUIREMENT.*—The study conducted under  
8                   paragraph (1) shall include economic and health in-  
9                   formation regarding the Indians described in that  
10                  paragraph, as well as information regarding the ac-  
11                  cess of all Indians to benefits or services available  
12                  under non-tribal publicly funded programs serving  
13                  low-income families.

14                  (2) *REPORT.*—Not later than June 30, 2003, the  
15                  Comptroller General shall submit to Congress a report  
16                  on the study conducted under paragraph (1).

17 **SEC. 602. AUTHORITY OF INDIAN TRIBES TO RECEIVE FED-**  
18 **ERAL FUNDS FOR FOSTER CARE AND ADOP-**  
19 **TION ASSISTANCE.**

20                  (a) *CHILDREN PLACED IN TRIBAL CUSTODY ELIGIBLE*  
21 *FOR FOSTER CARE FUNDING.*—Section 472(a)(2) of the So-  
22 cial Security Act (42 U.S.C. 672(a)(2)) is amended—

23                   (1) by striking “or (B)” and inserting “(B)”;  
24                  and

1           (2) by inserting before the semicolon the fol-  
 2           lowing: “, or (C) an Indian tribe or tribal organiza-  
 3           tion (as defined in section 479B(e)) or an intertribal  
 4           consortium if the Indian tribe, tribal organization, or  
 5           consortium is not operating a program pursuant to  
 6           section 479B and (i) has a cooperative agreement  
 7           with a State pursuant to section 479B(c) or (ii) sub-  
 8           mits to the Secretary a description of the arrange-  
 9           ments (jointly developed or developed in consultation  
 10          with the State) made by the Indian tribe, tribal orga-  
 11          nization, or consortium for the payment of funds and  
 12          the provision of the child welfare services and protec-  
 13          tions required by this title”.

14          (b) *PROGRAMS OPERATED BY INDIAN TRIBAL ORGANI-*  
 15          *ZATIONS.*—Part E of title IV of the Social Security Act (42  
 16          U.S.C. 670 et seq.) is amended by adding at the end the  
 17          following:

18          **“SEC. 479B. PROGRAMS OPERATED BY INDIAN TRIBAL OR-**  
 19                  **GANIZATIONS.**

20               “(a) *APPLICATION.*—Except as provided in subsection  
 21          (b), this part shall apply to an Indian tribe or tribal orga-  
 22          nization that elects to operate a program under this part  
 23          in the same manner as this part applies to a State.

24               “(b) *MODIFICATION OF PLAN REQUIREMENTS.*—

25                       “(1) *SERVICE AREA; STANDARDS.*—

1           “(A) *IN GENERAL.*—Subject to subpara-  
 2           graph (B), in the case of an Indian tribe or trib-  
 3           al organization submitting a plan for approval  
 4           under section 471, the plan shall—

5                   “(i) in lieu of the requirement of sec-  
 6                   tion 471(a)(3), identify the service area or  
 7                   areas and population to be served by the In-  
 8                   dian tribe or tribal organization; and

9                   “(ii) in lieu of the requirement of sec-  
 10                  tion 471(a)(10), provide for the approval of  
 11                  foster homes pursuant to tribal standards  
 12                  and in a manner that ensures the safety of,  
 13                  and accountability for, children placed in  
 14                  foster care.

15           “(B) *SPECIAL RULE.*—With respect to an  
 16           Indian tribe located in the State of Alaska—

17                   “(i) clause (ii) of subparagraph (A)  
 18                   shall not apply; and

19                   “(ii) the requirement of section  
 20                   471(a)(10) shall apply to a plan submitted  
 21                   by such tribe.

22           “(2) *DETERMINATION OF FEDERAL SHARE.*—

23                   “(A) *PER CAPITA INCOME.*—

24                   “(i) *IN GENERAL.*—For purposes of de-  
 25                   termining the Federal medical assistance

1           percentage applicable to an Indian tribe or  
2           tribal organization under paragraphs (1)  
3           and (2) of section 474(a), the calculation of  
4           an Indian tribe's or tribal organization's  
5           per capita income shall be based upon the  
6           service population of the Indian tribe or  
7           tribal organization as defined in its plan in  
8           accordance with paragraph (1)(A).

9           “(ii) *CONSIDERATION OF OTHER IN-*  
10          *FORMATION.—An Indian tribe or tribal or-*  
11          *ganization may submit to the Secretary*  
12          *such information as the Indian tribe or*  
13          *tribal organization considers relevant to the*  
14          *calculation of the per capita income of the*  
15          *Indian tribe or tribal organization, and the*  
16          *Secretary shall consider such information*  
17          *before making the calculation.*

18          “(B) *ADMINISTRATIVE EXPENDITURES.—*  
19          *The Secretary shall, by regulation, determine the*  
20          *proportions to be paid to Indian tribes and trib-*  
21          *al organizations pursuant to section 474(a)(3),*  
22          *except that in no case shall an Indian tribe or*  
23          *tribal organization receive a lesser proportion*  
24          *than the corresponding amount specified for a*  
25          *State in that section.*

1                   “(C) *SOURCES OF NON-FEDERAL SHARE.*—

2                   *An Indian tribe or tribal organization may use*  
3                   *Federal or State funds to match payments for*  
4                   *which the Indian tribe or tribal organization is*  
5                   *eligible under section 474.*

6                   “(3) *MODIFICATION OF OTHER REQUIRE-*  
7                   *MENTS.*—*Upon the request of an Indian tribe, tribal*  
8                   *organization, or a consortia of tribes or tribal organi-*  
9                   *zations, the Secretary may modify any requirement*  
10                  *under this part if, after consulting with the Indian*  
11                  *tribe, tribal organization, or consortia of tribes or*  
12                  *tribal organizations, the Secretary determines that*  
13                  *modification of the requirement would advance the*  
14                  *best interests and the safety of children served by the*  
15                  *Indian tribe, tribal organization, or consortia of*  
16                  *tribes or tribal organizations.*

17                  “(4) *CONSORTIUM.*—*The participating Indian*  
18                  *tribes or tribal organizations of an intertribal consor-*  
19                  *tium may develop and submit a single plan under*  
20                  *section 471 that meets the requirements of this sec-*  
21                  *tion.*

22                  “(c) *COOPERATIVE AGREEMENTS.*—*An Indian tribe,*  
23                  *tribal organization, or intertribal consortium and a State*  
24                  *may enter into a cooperative agreement for the administra-*  
25                  *tion or payment of funds pursuant to this part. In any*



1 case where an Indian tribe, tribal organization, or inter-  
2 tribal consortium and a State enter into a cooperative  
3 agreement that incorporates any of the provisions of this  
4 section, those provisions shall be valid and enforceable. Any  
5 such cooperative agreement that is in effect as of the date  
6 of enactment of this section, shall remain in full force and  
7 effect subject to the right of either party to the agreement  
8 to revoke or modify the agreement pursuant to the terms  
9 of the agreement.

10 “(d) *REGULATIONS.*—Not later than 1 year after the  
11 date of enactment of this section, the Secretary shall, in full  
12 consultation with Indian tribes and tribal organizations,  
13 promulgate regulations to carry out this section.

14 “(e) *DEFINITIONS OF INDIAN TRIBE; TRIBAL ORGANI-*  
15 *ZATIONS.*—In this section, the terms ‘Indian tribe’ and  
16 ‘tribal organization’ have the meanings given those terms  
17 in subsections (e) and (l) of section 4 of the Indian Self-  
18 Determination and Education Assistance Act (25 U.S.C.  
19 450b), respectively, except that, with respect to the State  
20 of Alaska, the term ‘Indian tribe’ has the meaning given  
21 that term in section 419(4)(B).”.

22 (c) *EFFECTIVE DATE.*—The amendments made by this  
23 section take effect on October 1, 2003, without regard to  
24 whether regulations to implement such amendments have  
25 been promulgated as of such date.

1 **TITLE VII—INNOVATION, FLEXI-**  
 2 **BILITY, AND ACCOUNT-**  
 3 **ABILITY**

4 **SEC. 701. DATA COLLECTION; PERFORMANCE MEASURES.**

5 *(a) DATA COLLECTION.—*

6 *(1) CONTENTS OF REPORT.— Section*  
 7 *411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—*

8 *(A) in clause (viii), by striking “and edu-*  
 9 *cational level”; and*

10 *(B) by adding at the end the following:*

11 *“(xviii) Whether an individual respon-*  
 12 *sibility plan is established for each family*  
 13 *in accordance with section 408(b).”.*

14 *(2) REPORT ON INDIANS; PUBLIC AVAILABILITY*  
 15 *OF STATE PROGRAM AND FINANCIAL DATA SUBMIS-*  
 16 *SIONS.—Section 411(a) (42 U.S.C. 611(a)) is*  
 17 *amended—*

18 *(A) by redesignating paragraph (7) as*  
 19 *paragraph (9); and*

20 *(B) by inserting after paragraph (6), the*  
 21 *following:*

22 *“(7) REPORT ON INDIANS SERVED BY THE STATE*  
 23 *PROGRAM.—The report required by paragraph (1) for*  
 24 *a fiscal quarter shall include information on the de-*

1        *mographics and caseload characteristics of Indians*  
2        *served by the State program during the quarter.*

3                “(8) *PUBLIC AVAILABILITY OF REPORT.—The*  
4        *State shall make publicly available at the time of sub-*  
5        *mission of each report required under paragraph (1)*  
6        *for a fiscal quarter a copy of the report for that fiscal*  
7        *quarter, including by posting of the copy on the*  
8        *Internet website for the State agency administering*  
9        *the State program funded under this part.”.*

10                (3) *ADDITIONAL INFORMATION IN ANNUAL RE-*  
11        *PORT TO CONGRESS.—Section 411(b) (42 U.S.C.*  
12        *611(b)) is amended—*

13                        (A) *in paragraph (3), by striking “and” at*  
14        *the end;*

15                        (B) *in paragraph (4), by striking the period*  
16        *and inserting a semicolon; and*

17                        (C) *by adding at the end the following:*

18                “(5) *information regarding any complaints re-*  
19        *ceived by the Federal Government or States con-*  
20        *cerning fair and equitable treatment related to civil*  
21        *rights or labor laws, including the number and status*  
22        *of such complaints, and in the case of States, that is*  
23        *State specific; and*

24                “(6) *State specific information on the demo-*  
25        *graphics and caseload characteristics of Indians*

1       served by each State program funded under this  
2       part.”.

3       (b) *PERFORMANCE MEASURES.*—

4               (1) *SUCCESS IN MOVING RECIPIENTS FROM WEL-*  
5       *FARE TO WORK.*—Section 413(d) (42 U.S.C. 613(d))  
6       is amended to read as follows:

7       “(d) *ANNUAL PERFORMANCE MEASURES OF SUCCESS*  
8       *IN MOVING RECIPIENTS FROM WELFARE TO WORK.*—Be-  
9       ginning on January 1, 2003, and annually thereafter, the  
10       Secretary shall issue the following data regarding the per-  
11       formance of each State program funded under this part for  
12       the 2 preceding fiscal years with respect to helping recipi-  
13       ents of assistance under such State programs in becoming  
14       self-sufficient through earnings from employment:

15               “(1) *Job entry and retention rates for such re-*  
16       *ipients and former recipients.*

17               “(2) *Quarterly earnings and earnings gain for*  
18       *such recipients and former recipients.*”.

