

Calendar No. 60

109TH CONGRESS
1ST SESSION

S. 667

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 SENATE OF THE UNITED STATES

MARCH 17, 2005

Mr. GRASSLEY, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Personal Responsibility
5 and Individual Development for Everyone Act” or the
6 “PRIDE Act”.

1 SEC. 2. TABLE OF CONTENTS.

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

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

TITLE I—TANF

- Sec. 101. State plan.
- Sec. 102. Family assistance grants.
- Sec. 103. Promotion of family formation and healthy marriage.
- Sec. 104. Supplemental grant for population increases in certain States.
- Sec. 105. Bonus to reward employment achievement.
- Sec. 106. Contingency fund.
- Sec. 107. Use of funds.
- Sec. 108. Repeal of Federal loan for State welfare programs.
- Sec. 109. Work participation requirements.
- Sec. 110. Universal engagement and family self-sufficiency plan requirements;
other prohibitions and requirements.
- Sec. 111. Penalties.
- Sec. 112. Data collection and reporting.
- Sec. 113. Direct funding and administration by Indian tribes.
- Sec. 114. Research, evaluations, and national studies.
- Sec. 115. Study by the census bureau.
- Sec. 116. Funding for child care.
- Sec. 117. Definitions.
- Sec. 118. Responsible fatherhood program.
- Sec. 119. Additional grants.
- Sec. 120. Technical corrections.

TITLE II—ABSTINENCE EDUCATION

- Sec. 201. Extension of abstinence education program.

TITLE III—CHILD SUPPORT

- Sec. 301. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.
- Sec. 302. Mandatory review and adjustment of child support orders for families receiving TANF.
- Sec. 303. Report on undistributed child support payments.
- Sec. 304. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 305. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 306. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce obligations.
- Sec. 307. Improving Federal debt collection practices.
- Sec. 308. Maintenance of technical assistance funding.
- Sec. 309. Maintenance of Federal parent locator service funding.
- Sec. 310. Identification and seizure of assets held by multistate financial institutions.
- Sec. 311. Information comparisons with insurance data.
- Sec. 312. Tribal access to the Federal parent locator service.

- Sec. 313. Reimbursement of secretary's costs of information comparisons and disclosure for enforcement of obligations on higher education act loans and grants.
- Sec. 314. Technical amendment relating to cooperative agreements between States and Indian tribes.
- Sec. 315. Claims upon longshore and harbor workers' compensation for child support.
- Sec. 316. State option to use Statewide automated data processing and information retrieval system for interstate cases.
- Sec. 317. State law requirement concerning the Uniform Interstate Family Support Act (UIFSA).
- Sec. 318. Grants to States for access and visitation programs.
- Sec. 319. Timing of corrective action year for State noncompliance with child support enforcement program requirements.
- Sec. 320. Requirement that State child support enforcement agencies seek medical support for children from either parent.
- Sec. 321. Notice to State child support enforcement agency from health care plan administrator under certain circumstances when a child loses health care coverage.
- Sec. 322. Authority to continue State program for monitoring and enforcement of child support orders.
- Sec. 323. Technical amendment relating to information comparisons and disclosure to assist in Federal debt collection.

TITLE IV—CHILD WELFARE

- Sec. 401. Extension of authority to approve demonstration projects.
- Sec. 402. Removal of Commonwealth of Puerto Rico IV-E funds from limitation on payments.
- Sec. 403. Authority of Indian tribes to receive Federal funds for foster care and adoption assistance.
- Sec. 404. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

- Sec. 501. Review of State agency blindness and disability determinations.
- Sec. 502. Temporary expansion of length of time-limited eligibility of qualified aliens for supplemental security income benefits.

TITLE VI—TRANSITIONAL MEDICAL ASSISTANCE

- Sec. 601. Extension and simplification of the transitional medical assistance program (TMA).

TITLE VII—EFFECTIVE DATE

- Sec. 701. Effective date.
- Sec. 702. Extension through remainder of fiscal year 2005.

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-

1 sion, the amendment or repeal shall be considered to be
 2 made to a section or other provision of the Social Security
 3 Act.

4 **TITLE I—TANF**

5 **SEC. 101. STATE PLAN.**

6 (a) PERFORMANCE IMPROVEMENT.—Section 402(a)
 7 (42 U.S.C. 602(a)) is amended—

8 (1) in paragraph (1)—

9 (A) in subparagraph (A)—

10 (i) by redesignating clause (vi) as
 11 clause (vii); and

12 (ii) by striking clause (v) and insert-
 13 ing the following:

14 “(v) Establish specific measurable
 15 performance objectives for pursuing the
 16 purposes of the program funded under this
 17 part or with qualified State expenditures
 18 (as defined in section 409(a)(7)(B)(i)) as
 19 described in section 401(a), including by—

20 “(I) establishing objectives (as
 21 determined by the State) after giving
 22 consideration to the criteria used by
 23 the Secretary in establishing perform-
 24 ance targets under section
 25 403(a)(4)(C) (with respect to work-

1 place attachment and advancement),
2 and such additional criteria related to
3 other purposes of the program under
4 this part as described in section
5 401(a) as the Secretary, in consulta-
6 tion with the National Governors' As-
7 sociation, the National Conference of
8 State Legislatures, and the American
9 Public Human Services Association,
10 shall establish; and

11 “(II) describing the methodology
12 that the State will use to measure
13 State performance in relation to each
14 such objective.

15 “(vi) Describe any strategies and pro-
16 grams the State is using or plans to use to
17 address—

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

24 “(II) efforts to reduce teen preg-
25 nancy;

1 “(III) services for struggling and
 2 noncompliant families, and for clients
 3 with special problems; and

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

15 (B) in subparagraph (B)—

16 (i) by striking clauses (i) and (iv);

17 (ii) by redesignating clauses (ii) and
 18 (iii) as clauses (i) and (ii), respectively;

19 and

20 (iii) by inserting after clause (ii) (as
 21 so redesignated by clause (ii)) the fol-
 22 lowing:

23 “(iii) If the State is undertaking any
 24 strategies or programs to engage faith-
 25 based organizations in the delivery of serv-

1 ices funded under this part, or that other-
2 wise relate to section 104 of the Personal
3 Responsibility and Work Opportunity Rec-
4 onciliation Act of 1996, the document shall
5 describe such strategies and programs.

6 “(iv) The document shall describe
7 strategies to improve program manage-
8 ment and performance.

9 “(v) The document shall include, to
10 the extent applicable with respect to each
11 program that provides assistance that will
12 be funded under this part or with qualified
13 State expenditures (as defined in section
14 409(a)(7)(B)(i)), a description of—

15 “(I) the applicable financial and
16 nonfinancial eligibility rules for assist-
17 ance provided under the program, in-
18 cluding income eligibility thresholds,
19 the treatment of earnings, asset eligi-
20 bility rules, and excluded forms of in-
21 come;

22 “(II) the amount of assistance
23 provided to needy families, and the
24 methodology for determining assist-
25 ance amounts; and

1 “(III) the applicable time limit
2 policies, including the length of the
3 time limit, exemption and extension
4 policies, and procedures for providing
5 services to families reaching the time
6 limit and who have lost assistance due
7 to time limits.

8 “(vi) The document shall set forth the
9 criteria for applying section 407(c)(6)(E)
10 to an adult recipient or minor child head
11 of household who is the parent or care-
12 taker relative for a child or adult depend-
13 ent for care.

14 “(vii) The document shall describe
15 how the State informs families receiving
16 assistance under the State program funded
17 under this part that do not include an
18 adult or minor child head of household of
19 the information required to be provided to
20 other families under section 408(b)(2)(G)
21 (relating to work support and other assist-
22 ance for which the family may be eligi-
23 ble).”;

24 (2) in paragraph (4), by inserting “and tribal”
25 after “local” each place it appears; and

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

2 “(8) CERTIFICATION OF CONSULTATION ON
3 PROVISION OF TRANSPORTATION AID.—In the case
4 of a State that provides transportation aid under the
5 State program, a certification by the chief executive
6 officer of the State that State and local transpor-
7 tation agencies and planning bodies have been con-
8 sulted in the development of the plan.”.

9 (b) PROCEDURES FOR SUBMITTING AND AMENDING
10 STATE PLANS.—

11 (1) IN GENERAL.—Subsection (b) of section
12 402 (42 U.S.C. 602(b)) is amended to read as fol-
13 lows:

14 “(b) PROCEDURES FOR SUBMITTING AND AMENDING
15 STATE PLANS.—

16 “(1) STANDARD STATE PLAN FORMAT.—The
17 Secretary shall, after notice and public comment, de-
18 velop a proposed Standard State Plan Form to be
19 used by States under subsection (a) and for pur-
20 poses of filing an amendment to the State plan in
21 accordance with paragraph (5). Such form shall be
22 finalized by the Secretary for use by States not later
23 than 9 months after the date of enactment of the
24 Personal Responsibility and Individual Development
25 for Everyone Act.

