

109TH CONGRESS
1ST SESSION

H. R. 240

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.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Ms. PRYCE of Ohio (for herself, Mr. THOMAS, Mr. BOEHNER, Mr. BARTON of Texas, Mr. GOODLATTE, Mr. HERGER, Mr. McKEON, Mr. BILIRAKIS, Mr. DELAY, Mr. SHAW, Mr. CANTOR, Mr. ENGLISH of Pennsylvania, Mr. CAMP, Mrs. JOHNSON of Connecticut, Mr. WELLER, Mr. WILSON of South Carolina, and Mr. KLINE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Education and the Workforce, Agriculture, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Personal Responsi-
3 bility, Work, and Family Promotion Act of 2005”.

4 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
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- Sec. 4. Findings.

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- Sec. 109. Universal engagement and family self-sufficiency plan requirements.
- Sec. 110. Work participation requirements.
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- Sec. 117. Definition of assistance.
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- Sec. 308. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
- Sec. 309. Improving Federal debt collection practices.
- Sec. 310. Maintenance of technical assistance funding.
- Sec. 311. Maintenance of Federal Parent Locator Service funding.

TITLE IV—CHILD WELFARE

- Sec. 401. Extension of authority to approve demonstration projects.
- Sec. 402. Elimination of limitation on number of waivers.
- Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
- Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
- Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
- Sec. 406. Availability of reports.
- Sec. 407. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

- Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—STATE AND LOCAL FLEXIBILITY

- Sec. 601. Program coordination demonstration projects.
- Sec. 602. State food assistance block grant demonstration project.

TITLE VII—ABSTINENCE EDUCATION

- Sec. 701. Extension of abstinence education program.

TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

- Sec. 801. Extension of medicaid transitional medical assistance program through fiscal year 2006.
- Sec. 802. Adjustment to payments for medicaid administrative costs to prevent duplicative payments and to fund extension of transitional medical assistance.

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
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 year 1999 and
20 continued steady in fiscal years 2000 and 2001.
21 In fiscal year 2003, 31.3 percent of adult re-
22 cipients were counted as meeting the work par-
23 ticipation requirements. All States but one met
24 the overall participation rate standard in fiscal
25 year 2003, 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 June 2004, 1,969,909 families and
10 4,727,291 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 55 percent and
14 61 percent, respectively, since the enactment of
15 TANF.

16 (D) The child poverty rate continued to de-
17 cline between 1996 and 2003, falling 14 percent
18 from 20.5 to 17.6 percent. Child poverty rates
19 for African-American and Hispanic children
20 have also fallen dramatically during the past 7
21 years.

22 (2) As a Nation, we have made substantial
23 progress in reducing teen pregnancies and births,
24 slowing increases in nonmarital childbearing, and

1 improving child support collections and paternity es-
2 tablishment.

3 (A) The birth rate to teenagers declined 30
4 percent from its high in 1991 to 2002. The
5 2002 teenage birth rate of 43.0 per 1,000
6 women aged 15–19 is the lowest recorded birth
7 rate for teenagers.

8 (B) During the period from 1991 through
9 2001, teenage birth rates fell in all States and
10 the District of Columbia, Puerto Rico, Guam,
11 and the Virgin Islands. Declines also have
12 spanned age, racial, and ethnic groups. There
13 has been success in lowering the birth rate for
14 both younger and older teens. The birth rate
15 for those 15–17 years of age has declined 40
16 percent since 1991, and the rate for those 18
17 and 19 has declined 23 percent. The rate for
18 African American teens—until recently the
19 highest—has declined the most—42 percent
20 from 1991 through 2002.

21 (C) Since the enactment of the Personal
22 Responsibility and Work Opportunity Reconcili-
23 ation Act of 1996, child support collections
24 within the child support enforcement system
25 have grown every year, increasing from

1 \$12,000,000,000 in fiscal year 1996 to over
2 \$21,000,000,000 in fiscal year 2003. The num-
3 ber of paternities established or acknowledged
4 in fiscal year 2003 (over 1,500,000) includes a
5 more than 100 percent increase through in-hos-
6 pital acknowledgement programs—862,043 in
7 2003 compared to 324,652 in 1996. Child sup-
8 port collections were made in nearly 8,000,000
9 cases in fiscal year 2003, significantly more
10 than the almost 4,000,000 cases having a col-
11 lection in 1996.

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

18 (A) Total Federal and State TANF ex-
19 penditures in fiscal year 2003 were
20 \$26,300,000,000, up from \$25,400,000,000 in
21 fiscal year 2002 and \$22,600,000,000 in fiscal
22 year 1999. This increased spending is attrib-
23 utable to significant new investments in sup-
24 portive services in the TANF program, such as
25 child care and activities to support work.

1 (B) Since the welfare reform effort began
2 there has been a dramatic increase in work par-
3 ticipation (including employment, community
4 service, and work experience) among welfare re-
5 cipients, as well as an unprecedented reduction
6 in the caseload because recipients have left wel-
7 fare for work.

8 (C) States are making policy choices and
9 investment decisions best suited to the needs of
10 their citizens.

11 (i) To expand aid to working families,
12 almost all States disregard a portion of a
13 family's earned income when determining
14 benefit levels.

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

22 (iii) States are experimenting with
23 programs to promote marriage and pater-
24 nal involvement. Over half of the States
25 have eliminated restrictions on 2-parent

1 families. Many States use TANF, child
2 support, or State funds to support commu-
3 nity-based activities to help fathers become
4 more involved in their children's lives or
5 strengthen relationships between mothers
6 and fathers.

7 (4) However, despite this success, there is still
8 progress to be made. Policies that support and pro-
9 mote more work, strengthen families, and enhance
10 State flexibility are necessary to continue to build on
11 the success of welfare reform.

12 (A) Significant numbers of welfare recipi-
13 ents still are not engaged in employment-related
14 activities. While all States have met the overall
15 work participation rates required by law, in an
16 average month, only 41 percent of all families
17 with an adult participated in work activities
18 that were countable toward the State's partici-
19 pation rate. In fiscal year 2003, four jurisdic-
20 tions failed to meet the more rigorous 2-parent
21 work requirements, and 25 jurisdictions (States
22 and territories) are not subject to the 2-parent
23 requirements, most because they moved their 2-
24 parent cases to separate State programs where

1 they are not subject to a penalty for failing the
2 2-parent rates.

3 (B) In 2002, 34 percent of all births in the
4 U.S. were to unmarried women. And, with
5 fewer teens entering marriage, the proportion of
6 births to unmarried teens has increased dra-
7 matically (80 percent in 2002 versus 30 percent
8 in 1970). The negative consequences of out-of-
9 wedlock birth on the mother, the child, the fam-
10 ily, and society are well documented. These in-
11 clude increased likelihood of welfare depend-
12 ency, increased risks of low birth weight, poor
13 cognitive development, child abuse and neglect,
14 and teen parenthood, and decreased likelihood
15 of having an intact marriage during adulthood.

16 (C) There has been a dramatic rise in co-
17 habitation as marriages have declined. It is esti-
18 mated that 40 percent of children are expected
19 to live in a cohabiting-parent family at some
20 point during their childhood. Children in single-
21 parent households and cohabiting-parent house-
22 holds are at much higher risk of child abuse
23 than children in intact married families.

24 (D) Children who live apart from their bio-
25 logical fathers, on average, are more likely to be

1 poor, experience educational, health, emotional,
2 and psychological problems, be victims of child
3 abuse, engage in criminal behavior, and become
4 involved with the juvenile justice system than
5 their peers who live with their married, biological
6 mother and father. A child living with a single
7 mother is nearly 5 times as likely to be poor
8 as a child living in a married-couple family. In
9 2003, in married-couple families, the child poverty
10 rate was 8.6 percent, and in households
11 headed by a single mother the poverty rate was
12 41.7 percent.

13 (5) Therefore, it is the sense of the Congress
14 that increasing success in moving families from welfare
15 to work, as well as in promoting healthy marriage
16 and other means of improving child well-being,
17 are very important Government interests and the
18 policy contained in part A of title IV of the Social
19 Security Act (as amended by this Act) is intended
20 to serve those ends.

21 **TITLE I—TANF**

22 **SEC. 101. PURPOSES.**

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

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

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

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

9 (4) in paragraph (4), by striking “two-parent
10 families” and inserting “healthy, 2-parent married
11 families, and encourage responsible fatherhood”.

12 **SEC. 102. FAMILY ASSISTANCE GRANTS.**

13 (a) EXTENSION OF AUTHORITY.—Section
14 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

15 (1) by striking “1996, 1997, 1998, 1999, 2000,
16 2001, 2002, and 2003” and inserting “2006
17 through 2010”; and

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

20 (b) STATE FAMILY ASSISTANCE GRANT.—Section
21 403(a)(1)(C) (42 U.S.C. 603(a)(1)(C)) is amended by
22 striking “fiscal year 2003” and inserting “each of fiscal
23 years 2006 through 2010”.

24 (c) MATCHING GRANTS FOR THE TERRITORIES.—
25 Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by

1 striking “1997 through 2003” and inserting “2006
2 through 2010”.

3 **SEC. 103. PROMOTION OF FAMILY FORMATION AND**
4 **HEALTHY MARRIAGE.**

5 (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.
6 602(a)(1)(A)) is amended by adding at the end the fol-
7 lowing:

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

11 (b) HEALTHY MARRIAGE PROMOTION GRANTS; RE-
12 PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY
13 RATIO.—

14 (1) IN GENERAL.—Section 403(a)(2) (42
15 U.S.C. 603(a)(2)) is amended to read as follows:

16 “(2) HEALTHY MARRIAGE PROMOTION
17 GRANTS.—

18 “(A) AUTHORITY.—The Secretary shall
19 award competitive grants to States, territories,
20 and tribal organizations for not more than 50
21 percent of the cost of developing and imple-
22 menting innovative programs to promote and
23 support healthy, married, 2-parent families.

24 “(B) HEALTHY MARRIAGE PROMOTION AC-
25 TIVITIES.—Funds provided under subparagraph

1 (A) shall be used to support any of the fol-
2 lowing programs or activities:

3 “(i) Public advertising campaigns on
4 the value of marriage and the skills needed
5 to increase marital stability and health.

6 “(ii) Education in high schools on the
7 value of marriage, relationship skills, and
8 budgeting.

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

16 “(iv) Pre-marital education and mar-
17 riage skills training for engaged couples
18 and for couples or individuals interested in
19 marriage.

20 “(v) Marriage enhancement and mar-
21 riage skills training programs for married
22 couples.

23 “(vi) Divorce reduction programs that
24 teach relationship skills.

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

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

9 “(C) APPROPRIATION.—

10 “(i) IN GENERAL.—Out of any money
11 in the Treasury of the United States not
12 otherwise appropriated, there are appro-
13 priated for each of fiscal years 2005
14 through 2010 \$100,000,000 for grants
15 under this paragraph.

16 “(ii) EXTENDED AVAILABILITY OF
17 FY2005 FUNDS.—Funds appropriated
18 under clause (i) for fiscal year 2005 shall
19 remain available to the Secretary through
20 fiscal year 2006, for grants under this
21 paragraph for fiscal year 2005.”.

22 (2) EFFECTIVE DATE.—The amendment made
23 by paragraph (1) shall take effect on the date of the
24 enactment of this Act.

1 (c) COUNTING OF SPENDING ON NON-ELIGIBLE
2 FAMILIES TO PREVENT AND REDUCE INCIDENCE OF
3 OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION
4 AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED
5 FAMILIES, OR ENCOURAGE RESPONSIBLE FATHER-
6 HOOD.—Section 409(a)(7)(B)(i) (42 U.S.C.
7 609(a)(7)(B)(i)) is amended by adding at the end the fol-
8 lowing:

9 “(V) COUNTING OF SPENDING
10 ON NON-ELIGIBLE FAMILIES TO PRE-
11 VENT AND REDUCE INCIDENCE OF
12 OUT-OF-WEDLOCK BIRTHS, ENCOUR-
13 AGE FORMATION AND MAINTENANCE
14 OF HEALTHY, 2-PARENT MARRIED
15 FAMILIES, OR ENCOURAGE RESPON-
16 SIBLE FATHERHOOD.—The term
17 ‘qualified State expenditures’ includes
18 the total expenditures by the State
19 during the fiscal year under all State
20 programs for a purpose described in
21 paragraph (3) or (4) of section
22 401(a).”.

1 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**
2 **CREASES IN CERTAIN STATES.**

3 Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amend-
4 ed—

5 (1) in subparagraph (E)—

6 (A) by striking “1998, 1999, 2000, and
7 2001” and inserting “2006 through 2009”; and

8 (B) by striking “, in a total amount not to
9 exceed \$800,000,000”;

10 (2) in subparagraph (G), by striking “2001”
11 and inserting “2009”; and

12 (3) by striking subparagraph (H) and inserting
13 the following:

14 “(H) FURTHER PRESERVATION OF GRANT
15 AMOUNTS.—A State that was a qualifying State
16 under this paragraph for fiscal year 2004 or
17 any prior fiscal year shall be entitled to receive
18 from the Secretary for each of fiscal years 2006
19 through 2009 a grant in an amount equal to
20 the amount required to be paid to the State
21 under this paragraph for the most recent fiscal
22 year for which the State was a qualifying
23 State.”.

