

108TH CONGRESS
1ST SESSION

S. 263

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program and to give States the flexibility to implement innovative welfare programs that have been proven effective in other States.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program and to give States the flexibility to implement innovative welfare programs that have been proven effective in other States.

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 “Self Sufficiency and
5 Accountability Act of 2003”.

1 **SEC. 2. COMPREHENSIVE STRATEGIC TANF PLAN.**

2 (a) IN GENERAL.—Section 402 of the Social Security
3 Act (42 U.S.C. 602) is amended to read as follows:

4 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

5 “(a) IN GENERAL.—As used in this part, the term
6 ‘eligible State’ means, with respect to a fiscal year, a State
7 that, during the 27-month period ending with the close
8 of the 1st quarter of the fiscal year, has submitted to the
9 Secretary, and revised when necessary in accordance with
10 subsection (b), a written plan that the Secretary has found
11 includes the following:

12 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
13 GRAM.—

14 “(A) PROGRAMMATIC INFORMATION.—In-
15 formation relating to the State program, includ-
16 ing the following:

17 “(i) With respect to each program
18 that will be funded under this part, or with
19 qualified State expenditures claimed by the
20 State to meet the requirements of section
21 409(a)(7), over the 2-year period for which
22 the plan is being submitted—

23 “(I) the name of the program;

24 “(II) the goals of the program;

1 “(III) a description of the bene-
2 fits and services provided in the pro-
3 gram;

4 “(IV) a description of principal
5 eligibility rules and populations served
6 under the program, including the cir-
7 cumstances under which the State
8 provides benefits or services to indi-
9 viduals who are not citizens of the
10 United States;

11 “(V) a description of how the
12 State will ensure fair and equitable
13 treatment among program applicants
14 and recipients and how the State will
15 provide opportunities for applicants
16 and recipients who have been ad-
17 versely affected to be heard in a State
18 administrative or appeal process, in-
19 cluding a description of the steps that
20 the State has taken (or will take) to
21 ensure—

22 “(aa) compliance with non-
23 discrimination, civil rights, and
24 employment laws throughout the
25 process of providing services

1 under this part, including at the
2 time of application for benefits,
3 during the applicant assessment
4 process, when determining avail-
5 ability of an eligibility for bene-
6 fits and services, during the ac-
7 tual delivery of services or bene-
8 fits, and when deciding to termi-
9 nate benefits in full or in part;
10 and

11 “(bb) that program appli-
12 cants and recipients are aware of
13 their rights and the process for
14 enforcing their rights; and

15 “(VI) a description of how the
16 program meets 1 or more of the pur-
17 poses described in section 401 or, in
18 the case of a program funded with
19 qualified State expenditures, how the
20 program meets the criteria in section
21 409(a)(7)(B).

22 “(ii) With respect to each program
23 that will be funded under this part, or with
24 qualified State expenditures claimed by the
25 State to meet the requirements of section

1 409(a)(7), over the 2-year period for which
2 the plan is being submitted and that pro-
3 vides assistance—

4 “(I) a description of the applica-
5 ble financial and nonfinancial eligi-
6 bility rules including, income eligibility
7 thresholds, the treatment of earnings,
8 asset eligibility rules, and excluded
9 forms of income;

10 “(II) a description of applicable
11 work-related requirements, including
12 which adults are required to partici-
13 pate in such activities, the activities in
14 which they can participate, the cri-
15 teria for determining the activity an
16 adult is assigned to, and the proce-
17 dures used to screen and assess par-
18 ticipants for barriers to employment
19 including physical or mental impair-
20 ments, substance abuse, learning dis-
21 abilities, domestic violence, inadequate
22 or unstable housing and very low
23 basic skills;

24 “(III) a description of applicable
25 time limit policies, including the

1 length of the time limit, exemption
2 and extension policies, and procedures
3 and policies for providing services to
4 families reaching time limits and who
5 have lost assistance due to time limits;
6 and