19               (2) *NATIONAL GOAL TO REDUCE TEEN PREG-*  
20       *NANCY.*—Section 413(e) (42 U.S.C. 613(e)) is amend-  
21       ed to read as follows:

22       “(e) *NATIONAL GOAL TO REDUCE TEEN PREG-*  
23       *NANCY.*—

1           “(1) *ESTABLISHMENT OF NATIONAL GOAL.*—  
 2           *There is hereby established a national goal of reduc-*  
 3           *ing teen pregnancy by  $\frac{1}{3}$  by December 31, 2007.*

4           “(2) *ANNUAL ASSESSMENT OF PROGRESS.*—*Be-*  
 5           *ginning on January 1, 2003, and annually thereafter,*  
 6           *the Secretary shall issue an annual assessment of the*  
 7           *progress toward achieving the national goal estab-*  
 8           *lished under paragraph (1), that includes State-level*  
 9           *data on teen pregnancies and an assessment of the*  
 10          *progress of each State in achieving such goal.”.*

11 **SEC. 702. STATE PLAN.**

12          *Section 402 (42 U.S.C. 602) is amended—*

13           *(1) in subsection (a)—*

14                   *(A) in the matter preceding paragraph (1),*  
 15           *by striking “27-month” and inserting “24-*  
 16           *month”;*

17                   *(B) in paragraph (1)(A)—*

18                           *(i) in the matter preceding clause (i),*  
 19           *by striking “intends to” and inserting*  
 20           *“shall”;*

21                           *(ii) in clause (i), by inserting “cash”*  
 22           *before “assistance”;*

23                           *(iii) by striking clause (ii) and insert-*  
 24           *ing the following:*

1           “(ii) *Require a parent or caretaker re-*  
 2           *ceiving assistance under the program to en-*  
 3           *gage in work or work readiness activities*  
 4           *designed to move families receiving assist-*  
 5           *ance into self-sufficiency, consistent with*  
 6           *section 407(e)(2). Such activities may be de-*  
 7           *termined by the State, and shall include, as*  
 8           *appropriate, efforts eliminating barriers to*  
 9           *work such as physical or mental disabil-*  
 10           *ities, substance abuse, adult illiteracy, do-*  
 11           *mestic violence, and lack of affordable hous-*  
 12           *ing.”;*

13           *(iv) in clause (iii), by inserting “and*  
 14           *individual responsibility plans developed*  
 15           *pursuant to section 408(b)” after “407”;*

16           *(v) by striking clauses (v) and (vi);*

17           *(vi) by redesignating clause (iv) as*  
 18           *clause (viii); and*

19           *(vii) by inserting after clause (iii), the*  
 20           *following:*

21           *“(iv) Establish the process for pro-*  
 22           *viding recipients with individual responsi-*  
 23           *bility plans consistent with section 408(b),*  
 24           *including a description of the screening and*  
 25           *assessment procedures the State employs.*

1           “(v) *Ensure that training and re-*  
2           *sources are made available to the State*  
3           *agency administering the program so that*  
4           *each family receiving assistance under the*  
5           *program receives the support for which the*  
6           *families are eligible, including training re-*  
7           *lated to civil rights and anti-discrimination*  
8           *laws.*

9           “(vi) *Ensure the availability of a sta-*  
10          *ble and professional workforce in the ad-*  
11          *ministration of the State program funded*  
12          *under this part.*

13          “(vii) *Ensure equitable access to bene-*  
14          *fits and services provided under the pro-*  
15          *gram for each member of an Indian tribe or*  
16          *tribal organization, who is domiciled in the*  
17          *State and is not eligible for assistance*  
18          *under a tribal family assistance plan ap-*  
19          *proved under section 412.”;*

20          *(C) in paragraph (1)(B)—*

21                 *(i) by striking clause (i) and inserting*  
22                 *the following:*

23                 “(i) *With respect to each program that*  
24                 *will be funded under this part, or with*  
25                 *qualified State expenditures claimed by the*

1           *State to meet the requirements of section*  
2           *409(a)(7), over the 24-month period for*  
3           *which the plan is being submitted—*

4                     *“(I) the name of the program;*

5                     *“(II) the goals of the program;*

6                     *“(III) a description of the benefits*  
7                     *and services provided in the program;*

8                     *“(IV) a description of principal*  
9                     *eligibility rules (financial and non-*  
10                    *financial) and populations served*  
11                    *under the program; and*

12                    *“(V) if the program provides*  
13                    *assistance—*

14                        *“(aa) a description of appli-*  
15                        *cable work-related requirements*  
16                        *and the State’s definition of each*  
17                        *work activity in section 407(d);*

18                        *“(bb) a description of time*  
19                        *limit policies (if applicable), in-*  
20                        *cluding the length of time allowed,*  
21                        *the policies concerning exemptions*  
22                        *and extensions, and the policies*  
23                        *concerning aid after the time*  
24                        *limit; and*



1                   “(cc) a description of sanc-  
 2                   tion policies and procedures (if  
 3                   applicable), including the dura-  
 4                   tion of the sanctions, policies con-  
 5                   cerning good cause for failure to  
 6                   comply, and procedures to assist  
 7                   families with barriers in com-  
 8                   plying with requirements.”;

9                   (ii) in clause (iii), by inserting “, and  
 10                  information regarding any complaints re-  
 11                  ceived by the State concerning fair and eq-  
 12                  uitable treatment related to civil rights or  
 13                  labor laws and a description of the proce-  
 14                  dures used by the State to respond to such  
 15                  complaints” before the period; and

16                  (iii) by adding at the end the fol-  
 17                  lowing:

18                   “(v) In the case of a State that pro-  
 19                   vides sub-State areas with significant pol-  
 20                   icy-making authority, the document shall  
 21                   include a summary of policies for each sub-  
 22                   State area with such authority.”; and

23                  (D) as amended by section 103(b), by add-  
 24                  ing at the end the following:

1           “(9) *CERTIFICATION OF CONSULTATION ON PRO-*  
 2           *VISION OF TRANSPORTATION AID.*—*In the case of a*  
 3           *State that provides transportation aid under the*  
 4           *State program, a certification by the chief executive*  
 5           *officer of the State that State and local transportation*  
 6           *agencies and planning bodies have been consulted in*  
 7           *the development of the plan.*

8           “(10) *CERTIFICATION OF CONSULTATION ON PRO-*  
 9           *VISION OF HOUSING AID.*—*In the case of a State that*  
 10          *provides housing aid under the State program, a cer-*  
 11          *tification by the chief executive officer of the State*  
 12          *that State housing agencies and authorities have been*  
 13          *consulted in the development of the plan and that*  
 14          *such consultations have addressed potential coopera-*  
 15          *tion between agencies administering the State pro-*  
 16          *gram funded under this part and housing agencies*  
 17          *and groups in meeting the housing needs of families*  
 18          *receiving assistance under the State program funded*  
 19          *under this part and assisting such families in achiev-*  
 20          *ing self-sufficiency.”; and*

21           (2) *by striking subsection (c) and inserting the*  
 22          *following:*

23          “(c) *STANDARD FORMAT.*—

24           “(1) *STANDARD STATE PLAN FORMAT.*—*The Sec-*  
 25          *retary shall, after notice and public comment, develop*

1        *a proposed Standard State Plan Form to be used by*  
 2        *States to submit the plan required under this section.*  
 3        *Such form shall be finalized by the Secretary for use*  
 4        *by the State not later than February 1, 2003.*

5                *“(2) REQUIREMENT FOR COMPLETED PLAN*  
 6        *USING STANDARD STATE PLAN FORMAT BY FISCAL*  
 7        *YEAR 2004.—Notwithstanding any other provision of*  
 8        *law, each State shall submit a complete State plan,*  
 9        *using the Standard State Plan Form developed under*  
 10        *paragraph (1), not later than October 1, 2003.*

11        *“(d) HOUSING DATA.—*

12                *“(1) IN GENERAL.—Effective October 1, 2003 (or*  
 13        *as soon thereafter as is practicable), the Secretary*  
 14        *and the Secretary of Housing and Urban Develop-*  
 15        *ment jointly shall make available to each State State-*  
 16        *level data from the 2000 decennial census concerning*  
 17        *the housing problems of families receiving assistance*  
 18        *under the State program funded under this part.*

19                *“(2) UPDATE.—The Secretary and the the Sec-*  
 20        *retary of Housing and Urban Development biennially*  
 21        *shall make available to each State updated data re-*  
 22        *garding such problems, to the extent such data is*  
 23        *available.*

24        *“(e) PUBLIC AVAILABILITY.—*

1           “(1) *NOTICE AND COMMENT.*—Prior to submit-  
2           ting a State plan or an amendment of such plan  
3           based on a change in policy to the Secretary under  
4           this section, the State shall—

5                   “(A) make the proposed State plan or  
6                   amendment available to the public through an  
7                   appropriate State maintained Internet website  
8                   and through other means as the State determines  
9                   appropriate;

10                   “(B) allow for a reasonable public comment  
11                   period of not less than 45 days; and

12                   “(C) make comments received concerning  
13                   such plan or amendment or, at the discretion of  
14                   the State, a summary of the comments received  
15                   available to the public through such website and  
16                   through other means as the State determines ap-  
17                   propriate.

18           “(2) *PUBLIC AVAILABILITY OF STATE PLAN.*—A  
19           State shall ensure that the State plan, that is in effect  
20           for any fiscal year, is available to the public through  
21           an appropriate State maintained Internet website  
22           and through other means as the State determines ap-  
23           propriate.

24           “(f) *NO CAUSE OF ACTION.*—Nothing in this section  
25           shall be construed as establishing a cause of action against

1 *a State based solely on a State’s failure to submit a State*  
 2 *plan or an amendment to such plan in accordance with*  
 3 *the requirements of this section or on a State’s failure to*  
 4 *comply with the contents of the State plan.”.*

5 **SEC. 703. RESEARCH.**

6 *(a) INDICATORS OF CHILD WELL-BEING.—Section 413*  
 7 *(42 U.S.C. 613), as amended by section 303, is amended*  
 8 *by adding at the end the following:*

9 *“(l) INDICATORS OF CHILD WELL-BEING.—*

10 *“(1) IN GENERAL.—The Secretary, through*  
 11 *grants, contracts, or interagency agreements shall de-*  
 12 *velop comprehensive indicators to assess child well-*  
 13 *being in each State.*

14 *“(2) REQUIREMENTS.—*

15 *“(A) IN GENERAL.—The indicators devel-*  
 16 *oped under paragraph (1) shall include measures*  
 17 *related to the following:*

18 *“(i) Education.*

19 *“(ii) Social and emotional develop-*  
 20 *ment.*

21 *“(iii) Health and safety.*

22 *“(iv) Family well-being, such as fam-*  
 23 *ily structure, income, employment, child*  
 24 *care arrangements, and family relation-*  
 25 *ships.*

1           “(B) *OTHER REQUIREMENTS.*—*The data*  
2           *collected with respect to the indicators developed*  
3           *under paragraph (1) shall be—*

4                     “(i) *statistically representative at the*  
5                     *State level;*

6                     “(ii) *consistent across States;*

7                     “(iii) *collected on an annual basis for*  
8                     *at least the 5 years preceding the year of*  
9                     *collection;*

10                    “(iv) *expressed in terms of rates or*  
11                    *percentages;*

12                    “(v) *statistically representative at the*  
13                    *national level;*

14                    “(vi) *measured with reliability;*

15                    “(vii) *current; and*

16                    “(viii) *over-sampled, with respect to*  
17                    *low-income children and families.*

18           “(C) *CONSULTATION.*—*In developing the in-*  
19           *dicators required under paragraph (1) and the*  
20           *means to collect the data required with respect to*  
21           *the indicators, the Secretary shall consult and*  
22           *collaborate with the Federal Interagency Forum*  
23           *on Child and Family Statistics.*

24           “(3) *ADVISORY PANEL.*—

1           “(A) *ESTABLISHMENT.*—*The Secretary shall*  
2           *establish an advisory panel to make rec-*  
3           *ommendations regarding the appropriate meas-*  
4           *ures and statistical tools necessary for making*  
5           *the assessment required under paragraph (1)*  
6           *based on the indicators developed under that*  
7           *paragraph and the data collected with respect to*  
8           *the indicators.*

9           “(B) *MEMBERSHIP.*—

10           “(i) *IN GENERAL.*—*The advisory panel*  
11           *established under subparagraph (A) shall*  
12           *consist of the following:*

13                   “(I) *One member appointed by*  
14                   *the Secretary of Health and Human*  
15                   *Services.*

16                   “(II) *One member appointed by*  
17                   *the Chairman of the Committee on*  
18                   *Ways and Means of the House of Rep-*  
19                   *resentatives.*

20                   “(III) *One member appointed by*  
21                   *the Ranking Member of the Committee*  
22                   *on Ways and Means of the House of*  
23                   *Representatives.*

1           “(IV) *One member appointed by*  
2           *the Chairman of the Committee on Fi-*  
3           *nance of the Senate.*

4           “(V) *One member appointed by*  
5           *the Ranking Member of the Committee*  
6           *on Finance of the Senate.*

7           “(VI) *One member appointed by*  
8           *the Chairman of the National Gov-*  
9           *ernors Association, or the Chairman’s*  
10          *designee.*

11          “(VII) *One member appointed by*  
12          *the President of the National Con-*  
13          *ference of State Legislatures or the*  
14          *President’s designee.*

15          “(VIII) *One member appointed by*  
16          *the Director of the National Academy*  
17          *of Sciences, or the Director’s designee.*

18          “(ii) *DEADLINE.—The members of the*  
19          *advisory panel shall be appointed not later*  
20          *than 2 months after the date of enactment*  
21          *of the Work, Opportunity, and Responsi-*  
22          *bility for Kids Act of 2002.*

23          “(C) *MEETINGS.—The advisory panel estab-*  
24          *lished under subparagraph (A) shall meet—*



1                   “(i) at least 3 times during the first  
 2                   year after the date of enactment of the  
 3                   Work, Opportunity, and Responsibility for  
 4                   Kids Act of 2002; and

5                   “(ii) annually thereafter for the 3 suc-  
 6                   ceeding years.