1 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-**
 2 **MENT.**

3 (a) IN GENERAL.—Section 403(a)(4) (42 U.S.C.
 4 603(a)(4)) is amended—

5 (1) in the paragraph heading, by striking
 6 “HIGH PERFORMANCE STATES” and inserting “EM-
 7 PLOYMENT ACHIEVEMENT”; and

8 (2) by striking subparagraphs (A) through (F)
 9 and inserting the following:

10 “(A) IN GENERAL.—The Secretary shall
 11 make a grant pursuant to this paragraph to
 12 each State for each bonus year for which the
 13 State is an employment achievement State.

14 “(B) AMOUNT OF GRANT.—

15 “(i) IN GENERAL.—Subject to clause
 16 (ii) of this subparagraph, the Secretary
 17 shall determine the amount of the grant
 18 payable under this paragraph to an em-
 19 ployment achievement State for a bonus
 20 year, which shall be based on the perform-
 21 ance of the State as determined under sub-
 22 paragraph (D)(i) for the fiscal year that
 23 immediately precedes the bonus year.

24 “(ii) LIMITATION.—The amount pay-
 25 able to a State under this paragraph for a

1 bonus year shall not exceed 5 percent of
2 the State family assistance grant.

3 “(C) FORMULA FOR MEASURING STATE
4 PERFORMANCE.—

5 “(i) IN GENERAL.—Subject to clause
6 (ii), not later than October 1, 2006, the
7 Secretary, in consultation with the States,
8 shall develop a formula for measuring
9 State performance in operating the State
10 program funded under this part so as to
11 achieve the goals of employment entry, job
12 retention, and increased earnings from em-
13 ployment for families receiving assistance
14 under the program, as measured on an ab-
15 solute basis and on the basis of improve-
16 ment in State performance.

17 “(ii) SPECIAL RULE FOR BONUS YEAR
18 2006.—For the purposes of awarding a
19 bonus under this paragraph for bonus year
20 2006, the Secretary may measure the per-
21 formance of a State in fiscal year 2005
22 using the job entry rate, job retention rate,
23 and earnings gain rate components of the
24 formula developed under section

1 403(a)(4)(C) as in effect immediately be-
2 fore the effective date of this paragraph.

3 “(D) DETERMINATION OF STATE PER-
4 FORMANCE.—For each bonus year, the Sec-
5 retary shall—

6 “(i) use the formula developed under
7 subparagraph (C) to determine the per-
8 formance of each eligible State for the fis-
9 cal year that precedes the bonus year; and

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

12 “(I) the average annual total
13 amount of grants to be made under
14 this paragraph for each bonus year
15 equals \$100,000,000; and

16 “(II) the total amount of grants
17 to be made under this paragraph for
18 all bonus years equals \$600,000,000.

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

20 “(i) BONUS YEAR.—The term ‘bonus
21 year’ means each of fiscal years 2006
22 through 2011.

23 “(ii) EMPLOYMENT ACHIEVEMENT
24 STATE.—The term ‘employment achieve-
25 ment State’ means, with respect to a bonus

1 year, an eligible State whose performance
2 determined pursuant to subparagraph
3 (D)(i) for the fiscal year preceding the
4 bonus year equals or exceeds the perform-
5 ance standards prescribed under subpara-
6 graph (D)(ii) for such preceding fiscal
7 year.

8 “(F) APPROPRIATION.—

9 “(i) IN GENERAL.—Out of any money
10 in the Treasury of the United States not
11 otherwise appropriated, there are appro-
12 priated for fiscal years 2006 through 2011
13 \$600,000,000 for grants under this para-
14 graph.

15 “(ii) EXTENDED AVAILABILITY OF
16 PRIOR APPROPRIATION.—Amounts appro-
17 priated under section 403(a)(4)(F) of the
18 Social Security Act (as in effect before the
19 date of the enactment of this clause) that
20 have not been expended as of such date of
21 enactment shall remain available through
22 fiscal year 2006 for grants under section
23 403(a)(4) of such Act (as in effect before
24 such date of enactment) for bonus year
25 2005.[needed?]

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

9 (b) EFFECTIVE DATE.—The amendments made by
 10 subsection (a) shall take effect on the date of the enact-
 11 ment of this Act.

12 **SEC. 106. CONTINGENCY FUND.**

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

15 (1) by striking “1997, 1998, 1999, 2000, 2001,
 16 2002, and 2003” and inserting “2006 through
 17 2010”; and

18 (2) by striking all that follows
 19 “\$2,000,000,000” and inserting a period.

20 (b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C.
 21 603(b)(3)(C)(ii)) is amended by striking “fiscal years
 22 1997 through 2005” and inserting “fiscal years 2006
 23 through 2010”.

24 (c) DEFINITION OF NEEDY STATE.—Clauses (i) and
 25 (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are

1 amended by inserting after “1996” the following: “, and
 2 the Food Stamp Act of 1977 as in effect during the cor-
 3 responding 3-month period in the fiscal year preceding
 4 such most recently concluded 3-month period,”.

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

9 (1) in subparagraph (A)(ii)—

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

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

14 (C) by striking subclause (III);

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

18 (3) by amending subparagraph (B)(ii)(I) to
 19 read as follows:

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

24 (4) by striking subparagraph (C).

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

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

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

14 **SEC. 107. USE OF FUNDS.**

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

18 (b) TREATMENT OF INTERSTATE IMMIGRANTS.—

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

23 (2) USE OF FUNDS.—Section 404 (42 U.S.C.
 24 604) 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 2006 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, the skills, prior work expe-
 26 rience, 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, 2005, 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 plan” after
6 “rates”; and

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

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

10 (a) ELIMINATION OF SEPARATE PARTICIPATION
11 RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—

12 (1) Section 407 (42 U.S.C. 607) is amended in
13 each of subsections (a) and (b) by striking para-
14 graph (2).

15 (2) Section 407(b)(4) (42 U.S.C. 607(b)(4)) is
16 amended by striking “paragraphs (1)(B) and
17 (2)(B)” and inserting “paragraph (1)(B)”.

18 (3) Section 407(c)(1) (42 U.S.C. 607(c)(1)) is
19 amended by striking subparagraph (B).

20 (4) Section 407(c)(2)(D) (42 U.S.C.
21 607(c)(2)(D)) is amended by striking “paragraphs
22 (1)(B)(i) and (2)(B) of subsection (b)” and inserting
23 “subsection (b)(1)(B)(i)”.

1 (b) WORK PARTICIPATION REQUIREMENTS.—Section
 2 407 (42 U.S.C. 607) is amended by striking all that pre-
 3 cedes subsection (b)(3) and inserting the following:

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

5 “(a) PARTICIPATION RATE REQUIREMENTS.—A
 6 State to which a grant is made under section 403 for a
 7 fiscal year shall achieve a minimum participation rate
 8 equal to not less than—

9 “(1) 50 percent for fiscal year 2006;

10 “(2) 55 percent for fiscal year 2007;

11 “(3) 60 percent for fiscal year 2008;

12 “(4) 65 percent for fiscal year 2009; and

13 “(5) 70 percent for fiscal year 2010 and each
 14 succeeding fiscal year.

15 “(b) CALCULATION OF PARTICIPATION RATES.—

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

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

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

1 “(i) the total number of countable
2 hours (as defined in subsection (c)) with
3 respect to the counted families for the
4 State for the month; divided by

5 “(ii) 160 multiplied by the number of
6 counted families for the State for the
7 month.

8 “(B) COUNTED FAMILIES DEFINED.—

9 “(i) IN GENERAL.—In subparagraph
10 (A), the term ‘counted family’ means, with
11 respect to a State and a month, a family
12 that includes a work-eligible individual and
13 that receives assistance in the month under
14 the State program funded under this part,
15 subject to clause (ii).

16 “(ii) STATE OPTION TO EXCLUDE
17 CERTAIN FAMILIES.—At the option of a
18 State, the term ‘counted family’ shall not
19 include—

20 “(I) a family in the first month
21 for which the family receives assist-
22 ance from a State program funded
23 under this part on the basis of the
24 most recent application for such as-
25 sistance; or

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

4 “(iii) STATE OPTION TO INCLUDE IN-
5 DIVIDUALS RECEIVING ASSISTANCE UNDER
6 A TRIBAL FAMILY ASSISTANCE PLAN OR
7 TRIBAL WORK PROGRAM.—At the option of
8 a State, the term ‘counted family’ may in-
9 clude families in the State that are receiv-
10 ing assistance under a tribal family assist-
11 ance plan approved under section 412 or
12 under a tribal work program to which
13 funds are provided under this part.

14 “(C) WORK-ELIGIBLE INDIVIDUAL DE-
15 FINED.—In this section, the term ‘work-eligible
16 individual’ means an individual—

17 “(i) who is married or a single head
18 of household; and

19 “(ii) whose needs are (or, but for
20 sanctions under this part that have been in
21 effect for more than 3 months (whether or
22 not consecutive) in the preceding 12
23 months or under part D, would be) in-
24 cluded in determining the amount of cash
25 assistance to be provided to the family

1 under the State program funded under this
 2 part.”.

3 (c) RECALIBRATION OF CASELOAD REDUCTION
 4 CREDIT.—

5 (1) IN GENERAL.—Section 407(b)(3)(A)(ii) (42
 6 U.S.C. 607(b)(3)(A)(ii)) is amended to read as fol-
 7 lows:

8 “(ii) the average monthly number of
 9 families that received assistance under the
 10 State program funded under this part dur-
 11 ing the base year.”.

12 (2) CONFORMING AMENDMENT.—Section
 13 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended
 14 by striking “and eligibility criteria” and all that fol-
 15 lows through the close parenthesis and inserting
 16 “and the eligibility criteria in effect during the then
 17 applicable base year”.

18 (3) BASE YEAR DEFINED.—Section 407(b)(3)
 19 (42 U.S.C. 607(b)(3)) is amended by adding at the
 20 end the following:

21 “(C) BASE YEAR DEFINED.—In this para-
 22 graph, the term ‘base year’ means, with respect
 23 to a fiscal year—

24 “(i) if the fiscal year is fiscal year
 25 2006, fiscal year 1996;

1 “(ii) if the fiscal year is fiscal year
2 2007, fiscal year 1998;

3 “(iii) if the fiscal year is fiscal year
4 2008, fiscal year 2001; or

5 “(iv) if the fiscal year is fiscal year
6 2009 or any succeeding fiscal year, the
7 then 4th preceding fiscal year.”.

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

11 “(4) SUPERACHIEVER CREDIT.—

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

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

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

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

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

3 “(C) AMOUNT OF CREDIT.—The super-
4 achiever credit applicable to a State is the num-
5 ber of percentage points (if any) by which the
6 decline referred to in subparagraph (B) exceeds
7 60 percent.

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

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

15 “(ii) STATE CASELOAD FOR FISCAL
16 YEAR 1995.—The term ‘State caseload for
17 fiscal year 1995’ means the average
18 monthly number of families that received
19 aid under the State plan approved under
20 part A (as in effect on September 30,
21 1995) during fiscal year 1995.”.

22 (e) COUNTABLE HOURS.—Section 407 of such Act
23 (42 U.S.C. 607) is amended by striking subsections (c)
24 and (d) and inserting the following:

25 “(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, includ-
21 ing—

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 (f) 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 “(II) 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 fined 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.—

16 “(i) IN GENERAL.—In the event of a
17 conflict between a requirement of clause
18 (i)(II) or (ii) of subparagraph (A) and a
19 requirement of a State constitution, or of
20 a State statute that, before 1966, obligated
21 local government to provide assistance to
22 needy parents and children, the State con-
23 stitutional or statutory requirement shall
24 control.

1 “(ii) LIMITATION.—Clause (i) of this
 2 subparagraph shall not apply after the 1-
 3 year period that begins with the date of
 4 the enactment of this subparagraph.”.

5 (g) CONFORMING AMENDMENTS.—

6 (1) Section 407(f) (42 U.S.C. 607(f)) is amend-
 7 ed in each of paragraphs (1) and (2) by striking
 8 “work activity described in subsection (d)” and in-
 9 serting “direct work activity”.

10 (2) The heading of section 409(a)(14) (42
 11 U.S.C. 609(a)(14)) is amended by inserting “or re-
 12 fusing to engage in activities under a family self-suf-
 13 ficiency plan” after “work”.

14 **SEC. 111. MAINTENANCE OF EFFORT.**

15 (a) IN GENERAL.—Section 409(a)(7) (42 U.S.C.
 16 609(a)(7)) is amended—

17 (1) in subparagraph (A), by striking “fiscal
 18 year 1998, 1999, 2000, 2001, 2002, 2003, 2004,
 19 2005, or 2006” and inserting “fiscal year 2006,
 20 2007, 2008, 2009, 2010, or 2011”; and

21 (2) in subparagraph (B)(ii)—

22 (A) by inserting “preceding” before “fiscal
 23 year”; and

24 (B) by striking “for fiscal years 1997
 25 through 2005,”.

1 (b) STATE SPENDING ON PROMOTING HEALTHY
2 MARRIAGE.—

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

5 “(1) MARRIAGE PROMOTION.—A State, territory, or
6 tribal organization to which a grant is made under section
7 403(a)(2) may use a grant made to the State, territory,
8 or tribal organization under any other provision of section
9 403 for marriage promotion activities, and the amount of
10 any such grant so used shall be considered State funds
11 for purposes of section 403(a)(2).”.