7 “(IV) a description of applicable
8 sanction policies and procedures, in-
9 cluding the program requirements for
10 which a sanction can be applied for
11 failure to comply, the amount and du-
12 ration of sanctions, the State-defined
13 criteria that constitute good cause for
14 failing to meet each program require-
15 ment for which a sanction may be im-
16 posed, how the State will comply with
17 the requirement in section 407(e)(2),
18 and the procedures in place to identify
19 families who are unable to comply
20 with program requirements due to
21 various barriers (such as physical or
22 mental impairments, domestic vio-
23 lence, unavailable or inaccessible child
24 care, illiteracy, lack of English pro-
25 ficiency) and procedures for providing

1 services to those families rather than
2 imposing a sanction on them.

3 “(iii) A description of—

4 “(I) the primary problems that
5 families receiving assistance, and fam-
6 ilies who have recently stopped receiv-
7 ing assistance, under the State pro-
8 gram funded under this part, or under
9 a program funded with qualified State
10 expenditures as defined in section
11 407(a)(7), experience in securing and
12 retaining adequate, affordable housing
13 and the estimated extent of each such
14 problem, including the price of such
15 housing in various parts of the State
16 that include a large proportion of re-
17 cipients of assistance under the State
18 program, and the steps that have been
19 and will be taken by the State and
20 other public or private entities that
21 administer housing programs to ad-
22 dress these problems; and

23 “(II) the methods the State has
24 adopted to identify barriers to work
25 posed by the living arrangement,

1 housing cost, and housing location of
2 individuals eligible for participation in
3 the State program funded under this
4 part and the services and benefits
5 that have been or will be provided by
6 the State and other public or private
7 entities to help families overcome such
8 barriers.

9 “(iv) A description of the steps the
10 State will take to restrict the use and dis-
11 closure of information about individuals
12 and families applying for or receiving as-
13 sistance under a program funded under
14 this part, or with qualified State expendi-
15 tures as defined in section 409(a)(7).

16 “(v) A description of how the State
17 will ensure the availability of a stable and
18 professional workforce in the administra-
19 tion of the State program under this part
20 with the resources, skills, and expertise
21 necessary to successfully carry out the pro-
22 gram, including a description of the plan
23 of the State to provide program staff with
24 training on the following:

1 “(I) Program information and
2 services.

3 “(II) The rights of recipients of
4 assistance under all laws applicable to
5 the activities of the program, includ-
6 ing nondiscrimination and employ-
7 ment laws.

8 “(III) Cultural diversity and sen-
9 sitivity.

10 “(IV) Referral of recipients of as-
11 sistance to all appropriate programs
12 and services for which such recipients
13 are eligible.

14 “(V) Screening of recipients of
15 assistance for serious barriers to em-
16 ployment and referral to qualified spe-
17 cialists.

18 “(vi) A description of the steps that
19 the State has taken to inform applicants
20 for and recipients of assistance under the
21 State program under this part of their
22 rights and obligations under such program.
23 Such description shall include—

24 “(I) an explanation of the man-
25 ner in which the State will ensure that

1 such information is communicated ef-
2 fectively to all such individuals, in-
3 cluding how the State will provide ap-
4 propriate translation or interpretation
5 services where necessary; and

6 “(II) an assurance that the com-
7 munication of such information will
8 take place throughout the service de-
9 livery and processing.

10 “(B) INFORMATION ABOUT PROGRAMS DE-
11 SIGNED OR IMPLEMENTED AT SUB-STATE LEV-
12 ELS.—With respect to any program described
13 in clauses (i) or (ii) of subparagraph (A) in
14 which the State permits counties or other sub-
15 state entities to design their own rules with re-
16 spect to any of the information required under
17 such clauses, the State plan shall be designed to
18 reflect the policies of each such county or sub-
19 state entity.

20 “(C) STATE GOALS AND BENCHMARKS.—
21 For each purpose contained in section 401(a),
22 the State plan shall provide the following infor-
23 mation:

24 “(i) A description of specific goals the
25 State will attempt to achieve over the suc-

1 ceeding 5-year period to further that pur-
2 pose.