7                   “(4) *FUNDING*.—Of the amount appropriated  
 8                   under section 403(a)(1)(F) for each of fiscal years  
 9                   2003 through 2007, \$15,000,000 shall be reserved for  
 10                  the purpose of carrying out this subsection.”.

11                  (b) *FUNDING OF STUDIES AND RESEARCH*.—Section  
 12                  413(h) (42 U.S.C. 613(h)) is amended—

13                   (1) in paragraph (1)—

14                   (A) in the matter preceding subparagraph  
 15                   (A), by striking “Out of” and all that follows  
 16                   through “2002” and inserting “Of the amount  
 17                   appropriated under section 403(a)(1)(F) for each  
 18                   of fiscal years 2003 through 2007, \$20,000,000  
 19                   shall be reserved”; and

20                   (B) by striking subparagraph (D) and in-  
 21                   serting the following:

22                   “(D) the cost of conducting the studies de-  
 23                   scribed in paragraphs (4) through (6).”;

24                   (2) in paragraph (2), by striking “year” and all  
 25                   that follows and inserting “year—

1           “(A) not less than 25 percent shall be allo-  
 2 cated to carry out the purpose described in para-  
 3 graph (1)(A);

4           “(B) not less than 25 percent shall be allo-  
 5 cated to carry out the purpose described in para-  
 6 graph (1)(B);

7           “(C) not less than 25 percent shall be allo-  
 8 cated to carry out the purpose described in para-  
 9 graph (1)(C); and

10           “(D) not less than 25 percent shall be allo-  
 11 cated to carry out the purpose described in para-  
 12 graph (1)(D).”; and

13 (3) by adding at the end the following:

14           “(4) LONGITUDINAL STUDIES OF APPLICANTS  
 15 AND RECIPIENTS TO DETERMINE THE FACTORS THAT  
 16 CONTRIBUTE TO POSITIVE EMPLOYMENT AND FAMILY  
 17 OUTCOMES.—

18           “(A) IN GENERAL.—The Secretary, directly  
 19 or through grants, contracts, or interagency  
 20 agreements, shall conduct longitudinal studies in  
 21 at least 5 and not more than 10 States (or sub-  
 22 State areas, provided that none of such areas are  
 23 located in the same State) of a representative  
 24 sample of families that receive, and applicants  
 25 for, assistance in a State program funded under

1        *this part or under a program funded with quali-*  
2        *fied State expenditures (as defined in section*  
3        *409(a)(7)(B)(i)).*

4                “(B) *GENERAL REQUIREMENTS.—The stud-*  
5        *ies conducted under this paragraph shall follow*  
6        *families that leave assistance, those that receive*  
7        *assistance throughout the study period, and those*  
8        *diverted from assistance programs. The studies*  
9        *shall gather information on—*

10               “(i) *family and adult demographics*  
11                *(including race, ethnicity, household com-*  
12                *position, marital status, primary language,*  
13                *barriers to employment, educational status*  
14                *of adults, prior work history, and prior his-*  
15                *tory of welfare receipt);*

16               “(ii) *family income (including earn-*  
17                *ings, unemployment compensation, and*  
18                *child support);*

19               “(iii) *benefit receipt (including benefits*  
20                *under the food stamp program, the med-*  
21                *icaid program under title XIX, the State*  
22                *children’s health insurance program under*  
23                *title XXI, child care assistance, supple-*  
24                *mental security income benefits under title*

1           *XVI, earned income tax credits, and hous-*  
2           *ing assistance);*

3           *“(iv) reasons for leaving or returning*  
4           *to assistance programs;*

5           *“(v) work participation status and ac-*  
6           *tivities, including the scope and duration of*  
7           *work activities;*

8           *“(vi) sanction status (including rea-*  
9           *sons for sanction);*

10          *“(vii) time limit status (including*  
11          *months remaining on Federal and State*  
12          *time limits);*

13          *“(viii) recipient views on program*  
14          *participation; and*

15          *“(ix) other measures of family well-*  
16          *being over the period studied.*

17          *“(C) COMPARABILITY.—The Secretary shall*  
18          *ensure to the extent possible that the studies con-*  
19          *ducted under this paragraph produce comparable*  
20          *results and information.*

21          *“(D) GEOGRAPHIC DIVERSITY.—The studies*  
22          *conducted under this paragraph shall be con-*  
23          *ducted in States or sub-State areas that have sig-*  
24          *nificant areas of low population density and in*

1       *States or sub-State areas with areas of high pop-*  
2       *ulation density.*

3               “(E) *REPORTS.—The Secretary shall*  
4       *publish—*

5                       “(i) *not later than December 31, 2005,*  
6                       *interim findings from at least 12 months of*  
7                       *longitudinal data collected under studies*  
8                       *conducted under this paragraph; and*

9                       “(ii) *not later than December 31, 2006,*  
10                      *findings from at least 24 months of longitu-*  
11                      *dinal data collected under studies conducted*  
12                      *under this paragraph.*

13       “(5) *STUDY OF EFFECTS OF SANCTIONS.—*

14                      “(A) *IN GENERAL.—The Secretary, directly*  
15                      *or through grants, contracts, or interagency*  
16                      *agreements, shall conduct a random assignment*  
17                      *study comparing the effects of full-family sanc-*  
18                      *tions, partial sanctions, and other policies for*  
19                      *increasing engagement in work activities re-*  
20                      *quired under the State programs funded under*  
21                      *this part.*

22                      “(B) *REQUIRED INFORMATION.—The study*  
23                      *conducted under this paragraph shall include in-*  
24                      *formation with respect to participants in the*  
25                      *study on demographic characteristics, work par-*

1        *ticipation rates, employment and earnings, du-*  
2        *ration and amount of payments of assistance*  
3        *under the State program funded under this part,*  
4        *factors affecting program compliance, incidences*  
5        *of hardship, family income, and the well-being of*  
6        *children.*

7                *“(C) REPORT.—Not later than December*  
8        *31, 2006, the Secretary shall submit to Congress*  
9        *the results of the study conducted under this*  
10       *paragraph.*

11       *“(6) STUDY OF TEEN PARENT RECIPIENTS.—*

12                *“(A) IN GENERAL.—The Secretary, directly*  
13       *or through grants, contracts, or interagency*  
14       *agreements, shall conduct a study of a represent-*  
15       *ative sample of teen parents who are recipients*  
16       *of assistance under State programs funded under*  
17       *this part to determine—*

18                *“(i) whether Federal and State data on*  
19       *the number of such recipients is accurate,*  
20       *including an examination of the extent to*  
21       *which such recipients are members of a*  
22       *family that is not reflected in the data;*

23                *“(ii) what assessment procedures are*  
24       *utilized with such recipients and whether*  
25       *such procedures would detect a housing or*

1                    *an educational barrier, such as a learning*  
 2                    *disability; and*

3                    *“(iii) the services and eligibility re-*  
 4                    *quirements for such recipients.*

5                    *“(B) REPORT.—Not later than December*  
 6                    *31, 2006, the Secretary shall submit to Congress*  
 7                    *the results of the study conducted under this*  
 8                    *paragraph.”.*

9                    *(c) RESEARCH ON TRIBAL WELFARE PROGRAMS AND*  
 10                    *POVERTY AMONG INDIANS.—Section 413 (42 U.S.C. 613),*  
 11                    *as amended by subsection (a), is amended by adding at the*  
 12                    *end the following:*

13                    *“(m) TRIBAL WELFARE PROGRAMS AND EFFORTS TO*  
 14                    *REDUCE POVERTY AMONG INDIANS.—*

15                    *“(1) IN GENERAL.—The Secretary, directly or*  
 16                    *through grants, contracts, or interagency agreements,*  
 17                    *shall conduct research to improve the effectiveness of*  
 18                    *tribal family assistance programs conducted under*  
 19                    *section 412 and other tribal welfare programs and on*  
 20                    *efforts to reduce poverty among Indians.*

21                    *“(2) PRIORITY FOR CERTAIN APPLICATIONS.—*  
 22                    *With respect to applications for grants under para-*  
 23                    *graph (1), the Secretary shall give priority to appli-*  
 24                    *cations to conduct research in cooperation with tribal*

1       *governments or tribally controlled colleges or univer-*  
 2       *sities.*

3               “(3) *FUNDING.*—*Of the amount appropriated*  
 4       *under section 403(a)(1)(F) for fiscal year 2003,*  
 5       *\$2,000,000 shall be reserved for the purpose of car-*  
 6       *rying out this subsection.”.*

7   **SEC. 704. INNOVATIVE BUSINESS LINK PARTNERSHIP**  
 8               **GRANTS FOR EMPLOYERS AND NONPROFIT**  
 9               **ORGANIZATIONS.**

10       *Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended*  
 11       *to read as follows:*

12               “(4) *INNOVATIVE BUSINESS LINK PARTNERSHIP*  
 13       *GRANTS.*—

14               “(A) *IN GENERAL.*—*The Secretary and the*  
 15       *Secretary of Labor (in this paragraph referred to*  
 16       *as the “Secretaries”) jointly shall award grants*  
 17       *in accordance with this paragraph for projects*  
 18       *proposed by eligible applicants based on the fol-*  
 19       *lowing:*

20               “(i) *The potential effectiveness of the*  
 21       *proposed project in carrying out the activi-*  
 22       *ties described in subparagraph (E).*

23               “(ii) *Evidence of the ability of the eli-*  
 24       *gible applicant to leverage private, State,*  
 25       *and local resources.*



1                   “(iii) *Evidence of the ability of the eli-*  
 2                   *gible applicant to coordinate with other or-*  
 3                   *ganizations at the State and local level.*

4                   “(B) *DEFINITION OF ELIGIBLE APPLI-*  
 5                   *CANT.—*

6                   “(i) *IN GENERAL.—In this paragraph,*  
 7                   *the term ‘eligible applicant’ means a non-*  
 8                   *profit organization, a local workforce in-*  
 9                   *vestment board established under section*  
 10                   *117 of the Workforce Investment Act of 1998*  
 11                   *(29 U.S.C. 2832), a State, a political sub-*  
 12                   *division of a State, or an Indian tribe.*

13                   “(ii) *GRANTS TO PROMOTE BUSINESS*  
 14                   *LINKAGES.—*

15                   “(I) *ADDITIONAL ELIGIBLE APPLI-*  
 16                   *CANT.—Only for purposes of grants to*  
 17                   *carry out the activities described in*  
 18                   *subparagraph (E)(i), the term ‘eligible*  
 19                   *applicant’ includes an employer.*

20                   “(II) *ADDITIONAL REQUIRE-*  
 21                   *MENT.—In order to qualify as an eligi-*  
 22                   *ble applicant for purposes of subpara-*  
 23                   *graph (E)(i), the applicant must pro-*  
 24                   *vide evidence that the application has*  
 25                   *been developed by and will be imple-*

1           *mented by a local or regional consor-*  
2           *tium that includes, at minimum, em-*  
3           *ployers or employer associations, and*  
4           *education and training providers, in*  
5           *consultation with local labor organiza-*  
6           *tions and social service providers that*  
7           *work with low-income families or indi-*  
8           *viduals with disabilities.*

9           “(C) *REQUIREMENTS.*—

10           “(i) *IN GENERAL.*—*In awarding*  
11           *grants under this paragraph, the Secretaries*  
12           *shall—*

13                   “(I) *consider the needs of rural*  
14                   *areas and cities with large concentra-*  
15                   *tions of residents with an income that*  
16                   *is less than 150 percent of the poverty*  
17                   *line; and*

18                   “(II) *ensure that—*

19                           “(aa) *all of the funds made*  
20                           *available under this paragraph*  
21                           *(other than funds reserved for use*  
22                           *by the Secretaries under subpara-*  
23                           *graph (J)) shall be used for activi-*  
24                           *ties described in subparagraph*  
25                           *(E);*

1           “(bb) not less than 40 per-  
2           cent of the funds made available  
3           under this paragraph (other than  
4           funds so reserved) shall be used for  
5           activities described in subpara-  
6           graph (E)(i); and

7           “(cc) not less than 40 percent  
8           of the funds made available under  
9           this paragraph (other than funds  
10          so reserved) shall be used for the  
11          activities described in subpara-  
12          graph (E)(ii).