12 (2) FEDERAL TANF FUNDS USED FOR MAR-
13 RIAGE PROMOTION DISREGARDED FOR PURPOSES OF
14 MAINTENANCE OF EFFORT REQUIREMENT.—Section
15 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as
16 amended by section 103(c) of this Act, is amended
17 by adding at the end the following:

18 “(VI) EXCLUSION OF FEDERAL
19 TANF FUNDS USED FOR MARRIAGE
20 PROMOTION ACTIVITIES.—Such term
21 does not include the amount of any
22 grant made to the State under section
23 403 that is expended for a marriage
24 promotion activity.”.

1 **SEC. 112. PERFORMANCE IMPROVEMENT.**

2 (a) STATE PLANS.—Section 402(a) (42 U.S.C.
3 602(a)) is amended—

4 (1) in paragraph (1)—

5 (A) in subparagraph (A)—

6 (i) by redesignating clause (vi) and
7 clause (vii) (as added by section 103(a) of
8 this Act) as clauses (vii) and (viii), respec-
9 tively; and

10 (ii) by striking clause (v) and insert-
11 ing the following:

12 “(v) The document shall—

13 “(I) describe how the State will
14 pursue ending dependence of needy
15 families on government benefits and
16 reducing poverty by promoting job
17 preparation and work;

18 “(II) describe how the State will
19 encourage the formation and mainte-
20 nance of healthy 2-parent married
21 families, encourage responsible father-
22 hood, and prevent and reduce the inci-
23 dence of out-of-wedlock pregnancies;

24 “(III) include specific, numerical,
25 and measurable performance objec-
26 tives for accomplishing subclauses (I)

1 and (II), and with respect to sub-
2 clause (I), include objectives con-
3 sistent with the criteria used by the
4 Secretary in establishing performance
5 targets under section 403(a)(4)(B) if
6 available; and

7 “(IV) describe the methodology
8 that the State will use to measure
9 State performance in relation to each
10 such objective.

11 “(vi) Describe any strategies and pro-
12 grams the State may be undertaking to ad-
13 dress—

14 “(I) employment retention and
15 advancement for recipients of assist-
16 ance under the program, including
17 placement into high-demand jobs, and
18 whether the jobs are identified using
19 labor market information;

20 “(II) efforts to reduce teen preg-
21 nancy;

22 “(III) services for struggling and
23 noncompliant families, and for clients
24 with special problems; and

1 “(IV) program integration, in-
2 cluding the extent to which employ-
3 ment and training services under the
4 program are provided through the
5 One-Stop delivery system created
6 under the Workforce Investment Act
7 of 1998, and the extent to which
8 former recipients of such assistance
9 have access to additional core, inten-
10 sive, or training services funded
11 through such Act.”; and

12 (B) in subparagraph (B), by striking
13 clause (iii) (as so redesignated by section
14 107(b)(1) of this Act) and inserting the fol-
15 lowing:

16 “(iii) The document shall describe
17 strategies and programs the State is un-
18 dertaking to engage religious organizations
19 in the provision of services funded under
20 this part and efforts related to section 104
21 of the Personal Responsibility and Work
22 Opportunity Reconciliation Act of 1996.

23 “(iv) The document shall describe
24 strategies to improve program manage-
25 ment and performance.”; and

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

3 (b) CONSULTATION WITH STATE REGARDING PLAN
 4 AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1)
 5 (42 U.S.C. 612(b)(1)) is amended—

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

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

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

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

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

17 “(k) PERFORMANCE IMPROVEMENT.—The Secretary,
 18 in consultation with the States, shall develop uniform per-
 19 formance measures designed to assess the degree of effec-
 20 tiveness, and the degree of improvement, of State pro-
 21 grams funded under this part in accomplishing the pur-
 22 poses of this part.”.

23 (d) ANNUAL RANKING OF STATES.—Section
 24 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking
 25 “long-term private sector jobs” and inserting “private sec-

1 tor jobs, the success of the recipients in retaining employ-
 2 ment, the ability of the recipients to increase their wages”.

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

4 (a) CONTENTS OF REPORT.—Section 411(a)(1)(A)
 5 (42 U.S.C. 611(a)(1)(A)) is amended—

6 (1) in the matter preceding clause (i), by insert-
 7 ing “and on families receiving assistance under
 8 State programs funded with other qualified State ex-
 9 penditures (as defined in section 409(a)(7)(B))” be-
 10 fore the colon;

11 (2) in clause (vii), by inserting “and minor par-
 12 ent” after “of each adult”;

13 (3) in clause (viii), by striking “and educational
 14 level”;

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

17 (5) in clause (x)—

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

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

22 (6) in clause (xi), by striking the subclauses
 23 and inserting the following:

24 “(I) Subsidized private sector
 25 employment.

1 “(II) Unsubsidized employment.

2 “(III) Public sector employment,
3 supervised work experience, or super-
4 vised community service.

5 “(IV) On-the-job training.

6 “(V) Job search and placement.

7 “(VI) Training.

8 “(VII) Education.

9 “(VIII) Other activities directed
10 at the purposes of this part, as speci-
11 fied in the State plan submitted pur-
12 suant to section 402.”;

13 (7) in clause (xii), by inserting “and progress
14 toward universal engagement” after “participation
15 rates”;

16 (8) in clause (xiii), by striking “type and” be-
17 fore “amount of assistance”;

18 (9) in clause (xvi), by striking subclause (II)
19 and redesignating subclauses (III) through (V) as
20 subclauses (II) through (IV), respectively; and

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

22 “(xviii) The date the family first re-
23 ceived assistance from the State program
24 on the basis of the most recent application
25 for such assistance.

1 “(xix) Whether a self-sufficiency plan
 2 is established for the family in accordance
 3 with section 408(b).

4 “(xx) With respect to any child in the
 5 family, the marital status of the parents at
 6 the birth of the child, and if the parents
 7 were not then married, whether the pater-
 8 nity of the child has been established.”.

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

11 (1) in clause (i)—

12 (A) by striking “a sample” and inserting
 13 “samples”; and

14 (B) by inserting before the period “, except
 15 that the Secretary may designate core data ele-
 16 ments that must be reported on all families”;
 17 and

18 (2) in clause (ii), by striking “funded under this
 19 part” and inserting “described in subparagraph
 20 (A)”.

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

24 (1) by striking paragraph (5);

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

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

5 “(6) REPORT ON FAMILIES THAT BECOME IN-
6 ELIGIBLE TO RECEIVE ASSISTANCE.—The report re-
7 quired by paragraph (1) for a fiscal quarter shall in-
8 clude for each month in the quarter the number of
9 families and total number of individuals that, during
10 the month, became ineligible to receive assistance
11 under the State program funded under this part
12 (broken down by the number of families that become
13 so ineligible due to earnings, changes in family com-
14 position that result in increased earnings, sanctions,
15 time limits, or other specified reasons).”.

16 (d) REGULATIONS.—Section 411(a)(7) (42 U.S.C.
17 611(a)(7)) is amended—

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

20 (2) by striking “subsection” and inserting “sec-
21 tion”; and

22 (3) by striking “in defining the data elements”
23 and all that follows and inserting “, the National
24 Governors’ Association, the American Public Human
25 Services Association, the National Conference of

1 State Legislatures, and others in defining the data
2 elements.”.

3 (e) ADDITIONAL REPORTS BY STATES.—Section 411
4 (42 U.S.C. 611) is amended—

5 (1) by redesignating subsection (b) as sub-
6 section (e); and

7 (2) by inserting after subsection (a) the fol-
8 lowing:

9 “(b) ANNUAL REPORTS ON PROGRAM CHARACTERIS-
10 TICS.—Not later than 90 days after the end of fiscal year
11 2006 and each succeeding fiscal year, each eligible State
12 shall submit to the Secretary a report on the characteris-
13 ties of the State program funded under this part and other
14 State programs funded with qualified State expenditures
15 (as defined in section 409(a)(7)(B)(i)). The report shall
16 include, with respect to each such program, the program
17 name, a description of program activities, the program
18 purpose, the program eligibility criteria, the sources of
19 program funding, the number of program beneficiaries,
20 sanction policies, and any program work requirements.

21 “(c) MONTHLY REPORTS ON CASELOAD.—Not later
22 than 3 months after the end of a calendar month that
23 begins 1 year or more after the enactment of this sub-
24 section, each eligible State shall submit to the Secretary
25 a report on the number of families and total number of

1 individuals receiving assistance in the calendar month
2 under the State program funded under this part.

3 “(d) ANNUAL REPORT ON PERFORMANCE IMPROVE-
4 MENT.—Beginning with fiscal year 2007, not later than
5 January 1 of each fiscal year, each eligible State shall sub-
6 mit to the Secretary a report on achievement and improve-
7 ment during the preceding fiscal year under the numerical
8 performance goals and measures under the State program
9 funded under this part with respect to each of the matters
10 described in section 402(a)(1)(A)(v).”.

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

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

17 (2) in paragraph (2), by striking “families ap-
18 plying for assistance,” and by striking the last
19 comma; and

20 (3) in paragraph (3), by inserting “and other
21 programs funded with qualified State expenditures
22 (as defined in section 409(a)(7)(B)(i))” before the
23 semicolon.

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

4 “(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT
5 REPORTS.—

6 “(1) IN GENERAL.—Within 3 months after a
7 State submits to the Secretary a report pursuant to
8 section 7502(a)(1)(A) of title 31, United States
9 Code, the Secretary shall analyze the report for the
10 purpose of identifying the extent and nature of prob-
11 lems related to the oversight by the State of non-
12 governmental entities with respect to contracts en-
13 tered into by such entities with the State program
14 funded under this part, and determining what addi-
15 tional actions may be appropriate to help prevent
16 and correct the problems.

17 “(2) INCLUSION OF PROGRAM OVERSIGHT SEC-
18 TION IN ANNUAL REPORT TO THE CONGRESS.—The
19 Secretary shall include in each report under sub-
20 section (e) a section on oversight of State programs
21 funded under this part, including findings on the ex-
22 tent and nature of the problems referred to in para-
23 graph (1), actions taken to resolve the problems, and
24 to the extent the Secretary deems appropriate make

1 recommendations on changes needed to resolve the
2 problems.”.

3 **SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY IN-**
4 **DIAN TRIBES.**

5 (a) TRIBAL FAMILY ASSISTANCE GRANT.—Section
6 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by
7 striking “1997, 1998, 1999, 2000, 2001, 2002, and 2003”
8 and inserting “2006 through 2010”.

9 (b) GRANTS FOR INDIAN TRIBES THAT RECEIVED
10 JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C.
11 612(a)(2)(A)) is amended by striking “1997, 1998, 1999,
12 2000, 2001, 2002, and 2003” and inserting “2006
13 through 2010”.

14 **SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
15 **IES.**

16 (a) SECRETARY’S FUND FOR RESEARCH, DEM-
17 ONSTRATIONS, AND TECHNICAL ASSISTANCE.—

18 (1) IN GENERAL.—Section 413 (42 U.S.C.
19 613), as amended by section 112(c) of this Act, is
20 further amended by adding at the end the following:

21 “(l) FUNDING FOR RESEARCH, DEMONSTRATIONS,
22 AND TECHNICAL ASSISTANCE.—

23 “(1) APPROPRIATION.—

24 “(A) IN GENERAL.—Out of any money in
25 the Treasury of the United States not otherwise

1 appropriated, there are appropriated
2 \$102,000,000 for each of fiscal years 2005
3 through 2010, which shall be available to the
4 Secretary for the purpose of conducting and
5 supporting research and demonstration projects
6 by public or private entities, and providing tech-
7 nical assistance to States, Indian tribal organi-
8 zations, and such other entities as the Secretary
9 may specify that are receiving a grant under
10 this part, which shall be expended primarily on
11 activities described in section 403(a)(2)(B), and
12 which shall be in addition to any other funds
13 made available under this part.

14 “(B) EXTENDED AVAILABILITY OF FY 2005
15 FUNDS.—Funds appropriated under this para-
16 graph for fiscal year 2005 shall remain avail-
17 able to the Secretary through fiscal year 2006,
18 for use in accordance with this paragraph for
19 fiscal year 2005.

20 “(2) SET ASIDE FOR DEMONSTRATION
21 PROJECTS FOR COORDINATION OF PROVISION OF
22 CHILD WELFARE AND TANF SERVICES TO TRIBAL
23 FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

24 “(A) IN GENERAL.—Of the amounts made
25 available under paragraph (1) for a fiscal year,

1 \$2,000,000 shall be awarded on a competitive
2 basis to fund demonstration projects designed
3 to test the effectiveness of tribal governments
4 or tribal consortia in coordinating the provision
5 to tribal families at risk of child abuse or ne-
6 glect of child welfare services and services
7 under tribal programs funded under this part.

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

10 “(i) to improve case management for
11 families eligible for assistance from such a
12 tribal program;

13 “(ii) for supportive services and as-
14 sistance to tribal children in out-of-home
15 placements and the tribal families caring
16 for such children, including families who
17 adopt such children; and

18 “(iii) for prevention services and as-
19 sistance to tribal families at risk of child
20 abuse and neglect.

21 “(C) REPORTS.—The Secretary may re-
22 quire a recipient of funds awarded under this
23 paragraph to provide the Secretary with such
24 information as the Secretary deems relevant to
25 enable the Secretary to facilitate and oversee

1 the administration of any project for which
2 funds are provided under this paragraph.”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall take effect on the date of the
5 enactment of this Act.

6 (b) FUNDING OF STUDIES AND DEMONSTRATIONS.—
7 Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in
8 the matter preceding subparagraph (A) by striking “1997
9 through 2002” and inserting “2006 through 2010”.