1 “(2) REQUIREMENT FOR COMPLETED PLAN
2 USING STANDARD STATE PLAN FORMAT BY FISCAL
3 YEAR 2007.—Notwithstanding any other provision of
4 law, each State shall submit a complete State plan,
5 using the Standard State Plan Form developed
6 under paragraph (1), not later than October 1,
7 2006, and all subsequent State plan submissions, in-
8 cluding any State plan amendments, shall be made
9 using such form.

10 “(3) PUBLIC NOTICE AND COMMENT.—Prior to
11 submitting a State plan to the Secretary under this
12 section, the State shall—

13 “(A) make the proposed State plan avail-
14 able to the public through an appropriate State
15 maintained Internet website and through other
16 means as the State determines appropriate;

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

19 “(C) make comments received concerning
20 such plan or, at the discretion of the State, a
21 summary of the comments received available to
22 the public through such website and through
23 other means as the State determines appro-
24 priate.

1 “(4) PUBLIC AVAILABILITY OF STATE PLAN.—
2 A State shall ensure that the State plan that is in
3 effect for any fiscal year is available to the public
4 through an appropriate State maintained Internet
5 website and through other means as the State deter-
6 mines appropriate.

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

16 “(A) make the proposed amendment avail-
17 able to the public as provided for in paragraph
18 (3)(A);

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

21 “(C) make the comments available as pro-
22 vided for in paragraph (3)(C).

23 “(6) STATE OPTION TO DELAY SUBMISSION OF
24 PLAN.—A State required to submit a State plan
25 under this part during the period that begins on the

1 date of enactment of the Personal Responsibility and
2 Individual Development for Everyone Act and ends
3 on September 30, 2006, may wait until October 1,
4 2006, to submit such plan using the Standard State
5 Plan Form developed under paragraph (1).”.

6 (2) CONFORMING AMENDMENT.—Section 402
7 (42 U.S.C. 602) is amended by striking subsection
8 (c).

9 (c) CONSULTATION WITH STATE REGARDING PLAN
10 AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1)
11 (42 U.S.C. 612(b)(1)) is amended—

12 (1) in subparagraph (E), by striking “and” at
13 the end;

14 (2) in subparagraph (F), by striking the period
15 at the end and inserting “; and”; and

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

17 “(G) provides an assurance that each State
18 in which the tribe is located has been consulted
19 regarding the plan and its design.”.

20 (d) PERFORMANCE MEASURES.—Section 413 (42
21 U.S.C. 613) is amended by adding at the end the fol-
22 lowing:

23 “(k) PERFORMANCE IMPROVEMENT.—The Secretary,
24 in consultation with the States, shall develop uniform per-
25 formance measures designed to assess the degree of effec-

1 tiveness, and the degree of improvement, of State pro-
2 grams funded under this part in accomplishing the pur-
3 poses of this part.”.

4 (e) ANNUAL RANKING OF STATES.—Section
5 413(d)(1) (42 U.S.C. 613(d)(1)) is amended to read as
6 follows:

7 “(1) ANNUAL RANKING OF STATES.—

8 “(A) IN GENERAL.—The Secretary shall
9 rank annually the States to which grants are
10 paid under section 403 in the order of their
11 success in—

12 “(i) placing recipients of assistance
13 under the State program funded under this
14 part into unsubsidized jobs;

15 “(ii) the success of the recipients in
16 retaining employment;

17 “(iii) the ability of the recipients to
18 increase their wages;

19 “(iv) the degree to which recipients
20 have workplace attachment and advance-
21 ment;

22 “(v) reducing the overall welfare case-
23 load; and

24 “(vi) when a practicable method for
25 calculating this information becomes avail-

1 able, diverting individuals from formally
2 applying to the State program and receiv-
3 ing assistance.

4 “(B) CONSIDERATION OF OTHER FAC-
5 TORS.—In ranking States under this para-
6 graph, the Secretary shall take into account the
7 average number, and the average proportion, of
8 minor children living at home in families in the
9 State that have incomes below the poverty line
10 and the amount of funding provided each State
11 under this part for such families.”.

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

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

15 (1) in subparagraph (A)—

16 (A) by striking “1996, 1997, 1998, 1999,
17 2000, 2001, 2002, and 2003” and inserting
18 “2006 through 2010”; and

19 (B) by inserting “payable to the State for
20 the fiscal year” before the period; and

21 (2) in subparagraph (C), by striking “for fiscal
22 year 2003” and all that follows through the period,
23 and inserting “for each of fiscal years 2006 through
24 2010, \$16,566,542,000 for grants under this para-
25 graph.”.

1 (b) MATCHING GRANTS FOR THE TERRITORIES.—
 2 Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by
 3 striking “1997 through 2003” and inserting “2006
 4 through 2010”.

5 **SEC. 103. PROMOTION OF FAMILY FORMATION AND**
 6 **HEALTHY MARRIAGE.**

7 (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.
 8 602(a)(1)(A)), as amended by section 101(a), is amended
 9 by adding at the end the following:

10 “(viii) Encourage equitable treatment
 11 of healthy 2-parent married families under
 12 the program referred to in clause (i).”.

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

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

19 “(A) AUTHORITY.—

20 “(i) IN GENERAL.—The Secretary
 21 shall award competitive grants to States
 22 and Indian tribes and tribal organizations
 23 for not more than 50 percent of the cost
 24 of developing and implementing innovative

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

3 “(ii) USE OF OTHER TANF FUNDS.—

4 A State or Indian tribe or tribal organiza-
5 tion with an approved tribal family assist-
6 ance plan may use funds provided under
7 other grants made under this part for all
8 or part of the expenditures incurred for the
9 remainder of the costs described in clause
10 (i). In the case of a State, any such funds
11 expended shall not be considered qualified
12 State expenditures for purposes of section
13 409(a)(7).

14 “(B) HEALTHY MARRIAGE PROMOTION AC-

15 TIVITIES.—Funds provided under subparagraph
16 (A) and corresponding State matching funds
17 shall be used to support any of the following
18 programs or activities:

19 “(i) Public advertising campaigns on
20 the value of marriage and the skills needed
21 to increase marital stability and health.

22 “(ii) Education in high schools on the
23 importance of healthy marriages and the
24 characteristics of other healthy relation-
25 ships experienced throughout life, including

1 education on the importance of grounding
2 all relationships in mutual respect and how
3 earlier healthy relationships are the build-
4 ing blocks for later healthy marital rela-
5 tionships.

6 “(iii) Marriage education, marriage
7 skills, and relationship skills programs,
8 that may include parenting skills, financial
9 management, conflict resolution, and job
10 and career advancement, for non-married
11 pregnant women, non-married expectant
12 fathers, and non-married recent parents.

13 “(iv) Pre-marital education and mar-
14 riage skills training for engaged couples
15 and for couples or individuals interested in
16 marriage.

17 “(v) Marriage enhancement and mar-
18 riage skills training programs for married
19 couples.

20 “(vi) Divorce reduction programs that
21 teach relationship skills.

22 “(vii) Marriage mentoring programs
23 which use married couples as role models
24 and mentors.

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

6 “(C) VOLUNTARY PARTICIPATION.—

7 “(i) IN GENERAL.—Participation in
8 programs or activities described in any of
9 clauses (iii) through (vii) of subparagraph
10 (B) shall be voluntary.

11 “(ii) ASSURANCE OF INFORMED CON-
12 SENT AND OPTION TO DISENROLL.—Each
13 State or Indian tribe or tribal organization
14 that carries out programs or activities de-
15 scribed in any of clauses (iii) through (vii)
16 of subparagraph (B) shall provide the Sec-
17 retary with an assurance that each recipi-
18 ent of assistance under the State program
19 funded under this part who elects to par-
20 ticipate in such programs or activities shall
21 be informed, prior to making such elec-
22 tion—

23 “(I) that such participation is
24 voluntary;

1 “(II) that the recipient may elect
2 at any time to disenroll from such
3 programs or activities by notifying the
4 State or Indian tribe or tribal organi-
5 zation that the recipient no longer
6 wants to participate in such programs
7 or activities;

8 “(III) of the process, if any, by
9 which a recipient who chooses to with-
10 draw from, or fails to participate in,
11 such programs or activities may be re-
12 quired to follow to become engaged in
13 other programs or activities that are
14 not programs or activities described in
15 clauses (iii) through (vii) of subpara-
16 graph (B); and

17 “(IV) that the State may reas-
18 sign a recipient at any time, in ac-
19 cordance with the requirements of sec-
20 tion 408(b), to other activities that
21 are not programs or activities de-
22 scribed in clauses (iii) through (vii) of
23 subparagraph (B).