13          “(ii) CONTINUATION OF AVAIL-  
14          ABILITY.—If any portion of the funds re-  
15          quired to be used for activities referred to in  
16          item (bb) or (cc) of clause (i)(II) are not  
17          awarded in a fiscal year, such portion shall  
18          continue to be available in the subsequent  
19          fiscal year for the same activity, in addi-  
20          tion to other amounts that may be available  
21          for such activities for that subsequent fiscal  
22          year.

23          “(D) DETERMINATION OF GRANT  
24          AMOUNT.—

1           “(i) *IN GENERAL.*—Subject to clause  
 2           (ii), in determining the amount of a grant  
 3           to be awarded under this paragraph for a  
 4           project proposed by an eligible applicant,  
 5           the Secretaries shall provide the eligible ap-  
 6           plicant with an amount sufficient to ensure  
 7           that the project has a reasonable oppor-  
 8           tunity to be successful, taking into  
 9           account—

10           “(I) the number and characteris-  
 11           tics of the individuals to be served by  
 12           the project;

13           “(II) the level of unemployment in  
 14           the area to be served by the project;

15           “(III) the job opportunities and  
 16           job growth in such area;

17           “(IV) the poverty rate for such  
 18           area; and

19           “(V) such other factors as the Sec-  
 20           retary deems appropriate in such area.

21           “(ii) *MAXIMUM AWARD FOR GRANTS TO*  
 22           *PROMOTE BUSINESS LINKAGES OR PROVIDE*  
 23           *TRANSITIONAL JOBS PROGRAMS.*—

24           “(I) *IN GENERAL.*—In the case of  
 25           a grant to carry out activities de-

1           scribed in clause (i) or (ii) of subpara-  
2           graph (E), an eligible applicant  
3           awarded a grant under this paragraph  
4           may not receive more than \$10,000,000  
5           per fiscal year under the grant.

6           “(II) *RULE OF CONSTRUCTION.*—  
7           Nothing in subclause (I) shall be con-  
8           strued as precluding an otherwise eligi-  
9           ble applicant from receiving separate  
10          grants to carry out activities described  
11          in clause (i) or (ii) of subparagraph  
12          (E).

13          “(iii) *GRANT PERIOD.*—The period in  
14          which a grant awarded under this para-  
15          graph may be used shall be specified for a  
16          period of not less than 36 months and not  
17          more than 60 months.

18          “(E) *ALLOWABLE ACTIVITIES.*—An eligible  
19          applicant awarded a grant under this paragraph  
20          shall use funds provided under the grant to do  
21          the following:

22               “(i) *PROMOTE BUSINESS LINKAGES.*—

23                   “(I) *IN GENERAL.*—To promote  
24                   business linkages in which funds shall

1 *be used to fund new or expanded pro-*  
2 *grams that are designed to—*

3 *“(aa) substantially increase*  
4 *the wages of eligible individuals*  
5 *(as defined in subparagraph (F)),*  
6 *whether employed or unemployed,*  
7 *who have limited English pro-*  
8 *ficiency or other barriers to em-*  
9 *ployment by creating or upgrad-*  
10 *ing job and related skills in part-*  
11 *nership with employers, especially*  
12 *by providing supports and serv-*  
13 *ices at or near work sites; and*

14 *“(bb) identify and strengthen*  
15 *career pathways by expanding*  
16 *and linking work and training*  
17 *opportunities for such individuals*  
18 *in collaboration with employers.*

19 *“(II) CONSIDERATION OF IN-KIND,*  
20 *IN-CASH RESOURCES.—In determining*  
21 *which programs to fund under this*  
22 *clause, an eligible applicant awarded a*  
23 *grant under this paragraph shall con-*  
24 *sider the ability of a consortium to*  
25 *provide funds in-kind or in-cash (in-*

1                    *cluding employer-provided, paid re-*  
2                    *lease time) to help support the pro-*  
3                    *grams for which funding is sought.*

4                    *“(III) PRIORITY.—In determining*  
5                    *which programs to fund under this*  
6                    *clause, an eligible applicant awarded a*  
7                    *grant under this paragraph shall give*  
8                    *priority to programs that include edu-*  
9                    *cation or training for which partici-*  
10                   *pants receive credit toward a recog-*  
11                   *nized credential, such as an occupa-*  
12                   *tional certificate or license.*

13                   *“(IV) USE OF FUNDS.—*

14                   *“(aa) IN GENERAL.—Funds*  
15                   *provided to a program under this*  
16                   *clause may be used for a com-*  
17                   *prehensive set of employment and*  
18                   *training benefits and services, in-*  
19                   *cluding job development, job*  
20                   *matching, workplace supports and*  
21                   *accommodations, curricula devel-*  
22                   *opment, wage subsidies, retention*  
23                   *services, and such other benefits or*  
24                   *services as the program deems*

1                   *necessary to achieve the overall*  
2                   *objectives of this clause.*

3                   “(bb) *PROVISION OF SERV-*  
4                   *ICES.—So long as a program is*  
5                   *principally designed to assist eli-*  
6                   *gible individuals, (as defined in*  
7                   *subparagraph (F)), funds may be*  
8                   *provided to a program under this*  
9                   *clause that also serves low-earning*  
10                  *employees of 1 or more employers*  
11                  *even if such individuals are not*  
12                  *within the definition of eligible*  
13                  *individual (as so defined).*

14                  “(ii) *PROVIDE FOR TRANSITIONAL*  
15                  *JOB PROGRAMS.—*

16                  “(I) *IN GENERAL.—To provide for*  
17                  *wage-paying transitional jobs pro-*  
18                  *grams which combine time-limited em-*  
19                  *ployment in the public or nonprofit*  
20                  *private sector that is subsidized with*  
21                  *public funds with skill development*  
22                  *and activities to remove barriers to*  
23                  *employment, pursuant to an individ-*  
24                  *ualized plan (or, in the case of an eli-*  
25                  *gible individual described in subpara-*



graph (F)(i), an individual responsibility plan developed for an individual under section 408(b)). Such programs also shall provide job development and placement assistance to individual participants to help them move from subsidized employment in transitional jobs into unsubsidized employment, as well as retention services after the transition to unsubsidized employment.

“(II) *ELIGIBLE PARTICIPANTS.*—  
The Secretary shall ensure that individuals who participate in transitional jobs programs funded under a grant made under this paragraph shall be individuals who have been unemployed because of limited skills, experience, or other barriers to employment, and who are eligible individuals (as defined in subparagraph (F)), provided that so long as a program is designed to, and principally serves, eligible individuals (as so defined), a limited number of individuals who are unemployed because of limited skills, experience, or other

1           *barriers to employment, and who have*  
2           *an income below 100 percent of the*  
3           *Federal poverty line but who do not*  
4           *satisfy the definition of eligible indi-*  
5           *vidual (as so defined) may be served in*  
6           *the program to the extent the Secre-*  
7           *taries determine that the inclusion of*  
8           *such individuals in the program is ap-*  
9           *propriate.*

10           “(III) *USE OF FUNDS.—Funds*  
11           *provided to a program under this*  
12           *clause may only be used in accordance*  
13           *with the following:*

14                   “(aa) *To create subsidized*  
15                   *transitional jobs in which work*  
16                   *shall be performed directly for the*  
17                   *program operator or at other pub-*  
18                   *lic and non profit organizations*  
19                   *(in this subclause referred to as*  
20                   *‘worksite employers’) in the com-*  
21                   *munity, and in which 100 percent*  
22                   *of the wages shall be subsidized,*  
23                   *except as described in item (gg)*  
24                   *regarding placements in the pri-*  
25                   *ivate, for profit sector.*

1           “(bb) *Participants shall be*  
2           *paid at the rate paid to unsub-*  
3           *sidized employees of the worksite*  
4           *employer who perform comparable*  
5           *work at the worksite where the in-*  
6           *dividual is placed. If no other em-*  
7           *ployees perform the same or com-*  
8           *parable work then wages shall be*  
9           *set, at a minimum, at 50 percent*  
10           *of the Lower Living Standard In-*  
11           *come Level (commonly referred to*  
12           *as the ‘LLSIL’), as determined*  
13           *under section 101(24) of the*  
14           *Workforce Investment Act of 1998*  
15           *(29 U.S.C. 2801(24)), for a family*  
16           *of 3 based on 35 hours per week.*

17           “(cc) *Transitional jobs shall*  
18           *be limited to not less than 6*  
19           *months and not more than 24*  
20           *months, however, nothing shall*  
21           *preclude a participant from mov-*  
22           *ing into unsubsidized employment*  
23           *at a point prior to the maximum*  
24           *duration of the transitional job*  
25           *placement. Participants shall be*

1           *paid wages based on a workweek*  
2           *of not less than 30 hours per week*  
3           *or more than 40 hours per week,*  
4           *except that a parent of a child*  
5           *under the age of 6, a child who is*  
6           *disabled, or a child with other*  
7           *special needs, or an individual*  
8           *who for other reasons cannot suc-*  
9           *cessfully participate for 30 to 40*  
10          *hours per week, may be allowed to*  
11          *participate for more limited*  
12          *hours, but not less than 20 hours*  
13          *per week. In any work week, 50*  
14          *percent to 80 percent of hours*  
15          *shall be spent in the transitional*  
16          *job and 20 percent to 50 percent*  
17          *of hours shall be spent in edu-*  
18          *cation or training, or other serv-*  
19          *ices designed to reduce or elimi-*  
20          *nate any barriers.*

21                 *“(dd) Program operators*  
22                 *shall provide case management*  
23                 *services and ensure access to ap-*  
24                 *propriate education, training,*  
25                 *and other services, including job*

1           accommodation, work supports,  
2           and supported employment, as  
3           appropriate and consistent with  
4           an individual plan that is based  
5           on the individual's strengths, re-  
6           sources, priorities, concerns, abili-  
7           ties, capabilities, career interests,  
8           and informed choice and that is  
9           developed with each participant.  
10          The goal of each participant's  
11          plan shall focus on preparation  
12          for unsubsidized jobs in demand  
13          in the local economy which offer  
14          the potential for advancement and  
15          growth. Services shall also include  
16          job placement assistance and re-  
17          tention services, which may in-  
18          clude coaching and work place  
19          supports, for 12 months after  
20          entry into unsubsidized place-  
21          ment. Participants shall also re-  
22          ceive support services such as sub-  
23          sidized child care and transpor-  
24          tation, on the same basis as those  
25          services are made available to re-

1        *ipients of assistance under the*  
2        *State program funded under this*  
3        *part who are engaged in work-re-*  
4        *lated activities.*

5                *“(ee) Providers shall work*  
6        *with individual recipients to de-*  
7        *termine eligibility for other em-*  
8        *ployment-related supports which*  
9        *may include (but are not limited*  
10       *to) supported employment, other*  
11       *vocational rehabilitation services,*  
12       *and programs or services avail-*  
13       *able under the Workforce Invest-*  
14       *ment Act of 1998 (29 U.S.C. 2801*  
15       *et seq.), or the ticket to work and*  
16       *self-sufficiency program estab-*  
17       *lished under section 1148, and, to*  
18       *the extent possible, shall provide*  
19       *transitional employment in col-*  
20       *laboration with entities providing,*  
21       *or arranging for the provision of,*  
22       *such other supports.*

23                *“(ff) Not more than 20 per-*  
24       *cent of the placements for a grant-*  
25       *ee shall be with a private for-prof-*

1           it company, except that such 20  
2           percent limit may be waived by  
3           the Secretary for programs in  
4           rural areas when the grantee can  
5           demonstrate insufficient public  
6           and non-profit worksites. When a  
7           placement is made at a private  
8           for-profit company, the company  
9           shall pay 50 percent of program  
10          costs (including wages) for each  
11          participant, and the company  
12          shall agree, in writing, to hire  
13          each participant into an unsub-  
14          sidized position at the completion  
15          of the agreed upon subsidized  
16          placement, or sooner, provided  
17          that the participant's job perform-  
18          ance has been satisfactory. Not  
19          more than 5 percent of the work-  
20          force of a private for-profit com-  
21          pany may be composed of transi-  
22          tional jobs participants.