3 “(ii) A description of how the State
4 intends to meet the goals described in
5 clause (i) over such 5-year period and a de-
6 scription of the steps the State will take
7 during such period to work toward achiev-
8 ing such goals.

9 “(iii) A description of performance
10 measures that will be used to measure
11 progress made by the State toward achiev-
12 ing each such goal, including the method-
13 ology for computing such measures. Each
14 performance and outcome measure de-
15 scribed in the State plan under this sub-
16 paragraph shall be reported by the State
17 annually in a form prescribed by the Sec-
18 retary.

19 “(iv) An identification of those key
20 factors external to the program and be-
21 yond the control of the State that could
22 significantly affect the attainment of the
23 goals.

24 “(v) A description of any additional
25 evaluation methods the State will use to

1 measure progress made by the State to-
2 ward achieving such goals.

3 “(2) MINIMUM PARTICIPATION RATES.—A de-
4 scription of how the minimum participation rates
5 specified in section 407 will be satisfied.

6 “(3) ESTIMATE OF EXPENDITURES.—An esti-
7 mate of the total amount of State or local expendi-
8 tures under all programs described in clauses (i) or
9 (ii) of paragraph (1)(A) for the fiscal year in which
10 the plan is submitted.

11 “(4) SPECIAL PROVISIONS.—

12 “(A) CERTIFICATION REGARDING ASSESS-
13 MENT OF REGIONAL ECONOMIES AND INFORM-
14 ING LOCALITIES OF SECTORAL LABOR SHORT-
15 AGES AND IDENTIFICATION OF SELF-SUFFI-
16 CIENCY STANDARD.—

17 “(i) IN GENERAL.—A certification by
18 the chief executive officer of the State that,
19 during the fiscal year, the State will—

20 “(I) assess its regional economies
21 and provide information to political
22 subdivisions of the State about the in-
23 dustrial sectors that are experiencing
24 a labor shortage and that provide
25 higher entry-level wage opportunities

1 for unemployed and underemployed
2 job seekers identified in accordance
3 with section 411(c); and

4 “(II) identify the self-sufficiency
5 standards for families after the fami-
6 lies cease to receive assistance under
7 the State program funded under this
8 part in accordance with clause (ii).

9 “(ii) REQUIREMENTS FOR IDENTI-
10 FICATION OF SELF-SUFFICIENCY STAND-
11 ARDS.—

12 “(I) IN GENERAL.—The State
13 shall provide to the Secretary a docu-
14 ment adopted or developed by the
15 State, that—

16 “(aa) describes the income
17 needs of families (in this part re-
18 ferred to as ‘State self-sufficiency
19 standards’) based on family size,
20 the number and ages of children
21 in the family, and sub-State geo-
22 graphical considerations; and

23 “(bb) if the State has a size-
24 able Native American population,

1 includes information specific to
2 the needs of that population.

3 “(II) CRITERIA.—The State self-
4 sufficiency standards shall separately
5 specify the monthly costs of housing,
6 food, child care, transportation, health
7 care, other basic needs, and taxes (in-
8 cluding tax benefits), and shall be de-
9 termined using national, State and
10 local data on the cost of purchasing
11 goods and services in the marketplace.

12 “(III) CATEGORIES OF FAMI-
13 LIES.—The State self-sufficiency
14 standards shall categorize families—

15 “(aa) by whether there are 1
16 or 2 adults in the family;

17 “(bb) by whether there are
18 0, 1, 2, 3, or more than 3 chil-
19 dren in the family; and

20 “(cc) by the age of each
21 child in the family, according to
22 whether a child is an infant, of
23 pre-school age, of school age, or a
24 teenager.