10 (c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDA-
11 VITS OF SUPPORT AND SPONSOR DEEMING.—Not later
12 than March 31, 2006, the Secretary of Health and Human
13 Services, in consultation with the Attorney General, shall
14 submit to the Congress a report on the enforcement of
15 affidavits of support and sponsor deeming as required by
16 section 421, 422, and 432 of the Personal Responsibility
17 and Work Opportunity Reconciliation Act of 1996.

18 (d) REPORT ON COORDINATION.—Not later than 6
19 months after the date of the enactment of this Act, the
20 Secretary of Health and Human Services and the Sec-
21 retary of Labor shall jointly submit a report to the Con-
22 gress describing common or conflicting data elements,
23 definitions, performance measures, and reporting require-
24 ments in the Workforce Investment Act of 1998 and part
25 A of title IV of the Social Security Act, and, to the degree

1 each Secretary deems appropriate, at the discretion of ei-
2 ther Secretary, any other program administered by the re-
3 spective Secretary, to allow greater coordination between
4 the welfare and workforce development systems.

5 **SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GOV-**
6 **ERNMENT ACCOUNTABILITY OFFICE.**

7 (a) CENSUS BUREAU STUDY.—

8 (1) IN GENERAL.—Section 414(a) (42 U.S.C.
9 614(a)) is amended to read as follows:

10 “(a) IN GENERAL.—The Bureau of the Census shall
11 implement or enhance a longitudinal survey of program
12 participation, developed in consultation with the Secretary
13 and made available to interested parties, to allow for the
14 assessment of the outcomes of continued welfare reform
15 on the economic and child well-being of low-income fami-
16 lies with children, including those who received assistance
17 or services from a State program funded under this part,
18 and, to the extent possible, shall provide State representa-
19 tive samples. The content of the survey should include
20 such information as may be necessary to examine the
21 issues of out-of-wedlock childbearing, marriage, welfare
22 dependency and compliance with work requirements, the
23 beginning and ending of spells of assistance, work, earn-
24 ings and employment stability, and the well-being of chil-
25 dren.”.

1 (2) APPROPRIATION.—Section 414(b) (42
2 U.S.C. 614(b)) is amended—

3 (A) by striking “1996,” and all that fol-
4 lows through “2003” and inserting “2006
5 through 2010”; and

6 (B) by adding at the end the following:
7 “Funds appropriated under this subsection
8 shall remain available through fiscal year 2010
9 to carry out subsection (a).”.

10 (b) GAO STUDY.—

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

21 (2) REPORT.—Not later than 1 year after the
22 date of the enactment of this subsection, the Comp-
23 troller General shall submit a report to Congress
24 containing the results of the study conducted under

1 this section and, as appropriate, any recommenda-
2 tions consistent with the results.

3 **SEC. 117. DEFINITION OF ASSISTANCE.**

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

6 “(6) ASSISTANCE.—

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

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

20 (b) CONFORMING AMENDMENTS.—

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

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

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

7 (4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is
8 amended by striking “assistance” and inserting
9 “aid”.

10 **SEC. 118. TECHNICAL CORRECTIONS.**

11 (a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is
12 amended by inserting a comma after “appropriate”.

13 (b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.
14 611(a)(1)(A)(ii)(III)) is amended by striking the last close
15 parenthesis.

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

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

23 (2) Each of the following provisions is amended by
24 striking “413(j)” and inserting “413(i)”:

1 (A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C.
2 603(a)(5)(A)(ii)(III)).

3 (B) Section 403(a)(5)(F) (42 U.S.C.
4 603(a)(5)(F)).

5 (C) Section 403(a)(5)(G)(ii) (42 U.S.C.
6 603(a)(5)(G)(ii)).

7 (D) Section 412(a)(3)(B)(iv) (42 U.S.C.
8 612(a)(3)(B)(iv)).

9 **SEC. 119. FATHERHOOD PROGRAM.**

10 (a) SHORT TITLE.—This section may be cited as the
11 “Promotion and Support of Responsible Fatherhood and
12 Healthy Marriage Act of 2005”.

13 (b) FATHERHOOD PROGRAM.—

14 (1) IN GENERAL.—Title I of the Personal Re-
15 sponsibility and Work Opportunity Reconciliation
16 Act of 1996 (Public Law 104–193) is amended by
17 adding at the end the following:

18 **“SEC. 117. FATHERHOOD PROGRAM.**

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

21 **‘PART C—FATHERHOOD PROGRAM**

22 **‘SEC. 441. FINDINGS AND PURPOSES.**

23 ‘(a) FINDINGS.—The Congress finds that there is
24 substantial evidence strongly indicating the urgent need
25 to promote and support involved, committed, and respon-

1 sible fatherhood, and to encourage and support healthy
2 marriages between parents raising children, including data
3 demonstrating the following:

4 ‘(1) In approximately 84 percent of cases where
5 a parent is absent, that parent is the father.

6 ‘(2) If current trends continue, half of all chil-
7 dren born today will live apart from one of their par-
8 ents, usually their father, at some point before they
9 turn 18.

10 ‘(3) Where families (whether intact or with a
11 parent absent) are living in poverty, a significant
12 factor is the father’s lack of job skills.

13 ‘(4) Committed and responsible fathering dur-
14 ing infancy and early childhood contributes to the
15 development of emotional security, curiosity, and
16 math and verbal skills.

17 ‘(5) An estimated 19,400,000 children (27 per-
18 cent) live apart from their biological father.

19 ‘(6) Forty percent of children under age 18 not
20 living with their biological father had not seen their
21 father even once in the last 12 months, according to
22 national survey data.

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

24 ‘(1) To provide for projects and activities by
25 public entities and by nonprofit community entities,

1 including religious organizations, designed to test
2 promising approaches to accomplishing the following
3 objectives:

4 ‘(A) Promoting responsible, caring, and ef-
5 fective parenting through counseling, men-
6 toring, and parenting education, dissemination
7 of educational materials and information on
8 parenting skills, encouragement of positive fa-
9 ther involvement, including the positive involve-
10 ment of nonresident fathers, and other meth-
11 ods.

12 ‘(B) Enhancing the abilities and commit-
13 ment of unemployed or low-income fathers to
14 provide material support for their families and
15 to avoid or leave welfare programs by assisting
16 them to take full advantage of education, job
17 training, and job search programs, to improve
18 work habits and work skills, to secure career
19 advancement by activities such as outreach and
20 information dissemination, coordination, as ap-
21 propriate, with employment services and job
22 training programs, including the One-Stop de-
23 livery system established under title I of the
24 Workforce Investment Act of 1998, encourage-
25 ment and support of timely payment of current

1 child support and regular payment toward past
2 due child support obligations in appropriate
3 cases, and other methods.

4 ‘(C) Improving fathers’ ability to effec-
5 tively manage family business affairs by means
6 such as education, counseling, and mentoring in
7 matters including household management,
8 budgeting, banking, and handling of financial
9 transactions, time management, and home
10 maintenance.

11 ‘(D) Encouraging and supporting healthy
12 marriages and married fatherhood through such
13 activities as premarital education, including the
14 use of premarital inventories, marriage prepara-
15 tion programs, skills-based marriage education
16 programs, marital therapy, couples counseling,
17 divorce education and reduction programs, di-
18 vorce mediation and counseling, relationship
19 skills enhancement programs, including those
20 designed to reduce child abuse and domestic vi-
21 olence, and dissemination of information about
22 the benefits of marriage for both parents and
23 children.

24 ‘(2) Through the projects and activities de-
25 scribed in paragraph (1), to improve outcomes for

1 children with respect to measures such as increased
2 family income and economic security, improved
3 school performance, better health, improved emo-
4 tional and behavioral stability and social adjustment,
5 and reduced risk of delinquency, crime, substance
6 abuse, child abuse and neglect, teen sexual activity,
7 and teen suicide.

8 ‘(3) To evaluate the effectiveness of various ap-
9 proaches and to disseminate findings concerning out-
10 comes and other information in order to encourage
11 and facilitate the replication of effective approaches
12 to accomplishing these objectives.

13 **‘SEC. 442. DEFINITIONS.**

14 ‘In this part, the terms “Indian tribe” and “tribal
15 organization” have the meanings given them in sub-
16 sections (e) and (l), respectively, of section 4 of the Indian
17 Self-Determination and Education Assistance Act.

18 **‘SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.**

19 ‘(a) IN GENERAL.—The Secretary may make grants
20 for fiscal years 2006 through 2010 to public and nonprofit
21 community entities, including religious organizations, and
22 to Indian tribes and tribal organizations, for demonstra-
23 tion service projects and activities designed to test the ef-
24 fectiveness of various approaches to accomplish the objec-
25 tives specified in section 441(b)(1).

1 ‘(b) ELIGIBILITY CRITERIA FOR FULL SERVICE
2 GRANTS.—In order to be eligible for a grant under this
3 section, except as specified in subsection (c), an entity
4 shall submit an application to the Secretary containing the
5 following:

6 ‘(1) PROJECT DESCRIPTION.—A statement in-
7 cluding—

8 ‘(A) a description of the project and how
9 it will be carried out, including the geographical
10 area to be covered and the number and charac-
11 teristics of clients to be served, and how it will
12 address each of the 4 objectives specified in sec-
13 tion 441(b)(1); and

14 ‘(B) a description of the methods to be
15 used by the entity or its contractor to assess
16 the extent to which the project was successful
17 in accomplishing its specific objectives and the
18 general objectives specified in section 441(b)(1).

19 ‘(2) EXPERIENCE AND QUALIFICATIONS.—A
20 demonstration of ability to carry out the project, by
21 means such as demonstration of experience in suc-
22 cessfully carrying out projects of similar design and
23 scope, and such other information as the Secretary
24 may find necessary to demonstrate the entity’s ca-
25 pacity to carry out the project, including the entity’s

1 ability to provide the non-Federal share of project
2 resources.

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

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

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

1 livery system), and such other programs as the Sec-
2 retary may require.

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

8 ‘(7) SELF-INITIATED EVALUATION.—If the enti-
9 ty elects to contract for independent evaluation of
10 the project (part or all of the cost of which may be
11 paid for using grant funds), a commitment to sub-
12 mit to the Secretary a copy of the evaluation report
13 within 30 days after completion of the report and
14 not more than 1 year after completion of the project.

15 ‘(8) COOPERATION WITH SECRETARY’S OVER-
16 SIGHT AND EVALUATION.—An agreement to cooper-
17 ate with the Secretary’s evaluation of projects as-
18 sisted under this section, by means including ran-
19 dom assignment of clients to service recipient and
20 control groups, if determined by the Secretary to be
21 appropriate, and affording the Secretary access to
22 the project and to project-related records and docu-
23 ments, staff, and clients.

24 ‘(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE
25 GRANTS.—In order to be eligible for a grant under this

1 section in an amount under \$25,000 per fiscal year, an
2 entity shall submit an application to the Secretary con-
3 taining the following:

4 ‘(1) PROJECT DESCRIPTION.—A description of
5 the project and how it will be carried out, including
6 the number and characteristics of clients to be
7 served, the proposed duration of the project, and
8 how it will address at least 1 of the 4 objectives
9 specified in section 441(b)(1).

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

14 ‘(3) COORDINATION WITH RELATED PRO-
15 GRAMS.—As required by the Secretary in appro-
16 priate cases, an undertaking to coordinate and co-
17 operate with State and local entities responsible for
18 specific programs relating to the objectives of the
19 project including, as appropriate, jobs programs and
20 programs serving children and families.

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

1 ‘(5) COOPERATION WITH SECRETARY’S OVER-
 2 SIGHT AND EVALUATION.—An agreement to cooper-
 3 ate with the Secretary’s evaluation of projects as-
 4 sisted under this section, by means including afford-
 5 ing the Secretary access to the project and to
 6 project-related records and documents, staff, and cli-
 7 ents.

8 ‘(d) CONSIDERATIONS IN AWARDING GRANTS.—

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

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

23 ‘(e) FEDERAL SHARE.—

24 ‘(1) IN GENERAL.—Grants for a project under
 25 this section for a fiscal year shall be available for a

1 share of the cost of such project in such fiscal year
 2 equal to—

3 ‘(A) up to 80 percent (or up to 90 percent,
 4 if the entity demonstrates to the Secretary’s
 5 satisfaction circumstances limiting the entity’s
 6 ability to secure non-Federal resources) in the
 7 case of a project under subsection (b); and

8 ‘(B) up to 100 percent, in the case of a
 9 project under subsection (c).

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

15 **‘SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION**
 16 **PROJECTS.**

17 ‘(a) IN GENERAL.—The Secretary may make grants
 18 under this section for fiscal years 2006 through 2010 to
 19 eligible entities (as specified in subsection (b)) for 2
 20 multicity, multistate projects demonstrating approaches to
 21 achieving the objectives specified in section 441(b)(1). One
 22 of the projects shall test the use of married couples to
 23 deliver program services.

24 ‘(b) ELIGIBLE ENTITIES.—An entity eligible for a
 25 grant under this section must be a national nonprofit fa-

1 therhood promotion organization that meets the following
2 requirements:

3 ‘(1) EXPERIENCE WITH FATHERHOOD PRO-
4 GRAMS.—The organization must have substantial ex-
5 perience in designing and successfully conducting
6 programs that meet the purposes described in sec-
7 tion 441.

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

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

23 ‘(1) QUALIFICATIONS.—

1 ‘(A) ELIGIBLE ENTITY.—A demonstration
2 that the entity meets the requirements of sub-
3 section (b).