23               “(IV) DEFINITION OF TRANSI-  
24               TIONAL JOBS PROGRAM.—In this  
25               clause, the term ‘transitional jobs pro-

1                    *gram’ means a program that is in-*  
2                    *tended to serve current and former re-*  
3                    *cipients of assistance under a State or*  
4                    *tribal program funded under this part*  
5                    *and other low-income individuals who*  
6                    *have been unable to secure employment*  
7                    *through job search or other employ-*  
8                    *ment-related services because of limited*  
9                    *skills, experience, or other barriers to*  
10                  *employment.*

11                  “(iii) *CAPITALIZATION.—To develop*  
12                  *capitalization procedures for the delivery of*  
13                  *self-sustainable social services.*

14                  “(iv) *ADMINISTRATIVE EXPENDI-*  
15                  *TURES.—Not more than 5 percent of the*  
16                  *funds awarded to an eligible applicant*  
17                  *under this paragraph may be used for ad-*  
18                  *ministrative expenditures incurred in car-*  
19                  *rying out the activities described in clause*  
20                  *(i), (ii), or (iii) or for expenditures related*  
21                  *to carrying out the assessments and reports*  
22                  *required under subparagraph (H).*

23                  “(F) *DEFINITION OF ELIGIBLE INDI-*  
24                  *VIDUAL.—In this paragraph, the term ‘eligible*  
25                  *individual’ means—*



1           “(i) *an individual who is a parent*  
2           *who is a recipient of assistance under a*  
3           *State or tribal program funded under this*  
4           *part;*

5           “(ii) *an individual who is a parent*  
6           *who has ceased to receive assistance under*  
7           *such a State or tribal program;*

8           “(iii) *an individual who is at risk of*  
9           *receiving assistance under a State or tribal*  
10          *program funded under this part;*

11          “(iv) *an individual with a disability;*  
12          *or*

13          “(v) *a noncustodial parent who is un-*  
14          *employed, or is having difficulty in paying*  
15          *child support obligations, including such a*  
16          *parent who is a former criminal offender.*

17          “(G) *APPLICATION.—Each eligible appli-*  
18          *cant desiring a grant under this paragraph shall*  
19          *submit an application to the Secretaries at such*  
20          *time, in such manner, and accompanied by such*  
21          *information as the Secretaries may require.*

22          “(H) *ASSESSMENTS AND REPORTS BY*  
23          *GRANTEES.—*

24          “(i) *IN GENERAL.—An eligible appli-*  
25          *cant that receives a grant under this para-*

1 *graph shall assess and report on the out-*  
2 *comes of programs funded under the grant,*  
3 *including the identity of each program op-*  
4 *erator, demographic information about each*  
5 *participant, including education level, lit-*  
6 *eracy level, prior work experience and iden-*  
7 *tified barriers to employment, the nature of*  
8 *education, training, or other services re-*  
9 *ceived by the participant, the reason for the*  
10 *participant's leaving the program, and out-*  
11 *comes related to the placement of the partic-*  
12 *ipant in an unsubsidized job, including 1-*  
13 *year employment retention, wage at place-*  
14 *ment, benefits, and earnings progression, as*  
15 *specified by the Secretaries.*

16 “(ii) ASSISTANCE.—The Secretaries  
17 shall—

18 “(I) assist grantees in conducting  
19 the assessment required under clause  
20 (i) by making available where prac-  
21 ticable low-cost means of tracking the  
22 labor market outcomes of participants;  
23 and

24 “(II) encourage States to provide  
25 such assistance.

1           “(I) *APPLICATION TO REQUIREMENTS OF*  
2           *THE STATE PROGRAM.*—

3           “(i) *WORK PARTICIPATION REQUIRE-*  
4           *MENTS.*—*With respect to any month in*  
5           *which a recipient of assistance under a*  
6           *State or tribal program funded under this*  
7           *part who satisfactorily participates in a*  
8           *business linkage or transitional jobs pro-*  
9           *gram described in subparagraph (E) that is*  
10           *paid for with funds made available under a*  
11           *grant made under this paragraph, such*  
12           *participation shall be considered to satisfy*  
13           *the work participation requirements of sec-*  
14           *tion 407 and be included for purposes of de-*  
15           *termining monthly participation rates*  
16           *under subsection (b)(1)(B)(i) of that section.*

17           “(ii) *PARTICIPATION NOT CONSIDERED*  
18           *ASSISTANCE.*—*A benefit or service provided*  
19           *with funds made available under a grant*  
20           *made under this paragraph shall not be*  
21           *considered assistance for any purpose under*  
22           *a State or tribal program funded under this*  
23           *part.*

24           “(J) *ASSESSMENTS BY THE SECRE-*  
25           *TARIES.*—

1           “(i) *RESERVATION OF FUNDS.—Of the*  
2           *amount appropriated under subparagraph*  
3           *(L) for each of fiscal years 2003 and 2004,*  
4           *\$3,000,000 of such amount for each such fis-*  
5           *cal year is reserved for use by the Secre-*  
6           *taries to prepare an interim and final re-*  
7           *port summarizing and synthesizing out-*  
8           *comes and lessons learned from the pro-*  
9           *grams funded through grants awarded*  
10          *under this paragraph.*

11          “(ii) *INTERIM AND FINAL ASSESS-*  
12          *MENTS.—With respect to the reports pre-*  
13          *pared under clause (i), the Secretaries shall*  
14          *submit—*

15                 “(I) *the interim report not later*  
16                 *than 4 years after the date of enact-*  
17                 *ment of the Work, Opportunity, and*  
18                 *Responsibility for Kids Act of 2002;*  
19                 *and*

20                 “(II) *the final report not later*  
21                 *than 6 years after such date of enact-*  
22                 *ment.*

23          “(K) *EVALUATIONS.—*

24                 “(i) *RESERVATION OF FUNDS.—Of the*  
25                 *amount appropriated under subparagraph*

1           *(L) for a fiscal year, an amount equal to*  
2           *1.5 percent of such amount for each such*  
3           *fiscal year shall be reserved for use by the*  
4           *Secretaries to conduct evaluations in ac-*  
5           *cordance with the requirements of clause*  
6           *(ii).*

7                   “(ii)                   *REQUIREMENTS.—The*  
8           *Secretaries—*

9                   *“(I) shall develop a plan to evalu-*  
10           *ate the extent to which programs fund-*  
11           *ed under grants made under this para-*  
12           *graph have been effective in promoting*  
13           *sustained, unsubsidized employment*  
14           *for each group of eligible participants,*  
15           *and in improving the skills and wages*  
16           *of participants in comparison to the*  
17           *participants’ skills and wages prior to*  
18           *participation in the programs;*

19                   *“(II) may evaluate the use of such*  
20           *a grant by a grantee, as the Secretaries*  
21           *deem appropriate, in accordance with*  
22           *an agreement entered into with the*  
23           *grantee after good-faith negotiations;*  
24           *and*

1           “(III) shall include, as appro-  
2           priate, the following outcome measures  
3           in the evaluation plan developed under  
4           subclause (I):

5                   “(aa) Placements in unsub-  
6                   sidized employment.

7                   “(bb) Retention in unsub-  
8                   sidized employment 6 months and  
9                   12 months after initial placement.

10                  “(cc) Earnings of individuals  
11                  at the time of placement in un-  
12                  subsidized employment.

13                  “(dd) Earnings of individ-  
14                  uals 12 months after placement in  
15                  unsubsidized employment.

16                  “(ee) The extent to which un-  
17                  subsidized job placements include  
18                  access to affordable employer-  
19                  sponsored health insurance and  
20                  paid leave benefits.

21                  “(ff) Comparison of pre- and  
22                  post-program wage rates of par-  
23                  ticipants.

1                   “(gg) Comparison of pre-  
2                   and post-program skill levels of  
3                   participants.

4                   “(hh) Wage growth and em-  
5                   ployment retention in relation to  
6                   occupations and industries at ini-  
7                   tial placement in unsubsidized  
8                   employment and over the first 12  
9                   months after initial placement.

10                  “(ii) Recipient of cash assist-  
11                  ance under the State program  
12                  funded under this part.

13                  “(jj) Average expenditures  
14                  per participant.

15                  “(iii) REPORTS TO CONGRESS.—The  
16                  Secretaries shall submit to Congress the fol-  
17                  lowing reports on the evaluations of pro-  
18                  grams funded under grants made under this  
19                  paragraph:

20                  “(I) INTERIM REPORT.—An in-  
21                  terim report not later than 4 years  
22                  after the date of enactment of the Work,  
23                  Opportunity, and Responsibility for  
24                  Kids Act of 2002.

1                   “(II) *FINAL REPORT.*—A final re-  
2                   *port not later than 6 years after such*  
3                   *date of enactment.*

4                   “(L) *APPROPRIATION.*—

5                   “(i) *IN GENERAL.*—Out of any money  
6                   *in the Treasury of the United States not*  
7                   *otherwise appropriated, there is appro-*  
8                   *priated for grants under this section,*  
9                   *\$200,000,000 for each of fiscal years 2003*  
10                  *through 2007.*

11                  “(ii) *AVAILABILITY.*—Amounts appro-  
12                  *priated under clause (i) for a fiscal year*  
13                  *shall remain available for obligation for 5*  
14                  *fiscal years after the fiscal year in which*  
15                  *the amount is appropriated.”.*

16 **SEC. 705. GRANTS TO IMPROVE ACCESS TO TRANSPOR-**  
17 **TATION.**

18                  “(a) *IN GENERAL.*—Section 403(a) (42 U.S.C. 603(a)),  
19                  *as amended by section 304, is further amended by adding*  
20                  *at the end the following:*

21                         “(8) *GRANT TO IMPROVE ACCESS TO TRANSPOR-*  
22                         *TATION.*—

23                         “(A) *PURPOSES.*—The purposes of this  
24                         *paragraph are to—*



1           “(i) assist low-income families with  
2           children obtain dependable, affordable auto-  
3           mobiles to improve their employment oppor-  
4           tunities and access to training; and

5           “(ii) provide incentives to States, In-  
6           dian tribes, local governments, and non-  
7           profit entities to develop and administer  
8           programs that provide assistance with auto-  
9           mobile ownership for low-income families.

10          “(B) DEFINITIONS.—In this paragraph:

11           “(i) LOCALITY.—The term ‘locality’  
12           means a municipality that does not admin-  
13           ister a State program funded under this  
14           part.

15           “(ii) LOW-INCOME FAMILY WITH CHIL-  
16           DREN.—The term ‘low-income family with  
17           children’ means a household that is eligible  
18           for benefits or services funded under the  
19           State program funded under this part or  
20           under a program funded with qualified  
21           State expenditures (as defined in section  
22           409(a)(7)(B)(i)).