1 “(IV) REGULATIONS.—The Sec-
2 retary shall prescribe the protocols,
3 criteria, cost categories, definitions,
4 and means of making inflation adjust-
5 ments to be used in developing self-
6 sufficiency standards pursuant to this
7 clause, which shall be based on com-
8 monly accepted definitions of ade-
9 quacy, such as those used for estab-
10 lishing fair market rents, and that re-
11 flect, to the extent possible, consensus
12 and use among those calculating fam-
13 ily budgets and self-sufficiency stand-
14 ards.

15 “(V) DATA.—The self-sufficiency
16 standards developed pursuant to this
17 clause shall be—

18 “(aa) recalculated on adop-
19 tion if the data on which the
20 standards are based is more than
21 3 years old;

22 “(bb) recalculated every 5
23 years after adoption; and

24 “(cc) updated for inflation
25 each year after adoption in which

1 the standards are not be recal-
2 culated pursuant to item (bb).

3 “(VI) TECHNICAL ASSISTANCE IN
4 DEVELOPING STANDARDS.—The Sec-
5 retary may provide financial or tech-
6 nical assistance to an eligible State to
7 enable the State to develop or improve
8 the State self-sufficiency standards
9 and produce State reports required by
10 section 411(d). The Secretary shall
11 carry out this paragraph by making a
12 grant to, or entering into a contract
13 with an organization or institution
14 with substantial experience in calcu-
15 lating and implementing on the State
16 level family budgets and self-suffi-
17 ciency standards. An organization or
18 institution desiring to provide tech-
19 nical assistance described in this sub-
20 clause shall submit to the Secretary
21 an application at such time, in such
22 manner, and accompanied by such in-
23 formation as the Secretary may re-
24 quire.

1 “(B) CERTIFICATION THAT THE STATE
2 WILL OPERATE A CHILD SUPPORT ENFORCE-
3 MENT PROGRAM.—A certification by the chief
4 executive officer of the State that, during the
5 fiscal year, the State will operate a child sup-
6 port enforcement program under the State plan
7 approved under part D.

8 “(C) CERTIFICATION THAT THE STATE
9 WILL OPERATE A FOSTER CARE AND ADOPTION
10 ASSISTANCE PROGRAM.—A certification by the
11 chief executive officer of the State that, during
12 the fiscal year, the State will operate a foster
13 care and adoption assistance program under the
14 State plan approved under part E, and that the
15 State will take such actions as are necessary to
16 ensure that children receiving assistance under
17 such part are eligible for medical assistance
18 under the State plan under title XIX.

19 “(D) CERTIFICATION OF THE ADMINISTRA-
20 TION OF THE PROGRAM.—A certification by the
21 chief executive officer of the State specifying
22 which State agency or agencies will administer
23 and supervise the family assistance program re-
24 ferred to in paragraph (1) for the fiscal year,

1 which shall include assurances that local gov-
2 ernments and private sector organizations—

3 “(i) have been consulted regarding the
4 plan and design of welfare services in the
5 State so that services are provided in a
6 manner appropriate to local populations;
7 and

8 “(ii) have had at least 45 days to sub-
9 mit comments on the plan and the design
10 of such services.

11 “(E) CERTIFICATION THAT THE STATE
12 WILL PROVIDE INDIANS WITH EQUITABLE AC-
13 CESS TO ASSISTANCE.—A certification by the
14 chief executive officer of the State that, during
15 the fiscal year, the State will provide each mem-
16 ber of an Indian tribe, who is domiciled in the
17 State and is not eligible for assistance under a
18 tribal family assistance plan approved under
19 section 412, with equitable access to assistance
20 under the State program.

21 “(F) CERTIFICATION OF STANDARDS AND
22 PROCEDURES TO ENSURE AGAINST PROGRAM
23 FRAUD AND ABUSE.—A certification by the
24 chief executive officer of the State that the
25 State has established and is enforcing stand-

1 ards and procedures to ensure against program
2 fraud and abuse, including standards and pro-
3 cedures concerning nepotism, conflicts of inter-
4 est among individuals responsible for the ad-
5 ministration and supervision of the State pro-
6 gram, kickbacks, and the use of political pa-
7 tronage.