4 ‘(B) OTHER.—Such other information as
5 the Secretary may find necessary to dem-
6 onstrate the entity’s capacity to carry out the
7 project, including the entity’s ability to provide
8 the non-Federal share of project resources.

9 ‘(2) PROJECT DESCRIPTION.—A description of
10 and commitments concerning the project design, in-
11 cluding the following:

12 ‘(A) IN GENERAL.—A detailed description
13 of the proposed project design and how it will
14 be carried out, which shall—

15 ‘(i) provide for the project to be con-
16 ducted in at least 3 major metropolitan
17 areas;

18 ‘(ii) state how it will address each of
19 the 4 objectives specified in section
20 441(b)(1);

21 ‘(iii) demonstrate that there is a suffi-
22 cient number of potential clients to allow
23 for the random selection of individuals to
24 participate in the project and for compari-
25 sons with appropriate control groups com-

posed of individuals who have not participated in such projects; and

‘(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

‘(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

‘(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

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

4 ‘(iii) will cooperate fully with the Sec-
5 retary’s ongoing oversight and ongoing and
6 final evaluation of the project, by means
7 including affording the Secretary access to
8 the project and to project-related records
9 and documents, staff, and clients.

10 ‘(3) ADDRESSING CHILD ABUSE AND NEGLECT
11 AND DOMESTIC VIOLENCE.—A description of how
12 the entity will assess for the presence of, and inter-
13 vene to resolve, domestic violence and child abuse
14 and neglect, including how the entity will coordinate
15 with State and local child protective service and do-
16 mestic violence programs.

17 ‘(4) ADDRESSING CONCERNS RELATING TO
18 SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-
19 mitment to make available to each individual partici-
20 pating in the project education about alcohol, to-
21 bacco, and other drugs, and about the health risks
22 associated with abusing such substances, and infor-
23 mation about diseases and conditions transmitted
24 through substance abuse and sexual contact, includ-

1 ing HIV/AIDS, and to coordinate with providers of
2 services addressing such problems, as appropriate.

3 ‘(5) COORDINATION WITH SPECIFIED PRO-
4 GRAMS.—An undertaking to coordinate, as appro-
5 priate, with State and local entities responsible for
6 the programs funded under parts A, B, and D of
7 this title, programs under title I of the Workforce
8 Investment Act of 1998 (including the One-Stop de-
9 livery system), and such other programs as the Sec-
10 retary may require.

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

18 ‘(d) FEDERAL SHARE.—

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

23 ‘(2) NON-FEDERAL SHARE.—The non-Federal
24 share may be in cash or in kind. In determining the
25 amount of the non-Federal share, the Secretary may

1 attribute fair market value to goods, services, and
2 facilities contributed from non-Federal sources.

3 **‘SEC. 445. EVALUATION.**

4 ‘(a) IN GENERAL.—The Secretary, directly or by con-
5 tract or cooperative agreement, shall evaluate the effec-
6 tiveness of service projects funded under sections 443 and
7 444 from the standpoint of the purposes specified in sec-
8 tion 441(b)(1).

9 ‘(b) EVALUATION METHODOLOGY.—Evaluations
10 under this section shall—

11 ‘(1) include, to the maximum extent feasible,
12 random assignment of clients to service delivery and
13 control groups and other appropriate comparisons of
14 groups of individuals receiving and not receiving
15 services;

16 ‘(2) describe and measure the effectiveness of
17 the projects in achieving their specific project goals;
18 and

19 ‘(3) describe and assess, as appropriate, the im-
20 pact of such projects on marriage, parenting, domes-
21 tic violence, child abuse and neglect, money manage-
22 ment, employment and earnings, payment of child
23 support, and child well-being, health, and education.

1 ‘(c) EVALUATION REPORTS.—The Secretary shall
2 publish the following reports on the results of the evalua-
3 tion:

4 ‘(1) An implementation evaluation report cov-
5 ering the first 24 months of the activities under this
6 part to be completed by 36 months after initiation
7 of such activities.

8 ‘(2) A final report on the evaluation to be com-
9 pleted by September 30, 2013.

10 **‘SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**

11 ‘The Secretary is authorized, by grant, contract, or
12 cooperative agreement, to carry out projects and activities
13 of national significance relating to fatherhood promotion,
14 including—

15 ‘(1) COLLECTION AND DISSEMINATION OF IN-
16 FORMATION.—Assisting States, communities, and
17 private entities, including religious organizations, in
18 efforts to promote and support marriage and respon-
19 sible fatherhood by collecting, evaluating, developing,
20 and making available (through the Internet and by
21 other means) to all interested parties information re-
22 garding approaches to accomplishing the objectives
23 specified in section 441(b)(1).

24 ‘(2) MEDIA CAMPAIGN.—Developing, promoting,
25 and distributing to interested States, local govern-

1 ments, public agencies, and private nonprofit organi-
2 zations, including charitable and religious organiza-
3 tions, a media campaign that promotes and encour-
4 ages involved, committed, and responsible fatherhood
5 and married fatherhood.

6 “(3) TECHNICAL ASSISTANCE.—Providing tech-
7 nical assistance, including consultation and training,
8 to public and private entities, including community
9 organizations and faith-based organizations, in the
10 implementation of local fatherhood promotion pro-
11 grams.

12 “(4) RESEARCH.—Conducting research related
13 to the purposes of this part.

14 **‘SEC. 447. NONDISCRIMINATION.**

15 ‘The projects and activities assisted under this part
16 shall be available on the same basis to all fathers and ex-
17 pectant fathers able to benefit from such projects and ac-
18 tivities, including married and unmarried fathers and cus-
19 todial and noncustodial fathers, with particular attention
20 to low-income fathers, and to mothers and expectant
21 mothers on the same basis as to fathers.

1 **‘SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RES-**
 2 **ERVATION FOR CERTAIN PURPOSE.**

3 ‘(a) AUTHORIZATION.—There are authorized to be
 4 appropriated \$20,000,000 for each of fiscal years 2006
 5 through 2010 to carry out the provisions of this part.

6 ‘(b) RESERVATION.—Of the amount appropriated
 7 under this section for each fiscal year, not more than 15
 8 percent shall be available for the costs of the multicounty,
 9 multicounty, multistate demonstration projects under sec-
 10 tion 444, evaluations under section 445, and projects of
 11 national significance under section 446.’.

12 “(b) INAPPLICABILITY OF EFFECTIVE DATE PROVI-
 13 SIONS.—Section 116 shall not apply to the amendment
 14 made by subsection (a) of this section.”.

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

“117. Fatherhood program.”.

19 **SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MAN-**
 20 **DATORY PARTNERS WITH ONE-STOP EMPLOY-**
 21 **MENT TRAINING CENTERS.**

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

24 “(h) STATE OPTION TO MAKE TANF PROGRAMS
 25 MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT

1 TRAINING CENTERS.—For purposes of section 121(b) of
 2 the Workforce Investment Act of 1998, a State program
 3 funded under part A of title IV of the Social Security Act
 4 shall be considered a program referred to in paragraph
 5 (1)(B) of such section, unless, after the date of the enact-
 6 ment of this subsection, the Governor of the State notifies
 7 the Secretaries of Health and Human Services and Labor
 8 in writing of the decision of the Governor not to make
 9 the State program a mandatory partner.”.

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

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

13 **SEC. 122. EXTENSION THROUGH FISCAL YEAR 2005.**

14 (a) IN GENERAL.—Except as otherwise provided in
 15 this Act and the amendments made by this Act, activities
 16 authorized by part A of title IV of the Social Security Act,
 17 and by sections 429A, 1108(b), and 1130(a) of such Act,
 18 shall continue through September 30, 2005, in the manner
 19 authorized for fiscal year 2004, and out of any money in
 20 the Treasury of the United States not otherwise appro-
 21 priated, there are hereby appropriated such sums as may
 22 be necessary for such purpose. Grants and payments may
 23 be made pursuant to this authority through the fourth
 24 quarter of fiscal year 2005 at the level provided for such
 25 activities through the fourth quarter of fiscal year 2004,

1 except that in the case of section 403(a)(4) of such Act,
2 the level shall be \$100,000,000.

3 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
4 fect on the date of the enactment of this Act.

5 **TITLE II—CHILD CARE**

6 **SEC. 201. SHORT TITLE.**

7 This title may be cited as the “Caring for Children
8 Act of 2005”.

9 **SEC. 202. GOALS.**

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

13 (1) in paragraph (3) by striking “encourage”
14 and inserting “assist”,

15 (2) by amending paragraph (4) to read as fol-
16 lows:

17 “(4) to assist States to provide child care to
18 low-income parents;”,

19 (3) by redesignating paragraph (5) as para-
20 graph (7), and

21 (4) by inserting after paragraph (4) the fol-
22 lowing:

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

1 “(6) to promote school readiness by encour-
 2 aging the exposure of young children in child care to
 3 nurturing environments and developmentally-appro-
 4 priate activities, including activities to foster early
 5 cognitive and literacy development; and”.

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

10 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 658B of the Child Care and Development
 12 Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

13 (1) by striking “is” and inserting “are”, and

14 (2) by striking “\$1,000,000,000 for each of the
 15 fiscal years 1996 through 2002” and inserting
 16 “\$2,100,000,000 for fiscal year 2005,
 17 \$2,300,000,000 for fiscal year 2006,
 18 \$2,500,000,000 for fiscal year 2007,
 19 \$2,700,000,000 for fiscal year 2008,
 20 \$2,900,000,000 for fiscal year 2009, and
 21 \$3,100,000,000 for fiscal year 2010”.

22 **SEC. 204. APPLICATION AND PLAN.**

23 Section 658E(c)(2) of the Child Care and Develop-
 24 ment Block Grant Act of 1990 (42 U.S.C. 9858C(c)(2))
 25 is amended—

1 (1) by amending subparagraph (D) to read as
2 follows:

3 “(D) CONSUMER AND CHILD CARE PRO-
4 VIDER EDUCATION INFORMATION.—Certify that
5 the State will collect and disseminate, through
6 resource and referral services and other means
7 as determined by the State, to parents of eligi-
8 ble children, child care providers, and the gen-
9 eral public, information regarding—

10 “(i) the promotion of informed child
11 care choices, including information about
12 the quality and availability of child care
13 services;

14 “(ii) research and best practices on
15 children’s development, including early cog-
16 nitive development;

17 “(iii) the availability of assistance to
18 obtain child care services; and

19 “(iv) other programs for which fami-
20 lies that receive child care services for
21 which financial assistance is provided
22 under this subchapter may be eligible, in-
23 cluding the food stamp program, the WIC
24 program under section 17 of the Child Nu-
25 trition Act of 1966, the child and adult

1 care food program under section 17 of the
2 Richard B. Russell National School Lunch
3 Act, and the medicaid and SCHIP pro-
4 grams under titles XIX and XXI of the
5 Social Security Act.”, and

6 (2) by inserting after subparagraph (H) the fol-
7 lowing:

8 “(I) COORDINATION WITH OTHER EARLY
9 CHILD CARE SERVICES AND EARLY CHILDHOOD
10 EDUCATION PROGRAMS.—Demonstrate how the
11 State is coordinating child care services pro-
12 vided under this subchapter with Head Start,
13 Early Reading First, Even Start, Ready-To-
14 Learn Television, State pre-kindergarten pro-
15 grams, and other early childhood education pro-
16 grams to expand accessibility to and continuity
17 of care and early education without displacing
18 services provided by the current early care and
19 education delivery system.

20 “(J) PUBLIC-PRIVATE PARTNERSHIPS.—
21 Demonstrate how the State encourages partner-
22 ships with private and other public entities to
23 leverage existing service delivery systems of
24 early childhood education and increase the sup-
25 ply and quality of child care services.

1 “(K) CHILD CARE SERVICE QUALITY.—

2 “(i) CERTIFICATION.—For each fiscal
3 year after fiscal year 2006, certify that
4 during the then preceding fiscal year the
5 State was in compliance with section 658G
6 and describe how funds were used to com-
7 ply with such section during such pre-
8 ceding fiscal year.

9 “(ii) STRATEGY.—For each fiscal year
10 after fiscal year 2006, contain an outline
11 of the strategy the State will implement
12 during such fiscal year for which the State
13 plan is submitted, to address the quality of
14 child care services in the State available to
15 low-income parents from eligible child care
16 providers, and include in such strategy—

17 “(I) a statement specifying how
18 the State will address the activities
19 described in paragraphs (1), (2), and
20 (3) of section 658G;

21 “(II) a description of quantifi-
22 able, objective measures for evaluating
23 the quality of child care services sepa-
24 rately with respect to the activities
25 listed in each of such paragraphs that

1 the State will use to evaluate its
2 progress in improving the quality of
3 such child care services;

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

8 “(IV) for each fiscal year after
9 fiscal year 2006, a report on the
10 progress made to achieve such targets
11 during the then preceding fiscal year.

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

17 “(L) ACCESS TO CARE FOR CERTAIN POPU-
18 LATIONS.—Demonstrate how the State is ad-
19 dressing the child care needs of parents eligible
20 for child care services for which financial assist-
21 ance is provided under this subchapter who
22 have children with special needs, work nontradi-
23 tional hours, or require child care services for
24 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 in the State available to low-income parents from eli-
14 gible child care providers. 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 2007, 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 amend-
 14 ed—

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 2006 through 2010.”.

TITLE III—CHILD SUPPORT

SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.