24 “(iii) NO SANCTION FOR REFUSAL OR
25 FAILURE TO PARTICIPATE.—

1 “(I) IN GENERAL.—No State or
2 Indian tribe or tribal organization
3 shall deny or reduce assistance to a
4 recipient of assistance under the State
5 program funded under this part solely
6 on the basis of the recipient’s with-
7 drawal from, or failure to, participate
8 in programs or activities described in
9 clauses (iii) through (vii) of subpara-
10 graph (B).

11 “(II) RULE OF CONSTRUC-
12 TION.—Nothing in this subparagraph
13 shall be construed as precluding a
14 State or Indian tribe or tribal organi-
15 zation from requiring a recipient of
16 assistance under the State program
17 funded under this part to engage in
18 programs or activities that are not
19 programs or activities described in
20 clauses (iii) through (vii) of subpara-
21 graph (B) or to sanction a recipient
22 for failure to engage in such programs
23 or activities or to follow any such pro-
24 cedures the State may establish to en-

1 roll a recipient in such other programs
2 or activities.

3 “(D) GENERAL RULES GOVERNING USE OF
4 FUNDS.—The rules of section 404, other than
5 subsection (b) of that section, shall not apply to
6 a grant made under this paragraph.

7 “(E) REQUIREMENTS FOR RECEIPT OF
8 FUNDS.—A State or Indian tribe or tribal orga-
9 nization may not be awarded a grant under this
10 paragraph unless the State or Indian tribe or
11 tribal organization, as a condition of receiving
12 funds under such a grant—

13 “(i) consults with domestic violence
14 organizations that have demonstrated ex-
15 pertise working with survivors of domestic
16 violence in developing policies, procedures,
17 programs and training necessary to appro-
18 priately address domestic violence in fami-
19 lies served by programs and activities
20 funded under such grant;

21 “(ii) describes in the application for a
22 grant under this paragraph—

23 “(I) how the programs or activi-
24 ties proposed to be conducted will ap-

1 appropriately address issues of domestic
2 violence; and

3 “(II) what the State or Indian
4 tribe or tribal organization, will do, to
5 the extent relevant, to ensure that
6 participation in such programs or ac-
7 tivities is voluntary, and to inform po-
8 tential participants that their involve-
9 ment is voluntary;

10 “(iii) establishes a written protocol for
11 providers and administrators of programs
12 and activities relevant to the grant that—

13 “(I) provides for helping identify
14 instances or risks of domestic violence;
15 and

16 “(II) specifies the procedures for
17 making service referrals and providing
18 protections and appropriate assistance
19 for identified individuals and families;

20 “(iv) establishes performance goals for
21 funded programs and activities that clarify
22 the primary objective of such funded pro-
23 grams and activities is to increase the inci-
24 dence and quality of healthy marriages and

1 not solely to expand the number or per-
2 centage of married couples; and

3 “(v) submits the annual reports re-
4 quired under subparagraph (F).

5 “(F) ANNUAL REPORTS TO THE SEC-
6 RETARY.—Each State and Indian tribe or tribal
7 organization awarded a grant under this para-
8 graph shall submit to the Secretary an annual
9 report on the programs and activities funded
10 under the grant that includes the following:

11 “(i) A description of the written pro-
12 tocols developed in accordance with the re-
13 quirements of subparagraph (E)(iii) for
14 each program or activity funded under the
15 grant and how such protocols are used, in-
16 cluding specific policies and procedures for
17 addressing domestic violence issues within
18 each program or activity funded under the
19 grant and how confidentiality issues are
20 addressed.

21 “(ii) The name of each individual, or-
22 ganization, or entity that was consulted in
23 the development of such protocols.

24 “(iii) A description of each individual,
25 organization, or entity (if any) that pro-

1 vided training on domestic violence for the
2 State, Indian tribe or tribal organization,
3 or for any subgrantees.

4 “(iv) A description of any implemen-
5 tation issues identified with respect to do-
6 mestic violence and how such issues were
7 addressed.

8 “(G) BIENNIAL REPORTS TO CONGRESS.—

9 Not later than 24 months after the date of en-
10 actment of the Personal Responsibility and In-
11 dividual Development for Everyone Act, and
12 every 6 months thereafter, the Secretary shall
13 submit to Congress a report regarding the pro-
14 grams and activities funded with grants award-
15 ed under this paragraph. Each report submitted
16 in accordance with this subparagraph shall in-
17 clude the following:

18 “(i) The name of each program or ac-
19 tivity funded with such grants and the
20 name of each grantee and subgrantee.

21 “(ii) The total number of individuals
22 served under programs or activities funded
23 under the grant.

24 “(iii) The total number of individuals
25 who—

1 “(I) completed a program or ac-
2 tivity funded under the grant, includ-
3 ing the number of such individuals
4 who received assistance under the
5 State program funded under this part
6 or with qualified State expenditures
7 (as defined in section 409(a)(7)(B)(i))
8 while participating in such program or
9 activity; and

10 “(II) did not complete such a
11 program or activity, including due to
12 ceasing to receive assistance under the
13 State program funded under this part
14 or with qualified State expenditures
15 (as defined in section 409(a)(7)(B)(i))
16 or for other reasons.

17 “(iv) A description of the types of
18 services offered under such programs or
19 activities.

20 “(v) The criteria for selection of pro-
21 grams or activities to be funded under
22 such grant with respect to the award of
23 grants by the Secretary and the awarding
24 of funds to subgrantees.

1 “(vi) A description of the activities
2 carried out by the Secretary to support
3 grantees and subgrantees in responding to
4 domestic violence issues.

5 “(v) A summary of the written domes-
6 tic violence protocols used by grantees and
7 subgrantees.

8 “(vii) A summary of who the grantees
9 and subgrantees consulted with in devel-
10 oping such protocols.

11 “(viii) A summary of the training pro-
12 vided to grantees and subgrantees on do-
13 mestic violence.

14 “(ix) A list of the organizations, enti-
15 ties, and activities funded under sections
16 103(c) and 114(e) of the Personal Respon-
17 sibility and Individual Development for Ev-
18 eryone Act.

19 “(H) DOMESTIC VIOLENCE DEFINED.—In
20 this paragraph, the term ‘domestic violence’ has
21 the meaning given that term in section
22 402(a)(7)(B).

23 “(I) APPROPRIATION.—

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

1 otherwise appropriated, there are appro-
2 priated for each of fiscal years 2005
3 through 2010, \$100,000,000 for grants
4 under this paragraph.

5 “(ii) EXTENDED AVAILABILITY OF
6 FUNDS.—

7 “(I) IN GENERAL.—Funds ap-
8 propriated under clause (i) for each of
9 fiscal years 2006 through 2010 shall
10 remain available to the Secretary until
11 expended.

12 “(II) AUTHORITY FOR GRANT
13 RECIPIENTS.—A State or Indian tribe
14 or tribal organization may use funds
15 made available under a grant awarded
16 under this paragraph without fiscal
17 year limitation pursuant to the terms
18 of the grant.”.

19 (c) BEST PRACTICES FOR ADDRESSING DOMESTIC
20 VIOLENCE.—Section 413 (42 U.S.C. 613) as amended by
21 section 101(d), is amended by adding at the end the fol-
22 lowing:

23 “(1) BEST PRACTICES FOR ADDRESSING DOMESTIC
24 VIOLENCE.—

1 “(1) IN GENERAL.—The Secretary shall, by
2 grant, contract, or interagency agreement, develop
3 and implement programs that are designed to ad-
4 dress domestic violence as a barrier to healthy rela-
5 tionships, marriage, and economic security. Pro-
6 grams developed and implemented under this sub-
7 section shall include—

8 “(A) training for caseworkers admin-
9 istering the State program funded under this
10 part;

11 “(B) technical assistance;

12 “(C) the provision of voluntary services for
13 victims of such violence; and

14 “(D) activities related to the prevention of
15 domestic violence.

16 “(2) DOMESTIC VIOLENCE DEFINED.—In this
17 subsection, the term ‘domestic violence’ has the
18 meaning given that term in section 402(a)(7)(B).

19 “(3) AUTHORIZATION OF APPROPRIATIONS.—
20 There is authorized to be appropriated to carry out
21 this subsection, \$10,000,000 for each of fiscal years
22 2006 through 2010. Amounts appropriated to carry
23 out this subsection shall be in addition to and not
24 in lieu of amounts otherwise appropriated to carry
25 out programs to address domestic violence.”.

1 (d) 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.—Subject to sub-
 17 clauses (II) and (III), the term ‘quali-
 18 fied State expenditures’ includes the
 19 total expenditures by the State during
 20 the fiscal year under all State pro-
 21 grams for a purpose described in
 22 paragraph (3) or (4) of section
 23 401(a).”.

24 (e) PURPOSES.—Section 401(a)(4) (42 U.S.C.
 25 601(a)(4)) is amended by striking “two-parent families”

1 and inserting “healthy 2-parent married families, and en-
2 courage responsible fatherhood”.