8 “(G) OPTIONAL CERTIFICATION OF STAND-
9 ARDS AND PROCEDURES TO ENSURE THAT THE
10 STATE WILL SCREEN FOR AND IDENTIFY DO-
11 MESTIC VIOLENCE.—

12 “(i) IN GENERAL.—At the option of
13 the State, a certification by the chief execu-
14 tive officer of the State that the State has
15 established and is enforcing standards and
16 procedures to—

17 “(I) screen and identify individ-
18 uals receiving assistance under this
19 part with a history of domestic vio-
20 lence while maintaining the confiden-
21 tiality of such individuals;

22 “(II) refer such individuals to
23 counseling and supportive services;
24 and

1 “(III) waive, pursuant to a deter-
2 mination of good cause, other pro-
3 gram requirements such as time limits
4 (for so long as necessary) for individ-
5 uals receiving assistance, residency re-
6 quirements, child support cooperation
7 requirements, and family cap provi-
8 sions, in cases where compliance with
9 such requirements would make it
10 more difficult for individuals receiving
11 assistance under this part to escape
12 domestic violence or unfairly penalize
13 such individuals who are or have been
14 victimized by such violence, or individ-
15 uals who are at risk of further domes-
16 tic violence.

17 “(ii) DOMESTIC VIOLENCE DE-
18 FINED.—For purposes of this subpara-
19 graph, the term ‘domestic violence’ has the
20 same meaning as the term ‘battered or
21 subjected to extreme cruelty’, as defined in
22 section 408(a)(7)(C)(iii).

23 “(b) PROCEDURES FOR SUBMITTING AND AMENDING
24 STATE PLANS.—

1 “(1) STANDARD STATE PLAN FORMAT.—The
2 Secretary shall, after notice and public comment, de-
3 velop a proposed Standard State Plan Form to be
4 used by States under subsection (a). Such form shall
5 be finalized by the Secretary for use by the State
6 not later than February 1, 2003.

7 “(2) REQUIREMENT FOR COMPLETED PLAN
8 USING STANDARD STATE PLAN FORMAT BY FISCAL
9 YEAR 2004.—Notwithstanding any other provision of
10 law, each State shall submit a complete State plan,
11 using the Standard State Plan Form developed
12 under paragraph (1), not later than October 1,
13 2003.

14 “(3) PUBLIC NOTICE AND COMMENT.—Prior to
15 submitting a State plan to the Secretary under this
16 section, the State shall—

17 “(A) make the proposed State plan avail-
18 able to the public through an appropriate State
19 maintained Internet web site and through other
20 means as the State determines appropriate;

21 “(B) allow for a reasonable public com-
22 ment period of not less than 45 days; and

23 “(C) make comments received concerning
24 such plan or, at the discretion of the State, a
25 summary of the comments received available to

1 the public through such web site and through
2 other means as the State determines appro-
3 priate.

4 “(4) PUBLIC AVAILABILITY OF STATE PLAN.—
5 A State shall ensure that the State plan, that is in
6 effect for any fiscal year, is available to the public
7 through an appropriate State maintained Internet
8 web site and through other means as the State de-
9 termines appropriate.

10 “(5) AMENDING THE STATE PLAN.—A State
11 shall file an amendment to the State plan with the
12 Secretary if the State determines that there has
13 been a material change in any information required
14 to be included in the State plan or any other infor-
15 mation the State has included in the plan, including
16 substantial changes in the use of funding. Prior to
17 submitting an amendment to the State plan to the
18 Secretary, the State shall—

19 “(A) make the proposed amendment avail-
20 able to the public as provided for in paragraph
21 (3)(A);

22 “(B) allow for a reasonable public com-
23 ment period of not less than 45 days; and

24 “(C) make the comments available as pro-
25 vided for in paragraph (3)(C).”.