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

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

(2) by adding at the end the following:

“(7) FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

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

“(B) the total of the amounts so distributed to the family during the month—

“(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

1 “(ii) does not exceed the greater of—
 2 “(I) \$100; or
 3 “(II) \$50 plus the amount de-
 4 scribed in clause (i); and
 5 “(C) the amount is disregarded in deter-
 6 mining the amount and type of assistance pro-
 7 vided to the family under the State program
 8 funded under part A.”.

9 (b) APPLICABILITY.—The amendments made by sub-
 10 section (a) shall apply to amounts distributed on or after
 11 October 1, 2007.

12 **SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD**
 13 **SUPPORT PAYMENTS TO FAMILIES THAT**
 14 **FORMERLY RECEIVED TANF.**

15 (a) IN GENERAL.—Section 457(a) (42 U.S.C.
 16 657(a)), as amended by section 301(a) of this Act, is
 17 amended—

18 (1) in paragraph (2)(B), in the matter pre-
 19 ceding clause (i), by inserting “, except as provided
 20 in paragraph (8),” after “shall”; and

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

22 “(8) STATE OPTION TO PASS THROUGH ALL
 23 CHILD SUPPORT PAYMENTS TO FAMILIES THAT FOR-
 24 MERLY RECEIVED TANF.—In lieu of applying para-
 25 graph (2) to any family described in paragraph (2),

1 a State may distribute to the family any amount col-
 2 lected during a month on behalf of the family.”.

3 (b) APPLICABILITY.—The amendments made by sub-
 4 section (a) shall apply to amounts distributed on or after
 5 October 1, 2007.

6 **SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF**
 7 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**
 8 **CEIVING TANF.**

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

11 (1) by striking “parent, or,” and inserting
 12 “parent or”; and

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

15 (b) EFFECTIVE DATE.—The amendments made by
 16 subsection (a) shall take effect on October 1, 2007.

17 **SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**
 18 **PORT COLLECTION FOR FAMILY THAT HAS**
 19 **NEVER RECEIVED TANF.**

20 (a) IN GENERAL.—Section 454(6)(B) (42 U.S.C.
 21 654(6)(B)) is amended—

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

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

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

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

3 “(ii) in the case of an individual who has
 4 never received assistance under a State pro-
 5 gram funded under part A and for whom the
 6 State has collected at least \$500 of support, the
 7 State shall impose an annual fee of \$25 for
 8 each case in which services are furnished, which
 9 shall be retained by the State from support col-
 10 lected on behalf of the individual (but not from
 11 the 1st \$500 so collected), paid by the indi-
 12 vidual applying for the services, recovered from
 13 the absent parent, or paid by the State out of
 14 its own funds (the payment of which from State
 15 funds shall not be considered as an administra-
 16 tive cost of the State for the operation of the
 17 plan, and such fees shall be considered income
 18 to the program);”.

19 (b) CONFORMING AMENDMENT.—Section 457(a)(3)
 20 (42 U.S.C. 657(a)(3)) is amended to read as follows:

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

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 2006.

3 **SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT**
4 **PAYMENTS.**

5 Not later than 6 months after the date of the enact-
6 ment of this Act, the Secretary of Health and Human
7 Services shall submit to the Committee on Ways and
8 Means of the House of Representatives and the Committee
9 on Finance of the Senate a report on the procedures that
10 the States use generally to locate custodial parents for
11 whom child support has been collected but not yet distrib-
12 uted. The report shall include an estimate of the total
13 amount of undistributed child support and the average
14 length of time it takes undistributed child support to be
15 distributed. To the extent the Secretary deems appro-
16 priate, the Secretary shall include in the report rec-
17 ommendations as to whether additional procedures should
18 be established at the State or Federal level to expedite
19 the payment of undistributed child support.

20 **SEC. 306. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**
21 **REARAGE TRIGGERING PASSPORT DENIAL.**

22 (a) IN GENERAL.—Section 452(k)(1) (42 U.S.C.
23 652(k)(1)) is amended by striking “\$5,000” and inserting
24 “\$2,500”.

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

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall take effect on October 1, 2006.

6 **SEC. 307. USE OF TAX REFUND INTERCEPT PROGRAM TO**
 7 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
 8 **HALF OF CHILDREN WHO ARE NOT MINORS.**

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

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

14 (2) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) by striking “(1) Except as pro-
 17 vided in paragraph (2), as used in” and in-
 18 serting “In”; and

19 (ii) by inserting “(whether or not a
 20 minor)” after “a child” each place it ap-
 21 pears; and

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

23 (b) EFFECTIVE DATE.—The amendments made by
 24 subsection (a) shall take effect on October 1, 2007.

1 **SEC. 308. GARNISHMENT OF COMPENSATION PAID TO VET-**
2 **ERANS FOR SERVICE-CONNECTED DISABIL-**
3 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
4 **PORT OBLIGATIONS.**

5 (a) IN GENERAL.—Section 459(h) (42 U.S.C.
6 659(h)) is amended—

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

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

11 “(3) LIMITATIONS WITH RESPECT TO COM-
12 PENSATION PAID TO VETERANS FOR SERVICE-CON-
13 NECTED DISABILITIES.—Notwithstanding any other
14 provision of this section:

15 “(A) Compensation described in paragraph
16 (1)(A)(ii)(V) shall not be subject to withholding
17 pursuant to this section—

18 “(i) for payment of alimony; or

19 “(ii) for payment of child support if
20 the individual is fewer than 60 days in ar-
21 rears in payment of the support.

22 “(B) Not more than 50 percent of any
23 payment of compensation described in para-
24 graph (1)(A)(ii)(V) may be withheld pursuant
25 to this section.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall take effect on October 1, 2007.

3 **SEC. 309. IMPROVING FEDERAL DEBT COLLECTION PRAC-**
4 **TICES.**

5 (a) IN GENERAL.—Section 3716(h)(3) of title 31,
6 United States Code, is amended to read as follows:

7 “(3) In applying this subsection with respect to any
8 debt owed to a State, other than past due support being
9 enforced by the State, subsection (c)(3)(A) shall not apply.
10 Subsection (c)(3)(A) shall apply with respect to past due
11 support being enforced by the State notwithstanding any
12 other provision of law, including sections 207 and
13 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and
14 1383(d)(1)), section 413(b) of Public law 91–173 (30
15 U.S.C. 923(b)), and section 14 of the Act of August 29,
16 1935 (45 U.S.C. 231m).”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall take effect on October 1, 2006.

19 **SEC. 310. MAINTENANCE OF TECHNICAL ASSISTANCE**
20 **FUNDING.**

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

1 **SEC. 311. MAINTENANCE OF FEDERAL PARENT LOCATOR**
 2 **SERVICE FUNDING.**

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

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

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

10 **TITLE IV—CHILD WELFARE**

11 **SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-**
 12 **ONSTRATION PROJECTS.**

13 Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is
 14 amended by striking “2002” and inserting “2010”.

15 **SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF**
 16 **WAIVERS.**

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

19 **SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF**
 20 **STATES THAT MAY BE GRANTED WAIVERS TO**
 21 **CONDUCT DEMONSTRATION PROJECTS ON**
 22 **SAME TOPIC.**

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

25 “(h) NO LIMIT ON NUMBER OF STATES THAT MAY
 26 BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR

1 DEMONSTRATION PROJECTS.—The Secretary shall not
 2 refuse to grant a waiver to a State under this section on
 3 the grounds that a purpose of the waiver or of the dem-
 4 onstration project for which the waiver is necessary would
 5 be the same as or similar to a purpose of another waiver
 6 or project that is or may be conducted under this sec-
 7 tion.”.

8 **SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF**
 9 **WAIVERS THAT MAY BE GRANTED TO A SIN-**
 10 **GLE STATE FOR DEMONSTRATION PROJECTS.**

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

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

20 **SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF**
 21 **AMENDMENTS TO AND EXTENSIONS OF DEM-**
 22 **ONSTRATION PROJECTS REQUIRING WAIV-**
 23 **ERS.**

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

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

6 **SEC. 406. AVAILABILITY OF REPORTS.**

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

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

16 **SEC. 407. TECHNICAL CORRECTION.**

17 Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is
 18 amended by striking “422(b)(9)” and inserting
 19 “422(b)(10)”.

20 **TITLE V—SUPPLEMENTAL**
 21 **SECURITY INCOME**

22 **SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**
 23 **ABILITY DETERMINATIONS.**

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

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

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

11 “(i) at least 20 percent of all determinations re-
12 ferred to in paragraph (1) that are made in fiscal
13 year 2006;

14 “(ii) at least 40 percent of all such determina-
15 tions that are made in fiscal year 2007; and

16 “(iii) at least 50 percent of all such determina-
17 tions that are made in fiscal year 2008 or thereafter.

18 “(B) In carrying out subparagraph (A), the Commis-
19 sioner of Social Security shall, to the extent feasible, select
20 for review the determinations which the Commissioner of
21 Social Security identifies as being the most likely to be
22 incorrect.”.

1 **TITLE VI—STATE AND LOCAL**
2 **FLEXIBILITY**

3 **SEC. 601. PROGRAM COORDINATION DEMONSTRATION**
4 **PROJECTS.**

5 (a) PURPOSE.—The purpose of this section is to es-
6 tablish a program of demonstration projects in a State or
7 portion of a State to coordinate multiple public assistance,
8 workforce development, and other programs, for the pur-
9 pose of supporting working individuals and families, help-
10 ing families escape welfare dependency, promoting child
11 well-being, or helping build stronger families, using inno-
12 vative approaches to strengthen service systems and pro-
13 vide more coordinated and effective service delivery.

14 (b) DEFINITIONS.—In this section:

15 (1) ADMINISTERING SECRETARY.—The term
16 “administering Secretary” means, with respect to a
17 qualified program, the head of the Federal agency
18 responsible for administering the program.

19 (2) QUALIFIED PROGRAM.—The term “qualified
20 program” means—

21 (A) a program under part A of title IV of
22 the Social Security Act;

23 (B) the program under title XX of such
24 Act;

1 (C) activities funded under title I of the
2 Workforce Investment Act of 1998, except sub-
3 title C of such title;

4 (D) a demonstration project authorized
5 under section 505 of the Family Support Act of
6 1988;

7 (E) activities funded under the Wagner-
8 Peyser Act;

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

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

13 (H) activities funded under the United
14 States Housing Act of 1937 (42 U.S.C. 1437 et
15 seq.), except that such term shall not include—

16 (i) any program for rental assistance
17 under section 8 of such Act (42 U.S.C.
18 1437f); and

19 (ii) the program under section 7 of
20 such Act (42 U.S.C. 1437e) for design-
21 ating public housing for occupancy by
22 certain populations;

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

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

4 (c) APPLICATION REQUIREMENTS.—The head of a
5 State entity or of a sub-State entity administering 2 or
6 more qualified programs proposed to be included in a dem-
7 onstration project under this section shall (or, if the
8 project is proposed to include qualified programs adminis-
9 tered by 2 or more such entities, the heads of the admin-
10 istering entities (each of whom shall be considered an ap-
11 plicant for purposes of this section) shall jointly) submit
12 to the administering Secretary of each such program an
13 application that contains the following:

14 (1) PROGRAMS INCLUDED.—A statement identi-
15 fying each qualified program to be included in the
16 project, and describing how the purposes of each
17 such program will be achieved by the project.

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

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

23 (A) a description of how the project is ex-
24 pected to improve or enhance achievement of
25 the purposes of the programs to be included in

1 the project, from the standpoint of quality, of
2 cost-effectiveness, or of both; and

3 (B) a description of the performance objec-
4 tives for the project, including any proposed
5 modifications to the performance measures and
6 reporting requirements used in the programs.

7 (4) WAIVERS REQUESTED.—A description of
8 the statutory and regulatory requirements with re-
9 spect to which a waiver is requested in order to
10 carry out the project, and a justification of the need
11 for each such waiver.

12 (5) COST NEUTRALITY.—Such information and
13 assurances as necessary to establish to the satisfac-
14 tion of the administering Secretary, in consultation
15 with the Director of the Office of Management and
16 Budget, that the proposed project is reasonably ex-
17 pected to meet the applicable cost neutrality require-
18 ments of subsection (d)(4).

19 (6) EVALUATION AND REPORTS.—An assurance
20 that the applicant will conduct ongoing and final
21 evaluations of the project, and make interim and
22 final reports to the administering Secretary, at such
23 times and in such manner as the administering Sec-
24 retary may require.

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

5 (A) a certification that the applicable an-
6 nual public housing agency plan of any agency
7 affected by the project that is approved under
8 section 5A of the United States Housing Act of
9 1937 (42 U.S.C. 1437c–1) by the Secretary in-
10 cludes the information specified in paragraphs
11 (1) through (4) of this subsection; and

12 (B) any resident advisory board rec-
13 ommendations, and other information, relating
14 to the project that, pursuant to section
15 5A(e)(2) of the United States Housing Act of
16 1937 (42 U.S.C. 1437c–1(e)(2)), is required to
17 be included in the public housing agency plan of
18 any public housing agency affected by the
19 project.

20 (8) OTHER INFORMATION AND ASSURANCES.—
21 Such other information and assurances as the ad-
22 ministering Secretary may require.