3 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**
4 **CREASES IN CERTAIN STATES.**

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

7 (1) in clause (i), by striking “2002 and 2003”
8 and inserting “2006 through 2009”;

9 (2) in clause (ii), by striking “March 31, 2005”
10 and inserting “fiscal year 2009”; and

11 (3) in clause (iii), by striking “2002 and 2003”
12 and inserting “2006 through 2009”.

13 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-**
14 **MENT.**

15 (a) IN GENERAL.—Section 403(a)(4) (42 U.S.C.
16 603(a)(4)) is amended to read as follows:

17 “(4) BONUS TO REWARD EMPLOYMENT
18 ACHIEVEMENT.—

19 “(A) IN GENERAL.—The Secretary shall
20 make a grant pursuant to this paragraph to
21 each State for each bonus year for which the
22 State is an employment achievement State.

23 “(B) AMOUNT OF GRANT.—

24 “(i) IN GENERAL.—Subject to clause
25 (ii), the Secretary shall determine the

1 amount of the grant payable under this
2 paragraph to an employment achievement
3 State for a bonus year, which shall be
4 based on the performance of the State as
5 determined under subparagraph (D)(i) for
6 the fiscal year that immediately precedes
7 the bonus year.

8 “(ii) LIMITATION.—The amount pay-
9 able to a State under this paragraph for a
10 bonus year shall not exceed 5 percent of
11 the State family assistance grant.

12 “(C) FORMULA FOR MEASURING STATE
13 PERFORMANCE.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), not later than October 1, 2006, the
16 Secretary, in consultation with the States,
17 shall develop a formula for measuring
18 State performance in operating the State
19 program funded under this part so as to
20 achieve the goal of workplace attachment
21 and advancement for families receiving as-
22 sistance under the program (and for fami-
23 lies diverted from receiving such assistance
24 if, and only to the extent that, the Sec-
25 retary determines that it is possible to

1 measure State performance with respect to
2 such families), as measured on an absolute
3 basis and on the basis of improvement in
4 State performance.

5 “(ii) SPECIAL RULE FOR BONUS
6 YEARS 2006 AND 2007.—For the purposes
7 of awarding a bonus under this paragraph
8 for bonus year 2006 or 2007, the Sec-
9 retary may measure the performance of a
10 State in fiscal year 2005 or 2006 (as the
11 case may be) using the job entry rate, job
12 retention rate, and earnings gain rate com-
13 ponents of the formula developed under
14 section 403(a)(4)(C) as in effect imme-
15 diately before the effective date of this
16 paragraph.

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

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

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

1 “(I) the average annual total
2 amount of grants to be made under
3 this paragraph for—

4 “(aa) each of bonus years
5 2006 through 2008 equals
6 \$50,000,000; and

7 “(bb) each of bonus years
8 2009 through 2011 equals
9 \$100,000,000; and

10 “(II) the total amount of grants
11 to be made under this paragraph for
12 all bonus years equals \$450,000,000.

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

14 “(i) BONUS YEAR.—The term ‘bonus
15 year’ means each of fiscal years 2006
16 through 2011.

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

1 graph (D)(ii) for such preceding fiscal
2 year.

3 “(F) APPROPRIATION.—Out of any money
4 in the Treasury of the United States not other-
5 wise appropriated, there are appropriated for
6 the period of fiscal years 2006 through 2011,
7 \$450,000,000 for grants under this paragraph.

8 “(G) GRANTS FOR INDIAN TRIBES.—

9 “(i) RESERVATION OF FUNDS.—Of
10 the amount appropriated under subpara-
11 graph (F), the Secretary shall reserve an
12 amount equal to 2 percent of such amount
13 for making grants to Indian tribes.

14 “(ii) APPLICATION.—This paragraph
15 shall apply with respect to Indian tribes in
16 the same manner in which this paragraph
17 applies with respect to States.

18 “(iii) CONSULTATION.—The Secretary
19 shall consult with Indian tribes in deter-
20 mining the criteria under which to make
21 grants to Indian tribes and tribal organiza-
22 tions under this paragraph.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect on the date of enactment
25 of this Act.

1 **SEC. 106. CONTINGENCY FUND.**

2 (a) CONTINGENCY FUNDING AVAILABLE TO NEEDY
3 STATES.—Section 403(b) (42 U.S.C. 603(b)) is amend-
4 ed—

5 (1) by striking paragraphs (1) through (3) and
6 inserting the following:

7 “(1) CONTINGENCY FUND GRANTS.—

8 “(A) PAYMENTS.—Subject to subpara-
9 graphs (C) and (D), and out of funds appro-
10 priated under subparagraph (F), each State
11 shall receive a contingency fund grant for each
12 eligible month in which the State is a needy
13 State under paragraph (3).

14 “(B) MONTHLY CONTINGENCY FUND
15 GRANT AMOUNT.—For each eligible month in
16 which a State is a needy State, the State shall
17 receive a contingency fund grant equal to the
18 product of—

19 “(i) the applicable percentage (as de-
20 fined under subparagraph (E)(i)) of the
21 applicable benefit level (as defined in sub-
22 paragraph (E)(ii)); and

23 “(ii) the amount by which the total
24 number of families that received assistance
25 under the State program funded under this
26 part in the most recently concluded 3-

1 month period for which data are available
2 from the State exceeds a 5-percent in-
3 crease in the number of such families in
4 the corresponding 3-month period in either
5 of the 2 most recent preceding fiscal years
6 and that was due, in large measure, to eco-
7 nomic conditions rather than State policy
8 changes.

9 “(C) LIMITATION.—The total amount paid
10 to a single State under subparagraph (A) dur-
11 ing a fiscal year shall not exceed the amount
12 equal to 10 percent of the State family assist-
13 ance grant (as defined under subparagraph (B)
14 of subsection (a)(1)).

15 “(D) PAYMENTS TO INDIAN TRIBES.—

16 “(i) IN GENERAL.—Of the total
17 amount appropriated pursuant to subpara-
18 graph (F), \$25,000,000 of such amount
19 shall be reserved for making payments to
20 Indian tribes with approved tribal family
21 assistance plans that are operating in situ-
22 ations of increased economic hardship.

23 “(ii) DETERMINATION OF CRITERIA
24 FOR TRIBAL ACCESS.—

1 “(I) IN GENERAL.—Subject to
2 subclause (II), the Secretary, in con-
3 sultation with Indian tribes with ap-
4 proved tribal family assistance plans,
5 shall determine the criteria for access
6 by such tribes to the amount reserved
7 under clause (i).

8 “(II) INCLUSION OF CERTAIN
9 FACTORS.—Such criteria shall include
10 factors related to increases in unem-
11 ployment and loss of employers.

12 “(iii) APPLICATION OF REQUIRE-
13 MENTS FOR PAYMENTS TO STATES.—The
14 Secretary, in consultation with Indian
15 tribes with approved tribal family assist-
16 ance plans located throughout the United
17 States, shall determine the extent to which
18 requirements of States for payments from
19 the contingency fund established under
20 this subsection shall apply to Indian tribes
21 receiving payments under this subpara-
22 graph.

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

24 “(i) APPLICABLE PERCENTAGE.—The
25 term ‘applicable percentage’ means the

1 Federal medical assistance percentage for
2 the State (as defined in section 1905(b)).

3 “(ii) APPLICABLE BENEFIT LEVEL.—

4 “(I) IN GENERAL.—Subject to
5 subclause (II), the term ‘applicable
6 benefit level’ means the amount equal
7 to the maximum cash assistance grant
8 for a family consisting of 3 individuals
9 under the State program funded
10 under this part.

11 “(II) RULE FOR STATES WITH
12 MORE THAN 1 MAXIMUM LEVEL.—In
13 the case of a State that has more
14 than 1 maximum cash assistance
15 grant level for families consisting of 3
16 individuals, the basic assistance cost
17 shall be the amount equal to the max-
18 imum cash assistance grant level ap-
19 plicable to the largest number of fami-
20 lies consisting of 3 individuals receiv-
21 ing assistance under the State pro-
22 gram funded under this part.

23 “(F) APPROPRIATION.—Out of any money
24 in the Treasury of the United States not other-
25 wise appropriated, there is appropriated for the

1 period of fiscal years 2006 through 2010, such
 2 sums as are necessary for making contingency
 3 fund grants under this subsection in a total
 4 amount not to exceed \$2,000,000,000.”;

5 (2) by redesignating paragraph (4) as para-
 6 graph (2); and

7 (3) in paragraph (2), as so redesignated—

8 (A) by striking “(3)(A)” and inserting
 9 “(1)”; and

10 (B) by striking “2-month period that be-
 11 gins with any” and inserting “fiscal year quar-
 12 ter that includes a”.