1 (b) CONFORMING AMENDMENT.—Section
 2 408(a)(5)(B)(i) of the Social Security Act (42 U.S.C.
 3 608(a)(5)(B)(i)) is amended by striking “referred to in
 4 section 402(a)(4)”.

5 **SEC. 3. MONITORING OF FEDERAL AND STATE EFFORTS;**
 6 **ASSESSMENT OF REGIONAL ECONOMIES.**

7 (a) GENERAL REPORTING REQUIREMENT.—Section
 8 411(a) of the Social Security Act (42 U.S.C. 611(a)) is
 9 amended—

10 (1) by redesignating paragraph (7) as para-
 11 graph (9); and

12 (2) by inserting after paragraph (6), the fol-
 13 lowing:

14 “(7) SELF-SUFFICIENCY STANDARD.—The re-
 15 port required by paragraph (1) for a fiscal quarter
 16 shall include a description of the self-sufficiency
 17 standard identified for families in accordance with
 18 section 402(a)(4)(A)(ii).

19 “(8) INFORMATION REGARDING CIVIL
 20 RIGHTS.—As part of the information collected and
 21 reported under paragraph (1), the State shall in-
 22 clude information on the number of complaints filed
 23 by applicants for or recipients of assistance under
 24 the State program under this part that allege civil
 25 rights or employment law violations and the status

1 of such complaints, including the number of com-
2 plaints pending at the time the report is prepared.
3 Such information shall be delineated by alleged vio-
4 lation, the number of resolutions during the report-
5 ing period in favor of and against the complainants,
6 and the average length of time to process com-
7 plaints.”.

8 (b) ANNUAL REPORTS TO CONGRESS.—Section
9 411(b) of the Social Security Act (42 U.S.C. 611(b)) is
10 amended—

11 (1) in paragraph (3), by striking “and” at the
12 end;

13 (2) in paragraph (4), by striking the period and
14 inserting “; and”; and

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

16 “(5) the status of civil rights complaints filed
17 under this part with the Office of Civil Rights of the
18 Department of Health and Human Services by ap-
19 plicants for or recipients of assistance under a State
20 program, including the number of complaints pend-
21 ing at the time the report is prepared delineated by
22 alleged violation, the number of resolutions during
23 the reporting period in favor of and against the com-
24 plainants, and the average length of time to process
25 complaints.”.

1 (c) ANNUAL ASSESSMENT OF REGIONAL ECONO-
 2 MIES; ANNUAL REPORT ON PROGRAMS AND SERVICES
 3 LEADING TO SELF-SUFFICIENCY.—Section 411 of the So-
 4 cial Security Act (42 U.S.C. 611) is amended by adding
 5 at the end the following:

6 “(c) ASSESSMENT OF REGIONAL ECONOMIES TO
 7 IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES
 8 IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

9 “(1) IN GENERAL.—An eligible State annually
 10 shall conduct an assessment of its regional econo-
 11 mies to identify higher entry level wage opportunities
 12 in industries experiencing labor market shortages.

13 “(2) MATTERS TO BE ASSESSED.—

14 “(A) LABOR MARKET.—The assessment
 15 shall—

16 “(i) identify industries or occupations
 17 that have or expect to grow, that have or
 18 expect a loss of skilled workers, or that
 19 have a need for workers;

20 “(ii) identify the entry-level education
 21 and skills requirements for the industries
 22 or occupations that have or expect a need
 23 for workers; and

1 “(iii) analyze the entry-level wages
2 and benefits in identified industries or oc-
3 cupations.

4 “(B) JOB SEEKERS.—The assessment shall
5 create a profile in each regional economy in the
6 State, of the characteristics of the unemployed
7 and underemployed residents of such regional
8 economy, including educational attainment, bar-
9 riers to employment, geographic concentrations,
10 self-sufficiency needs, and availability and utili-
11 zation of need support services.

12 “(C) EDUCATION AND TRAINING INFRA-
13 STRUCTURE.—The assessment shall create a
14 profile, in each regional economy in the State of
15 the education, training, and support services in
16 place in such regional economy to prepare work-
17 ers for the industries or occupations identified
18 pursuant to subparagraph (A).