23           “(iii) NONPROFIT ENTITY.—The term  
24           ‘nonprofit entity’ means a school, local  
25           agency, organization, or institution owned

1           *and operated by 1 or more nonprofit cor-*  
2           *porations or associations, no part of the net*  
3           *earnings of which inures, or may lawfully*  
4           *inure, to the benefit of any private share-*  
5           *holder or individual.*

6           “(C) *AUTHORITY TO AWARD GRANTS.—The*  
7           *Secretary may award grants to States, Indian*  
8           *tribes, counties, localities, and nonprofit entities*  
9           *to promote improving access to dependable, af-*  
10          *fordable automobiles by low-income families with*  
11          *children.*

12          “(D) *GRANT APPROVAL CRITERIA.—The*  
13          *Secretary shall establish criteria for approval of*  
14          *an application for a grant under this paragraph*  
15          *that include consideration of—*

16               “(i) *the extent to which the proposal, if*  
17               *funded, is likely to improve access to train-*  
18               *ing and employment opportunities and*  
19               *child care services by low-income families*  
20               *with children by means of car ownership;*

21               “(ii) *the level of innovation in the ap-*  
22               *plicant’s grant proposal; and*

23               “(iii) *any partnerships between the*  
24               *public and private sector in the applicant’s*  
25               *grant proposal.*

1           “(E) *USE OF FUNDS.*—

2                   “(i) *IN GENERAL.*—*A grant awarded*  
3                   *under this paragraph shall be used to ad-*  
4                   *minister programs that assist low-income*  
5                   *families with children with dependable*  
6                   *automobile ownership, and maintenance of,*  
7                   *or insurance for, the purchased automobile.*

8                   “(ii) *SUPPLEMENT NOT SUPPLANT.*—  
9                   *Funds provided to a State, Indian tribe,*  
10                  *county, or locality under a grant awarded*  
11                  *under this paragraph shall be used to sup-*  
12                  *plement and not supplant other State, coun-*  
13                  *ty, or local public funds expended for car*  
14                  *ownership programs.*

15                  “(F) *APPLICATION.*—*Each applicant desir-*  
16                  *ing a grant under this paragraph shall submit*  
17                  *an application to the Secretary at such time, in*  
18                  *such manner, and accompanied by such informa-*  
19                  *tion as the Secretary may reasonably require.*

20                  “(G) *REVERSION OF FUNDS.*—*Any funds*  
21                  *not expended by a grantee within 3 years after*  
22                  *the date the grant is awarded under this para-*  
23                  *graph shall be available for redistribution among*  
24                  *other grantees in such manner and amount as*  
25                  *the Secretary may determine, unless the Sec-*

1            *retary extends by regulation the time period to*  
 2            *expend such funds.*

3            “(H)    *LIMITATION    ON    ADMINISTRATIVE*  
 4            *COSTS OF THE SECRETARY.—Not more than an*  
 5            *amount equal to 5 percent of the funds appro-*  
 6            *priated to make grants under this paragraph for*  
 7            *a fiscal year shall be expended for administrative*  
 8            *costs of the Secretary in carrying out this para-*  
 9            *graph.*

10           “(I)   *EVALUATION.—The Secretary shall, by*  
 11           *grant, contract, or interagency agreement, con-*  
 12           *duct an evaluation of the programs administered*  
 13           *with grants awarded under this paragraph.*

14           “(J)    *AUTHORIZATION    OF    APPROPRIA-*  
 15           *TIONS.—There is authorized to be appropriated*  
 16           *to the Secretary to make grants under this para-*  
 17           *graph, \$15,000,000 for each of fiscal years 2003*  
 18           *through 2007.”.*

19           *(b) IMPROVING USE OF TANF FUNDS FOR CAR OWN-*  
 20           *ERSHIP MATCHING FUNDS.—Section 404(h)(2)(B) of the*  
 21           *Social Security Act (42 U.S.C. 608(h)(2)(B)) is amended*  
 22           *by adding at the end the following:*

23           “(iv)   *AUTOMOBILE    PURCHASE    OR*  
 24           *MAINTENANCE.—At the option of the State,*

1                   *costs with respect to the purchase or main-*  
 2                   *tenance of an automobile.”.*

3 **SEC. 706. AT-HOME INFANT CARE.**

4           *Section 413 (42 U.S.C. 613), as amended by section*  
 5 *703(c), is amended by adding at the end the following:*

6           “(n) *DEMONSTRATION PROJECTS FOR AT HOME IN-*  
 7 *FANT CARE.*—

8                   “(1) *AUTHORITY TO AWARD GRANTS.*—

9                           “(A) *IN GENERAL.*—*The Secretary shall*  
 10                   *award grants to not less than 5 and not more*  
 11                   *than 10 States to enable such States to carry out*  
 12                   *demonstration projects to provide at-home infant*  
 13                   *care benefits to eligible low-income families.*

14                           “(B) *INDIAN TRIBES.*—*An Indian tribe*  
 15                   *may submit an application for a grant under*  
 16                   *this subsection. If awarded a grant, the Indian*  
 17                   *tribe shall conduct a demonstration project to*  
 18                   *provide at-home infant care benefits to eligible*  
 19                   *low-income families in the same manner, and to*  
 20                   *the same extent as a State, except that the Sec-*  
 21                   *retary may modify the requirements of this sub-*  
 22                   *section as appropriate with respect to the Indian*  
 23                   *tribe. For purposes of subparagraph (A), any*  
 24                   *grant awarded to an Indian tribe shall not count*  
 25                   *toward the number of grants awarded to States.*

1 “(2) *FAMILY ELIGIBILITY.*—

2 “(A) *IN GENERAL.*—*To be eligible to par-*  
 3 *ticipate in a program of at-home infant care*  
 4 *under a demonstration project established under*  
 5 *paragraph (1), a family shall—*

6 “(i) *have an income that does not ex-*  
 7 *ceed the limits specified in section*  
 8 *658P(3)(B) of the Child Care and Develop-*  
 9 *ment Block Grant Act of 1990 (42 U.S.C.*  
 10 *9858n(3)(B));*

11 “(ii) *include a child under the age of*  
 12 *2;*

13 “(iii) *include a parent (as defined in*  
 14 *section 658P(8) of the Child Care and De-*  
 15 *velopment Block Grant Act of 1990 (42*  
 16 *U.S.C. 9858n(8))), who meets the State’s re-*  
 17 *quirements for having had a recent work*  
 18 *history prior to application for at-home in-*  
 19 *fant care benefits; and*

20 “(iv) *meet such other eligibility re-*  
 21 *quirements as the State may establish.*

22 “(B) *2-PARENT FAMILIES.*—*A State selected*  
 23 *to participate in a demonstration project of at-*  
 24 *home infant care under this section shall permit*  
 25 *2-parent families to participate in the project*

1           *but may not limit participation in the project to*  
 2           *such families.*

3           “(3) *AMOUNT OF ASSISTANCE.*—*The amount of*  
 4           *at-home infant care benefits provided to an eligible*  
 5           *family under this subsection for a month of benefit re-*  
 6           *ceipt shall not exceed the payment rate applicable to*  
 7           *eligible child care providers for infant care under the*  
 8           *State’s payment rate schedule, according to the provi-*  
 9           *sions of section 658E(c)(4)(A) of the Child Care and*  
 10           *Development Block Grant Act of 1990 (42 U.S.C.*  
 11           *9858c(c)(4)(A)).*

12           “(4) *SUBMISSION OF APPLICATIONS.*—*An eligible*  
 13           *low-income parent may submit an application for at-*  
 14           *home infant care benefits under a demonstration*  
 15           *project established under this subsection at any time*  
 16           *prior to the date on which the child attains age 2.*

17           “(5) *REQUIRED CERTIFICATIONS.*—*A State se-*  
 18           *lected to participate in a demonstration project of at-*  
 19           *home infant care under this section shall provide cer-*  
 20           *tifications to the Secretary that—*

21                   “(A) *during the period of the demonstration*  
 22                   *project, the State shall not reduce expenditures*  
 23                   *for child care services below the levels in effect in*  
 24                   *the fiscal year preceding the fiscal year in which*  
 25                   *the State begins to participate in the project;*

1           “(B) the State, in operating the demonstra-  
2           tion project, shall not give priority or preference  
3           to parents seeking to participate in the program  
4           of At-Home Infant Care over other eligible par-  
5           ents on a waiting list for child care assistance  
6           in the State;

7           “(C) the State shall—

8                 “(i) provide parents applying to re-  
9                 ceive at-home infant care benefits with in-  
10                formation on the range of options for child  
11                care available to the parents;

12               “(ii) ensure that approved applicants  
13               for at-home infant care are permitted to  
14               choose between receipt of at-home infant  
15               care benefits and receipt of a certificate that  
16               may be used with an eligible child care pro-  
17               vider for child care needed for employment;  
18               and

19               “(iii) provide that a family receiving  
20               an at-home infant care benefit may ex-  
21               change the benefit for a child care voucher  
22               for employment at any time during the  
23               family’s participation in the program;

24           “(D) the State shall develop or update and  
25           implement a plan to improve the quality of in-



1        *fant care, and shall use up to 10 percent of the*  
2        *funds received under the demonstration project*  
3        *for efforts to improve the quality of infant care*  
4        *in the State;*

5                *“(E) the State shall ensure that voluntary*  
6        *employment services are offered to program par-*  
7        *ticipants after the completion of participation in*  
8        *the program to assist the participants in return-*  
9        *ing to unsubsidized employment; and*

10               *“(F) the State shall cooperate with informa-*  
11        *tion collection and evaluation activity conducted*  
12        *by the Secretary.*

13               *“(6) TANF ASSISTANCE.—The receipt of an at-*  
14        *home infant care benefit funded under this subsection*  
15        *shall not be considered assistance under the State pro-*  
16        *gram funded under this part for any purpose.*

17               *“(7) BENEFIT NOT TREATED AS INCOME.—Not-*  
18        *withstanding any other provision of law, the value of*  
19        *an at-home infant care benefit funded under this sub-*  
20        *section shall not be treated as income for purposes of*  
21        *any Federal or federally-assisted program that bases*  
22        *eligibility, or the amount of benefits or services pro-*  
23        *vided, on need.*

24               *“(8) APPLICATION FOR PARTICIPATION AND SE-*  
25        *LECTION OF STATES.—*

1           “(A) *APPLICATIONS.*—Not later than 90  
2           days after the date of enactment of the Work,  
3           Opportunity, and Responsibility for Kids Act of  
4           2002, the Secretary shall publish a notice of op-  
5           portunity to participate, specifying the contents  
6           of an application for participation in the At-  
7           Home Infant Care demonstration project funded  
8           under this subsection. The notice shall include a  
9           timeframe for States to submit an application to  
10          participate, and shall provide that all such ap-  
11          plications are to be submitted not later than 270  
12          days after such date of enactment.

13          “(B) *SELECTION.*—

14               “(i) *IN GENERAL.*—The Secretary shall  
15               review the applications and select the par-  
16               ticipating States not later than 1 year after  
17               such date of enactment.

18               “(ii) *CRITERIA.*—In selecting States to  
19               participate in the demonstration project  
20               funded under this subsection, the Secretary  
21               shall—

22                       “(I) seek to ensure geographic di-  
23                       versity; and

24                       “(II) give priority to States—

1                   “(aa) whose applications  
2                   demonstrate a strong commitment  
3                   to improving the quality of infant  
4                   care and the choice available to  
5                   parents of infants;

6                   “(bb) with experience rel-  
7                   evant to the operation of at-home  
8                   infant care programs; and

9                   “(cc) in which there are de-  
10                  monstrable shortages of infant  
11                  care.

12               “(9) *EVALUATION AND REPORT TO CONGRESS.*—

13               “(A) *IN GENERAL.*—The Secretary shall  
14               conduct an evaluation of the demonstration  
15               projects conducted under this subsection and sub-  
16               mit a report to Congress on such evaluation not  
17               later than 4 years after the date of enactment of  
18               the Work, Opportunity, and Responsibility for  
19               Kids Act of 2002.