13 (b) MODIFICATION OF DEFINITION OF NEEDY
 14 STATE.—Section 403(b), as amended by subsection (a),
 15 (42 U.S.C. 603(b)) is further amended—

16 (1) by striking paragraphs (5) and (6);

17 (2) by redesignating paragraphs (7) and (8) as
 18 paragraphs (5) and (6), respectively; and

19 (3) by inserting after paragraph (2) (as redesignig-
 20 nated by subsection (a)(2)) the following:

21 “(3) INITIAL DETERMINATION OF WHETHER A
 22 STATE QUALIFIES AS A NEEDY STATE.—

23 “(A) IN GENERAL.—For purposes of para-
 24 graph (1), subject to paragraph (4), a State will

1 be initially determined to be a needy State for
2 a month if, as determined by the Secretary—

3 “(i) the monthly average of the
4 unduplicated number of families that re-
5 ceived assistance under the State program
6 funded under this part in the most recently
7 concluded 3-month period for which data
8 are available from the State increased by
9 at least 5 percent over the number of such
10 families that received such benefits in the
11 corresponding 3-month period in either of
12 the 2 most recent preceding fiscal years;

13 “(ii) the increase in the number of
14 such families for the State was due, in
15 large measure, to economic conditions
16 rather than State policy changes; and

17 “(iii) the State satisfies any of the fol-
18 lowing criteria:

19 “(I) The average rate of total un-
20 employment in the State (seasonally
21 adjusted) for the period consisting of
22 the most recent 3 months for which
23 data are available has increased by
24 the lesser of 1.5 percentage points or
25 by 50 percent over the corresponding

1 3-month period in either of the 2 most
2 recent preceding fiscal years.

3 “(II) The average insured unem-
4 ployment rate for the most recent 13
5 weeks for which data are available has
6 increased by 1 percentage point over
7 the corresponding 13-week period in
8 either of the 2 most recent preceding
9 fiscal years.

10 “(III) As determined by the Sec-
11 retary of Agriculture, the monthly av-
12 erage number of households (as of the
13 last day of each month) that partici-
14 pated in the food stamp program in
15 the State in the then most recently
16 concluded 3-month period for which
17 data are available exceeds by at least
18 15 percent the monthly average num-
19 ber of households (as of the last day
20 of each month) in the State that par-
21 ticipated in the food stamp program
22 in the corresponding 3-month period
23 in either of the 2 most recent pre-
24 ceeding fiscal years, but only if the
25 Secretary and the Secretary of Agri-

1 culture concur in the determination
2 that the State's increased caseload
3 was due, in large measure, to eco-
4 nomic conditions rather than changes
5 in Federal or State policies related to
6 the food stamp program.

7 “(B) DURATION.—A State that qualifies
8 as a needy State—

9 “(i) under subclause (I) or (II) of
10 subparagraph (A)(iii), shall be considered
11 a needy State until the State's average
12 rate of total unemployment or the State's
13 insured unemployment rate, respectively,
14 falls below the level attained in the applica-
15 ble period that was first used to determine
16 that the State qualified as a needy State
17 under that subparagraph (and in the case
18 of the insured unemployment rate, without
19 regard to any declines in the rate that are
20 the result of seasonal variation); and

21 “(ii) under subclause (III) of subpara-
22 graph (A)(iii), shall be considered a needy
23 State so long as the State meets the cri-
24 teria for being considered a needy State
25 under that subparagraph.

1 “(4) EXCEPTIONS.—

2 “(A) UNEXPENDED BALANCES.—

3 “(i) IN GENERAL.—Notwithstanding
4 paragraph (3), a State that has unex-
5 pended TANF balances in an amount that
6 exceeds 30 percent of the total amount of
7 grants received by the State under sub-
8 section (a) for the most recently completed
9 fiscal year (other than welfare-to-work
10 grants made under paragraph (5) of that
11 subsection prior to fiscal year 2000), shall
12 not be a needy State under this subsection.

13 “(ii) DEFINITION OF UNEXPENDED
14 TANF BALANCES.—In clause (i), the term
15 ‘unexpended TANF balances’ means the
16 lesser of—

17 “(I) the total amount of grants
18 made to the State (regardless of the
19 fiscal year in which such funds were
20 awarded) under subsection (a) (other
21 than welfare-to-work grants made
22 under paragraph (5) of that sub-
23 section prior to fiscal year 2000) but
24 not yet expended as of the end of the
25 fiscal year preceding the fiscal year

1 for which the State would, in the ab-
2 sence of this subparagraph, be consid-
3 ered a needy State under this sub-
4 section; and

5 “(II) the total amount of grants
6 made to the State under subsection
7 (a) (other than welfare-to-work grants
8 made under paragraph (5) of that
9 subsection prior to fiscal year 2000)
10 but not yet expended as of the end of
11 such preceding fiscal year, plus the
12 difference between—

13 “(aa) the pro rata share of
14 the current fiscal year grant to
15 be made under subsection (a) to
16 the State; and

17 “(bb) current year expendi-
18 tures of the total amount of
19 grants made to the State under
20 subsection (a) (regardless of the
21 fiscal year in which such funds
22 were awarded) (other than such
23 welfare-to-work grants) through
24 the end of the most recent cal-
25 endar quarter.

1 “(B) FAILURE TO SATISFY MAINTENANCE
2 OF EFFORT REQUIREMENT.—Notwithstanding
3 paragraph (3), a State that fails to satisfy the
4 requirement of section 409(a)(7) with respect to
5 a fiscal year shall not be a needy State under
6 this subsection for that fiscal year.”.

7 (c) CLARIFICATION OF REPORTING REQUIRE-
8 MENTS.—Paragraph (6) of section 403(b) (42 U.S.C.
9 603(b)), as redesignated by subsection (b)(2), is amended
10 by striking “on the status of the Fund” and inserting “on
11 the States that qualified for contingency funds and the
12 amount of funding awarded under this subsection”.

13 (d) ELIMINATION OF PENALTY FOR FAILURE TO
14 MAINTAIN 100 PERCENT MAINTENANCE OF EFFORT.—

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

17 (A) by striking paragraph (10); and

18 (B) by redesignating paragraphs (11)
19 through (14) as paragraphs (10) through (13),
20 respectively.

21 (2) CONFORMING AMENDMENTS.—Section 409
22 (42 U.S.C. 609) is amended—

23 (A) in subsection (a)(7)(B)(i)(III), by
24 striking “(12)” and inserting “(11)”;

1 (B) in subsection (b)(2), by striking “(10),
2 (12), or (13)” and inserting “(11), or (12)”;
3 and

4 (C) in subsection (c)(4), by striking “(10),
5 (12), or (13)” and inserting “(11), or (12)”.

6 **SEC. 107. USE OF FUNDS.**

7 (a) REPEAL OF TREATMENT OF INTERSTATE IMMI-
8 GRANTS.—Section 404 (42 U.S.C. 604) is amended by
9 striking subsection (c) and inserting the following:

10 “(c) [Reserved].”.

11 (b) SOCIAL SERVICES BLOCK GRANT.—

12 (1) RESTORATION OF AUTHORITY TO TRANS-
13 FER UP TO 10 PERCENT OF TANF FUNDS.—Sec-
14 tion 404(d)(2) (42 U.S.C. 604(d)(2)) is amended to
15 read as follows:

16 “(2) LIMITATION ON AMOUNT TRANSFERABLE
17 TO TITLE XX PROGRAMS.—A State may use not
18 more than 10 percent of the amount of any grant
19 made to the State under section 403(a) for a fiscal
20 year to carry out State programs pursuant to title
21 XX.”.

22 (2) INCREASE IN SOCIAL SERVICES BLOCK
23 GRANT FUNDS.—Section 2003(c)(11) (42 U.S.C.
24 1397b(c)(11)) is amended by inserting “, except that
25 with respect to each of fiscal years 2006 through

1 2010, the amount shall be \$1,900,000,000” after
2 “thereafter”.

3 (c) CLARIFICATION OF AUTHORITY OF STATES TO
4 USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS
5 TO PROVIDE TANF BENEFITS AND SERVICES.—Section
6 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

7 “(e) AUTHORITY TO CARRYOVER OR RESERVE CER-
8 TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-
9 TURE CONTINGENCIES.—

10 “(1) CARRYOVER.—A State or Indian tribe may
11 use a grant made to the State or Indian tribe under
12 this part for any fiscal year to provide, without fiscal
13 year limitation, any benefit or service that may be
14 provided under the State or tribal program funded
15 under this part.

16 “(2) CONTINGENCY RESERVE.—A State or In-
17 dian tribe may designate any portion of a grant
18 made to the State or Indian tribe under this part as
19 a contingency reserve for future needs, and may use
20 any amount so designated to provide, without fiscal
21 year limitation, any benefit or service that may be
22 provided under the State or tribal program funded
23 under this part. If a State or Indian tribe so des-
24 ignates a portion of such a grant, the State or In-

1 dian tribe shall include in its report under section
2 411(a) the amount so designated.”.