19 “(D) ALIGNING INDUSTRIES AND JOB
20 SEEKERS.—The assessment shall compare the
21 characteristics of the industries or occupations
22 identified pursuant to subparagraph (A) to the
23 profile of the job seekers in the State and the
24 profile of the education and training infrastruc-
25 ture in the State.

1 “(3) SHARING OF INFORMATION WITH LOCAL-
2 ITIES.—The State shall share with all counties, mu-
3 nicipalities, local workforce investment boards estab-
4 lished under section 117 of the Workforce Invest-
5 ment Act of 1998 (29 U.S.C. 2832), and other ap-
6 propriate political subdivisions of the State, informa-
7 tion obtained pursuant to this subsection regarding
8 higher entry-wage job opportunities in industries ex-
9 periencing labor shortages, and information regard-
10 ing opportunities for collaboration with institutions
11 of higher education, community-based organizations,
12 and economic development and welfare agencies.

13 “(4) REPORTS OF ASSESSMENT OF REGIONAL
14 ECONOMIES.—Each eligible state shall submit to the
15 Secretary annually a report that contains the annual
16 assessment conducted pursuant to this subsection.

17 “(d) ANNUAL REPORT ON PROGRAMS AND SERVICES
18 LEADING TO SELF-SUFFICIENCY.—A State to which a
19 grant is made under section 403(a) for a fiscal year shall
20 submit to the Secretary a report that describes, with re-
21 spect to the preceding fiscal year—

22 “(1) a description of the ways in which the
23 State program funded under this part, and support
24 services provided by the State to recipients of assist-
25 ance under that program, moved families toward

1 self-sufficiency, and that highlights the programs
2 and services that appeared to have a particularly
3 positive effect on families achieving self-sufficiency;

4 “(2) the total family income for families that
5 left the State program funded under this part (in-
6 cluding earnings, unemployment compensation, and
7 child support); and

8 “(3) the benefits received by families that have
9 left the State program funded under this part (in-
10 cluding benefits under the food stamp program
11 under the Food Stamp Act of 1977, the medicaid
12 program under title XIX, the State children’s health
13 insurance program under title XXI, earned income
14 tax credits, and housing assistance).”.

15 (d) RESEARCH, EVALUATIONS, AND NATIONAL
16 STUDIES.—Section 413(h) of the Social Security Act (42
17 U.S.C. 613(h)) is amended by adding at the end the fol-
18 lowing:

19 “(4) TECHNICAL ASSISTANCE IN ASSESSING RE-
20 GIONAL ECONOMIES.—

21 “(A) IN GENERAL.—The Secretary may
22 provide technical assistance to an eligible State
23 to enable the State to conduct the assessments
24 required by section 411(c).

1 “(B) LIMITATIONS ON AUTHORIZATION OF
2 APPROPRIATIONS.—For the cost of providing
3 technical assistance under subparagraph (A),
4 there are authorized to be appropriated to the
5 Secretary not more than \$1,500,000 for each
6 fiscal year in which amounts are appropriated
7 to carry out the State programs funded under
8 this part.”.

9 **SEC. 4. PENALTY FOR FAILURE TO COMPLY WITH FAIR**
10 **TREATMENT REQUIREMENTS.**

11 Section 409(a)(7) of the Social Security Act (42
12 U.S.C. 609(a)(7)) is amended by adding at the end the
13 following:

14 “(C) INCREASE IN APPLICABLE PERCENT-
15 AGE FOR FAILURE TO COMPLY WITH FAIR
16 TREATMENT REQUIREMENTS.—The applicable
17 percent under subparagraph (B)(ii) with respect
18 to a State shall be increased by 5 percentage
19 points for any year in which the Secretary de-
20 termines that the State has failed to comply
21 with the State plan requirements of clause
22 (i)(V) or (vi) of section 402(a)(1)(A).”.