23 (d) APPROVAL OF APPLICATIONS.—

24 (1) IN GENERAL.—The administering Secretary
25 with respect to a qualified program that is identified

1 in an application submitted pursuant to subsection
2 (c) may approve the application and, except as pro-
3 vided in paragraph (2), waive any requirement appli-
4 cable to the program, to the extent consistent with
5 this section and necessary and appropriate for the
6 conduct of the demonstration project proposed in the
7 application, if the administering Secretary deter-
8 mines that the project—

9 (A) has a reasonable likelihood of achieving
10 the objectives of the programs to be included in
11 the project;

12 (B) may reasonably be expected to meet
13 the applicable cost neutrality requirements of
14 paragraph (4), as determined by the Director of
15 the Office of Management and Budget; and

16 (C) includes the coordination of 2 or more
17 qualified programs.

18 (2) PROVISIONS EXCLUDED FROM WAIVER AU-
19 THORITY.—A waiver shall not be granted under
20 paragraph (1)—

21 (A) with respect to any provision of law re-
22 lating to—

23 (i) civil rights or prohibition of dis-
24 crimination;

25 (ii) purposes or goals of any program;

1 (iii) maintenance of effort require-
2 ments;

3 (iv) health or safety;

4 (v) labor standards under the Fair
5 Labor Standards Act of 1938; or

6 (vi) environmental protection;

7 (B) with respect to section 241(a) of the
8 Adult Education and Family Literacy Act;

9 (C) in the case of a program under the
10 United States Housing Act of 1937 (42 U.S.C.
11 1437 et seq.), with respect to any requirement
12 under section 5A of such Act (42 U.S.C.
13 1437c–1; relating to public housing agency
14 plans and resident advisory boards);

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

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

23 (i) section 6 (if waiving a requirement
24 under such section would have the effect of
25 expanding eligibility for the program), 7(b)

1 or 16(c) of the Food Stamp Act of 1977
2 (7 U.S.C. 2011 et seq.); or

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

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

9 (G) if the waiver would waive any funding
10 restriction or limitation provided in an appro-
11 priations Act, or would have the effect of trans-
12 ferring appropriated funds from 1 appropria-
13 tions account to another; or

14 (H) except as otherwise provided by stat-
15 ute, if the waiver would waive any funding re-
16 striction applicable to a program authorized
17 under an Act which is not an appropriations
18 Act (but not including program requirements
19 such as application procedures, performance
20 standards, reporting requirements, or eligibility
21 standards), or would have the effect of transfer-
22 ring funds from a program for which there is
23 direct spending (as defined in section 250(c)(8)
24 of the Balanced Budget and Emergency Deficit
25 Control Act of 1985) to another program.

1 (3) AGREEMENT OF EACH ADMINISTERING SEC-
2 RETARY REQUIRED.—

3 (A) IN GENERAL.—An applicant may not
4 conduct a demonstration project under this sec-
5 tion unless each administering Secretary with
6 respect to any program proposed to be included
7 in the project has approved the application to
8 conduct the project.

9 (B) AGREEMENT WITH RESPECT TO FUND-
10 ING AND IMPLEMENTATION.—Before approving
11 an application to conduct a demonstration
12 project under this section, an administering
13 Secretary shall have in place an agreement with
14 the applicant with respect to the payment of
15 funds and responsibilities required of the ad-
16 ministering Secretary with respect to the
17 project.

18 (4) COST-NEUTRALITY REQUIREMENT.—

19 (A) GENERAL RULE.—Notwithstanding
20 any other provision of law (except subparagraph
21 (B)), the total of the amounts that may be paid
22 by the Federal Government for a fiscal year
23 with respect to the programs in the State in
24 which an entity conducting a demonstration
25 project under this section is located that are af-

1 fected by the project shall not exceed the esti-
2 mated total amount that the Federal Govern-
3 ment would have paid for the fiscal year with
4 respect to the programs if the project had not
5 been conducted, as determined by the Director
6 of the Office of Management and Budget.

7 (B) SPECIAL RULE.—If an applicant sub-
8 mits to the Director of the Office of Manage-
9 ment and Budget a request to apply the rules
10 of this subparagraph to the programs in the
11 State in which the applicant is located that are
12 affected by a demonstration project proposed in
13 an application submitted by the applicant pur-
14 suant to this section, during such period of not
15 more than 5 consecutive fiscal years in which
16 the project is in effect, and the Director deter-
17 mines, on the basis of supporting information
18 provided by the applicant, to grant the request,
19 then, notwithstanding any other provision of
20 law, the total of the amounts that may be paid
21 by the Federal Government for the period with
22 respect to the programs shall not exceed the es-
23 timated total amount that the Federal Govern-
24 ment would have paid for the period with re-

1 spect to the programs if the project had not
2 been conducted.

3 (5) 90-DAY APPROVAL DEADLINE.—

4 (A) IN GENERAL.—If an administering
5 Secretary receives an application to conduct a
6 demonstration project under this section and
7 does not disapprove the application within 90
8 days after the receipt, then—

9 (i) the administering Secretary is
10 deemed to have approved the application
11 for such period as is requested in the ap-
12 plication, except to the extent inconsistent
13 with subsection (e); and

14 (ii) any waiver requested in the appli-
15 cation which applies to a qualified program
16 that is identified in the application and is
17 administered by the administering Sec-
18 retary is deemed to be granted, except to
19 the extent inconsistent with paragraph (2)
20 or (4) of this subsection.

21 (B) DEADLINE EXTENDED IF ADDITIONAL
22 INFORMATION IS SOUGHT.—The 90-day period
23 referred to in subparagraph (A) shall not in-
24 clude any period that begins with the date the
25 Secretary requests the applicant to provide ad-

1 ditional information with respect to the applica-
2 tion and ends with the date the additional in-
3 formation is provided.

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

7 (f) REPORTS TO CONGRESS.—

8 (1) REPORT ON DISPOSITION OF APPLICA-
9 TIONS.—Within 90 days after an administering Sec-
10 retary receives an application submitted pursuant to
11 this section, the administering Secretary shall sub-
12 mit to each Committee of the Congress which has
13 jurisdiction over a qualified program identified in
14 the application notice of the receipt, a description of
15 the decision of the administering Secretary with re-
16 spect to the application, and the reasons for approv-
17 ing or disapproving the application.

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

22 (A) the projects approved for each appli-
23 cant;

1 (B) the number of waivers granted under
2 this section, and the specific statutory provi-
3 sions waived;

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

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

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

14 (F) to the extent the administering Sec-
15 retary deems appropriate, recommendations for
16 modification of programs based on outcomes of
17 the projects.

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

21 (1) by redesignating paragraph (18) as para-
22 graph (19); and

23 (2) by inserting after paragraph (17) the fol-
24 lowing new paragraph:

1 “(18) PROGRAM COORDINATION DEMONSTRA-
 2 TION PROJECTS.—In the case of an agency that ad-
 3 ministers an activity referred to in section
 4 601(b)(2)(H) of the Personal Responsibility, Work,
 5 and Family Promotion Act of 2005 that, during
 6 such fiscal year, will be included in a demonstration
 7 project under section 601 of such Act, the informa-
 8 tion that is required to be included in the application
 9 for the project pursuant to paragraphs (1) through
 10 (4) of section 601(b) of such Act.”.

11 **SEC. 602. STATE FOOD ASSISTANCE BLOCK GRANT DEM-**
 12 **ONSTRATION PROJECT.**

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

15 **“SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEM-**
 16 **ONSTRATION PROJECT.**

17 “(a) ESTABLISHMENT.—The Secretary shall estab-
 18 lish a program to make grants to States in accordance
 19 with this section to provide—

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

22 “(2) funds to operate an employment and train-
 23 ing program under subsection (g) for needy individ-
 24 uals under the program; and

1 “(3) funds for administrative costs incurred in
2 providing the assistance.

3 “(b) ELECTION.—

4 “(1) IN GENERAL.—A State may elect to par-
5 ticipate in the program established under subsection
6 (a).

7 “(2) ELECTION REVOCABLE.—A State that
8 elects to participate in the program established
9 under subsection (a) may subsequently reverse the
10 election of the State only once thereafter. Following
11 the reversal, the State shall only be eligible to par-
12 ticipate in the food stamp program in accordance
13 with the other sections of this Act and shall not re-
14 ceive a block grant under this section.

15 “(3) PROGRAM EXCLUSIVE.—A State that is
16 participating in the program established under sub-
17 section (a) shall not be subject to, or receive any
18 benefit under, this Act except as provided in this
19 section.

20 “(c) LEAD AGENCY.—

21 “(1) DESIGNATION.—A State desiring to par-
22 ticipate in the program established under subsection
23 (a) shall designate, in an application submitted to
24 the Secretary under subsection (d)(1), an appro-

1 piate State agency that complies with paragraph
2 (2) to act as the lead agency for the State.

3 “(2) DUTIES.—The lead agency shall—

4 “(A) administer, either directly, through
5 other State agencies, or through local agencies,
6 the assistance received under this section by the
7 State;

8 “(B) develop the State plan to be sub-
9 mitted to the Secretary under subsection (d)(1);
10 and

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

14 “(d) APPLICATION AND PLAN.—

15 “(1) APPLICATION.—To be eligible to receive
16 assistance under this section, a State shall prepare
17 and submit to the Secretary an application at such
18 time, in such manner, and containing such informa-
19 tion as the Secretary shall by regulation require, in-
20 cluding—

21 “(A) an assurance that the State will com-
22 ply with the requirements of this section;

23 “(B) a State plan that meets the require-
24 ments of paragraph (2); and

1 “(C) an assurance that the State will com-
 2 ply with the requirements of the State plan
 3 under paragraph (2).

4 “(2) REQUIREMENTS OF PLAN.—

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

7 “(B) USE OF BLOCK GRANT FUNDS.—The
 8 State plan shall provide that the State shall use
 9 the amounts provided to the State for each fis-
 10 cal year under this section—

11 “(i) to provide food assistance to
 12 needy individuals and families residing in
 13 the State, other than residents of institu-
 14 tions who are ineligible for food stamps
 15 under section 3(i);

16 “(ii) to administer an employment
 17 and training program under subsection (g)
 18 for needy individuals under the program
 19 and to provide reimbursements to needy
 20 individuals and families as would be al-
 21 lowed under section 16(h)(3); and

22 “(iii) to pay administrative costs in-
 23 curred in providing the assistance.

24 “(C) ASSISTANCE FOR ENTIRE STATE.—

25 The State plan shall provide that benefits under

1 this section shall be available throughout the
2 entire State.

3 “(D) NOTICE AND HEARINGS.—The State
4 plan shall provide that an individual or family
5 who applies for, or receives, assistance under
6 this section shall be provided with notice of, and
7 an opportunity for a hearing on, any action
8 under this section that adversely affects the in-
9 dividual or family.

10 “(E) OTHER ASSISTANCE.—

11 “(i) COORDINATION.—The State plan
12 may coordinate assistance received under
13 this section with assistance provided under
14 the State program funded under part A of
15 title IV of the Social Security Act (42
16 U.S.C. 601 et seq.).

17 “(ii) PENALTIES.—If an individual or
18 family is penalized for violating part A of
19 title IV of the Act, the State plan may re-
20 duce the amount of assistance provided
21 under this section or otherwise penalize the
22 individual or family.

23 “(F) ELIGIBILITY LIMITATIONS.—The
24 State plan shall describe the income and re-

1 source eligibility limitations that are established
 2 for the receipt of assistance under this section.

3 “(G) RECEIVING BENEFITS IN MORE THAN
 4 1 JURISDICTION.—The State plan shall estab-
 5 lish a system to verify and otherwise ensure
 6 that no individual or family shall receive bene-
 7 fits under this section in more than 1 jurisdic-
 8 tion within the State.

9 “(H) PRIVACY.—The State plan shall pro-
 10 vide for safeguarding and restricting the use
 11 and disclosure of information about any indi-
 12 vidual or family receiving assistance under this
 13 section.

14 “(I) OTHER INFORMATION.—The State
 15 plan shall contain such other information as
 16 may be required by the Secretary.

17 “(3) APPROVAL OF APPLICATION AND PLAN.—
 18 During fiscal years 2006 through 2010, the Sec-
 19 retary may approve the applications and State plans
 20 that satisfy the requirements of this section of not
 21 more than 5 States for a term of not more than 5
 22 years.

23 “(e) CONSTRUCTION OF FACILITIES.—No funds
 24 made available under this section shall be expended for
 25 the purchase or improvement of land, or for the purchase,

1 construction, or permanent improvement of any building
2 or facility.

3 “(f) BENEFITS FOR ALIENS.—No individual shall be
4 eligible to receive benefits under a State plan approved
5 under subsection (d)(3) if the individual is not eligible to
6 participate in the food stamp program under title IV of
7 the Personal Responsibility and Work Opportunity Rec-
8 onciliation Act of 1996 (8 U.S.C. 1601 et seq.).

9 “(g) EMPLOYMENT AND TRAINING.—Each State
10 shall implement an employment and training program for
11 needy individuals under the program.

12 “(h) ENFORCEMENT.—

13 “(1) REVIEW OF COMPLIANCE WITH STATE
14 PLAN.—The Secretary shall review and monitor
15 State compliance with this section and the State
16 plan approved under subsection (d)(3).

17 “(2) NONCOMPLIANCE.—

18 “(A) IN GENERAL.—If the Secretary, after
19 reasonable notice to a State and opportunity for
20 a hearing, finds that—

21 “(i) there has been a failure by the
22 State to comply substantially with any pro-
23 vision or requirement set forth in the State
24 plan approved under subsection (d)(3); or

1 “(ii) in the operation of any program
2 or activity for which assistance is provided
3 under this section, there is a failure by the
4 State to comply substantially with any pro-
5 vision of this section, the Secretary shall
6 notify the State of the finding and that no
7 further payments will be made to the State
8 under this section (or, in the case of non-
9 compliance in the operation of a program
10 or activity, that no further payments to the
11 State will be made with respect to the pro-
12 gram or activity) until the Secretary is sat-
13 isfied that there is no longer any failure to
14 comply or that the noncompliance will be
15 promptly corrected.