3 (d) STATE OPTION TO ESTABLISH UNDERGRADUATE
4 POSTSECONDARY OR VOCATIONAL EDUCATIONAL PRO-
5 GRAM.—

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

8 “(1) AUTHORITY TO ESTABLISH UNDERGRADUATE
9 POSTSECONDARY OR VOCATIONAL EDUCATIONAL PRO-
10 GRAM.—

11 “(1) IN GENERAL.—Subject to the succeeding
12 paragraphs of this subsection, a State to which a
13 grant is made under section 403 may use the grant
14 or State funds that are qualified State expenditures
15 (as defined in section 409(a)(7)(B)(i)) to establish a
16 program under which an eligible participant (as de-
17 fined in paragraph (3)) may be provided support
18 services described in paragraph (5) and, subject to
19 paragraph (6), may have hours of participation in
20 such program counted as being engaged in work for
21 purposes of determining monthly participation rates
22 under section 407(b)(1)(B)(i).

23 “(2) STATE PLAN REQUIREMENT.—In order to
24 establish a program under this subsection, a State
25 shall describe (in an addendum to the State plan

1 submitted under section 402) the applicable eligi-
2 bility criteria that is designed to limit participation
3 in the program to only those individuals—

4 “(A) whose past earnings indicate that the
5 individuals cannot qualify for employment that
6 pays enough to allow them to obtain self-suffi-
7 ciency (as determined by the State); and

8 “(B) for whom enrollment in the program
9 will prepare the individuals for higher-paying
10 occupations that are in demand in the State.

11 “(3) DEFINITION OF ELIGIBLE PARTICIPANT.—

12 In this subsection, the term ‘eligible participant’
13 means an individual—

14 “(A) who—

15 “(i) receives assistance under the
16 State program funded under this part;

17 “(ii) is a former recipient of assist-
18 ance under the State program funded
19 under this part; or

20 “(iii) is a needy parent in a family
21 with children eligible for benefits or serv-
22 ices funded under a grant made under sec-
23 tion 403 or with State funds that are
24 qualified State expenditures (as defined in
25 section 409(a)(7)(B)(i)); and

1 “(B) who—

2 “(i) is enrolled in a postsecondary 2-
3 or 4-year degree program or a vocational
4 educational training program; and

5 “(ii) during the period the individual
6 participates in the program established
7 under this subsection, maintains satisfac-
8 tory academic progress, as defined by the
9 institution operating the postsecondary 2-
10 or 4-year degree program or vocational
11 educational training program in which the
12 individual is enrolled.

13 “(4) REQUIRED TIME PERIODS FOR COMPLE-
14 TION OF DEGREE OR VOCATIONAL EDUCATIONAL
15 TRAINING PROGRAM.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graph (B), an eligible participant participating
18 in a program established under this subsection
19 shall be required to complete the requirements
20 of a postsecondary 2- or 4-year degree program
21 or a vocational educational training program
22 within the normal timeframe (as determined by
23 the institution operating the 2- or 4-year degree
24 program or a vocational educational training
25 program) for full-time students seeking the par-

1 ticular degree or completing the vocational edu-
2 cational training program.

3 “(B) EXCEPTION.—

4 “(i) IN GENERAL.—For good cause,
5 the State may allow an eligible participant
6 to complete their degree requirements or
7 vocational educational training program
8 within a period not to exceed 1½ times the
9 normal timeframe established under sub-
10 paragraph (A) (unless further modification
11 is required by the Americans with Disabil-
12 ities Act of 1990 (42 U.S.C. 12101 et
13 seq.), or section 504 of the Rehabilitation
14 Act of 1973 (29 U.S.C. 794)) and may
15 modify the requirements applicable to an
16 individual participating in the program.
17 For purposes of the preceding sentence,
18 good cause includes, with respect to an eli-
19 gible participant, the presence of 1 or more
20 significant barriers, as determined by the
21 State, to normal participation by the par-
22 ticipant, such as the need to care for a
23 family member with special needs.

24 “(ii) INCLUSION OF BARRIERS IN
25 STATE PLAN ADDENDUM.—A State shall

1 identify and define in the addendum to the
2 State plan under paragraph (2) the bar-
3 riers that make an eligible participant eli-
4 gible for the good cause exception per-
5 mitted under clause (i).

6 “(5) SUPPORT SERVICES DESCRIBED.—For
7 purposes of paragraph (1), the support services de-
8 scribed in this paragraph include any or all of the
9 following during the period the eligible participant is
10 participating in the program established under this
11 subsection:

12 “(A) Child care.

13 “(B) Transportation services.

14 “(C) Payment for books and supplies.

15 “(D) Other services provided under policies
16 determined by the State to ensure coordination
17 and lack of duplication with other programs
18 available to provide support services.

19 “(6) RULES FOR INCLUSION IN MONTHLY
20 WORK PARTICIPATION RATES.—

21 “(A) FAMILIES COUNTED AS PARTICI-
22 PATING IF THEY MEET THE REQUIREMENTS OF
23 SUBPARAGRAPH (B) OR (C).—Subject to sub-
24 paragraph (D), for each eligible participant who
25 receives assistance under the State program

1 funded under this part, a State may elect, for
2 purposes of determining monthly participation
3 rates under section 407(b)(1)(B)(i), to include
4 such participant in the determination of such
5 rates in accordance with subparagraph (B) or
6 (C).

7 “(B) FULL OR PARTIAL CREDIT FOR
8 HOURS OF PARTICIPATION IN EDUCATIONAL OR
9 RELATED ACTIVITIES.—

10 “(i) IN GENERAL.—Subject to clause
11 (iv), an eligible participant who partici-
12 pates in educational or related activities
13 (as determined by the State in accordance
14 with clause (ii)) under a program estab-
15 lished under this subsection shall be given
16 credit for the number of hours of such par-
17 ticipation to the extent that an adult re-
18 cipient or minor child head of household
19 would be given credit under section 407(c)
20 for being engaged in the same number of
21 hours of work activities described in para-
22 graph (1), (2), (3), (4), (5), (6), (7), (8),
23 or (12) of section 407(d).

1 “(ii) RELATED ACTIVITIES.—For pur-
2 poses of clause (i), related activities shall
3 include—

4 “(I) work activities described in
5 paragraph (1), (2), (3), (4), (5), (6),
6 (7), (8), or (12) of section 407(d);

7 “(II) work study, practicums, in-
8 ternships, clinical placements, labora-
9 tory or field work, or such other ac-
10 tivities that will enhance the eligible
11 participant’s employability in the par-
12 ticipant’s field of study, as determined
13 by the State; or

14 “(III) subject to clause (iii),
15 study time.

16 “(iii) LIMITATION ON INCLUSION OF
17 STUDY TIME.—For purposes of deter-
18 mining hours per week of participation by
19 an eligible participant under a program es-
20 tablished under this subsection, a State
21 may not count study time of less than 1
22 hour for every hour of class time or more
23 than 2 hours for every hour of class time.

24 “(iv) TOTAL NUMBER OF HOURS LIM-
25 ITED TO BEING COUNTED AS 1 FAMILY.—

1 In no event may hours per week of partici-
2 pation by an eligible participant under a
3 program established under this subsection
4 result in the participant's family being
5 counted as more than 1 family for pur-
6 poses of determining monthly participation
7 rates under section 407(b)(1)(B)(i).

8 “(C) FULL CREDIT FOR BEING ENGAGED
9 IN DIRECT WORK ACTIVITIES FOR CERTAIN
10 HOURS PER WEEK.—

11 “(i) IN GENERAL.—A family that in-
12 cludes an eligible participant who, in addi-
13 tion to complying with the full-time edu-
14 cational participation requirements of the
15 postsecondary 2- or 4-year degree program
16 or vocational educational training program
17 that the participant is enrolled in, partici-
18 pates in an activity described in subclause
19 (I) or (II) of subparagraph (B)(ii) for not
20 less than the number of hours required per
21 week under clause (ii) shall be counted as
22 1 family.

23 “(ii) REQUIRED HOURS PER WEEK.—
24 For purposes of clause (i), subject to

1 clause (iii), the number of hours per week
2 are—

3 “(I) 6 hours per week during the
4 first 12-month period that an eligible
5 participant participates in a program
6 established under this subsection;

7 “(II) 8 hours per week during
8 the second 12-month period of such
9 participation;

10 “(III) 10 hours per week during
11 the third 12-month period of such
12 participation; and

13 “(IV) 12 hours per week during
14 the fourth or any other succeeding 12-
15 month period of such participation.