23 **SEC. 5. WAIVERS.**

24 (a) CONTINUATION OF PREWELFARE REFORM WAIV-
25 ERS.—Section 415 of the Social Security Act (42 U.S.C.

1 615) is amended by adding at the end the following new
2 subsection:

3 “(e) CONTINUATION OF WAIVERS APPROVED OR
4 SUBMITTED BEFORE DATE OF ENACTMENT OF WELFARE
5 REFORM.—Notwithstanding subsection (a), with respect
6 to any State that is operating under a waiver described
7 in that subsection which would otherwise expire on a date
8 that occurs during the period that begins on October 1,
9 2002, and ends on September 30, 2007, the State may
10 elect to continue to operate under that waiver, on the same
11 terms and conditions as applied to the waiver on the day
12 before such date, through September 30, 2007.”.

13 (b) APPROVAL OF WAIVERS TO DUPLICATE INNOVA-
14 TIVE PROGRAMS.—Section 415 of the Social Security Act
15 (42 U.S.C. 615), as amended by subsection (a), is further
16 amended by adding at the end the following:

17 “(f) REQUIREMENT TO APPROVE WAIVERS TO DU-
18 PPLICATE INNOVATIVE PROGRAMS.—

19 “(1) IN GENERAL.—Notwithstanding any other
20 provision of law, if a State submits an application
21 for a waiver of 1 or more requirements of this part
22 that contains terms that are similar or identical to
23 the terms of a waiver eligible to be continued under
24 subsection (e), and the application satisfies the re-
25 quirements of paragraph (2), the Secretary—

1 “(A) shall approve the application for a pe-
2 riod of at least 2 years, but not more than 4
3 years, unless the Secretary determines that ap-
4 proval would be inconsistent with the purposes
5 of this part set forth in section 401;

6 “(B) at the end of the waiver period, shall
7 review documentation of the effectiveness of the
8 waiver provided by the State; and

9 “(C) if such documentation adequately
10 demonstrates that the program as implemented
11 under the waiver has been effective, may renew
12 the waiver for such period as the Secretary de-
13 termines appropriate, but not later than Sep-
14 tember 30, 2007.

15 “(2) APPLICATION REQUIREMENTS.—An appli-
16 cation for a waiver described in paragraph (1)
17 shall—

18 “(A) describe relevant State caseload char-
19 acteristics and labor market conditions;

20 “(B) specify how the waiver is likely to re-
21 sult in improved employment outcomes, im-
22 proved child well-being, or both;

23 “(C) describe the State’s proposed ap-
24 proach for evaluation of the program under the
25 waiver; and

1 “(D) include an agreement to conduct an
2 independent evaluation of the waiver and to
3 submit the results of the evaluation to the Sec-
4 retary.”.

5 (c) CONFORMING AMENDMENT.—Section 415(b)(1)
6 of the Social Security Act (42 U.S.C. 615(b)(1)) is amend-
7 ed by inserting “, extended under subsection (e), or ap-
8 proved under subsection (f)” after “(a)”.

9 **SEC. 6. EFFECTIVE DATE.**

10 (a) IN GENERAL.—The amendments made by this
11 Act shall take effect as if enacted on October 1, 2002.

12 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
13 QUIRED.—In the case of a State plan under section 402
14 of the Social Security Act which the Secretary of Health
15 and Human Services determines requires State legislation
16 (other than legislation appropriating funds) in order for
17 the plan to meet the additional requirements imposed by
18 the amendments made by this Act, the State plan shall
19 not be regarded as failing to comply with the requirements
20 of such section 402 solely on the basis of the failure of
21 the plan to meet such additional requirements before the
22 1st day of the 1st calendar quarter beginning after the
23 close of the 1st regular session of the State legislature that
24 begins after the date of the enactment of this Act. For
25 purposes of the previous sentence, in the case of a State

1 that has a 2-year legislative session, each year of such ses-
2 sion shall be deemed to be a separate regular session of
3 the State legislature.

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