20               “(B) *REQUIREMENTS.*—The evaluation re-  
21               quired under this paragraph shall expressly ad-  
22               dress the following:

23               “(i) Implementation experiences of the  
24               States participating in the project in devel-  
25               oping and operating programs of at-home

1           *infant care, including design issues and*  
2           *issues in coordinating at-home infant care*  
3           *benefits with benefits provided or funded*  
4           *under the Child Care and Development*  
5           *Block Grant in the State.*

6           “(ii) *The characteristics of families*  
7           *seeking to participate and participating in*  
8           *the programs of at-home infant care funded*  
9           *under this subsection.*

10          “(iii) *The length of participation by*  
11          *families in such programs and the reasons*  
12          *for the families ceasing to participate in the*  
13          *programs.*

14          “(iv) *The prior and subsequent em-*  
15          *ployment of participating families and the*  
16          *effect of program participation on subse-*  
17          *quent employment participation of the fam-*  
18          *ilies.*

19          “(v) *The costs and benefits of the pro-*  
20          *grams of at-home infant care.*

21          “(vi) *The effectiveness of State or tribal*  
22          *efforts to improve the quality of infant care*  
23          *during the period in which the demonstra-*  
24          *tion project is conducted in the State.*

1           “(C) *RESERVATION OF FUNDS.*—Of the  
 2           amount appropriated under paragraph (10) for  
 3           a fiscal year, \$750,000 shall be reserved with re-  
 4           spect to each such fiscal year for purposes of con-  
 5           ducting the evaluation required under this para-  
 6           graph.

7           “(10) *APPROPRIATIONS.*—Out of any money in  
 8           the Treasury of the United States not otherwise ap-  
 9           propriated, there is appropriated to carry out this  
 10          subsection, \$30,000,000 for each of fiscal years 2003  
 11          through 2007.”.

12 **SEC. 707. GRANTS TO CONDUCT DEMONSTRATION**  
 13 **PROJECTS ON HOUSING WITH SERVICES FOR**  
 14 **FAMILIES WITH MULTIPLE BARRIERS TO**  
 15 **WORK.**

16          Section 413 (42 U.S.C. 603(a)), as amended by section  
 17 706, is further amended by adding at the end the following:

18          “(o) *INTERAGENCY DEMONSTRATION ON HOUSING*  
 19 *WITH SERVICES.*—

20               “(1) *IN GENERAL.*—The Secretary and the Sec-  
 21               retary of Housing and Urban Development (in this  
 22               subsection referred to as the ‘Secretaries’) jointly shall  
 23               award grants for the conduct and evaluation of dem-  
 24               onstrations of different models to provide housing  
 25               with services to promote the employment of individ-

1        *uals who have multiple barriers to work, including*  
2        *lack of adequate housing, and who are—*

3                *“(A) parents or caretaker relatives who are*  
4                *eligible for a benefit or service under the State*  
5                *program funded under this part; or*

6                *“(B) non-custodial parents of children who*  
7                *are eligible for a benefit or service under such*  
8                *State program.*

9                *“(2) REQUIREMENTS.—*

10                *“(A) ELIGIBLE RECIPIENTS.—Grants shall*  
11                *be awarded under this subsection on a competi-*  
12                *tive basis to States and organizations which have*  
13                *exempt status under section 501(c)(3) of the In-*  
14                *ternal Revenue Code of 1986, including commu-*  
15                *nity and faith-based organizations.*

16                *“(B) LOCATION.—In awarding such grants,*  
17                *the Secretaries shall ensure that demonstrations*  
18                *are conducted in metropolitan and nonmetro-*  
19                *politan areas.*

20                *“(C) USE OF FUNDS.—*

21                *“(i) IN GENERAL.—Funds provided*  
22                *under a grant awarded under this sub-*  
23                *section shall be used for the cost of imple-*  
24                *mentation and evaluation of the demonstra-*  
25                *tions conducted with such funds.*

1                   “(ii) *LIMITATION ON BENEFITS OR*  
2                   *SERVICES TO NONCUSTODIAL PARENTS.—*  
3                   *Not more than 10 percent of the total*  
4                   *amount of grant funds awarded to a State*  
5                   *or organization under this subsection may*  
6                   *be used to provide benefits or services to*  
7                   *noncustodial parents.*

8                   “(D) *NOT CONSIDERED ASSISTANCE.—A*  
9                   *benefit or service provided with funds made*  
10                  *available under a grant awarded under this sub-*  
11                  *section shall not for any purpose, be considered*  
12                  *assistance under the State program funded under*  
13                  *this part.*

14                  “(E) *DURATION; AVAILABILITY OF FUNDS.—*  
15                  *Funds provided under a grant awarded under*  
16                  *this subsection shall remain available for a pe-*  
17                  *riod of 3 years after the date on which the grant*  
18                  *is made.*

19                  “(3) *EVALUATION.—Not later than December 31,*  
20                  *2006, the Secretaries shall publish an evaluation of*  
21                  *the demonstrations conducted under grants made*  
22                  *under this subsection.*

23                  “(4) *AUTHORIZATION OF APPROPRIATIONS.—*  
24                  *There is authorized to be appropriated to make grants*

1       under this subsection, \$50,000,000 for fiscal year  
2       2004.”.

3   **SEC. 708. TRANSITIONAL COMPLIANCE FOR TEEN PARENTS.**

4       (a) *IN GENERAL.*—Section 408(a)(5) (42 U.S.C.  
5   608(a)(5)) is amended—

6           (1) in subparagraph (A)(i), by striking “sub-  
7       paragraph (B)” and inserting “subparagraphs (B)  
8       and (C)”; and

9           (2) by adding at the end the following:

10           “(C) *AUTHORITY TO PROVIDE TEMPORARY*  
11       *ASSISTANCE.*—A State may use any part of a  
12       grant made under section 403 to provide assist-  
13       ance to an individual described in clause (ii) of  
14       subparagraph (A) who would otherwise be pro-  
15       hibited from receiving such assistance under  
16       clause (i) of that subparagraph, subparagraph  
17       (B), or under section 408(a)(4) for not more  
18       than 60 days in order to assist the individual in  
19       meeting the requirement of clause (i) of subpara-  
20       graph (A), subparagraph (B), or under section  
21       408(a)(4) for receipt of such assistance.”.

22       (b) *INCLUSION OF TRANSITIONAL LIVING YOUTH*  
23       *PROJECTS AS A FORM OF ADULT-SUPERVISED SETTING.*—  
24       Section 408(a)(5)(A) (42 U.S.C. 608(a)(5)(A)), as amended  
25       by subsection (a), is further amended—



1           (1) by striking “do not reside in a” and insert-  
2           ing “do not reside—

3                               “(I) in a”;

4           (2) by striking the period and inserting “; or”;  
5           and

6           (3) by adding at the end the following:

7                               “(II) in a transitional living  
8                               youth project funded under a grant  
9                               made under section 321 of the Run-  
10                              away and Homeless Youth Act (42  
11                              U.S.C. 5714–1).”.

12 **SEC. 709. TANF PROGRAMS MANDATORY PARTNERS WITH**  
13 **ONE-STOP EMPLOYMENT TRAINING CENTERS;**  
14 **STATE OPT-OUT.**

15       Section 408 (42 U.S.C. 608) is amended by adding  
16 at the end the following:

17       “(h) MANDATORY PARTNERS WITH ONE-STOP EM-  
18 PLOYMENT TRAINING CENTERS UNLESS STATE OPT-  
19 OUT.—For purposes of section 121(b) of the Workforce In-  
20 vestment Act of 1998, a State program funded under this  
21 part shall be considered a program referred to in paragraph  
22 (1)(B) of such section, unless, after the date of enactment  
23 of this subsection, the Governor of the State notifies the Sec-  
24 retary of Health and Human Services and the Secretary

1 *of Labor in writing of the decision of the Governor not to*  
2 *make the State program a mandatory partner.”.*

3 **SEC. 710. ADVANCED PLANNING DOCUMENT PROCESS FOR**  
4 **INFORMATION MANAGEMENT SYSTEMS PRO-**  
5 **CUREMENT APPROVAL.**

6 *Not later than 1 year after the date of enactment of*  
7 *this Act, the Secretary of Health and Human Services, the*  
8 *Secretary of Agriculture, the Secretary of Labor, the Sec-*  
9 *retary of Education, the Director of the Office of Manage-*  
10 *ment and Budget, and the chief administering officer of any*  
11 *other Federal agency with responsibility for administering*  
12 *a federally funded social services program, in consultation*  
13 *with representatives of the National Governors Association,*  
14 *the American Public Human Services Association, and the*  
15 *National Conference of State Legislatures, jointly shall re-*  
16 *view and submit to Congress a report containing rec-*  
17 *ommendations for improving the Federal laws (including*  
18 *regulations and guidelines) applicable to the approval of*  
19 *human service information systems. The report shall—*

20 *(1) review the advanced planning document*  
21 *process for information management systems procure-*  
22 *ment approval, in connection with the information*  
23 *management systems required for States to efficiently*  
24 *and effectively operate the social services programs;*

1           (2) *consider the merits of developing a single*  
 2           *Federal approval process for multiprogram informa-*  
 3           *tion system procurement and administration;*

4           (3) *include recommendations for improving the*  
 5           *current Federal cost allocation requirements; and*

6           (4) *consider the merits of allowing State procure-*  
 7           *ment standards that meet or exceed Federal standards*  
 8           *to be sufficient for purposes of Federal approval.*

9   **SEC. 711. WAIVERS.**

10       (a) *CONTINUATION OF PREWELFARE REFORM WAIV-*  
 11       *ERS.—Section 415 (42 U.S.C. 615) is amended by adding*  
 12       *at the end the following new subsection:*

13       “(e) *CONTINUATION OF WAIVERS APPROVED OR SUB-*  
 14       *MITTED BEFORE DATE OF ENACTMENT OF WELFARE RE-*  
 15       *FORM.—*

16       “(1) *IN GENERAL.—Notwithstanding subsection*  
 17       *(a) but subject to paragraph (2), with respect to any*  
 18       *State that is operating under a waiver described in*  
 19       *that subsection which would otherwise expire on a*  
 20       *date that occurs during the period that begins on Oc-*  
 21       *tober 1, 2002, and ends on September 30, 2007, the*  
 22       *State may elect to continue to operate under that*  
 23       *waiver, on the same terms and conditions as applied*  
 24       *to the waiver on the day before such date, through*  
 25       *September 30, 2007.*

1           “(2) *NO EFFECT ON APPLICATION OF UNIVERSAL*  
 2           *ENGAGEMENT AND INDIVIDUAL RESPONSIBILITY PLAN*  
 3           *REQUIREMENTS.*—*Notwithstanding paragraph (1),*  
 4           *the continuation of a waiver under paragraph (1)*  
 5           *shall not affect the applicability of section 408(b) (as*  
 6           *amended by the Work, Opportunity, and Responsi-*  
 7           *bility for Kids Act of 2002) to the State.”.*

8           (b) *APPROVAL OF WAIVERS TO DUPLICATE INNOVA-*  
 9           *TIVE PROGRAMS.*—*Section 415 (42 U.S.C. 615), as amend-*  
 10          *ed by subsection (a), is further amended by adding at the*  
 11          *end the following:*

12          “(f) *REQUIREMENT TO APPROVE WAIVERS TO DUPLI-*  
 13          *CATE INNOVATIVE PROGRAMS.*—

14               “(1) *IN GENERAL.*—*Notwithstanding any other*  
 15               *provision of law, if a State submits an application*  
 16               *for a waiver of 1 or more requirements of this part*  
 17               *that contains terms that are similar or identical to*  
 18               *the terms of a waiver eligible to be continued under*  
 19               *subsection (e), and the application satisfies the re-*  
 20               *quirements of paragraph (2), the Secretary—*

21                       “(A) *shall approve the application for a pe-*  
 22                       *riod of at least 2 years, but not more than 4*  
 23                       *years, unless the Secretary determines that ap-*  
 24                       *proval would be inconsistent with the purposes of*  
 25                       *this part set forth in section 401;*

1           “(B) at the end of the waiver period, shall  
2           review documentation of the effectiveness of the  
3           waiver provided by the State; and

4           “(C) if such documentation adequately dem-  
5           onstrates that the program as implemented  
6           under the waiver has been effective, may renew  
7           the waiver for such period as the Secretary deter-  
8           mines appropriate, but not later than September  
9           30, 2007.