16 “(iii) MODIFICATION OF REQUIRE-
17 MENTS FOR GOOD CAUSE.—A State may
18 modify the number of hours per week re-
19 quired under clause (ii) for good cause.
20 For purposes of the preceding sentence,
21 good cause includes, with respect to an eli-
22 gible participant, the presence of 1 or more
23 significant barriers, as determined by the
24 State, to normal participation by the par-

1 participant, such as the need to care for a
2 family member with special needs.

3 “(D) CAP ON NUMBER OF PARTICIPANTS
4 THAT MAY BE INCLUDED IN MONTHLY WORK
5 PARTICIPATION RATES.—The monthly number
6 of families that include an eligible participant
7 and that are treated as being engaged in work
8 may not exceed an amount equal to 10 percent
9 of the families to which assistance is provided
10 under the State program funded under this
11 part for such month.

12 “(7) APPLICABILITY.—Nothing in this sub-
13 section shall be construed as restricting the author-
14 ity or discretion of a State in the use of grants pro-
15 vided under section 403 or the expenditure of quali-
16 fied State expenditures (as defined in section
17 409(a)(7)(B)(i)) for programs or activities other
18 than the program established under this sub-
19 section.”.

20 (2) CONFORMING AMENDMENT.—Section
21 407(d)(8) (42 U.S.C. 607(d)(8)) is amended by in-
22 serting “other than an individual participating in a
23 program established under section 404(1)” after “in-
24 dividual”.

1 **SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE**
2 **PROGRAMS.**

3 (a) REPEAL.—Section 406 (42 U.S.C. 606) is re-
4 pealed.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 409 (42 U.S.C. 609), as amended
7 by section 106(d)(2), is amended—

8 (A) in subsection (a), by striking para-
9 graph (6);

10 (B) in subsection (b)(2), by striking
11 “(6),”; and

12 (C) in subsection (c)(4), by striking “(6),”.

13 (2) Section 412 (42 U.S.C. 612) is amended by
14 striking subsection (f) and redesignating subsections
15 (g) through (i) as subsections (f) through (h), re-
16 spectively.

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

19 **SEC. 109. WORK PARTICIPATION REQUIREMENTS.**

20 (a) ELIMINATION OF SEPARATE WORK PARTICIPA-
21 TION RATE FOR 2-PARENT FAMILIES BEGINNING WITH
22 FISCAL YEAR 2003.—

23 (1) IN GENERAL.—Section 407 (42 U.S.C. 607)
24 is amended—

25 (A) in subsection (a)—

1 (i) in the heading, by striking “PAR-
2 TICIPATION RATE REQUIREMENTS” and all
3 that follows through “A State” and insert-
4 ing “PARTICIPATION RATE REQUIRE-
5 MENTS.—A State”; and

6 (ii) by striking paragraph (2);

7 (B) in subsection (b)—

8 (i) by striking paragraph (2);

9 (ii) in paragraph (4), by striking
10 “paragraphs (1)(B) and (2)(B)” and in-
11 sserting “determining monthly participation
12 rates under paragraph (1)(B)”; and

13 (iii) in paragraph (5), by striking
14 “rates” and inserting “rate”; and

15 (C) in subsection (c)—

16 (i) in paragraph (1)—

17 (I) by striking “GENERAL
18 RULES.—” and all that follows
19 through “For purposes” in subpara-
20 graph (A) and inserting “GENERAL
21 RULE.—For purposes”; and

22 (II) by striking subparagraph
23 (B); and

24 (ii) in paragraph (2)(D)—

1 (I) by striking “paragraphs
2 (1)(B)(i) and (2)(B) of subsection
3 (b)” and inserting “subsection
4 (b)(1)(B)(i)”; and
5 (II) by striking “and in 2-parent
6 families, respectively,”.

7 (2) EFFECTIVE DATE.—The amendments made
8 by paragraph (1) shall take effect as if enacted on
9 October 1, 2002, and any penalty imposed under
10 section 409(a)(3) of the Social Security Act (42
11 U.S.C. 609(a)(3)) against a State for failure to com-
12 ply with the minimum participation rate applicable
13 to 2-parent families under 407(a)(2) of such Act (42
14 U.S.C. 607(a)(2)), as in effect on the day before
15 such date, with respect to fiscal year 2002, 2003, or
16 2004 is rescinded.

17 (b) MINIMUM PARTICIPATION RATES.—Section
18 407(a) (42 U.S.C. 607(a)), as amended by subsection
19 (a)(1)(A), is amended to read as follows:

20 “(a) PARTICIPATION RATE REQUIREMENTS.—

21 “(1) IN GENERAL.—A State to which a grant
22 is made under section 403 for a fiscal year shall
23 achieve a minimum participation rate with respect to
24 all families receiving assistance under the State pro-

1 gram funded under this part that is equal to not less
2 than—

3 “(A) 50 percent for fiscal year 2006;

4 “(B) 55 percent for fiscal year 2007;

5 “(C) 60 percent for fiscal year 2008;

6 “(D) 65 percent for fiscal year 2009; and

7 “(E) 70 percent for fiscal year 2010 and
8 each succeeding fiscal year.”.

9 (c) LIMITATION ON REDUCTION OF PARTICIPATION
10 RATE THROUGH APPLICATION OF CREDITS.—Section
11 407(a) (42 U.S.C. 607(a)), as amended by subsection (b),
12 is amended by adding at the end the following:

13 “(2) LIMITATION ON REDUCTION OF PARTICI-
14 PATION RATE THROUGH APPLICATION OF CRED-
15 ITS.—Notwithstanding any other provision of this
16 part, the net effect of any percentage reduction in
17 the minimum participation rate otherwise required
18 under this section with respect to families receiving
19 assistance under the State program funded under
20 this part as a result of the application of any em-
21 ployment credit, caseload reduction credit, or other
22 credit against such rate for a fiscal year, shall not
23 exceed—

24 “(A) 40 percentage points, in the case of
25 fiscal year 2006;

1 “(B) 35 percentage points, in the case of
2 fiscal year 2007;

3 “(C) 30 percentage points, in the case of
4 fiscal year 2008;

5 “(D) 25 percentage points, in the case of
6 fiscal year 2009; or

7 “(E) 20 percentage points, in the case of
8 fiscal year 2010 or any fiscal year thereafter.”.

9 (d) REPLACEMENT OF CASELOAD REDUCTION CRED-
10 IT WITH EMPLOYMENT CREDIT.—

11 (1) EMPLOYMENT CREDIT TO REWARD STATES
12 IN WHICH FAMILIES LEAVE WELFARE FOR WORK;
13 ADDITIONAL CREDIT FOR FAMILIES WITH HIGHER
14 EARNINGS.—

15 (A) IN GENERAL.—Section 407(b) (42
16 U.S.C. 607(b)), as amended by subsection
17 (a)(1)(B)(i), is amended by inserting after
18 paragraph (1) the following:

19 “(2) EMPLOYMENT CREDIT.—

20 “(A) IN GENERAL.—Subject to subsection
21 (a)(2), beginning with fiscal year 2008, the Sec-
22 retary shall, by regulation, reduce the minimum
23 participation rate otherwise applicable to a
24 State under this subsection for a fiscal year by
25 the number of percentage points in the employ-

1 ment credit for the State for the fiscal year, as
2 determined by the Secretary—

3 “(i) using information in the National
4 Directory of New Hires;

5 “(ii) with respect to a recipient of as-
6 sistance or former recipient of assistance
7 under the State program funded under this
8 part who is placed with an employer whose
9 hiring information is not reported to the
10 National Directory of New Hires, using
11 quarterly wage information submitted by
12 the State to the Secretary not later than
13 such date as the Secretary shall prescribe
14 in regulations; or

15 “(iii) with respect to families de-
16 scribed in subclause (II) or (III) of sub-
17 paragraph (B)(ii), using such other data
18 (including data relating to qualified State
19 expenditures (as defined in section
20 409(a)(7)(B)(i)) or any other State pro-
21 grams that are used to provide non-
22 recurring short-term benefits or substantial
23 child care or transportation assistance to
24 such families) as the Secretary may re-
25 quire in order to determine the employ-

1 ment credit for a State under this para-
2 graph.

3 “(B) CALCULATION OF CREDIT.—

4 “(i) IN GENERAL.—The employment
5 credit for a State for a fiscal year is an
6 amount equal to the sum of the amounts
7 determined under clause (ii), divided by
8 the amount determined under clause (iii).

9 “(ii) NUMERATOR.—For purposes of
10 clause (i), the amounts determined under
11 this clause are the following:

12 “(I) Twice the quarterly average
13 unduplicated number of families that
14 include an adult or minor child head
15 of household recipient of assistance
16 under the State program funded
17 under this part, that ceased to receive
18 such assistance for at least 2 consecu-
19 tive months following case closure for
20 the family during the applicable pe-
21 riod (as defined in clause (v)), that
22 did not receive assistance under a sep-
23 arate State-funded program during
24 such 2-month period, and that were
25 employed during the calendar quarter

1 immediately succeeding the quarter in
2 which the assistance under the State
3 program funded under this part
4 ceased.