16 “(B) OTHER SANCTIONS.—In the case of a
17 finding of noncompliance made pursuant to
18 subparagraph (A), the Secretary may, in addi-
19 tion to, or in lieu of, imposing the sanctions de-
20 scribed in subparagraph (A), impose other ap-
21 propriate sanctions, including recoupment of
22 money improperly expended for purposes pro-
23 hibited or not authorized by this section and
24 disqualification from the receipt of financial as-
25 sistance under this section.

1 “(C) NOTICE.—The notice required under
2 subparagraph (A) shall include a specific identi-
3 fication of any additional sanction being im-
4 posed under subparagraph (B).

5 “(3) ISSUANCE OF REGULATIONS.—The Sec-
6 retary shall establish by regulation procedures for—

7 “(A) receiving, processing, and deter-
8 mining the validity of complaints concerning
9 any failure of a State to comply with the State
10 plan or any requirement of this section; and

11 “(B) imposing sanctions under this sec-
12 tion.

13 “(i) PAYMENTS.—

14 “(1) IN GENERAL.—For each fiscal year, the
15 Secretary shall pay to a State that has an applica-
16 tion approved by the Secretary under subsection
17 (d)(3) an amount that is equal to the allotment of
18 the State under subsection (l)(2) for the fiscal year.

19 “(2) METHOD OF PAYMENT.—The Secretary
20 shall make payments to a State for a fiscal year
21 under this section by issuing 1 or more letters of
22 credit for the fiscal year, with necessary adjustments
23 on account of overpayments or underpayments, as
24 determined by the Secretary.

25 “(3) SPENDING OF FUNDS BY STATE.—

1 “(A) IN GENERAL.—Except as provided in
2 subparagraph (B), payments to a State from an
3 allotment under subsection (l)(2) for a fiscal
4 year may be expended by the State only in the
5 fiscal year.

6 “(B) CARRYOVER.—The State may reserve
7 up to 10 percent of an allotment under sub-
8 section (l)(2) for a fiscal year to provide assist-
9 ance under this section in subsequent fiscal
10 years, except that the reserved funds may not
11 exceed 30 percent of the total allotment re-
12 ceived under this section for a fiscal year.

13 “(4) PROVISION OF FOOD ASSISTANCE.—A
14 State may provide food assistance under this section
15 in any manner determined appropriate by the State
16 to provide food assistance to needy individuals and
17 families in the State, such as electronic benefits
18 transfer limited to food purchases, coupons limited
19 to food purchases, or direct provision of commod-
20 ities.

21 “(5) DEFINITION OF FOOD ASSISTANCE.—In
22 this section, the term ‘food assistance’ means assist-
23 ance that may be used only to obtain food, as de-
24 fined in section 3(g).

25 “(j) AUDITS.—

1 “(1) REQUIREMENT.—After the close of each
2 fiscal year, a State shall arrange for an audit of the
3 expenditures of the State during the program period
4 from amounts received under this section.

5 “(2) INDEPENDENT AUDITOR.—An audit under
6 this section shall be conducted by an entity that is
7 independent of any agency administering activities
8 that receive assistance under this section and be in
9 accordance with generally accepted auditing prin-
10 ciples.

11 “(3) PAYMENT ACCURACY.—Each annual audit
12 under this section shall include an audit of payment
13 accuracy under this section that shall be based on a
14 statistically valid sample of the caseload in the
15 State.

16 “(4) SUBMISSION.—Not later than 30 days
17 after the completion of an audit under this section,
18 the State shall submit a copy of the audit to the leg-
19 islature of the State and to the Secretary.

20 “(5) REPAYMENT OF AMOUNTS.—Each State
21 shall repay to the United States any amounts deter-
22 mined through an audit under this section to have
23 not been expended in accordance with this section or
24 to have not been expended in accordance with the
25 State plan, or the Secretary may offset the amounts

1 against any other amount paid to the State under
2 this section.

3 “(k) NONDISCRIMINATION.—

4 “(1) IN GENERAL.—The Secretary shall not
5 provide financial assistance for any program,
6 project, or activity under this section if any person
7 with responsibilities for the operation of the pro-
8 gram, project, or activity discriminates with respect
9 to the program, project, or activity because of race,
10 religion, color, national origin, sex, or disability.

11 “(2) ENFORCEMENT.—The powers, remedies,
12 and procedures set forth in title VI of the Civil
13 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may
14 be used by the Secretary to enforce paragraph (1).

15 “(l) ALLOTMENTS.—

16 “(1) DEFINITION OF STATE.—In this section,
17 the term ‘State’ means each of the 50 States, the
18 District of Columbia, Guam, and the Virgin Islands
19 of the United States.

20 “(2) STATE ALLOTMENT.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), from the amounts made
23 available under section 18 of this Act for each
24 fiscal year, the Secretary shall allot to each
25 State participating in the program established

1 under subsection (a) an amount that is equal to
2 the sum of—

3 “(i) the greater of, as determined by
4 the Secretary—

5 “(I) the total dollar value of all
6 benefits issued under the food stamp
7 program established under this Act by
8 the State during fiscal year 2005; or

9 “(II) the average per fiscal year
10 of the total dollar value of all benefits
11 issued under the food stamp program
12 by the State during each of fiscal
13 years 2003 through 2005; and

14 “(ii) the greater of, as determined by
15 the Secretary—

16 “(I) the total amount received by
17 the State for administrative costs and
18 the employment and training program
19 under subsections (a) and (h), respec-
20 tively, of section 16 of this Act for fis-
21 cal year 2005; or

22 “(II) the average per fiscal year
23 of the total amount received by the
24 State for administrative costs and the
25 employment and training program

1 under subsections (a) and (h), respec-
 2 tively, of section 16 of this Act for
 3 each of fiscal years 2003 through
 4 2005.

5 “(B) INSUFFICIENT FUNDS.—If the Sec-
 6 retary finds that the total amount of allotments
 7 to which States would otherwise be entitled for
 8 a fiscal year under subparagraph (A) will ex-
 9 ceed the amount of funds that will be made
 10 available to provide the allotments for the fiscal
 11 year, the Secretary shall reduce the allotments
 12 made to States under this subsection, on a pro
 13 rata basis, to the extent necessary to allot
 14 under this subsection a total amount that is
 15 equal to the funds that will be made available.”.

16 **TITLE VII—ABSTINENCE**
 17 **EDUCATION**

18 **SEC. 701. EXTENSION OF ABSTINENCE EDUCATION PRO-**
 19 **GRAM.**

20 (a) EXTENSION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—Section 510(d) (42 U.S.C.
 22 710(d)) is amended in the first sentence by inserting
 23 before the period the following: “and for each of the
 24 fiscal years 2006 through 2010”.

1 (2) ADDITIONAL FUNDS FOR FISCAL YEAR
2 2005.—

3 (A) ADDITIONAL FUNDS.—Activities au-
4 thorized by section 510 of the Social Security
5 Act shall continue through September 30, 2005,
6 in the manner authorized for fiscal year 2004,
7 and out of any money in the Treasury of the
8 United States not otherwise appropriated, there
9 are hereby appropriated such sums as may be
10 necessary for such purpose, in addition to other
11 amounts appropriated for such purpose for fis-
12 cal year 2005. Grants and payments may be
13 made pursuant to this authority through the
14 fourth quarter of fiscal year 2005 at the level
15 provided for such activities through the fourth
16 quarter of fiscal year 2004.

17 (B) EFFECTIVE DATE.—Subparagraph (A)
18 takes effect upon the date of the enactment of
19 this Act.

20 (b) ALLOTMENT OF FUNDS.—Section 510(a) (42
21 U.S.C. 710(a)) is amended—

22 (1) in the matter preceding paragraph (1), by
23 striking “an application for the fiscal year under
24 section 505(a)” and inserting “, for the fiscal year,
25 an application under section 505(a), and an applica-

1 tion under this section (in such form and meeting
2 such terms and conditions as determined appropriate
3 by the Secretary),”; and

4 (2) in paragraph (2), to read as follows:

5 “(2) the percentage that would be determined
6 for the State under section 502(c)(1)(B)(ii) if the
7 calculation under such section took into consider-
8 ation only those States that transmitted both such
9 applications for such fiscal year.”.

10 (c) REALLOTMENT OF FUNDS.—Section 510 (42
11 U.S.C. 710(a)) is amended by adding at the end the fol-
12 lowing new subsection:

13 “(e)(1) With respect to allotments under subsection
14 (a) for fiscal year 2006 and subsequent fiscal years, the
15 amount of any allotment to a State for a fiscal year that
16 the Secretary determines will not be required to carry out
17 a program under this section during such fiscal year or
18 the succeeding fiscal year shall be available for reallocation
19 from time to time during such fiscal years on such dates
20 as the Secretary may fix, to other States that the Sec-
21 retary determines—

22 “(A) require amounts in excess of amounts pre-
23 viously allotted under subsection (a) to carry out a
24 program under this section; and

1 “(B) will use such excess amounts during such
2 fiscal years.

3 “(2) Reallotments under paragraph (1) shall be made
4 on the basis of such States’ applications under this sec-
5 tion, after taking into consideration the population of low-
6 income children in each such State as compared with the
7 population of low-income children in all such States with
8 respect to which a determination under paragraph (1) has
9 been made by the Secretary.

10 “(3) Any amount reallotted under paragraph (1) to
11 a State is deemed to be part of its allotment under sub-
12 section (a).”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall be effective with respect to the program
15 under section 510 of the Social Security Act for fiscal
16 years 2006 and succeeding fiscal years.

17 **TITLE VIII—TRANSITIONAL** 18 **MEDICAL ASSISTANCE**

19 **SEC. 801. EXTENSION OF MEDICAID TRANSITIONAL MED-** 20 **ICAL ASSISTANCE PROGRAM THROUGH FIS-** 21 **CAL YEAR 2006.**

22 (a) IN GENERAL.—Section 1925(f) (42 U.S.C.
23 1396r–6(f)) is amended by striking “2003” and inserting
24 “2006”.

1 (b) CONFORMING AMENDMENT.—Section
 2 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by
 3 striking “September 30, 2003” and inserting “the last
 4 date (if any) on which section 1925 applies under sub-
 5 section (f) of that section”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall take effect on April 1, 2005.

8 **SEC. 802. ADJUSTMENT TO PAYMENTS FOR MEDICAID AD-**
 9 **MINISTRATIVE COSTS TO PREVENT DUPLICA-**
 10 **TIVE PAYMENTS AND TO FUND EXTENSION**
 11 **OF TRANSITIONAL MEDICAL ASSISTANCE.**

12 (a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b)
 13 is amended—

14 (1) in subsection (a)(7), by striking “section
 15 1919(g)(3)(B)” and inserting “subsection (x) and
 16 section 1919(g)(3)(C)”; and

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

18 “(x) ADJUSTMENTS TO PAYMENTS FOR ADMINISTRA-
 19 TIVE COSTS TO FUND EXTENSION OF TRANSITIONAL
 20 MEDICAL ASSISTANCE.—

21 “(1) REDUCTIONS IN PAYMENTS FOR ADMINIS-
 22 TRATIVE COSTS.—Effective for each of the last 2
 23 calendar quarters in fiscal year 2005 and for each
 24 calendar quarter in fiscal year 2006, the Secretary
 25 shall reduce the amount paid under subsection

(a)(7) to each State by an amount equal to 45 percent for calendar quarters in fiscal year 2005, and 80 percent for calendar quarters in fiscal year 2006, of one-quarter of the annualized amount determined for the medicaid program under section 16(k)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(2)(B)).

“(2) ALLOCATION OF ADMINISTRATIVE COSTS.—None of the funds or expenditures described in section 16(k)(5)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used to pay for costs—

“(A) eligible for reimbursement under subsection (a)(7) (or costs that would have been eligible for reimbursement but for this subsection); and

“(B) allocated for reimbursement to the program under this title under a plan submitted by a State to the Secretary to allocate administrative costs for public assistance programs; except that, for purposes of subparagraph (A), the reference in clause (iii) of that section to ‘subsection (a)’ is deemed a reference to subsection (a)(7) and clause (iv)(II) of that section shall be applied as if

1 ‘medicaid program’ were substituted for ‘food stamp
2 program’.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall take effect on April 1, 2005.

5 **TITLE IX—EFFECTIVE DATE**

6 **SEC. 901. EFFECTIVE DATE.**

7 (a) IN GENERAL.—Except as otherwise provided in
8 this Act, this Act and the amendments made by this Act
9 shall take effect on October 1, 2005.

10 (b) EXCEPTION.—In the case of a State plan under
11 part A or D of title IV of the Social Security Act which
12 the Secretary determines requires State legislation in
13 order for the plan to meet the additional requirements im-
14 posed by the amendments made by this Act, the effective
15 date of the amendments imposing the additional require-
16 ments shall be 3 months after the first day of the first
17 calendar quarter beginning after the close of the first reg-
18 ular session of the State legislature that begins after the
19 date of the enactment of this Act. For purposes of the
20 preceding sentence, in the case of a State that has a 2-
21 year legislative session, each year of the session shall be
22 considered to be a separate regular session of the State
23 legislature.

○