10          “(2) APPLICATION REQUIREMENTS.—An applica-  
11          tion for a waiver described in paragraph (1) shall—

12               “(A) describe relevant State caseload char-  
13               acteristics and labor market conditions;

14               “(B) specify how the waiver is likely to re-  
15               sult in improved employment outcomes, im-  
16               proved child well-being, or both;

17               “(C) describe the State’s proposed approach  
18               for evaluation of the program under the waiver;  
19               and

20               “(D) include an agreement to conduct an  
21               independent evaluation of the waiver and to sub-  
22               mit the results of the evaluation to the Sec-  
23               retary.”.

24          (c) CONFORMING AMENDMENT.—Section 415(b)(1) (42  
25          U.S.C. 615(b)(1)) is amended by inserting “, extended

1 *under subsection (e), or approved under subsection (f)” after*  
 2 *“(a)”.*

3 **SEC. 712. ANTIDISCRIMINATION.**

4 *(a) NONDISPLACEMENT IN WORK ACTIVITIES.—Sec-*  
 5 *tion 407(f) (42 U.S.C. 607(f)) is amended to read as follows:*

6 *“(f) NONDISPLACEMENT.—*

7 *“(1) IN GENERAL.—An adult in a family receiv-*  
 8 *ing assistance under a State program funded under*  
 9 *this part, in order to engage in a work activity, shall*  
 10 *not displace any employee or position (including par-*  
 11 *tial displacement, such as a reduction in the hours of*  
 12 *nonovertime work, wages, or employment benefits), fill*  
 13 *any unfilled vacancy, or perform work when any in-*  
 14 *dividual is on layoff from the same or substantially*  
 15 *equivalent job.*

16 *“(2) PROHIBITIONS.—A work activity engaged*  
 17 *in under a program operated with funds provided*  
 18 *under this part shall not impair any existing con-*  
 19 *tract for services, be inconsistent with any existing*  
 20 *law, regulation, or collective bargaining agreement, or*  
 21 *infringe upon the recall rights or promotional oppor-*  
 22 *tunities of any worker.*

23 *“(3) NO SUPPLANTING OF OTHER HIRES.—A*  
 24 *work activity engaged in under a program operated*  
 25 *with funds provided under this part shall be in addi-*

tion to any activity that otherwise would be available and shall not supplant the hiring of an employed worker not funded under such program.

“(4) *ENFORCING ANTIDISPLACEMENT PROTECTIONS.*—

“(A) *IN GENERAL.*—The State shall establish and maintain an impartial grievance procedure, which shall include the opportunity for a hearing, to resolve any complaints alleging violations of the requirements of paragraphs (1), (2), or (3) within 60 days of receipt of the complaint and, if a decision is adverse to the party who filed such grievance or no decision has been reached, provide for the completion of an arbitration procedure within 75 days of receipt of the complaint or the adverse decision or conclusion of the 60-day period, whichever is earlier.

“(B) *REMEDIES.*—Remedies for a violation of the requirements of paragraph (1), (2), or (3) shall include termination or suspension of payments, prohibition of the placement of the participant, reinstatement of an employee, and other relief to make an aggrieved employee whole.

“(C) *LIMITATION ON PLACEMENT.*—If a grievance is filed regarding a proposed place-

ment of a participant, such placement shall not be made unless such placement is consistent with the resolution of the grievance pursuant to this paragraph.

“(D) NONPREEMPTION OF STATE LAW.—The provisions of this paragraph shall not be construed to preempt any provision of State law that affords greater protections to employees or to other participants engaged in work activities under a program funded under this part than is afforded by the provisions of this paragraph.

“(E) NON-EXCLUSIVE PROCEDURES.—The grievance procedures specified in this paragraph are not exclusive, and an aggrieved employee or participant in a program funded under a grant made under this part may pursue other remedies or procedures available under applicable contracts, collective bargaining agreements, or Federal, State, or local laws.

(b) APPLICATION OF WORKPLACE LAWS TO TANF RECIPIENTS.—Section 408 (42 U.S.C. 608), as amended by section 709, is further amended by adding at the end the following:

“(i) APPLICATION OF WORKPLACE LAWS.—



1           “(1) *IN GENERAL.*—Notwithstanding any other  
2           provision of law, workplace laws, including (but not  
3           limited to) the Fair Labor Standards Act of 1938 (29  
4           U.S.C. 201 *et seq.*), the Occupational Safety and  
5           Health Act of 1970 (29 U.S.C. 651 *et seq.*), title VII  
6           of the Civil Rights Act of 1964 (42 U.S.C. 2000e *et*  
7           *seq.*), the Americans with Disabilities Act of 1990 (42  
8           U.S.C. 12101 *et seq.*), and title IX of the Education  
9           Amendments of 1972 (20 U.S.C. 1681 *et seq.*) shall  
10          apply to an individual who is a recipient of assist-  
11          ance under the State program funded under this part  
12          in the same manner as such laws apply to other  
13          workers. The fact that such an individual is partici-  
14          pating in, or seeking to participate in work activities  
15          under the State program funded under this part in  
16          satisfaction of the work activity requirements of the  
17          program, shall not deprive the individual of the pro-  
18          tection of any Federal, State, or local workplace  
19          law.”.

20          (c) *NEUTRALITY.*—Section 408(i) of the Social Secu-  
21          rity Act (42 U.S.C. 608(h)), as added by subsection (b), is  
22          amended by adding at the end the following:

23               “(2) *NEUTRALITY.*—No funds provided under  
24               this part shall be used to assist, promote, or deter or-  
25               ganizing for the purpose of collective bargaining.”.

1       (d) *STUDY REGARDING COMPLIANCE WITH NON-*  
2 *DISCRIMINATION PROVISIONS.*—

3           (1) *IN GENERAL.*—*The Comptroller General of*  
4 *the United States shall conduct a study to*  
5 *determine—*

6               (A) *the extent to which States have com-*  
7 *plied with the requirement of section 408(d) of*  
8 *the Social Security Act (42 U.S.C. 608(d)) that*  
9 *the provisions of law referred to in that section*  
10 *apply to any program or activity which receives*  
11 *funds provided under part A of title IV of the*  
12 *Social Security Act (42 U.S.C. 601 et seq.); and*

13               (B) *recommendations for improving such*  
14 *compliance.*

15           (2) *REPORT.*—*Not later than 1 year after the*  
16 *date of enactment of this Act, the Comptroller General*  
17 *shall submit a report to Congress on the study con-*  
18 *ducted under paragraph (1).*

19       (e) *BAN ON IMPOSITION OF STRICTER ELIGIBILITY*  
20 *CRITERIA FOR 2-PARENT FAMILIES.*—

21           (1) *PROHIBITION.*—*Section 408(a) (42 U.S.C.*  
22 *608(a)) is amended by adding at the end the fol-*  
23 *lowing:*

24               “(12) *BAN ON IMPOSITION OF STRICTER ELIGI-*  
25 *BILITY CRITERIA FOR 2-PARENT FAMILIES.*—*In deter-*

1     *mining the eligibility of a 2-parent family for any*  
 2     *benefit or service funded under this part or funded*  
 3     *with non-Federal funds counting toward the State’s*  
 4     *qualified State expenditures under section 409(a)(7),*  
 5     *the State shall not impose a requirement that does not*  
 6     *apply in determining the eligibility of a 1-parent*  
 7     *family for such assistance.”.*

8           (2) *PENALTY.—Section 409(a) (42 U.S.C.*  
 9     *609(a)), as amended by section 109, is amended by*  
 10    *inserting after paragraph (5), the following:*

11           “(6) *PENALTY FOR IMPOSITION OF STRICTER*  
 12    *ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—*

13           “(A) *IN GENERAL.—If the Secretary deter-*  
 14     *mines that a State to which a grant is made*  
 15     *under section 403 for a fiscal year has violated*  
 16     *section 408(a)(12) during the fiscal year, the*  
 17     *Secretary shall reduce the grant payable to the*  
 18     *State under section 403(a)(1) for the imme-*  
 19     *diately succeeding fiscal year by an amount up*  
 20     *to 5 percent of the State family assistance grant.*

21           “(B) *PENALTY BASED ON SEVERITY OF*  
 22     *FAILURE.—The Secretary shall impose reduc-*  
 23     *tions under subparagraph (A) with respect to a*  
 24     *fiscal year based on the degree of noncompli-*  
 25     *ance.”.*

1           (3) *ASSURANCE OF EQUAL TREATMENT.*—Section  
 2           402(a) (42 U.S.C. 602(a)), as amended by section  
 3           702(3), is amended by adding at the end the fol-  
 4           lowing:

5           “(11) *CERTIFICATION OF EQUAL TREATMENT OF*  
 6           *2-PARENT FAMILIES.*—The chief executive officer of the  
 7           State shall submit to the Secretary a certification  
 8           that in conducting the State program funded under  
 9           this part, the State does not have rules or procedures  
 10          that discriminate against 2-parent families.”.

## 11   ***TITLE VIII—OTHER PROVISIONS***

### 12   ***SEC. 801. REVIEW OF STATE AGENCY BLINDNESS AND DIS-*** 13           ***ABILITY DETERMINATIONS.***

14          Section 1633 of the Social Security Act (42 U.S.C.  
 15          1383b) is amended by adding at the end the following:

16          “(e)(1) *The Commissioner of Social Security shall re-*  
 17          *view determinations, made by State agencies pursuant to*  
 18          *subsection (a) in connection with applications for benefits*  
 19          *under this title on the basis of blindness or disability, that*  
 20          *individuals who have attained 18 years of age are blind*  
 21          *or disabled as of a specified onset date. The Commissioner*  
 22          *of Social Security shall review such a determination before*  
 23          *any action is taken to implement the determination.*

24          “(2)(A) *In carrying out paragraph (1), the Commis-*  
 25          *sioner of Social Security shall review—*

1           “(i) at least 25 percent of all determinations re-  
 2       ferred to in paragraph (1) that are made in fiscal  
 3       year 2003; and

4           “(ii) at least 50 percent of all such determina-  
 5       tions that are made in fiscal year 2004 or thereafter.

6       “(B) In carrying out subparagraph (A), the Commis-  
 7       sioner of Social Security shall, to the extent feasible, select  
 8       for review the determinations which the Commissioner of  
 9       Social Security identifies as being the most likely to be in-  
 10      correct.”.

11   **SEC. 802. CUSTOMS USER FEES.**

12       Section 13031(j)(3) of the Consolidated Omnibus  
 13       Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is  
 14       amended by striking “September 30, 2003” and inserting  
 15       “February 28, 2005”.

16       **TITLE IX—EFFECTIVE DATE**

17   **SEC. 901. EFFECTIVE DATE.**

18       (a) *IN GENERAL.*—Except as otherwise provided, the  
 19       amendments made by this Act shall take effect on October  
 20       1, 2002.

21       (b) *EXCEPTION.*—In the case of a State plan under  
 22       part A or D of title IV of the Social Security Act which  
 23       the Secretary determines requires State legislation in order  
 24       for the plan to meet the additional requirements imposed  
 25       by the amendments made by this Act, the effective date of

1 *the amendments imposing the additional requirements shall*  
2 *be 3 months after the first day of the first calendar quarter*  
3 *beginning after the close of the first regular session of the*  
4 *State legislature that begins after the date of enactment of*  
5 *this Act. For purposes of the preceding sentence, in the case*  
6 *of a State that has a 2-year legislative session, each year*  
7 *of the session shall be considered to be a separate regular*  
8 *session of the State legislature.*



**Calendar No. 518**

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 4737**

**[Report No. 107-221]**

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**AN ACT**

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

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JULY 25, 2002

Reported with an amendment