5 “(II) At the option of the State,
6 twice the quarterly average number of
7 families that received a nonrecurring
8 short-term benefit under the State
9 program funded under this part dur-
10 ing the applicable period (as defined
11 in clause (v)), that were employed
12 during the calendar quarter imme-
13 diately succeeding the quarter in
14 which the nonrecurring short-term
15 benefit was so received, and that
16 earned at least \$1,000 during such
17 succeeding calendar quarter.

18 “(III) At the option of the State,
19 twice the quarterly average number of
20 families that include an adult who is
21 receiving substantial child care (in-
22 cluding child care funded by transfers
23 under section 404(d) to the Child
24 Care and Development Block Grant
25 Act of 1990) or transportation assist-

1 ance (as defined by the Secretary, in
2 consultation with directors of State
3 programs funded under this part,
4 which definition shall specify for each
5 type of assistance a threshold which is
6 a dollar value or a length of time over
7 which the assistance is received and
8 which takes into account large one-
9 time transition payments) during the
10 applicable period (as defined in clause
11 (v)) and that were employed during
12 the calendar quarter in which the sub-
13 stantial child care or transportation
14 assistance was so received and earned
15 at least \$1,000 during such calendar
16 quarter.

17 “(iii) DENOMINATOR.—For purposes
18 of clause (i), the amount determined under
19 this clause is the amount equal to the sum
20 of the following:

21 “(I) The average monthly num-
22 ber of families that include an adult
23 or minor child head of household who
24 received assistance under the State
25 program funded under this part dur-

1 ing the applicable period (as defined
2 in clause (v)).

3 “(II) If the State elected the op-
4 tion under clause (ii)(II), twice the
5 quarterly average number of families
6 that received a nonrecurring short-
7 term benefit under the State program
8 funded under this part during the ap-
9 plicable period (as defined in clause
10 (v)).

11 “(III) If the State elected the op-
12 tion under clause (ii)(III), twice the
13 quarterly average number of families
14 that includes an adult who is receiving
15 substantial child care (including child
16 care funded by transfers under section
17 404(d) to the Child Care and Devel-
18 opment Block Grant Act of 1990) or
19 transportation assistance during the
20 applicable period (as defined in clause
21 (v)).

22 “(iv) SPECIAL RULE FOR FORMER RE-
23 CIPIENTS WITH HIGHER EARNINGS.—In
24 calculating the employment credit for a
25 State for a fiscal year, in the case of a

1 family that includes an adult or a minor
2 child head of household that is to be in-
3 cluded in the amount determined under
4 clause (ii)(I) and that, with respect to the
5 quarter in which the family's earnings was
6 examined during the applicable period,
7 earned at least 33 percent of the average
8 quarterly earnings in the State (deter-
9 mined on the basis of State unemployment
10 data), the family shall be considered to be
11 1.5 families.

12 “(v) DEFINITION OF APPLICABLE PE-
13 RIOD.—For purposes of this paragraph,
14 the term ‘applicable period’ means, with
15 respect to a fiscal year, the most recent 4
16 quarters for which data are available to the
17 Secretary providing information on the
18 work status of—

19 “(I) individuals in the quarter
20 after the individuals ceased receiving
21 assistance under the State program
22 funded under this part;

23 “(II) at State option, individuals
24 in the quarter after the individuals re-

1 ceived a short-term, nonrecurring ben-
2 efit; and

3 “(III) at State option, individuals
4 in the quarter in which the individuals
5 received substantial child care or
6 transportation assistance.

7 “(C) NOTIFICATION TO STATE.—Not later
8 than August 31 of each fiscal year, the Sec-
9 retary shall—

10 “(i) determine, on the basis of the ap-
11 plicable period, the amount of the employ-
12 ment credit that will be used in deter-
13 mining the minimum participation rate for
14 a State under subsection (a) for the imme-
15 diately succeeding fiscal year; and

16 “(ii) notify each State conducting a
17 State program funded under this part of
18 the amount of the employment credit for
19 such program for the succeeding fiscal
20 year.”.

21 (B) AUTHORITY OF SECRETARY TO USE
22 INFORMATION IN NATIONAL DIRECTORY OF
23 NEW HIRES.—Section 453(i) (42 U.S.C. 653(i))
24 is amended by adding at the end the following:

1 “(5) CALCULATION OF EMPLOYMENT CREDIT
2 FOR PURPOSES OF DETERMINING STATE WORK PAR-
3 TICIPATION RATES UNDER TANF.—The Secretary
4 may use the information in the National Directory
5 of New Hires for purposes of calculating State em-
6 ployment credits pursuant to section 407(b)(2).”.

7 (2) ELIMINATION OF CASELOAD REDUCTION
8 CREDIT.—Effective October 1, 2007, section 407(b)
9 (42 U.S.C. 607(b)) is amended by striking para-
10 graph (3) and redesignating paragraphs (4) and (5)
11 as paragraphs (3) and (4), respectively.

12 (3) STATE OPTION TO PHASE-IN REPLACEMENT
13 OF CASELOAD REDUCTION CREDIT WITH EMPLOY-
14 MENT CREDIT.—A State may elect to not have the
15 full employment credit under section 407(b)(2) of
16 the Social Security Act (as amended by paragraph
17 (1)(A)) apply to the State program funded under
18 part A of title IV of the Social Security Act until
19 October 1, 2008, and if the State makes the elec-
20 tion, then, in determining the participation rate of
21 the State for purposes of section 407 of the Social
22 Security Act for fiscal year 2008, the State shall be
23 credited with $\frac{1}{2}$ of the reduction in the rate that
24 would otherwise result from applying section
25 407(b)(2) of the Social Security Act (as added by

1 paragraph (1)(A)) to the State for fiscal year 2008
2 and 1/2 of the reduction in the rate that would other-
3 wise result from applying section 407(b)(3) of the
4 Social Security Act (as in effect with respect to fis-
5 cal year 2005) to the State for fiscal year 2008.

6 (4) STUDY AND REPORT.—

7 (A) IN GENERAL.—The Secretary of
8 Health and Human Services (in this paragraph
9 referred to as the “Secretary”) shall conduct a
10 study (in this paragraph referred to as the
11 “Senator Blanche L. Lincoln Employment
12 Credit Study”) to examine the implications of
13 the design of the employment credit established
14 under section 407(b)(2) of the Social Security
15 Act (as amended by paragraph (1)(A)), and po-
16 tential improvements to such credit, for the
17 purposes of encouraging States to—

18 (i) provide child care and transpor-
19 tation to working families so that those
20 families do not need to receive welfare;

21 (ii) operate diversion programs that
22 are intended to help families attain em-
23 ployment; and

1 (iii) target the placement and ad-
2 vancement of working families in jobs with
3 higher earnings.

4 (B) REQUIREMENTS.—The Senator
5 Blanche L. Lincoln Employment Credit Study
6 required under this paragraph shall include an
7 analysis of the implications of—

8 (i) crediting States (either through an
9 increase in the work participation rate for
10 the State or in the employment credit)
11 with families who are employed and not re-
12 ceiving assistance under the temporary as-
13 sistance for needy families program (in
14 this paragraph referred to as “TANF”)
15 but are receiving work supports funded
16 under TANF or with qualified State ex-
17 penditures (as defined in section
18 409(a)(7)(B)(i) of such Act), such as child
19 care or transportation;

20 (ii) crediting States (either through
21 an increase in the work participation rate
22 for the State or in the employment credit)
23 with families who have been diverted from
24 receiving assistance under TANF and have
25 an employed adult;

1 (iii) modifying the earnings thresholds
2 for determining whether a family has an
3 employed member and whether the family
4 qualifies for the good jobs bonus provided
5 under section 407(b)(2)(B)(iv) of such Act;

6 (iv) modifying the data collection re-
7 quirements and administrative procedures
8 used to implement the employment credit;

9 (v) modifying other specifications for
10 calculating the credit, such as the mathe-
11 matical form of the credit;

12 (vi) using the data collected and ana-
13 lyzed for administering the employment
14 credit for providing additional information
15 to Congress, States, and other interested
16 parties for evaluating the performance of
17 State TANF programs; and

18 (vii) modifying the cap on the employ-
19 ment credit, in terms of both maintaining
20 a meaningful work participation require-
21 ment for families receiving assistance
22 under TANF and providing an incentive
23 for States to place recipients in employ-
24 ment and in higher-paying jobs.

1 (C) CONSULTATION; ACCESS TO NATIONAL
2 DIRECTORY OF NEW HIRES.—In conducting the
3 Senator Blanche L. Lincoln Employment Credit
4 Study, the Secretary—

5 (i) shall consult with the States; and

6 (ii) may use the information in the
7 National Directory of New Hires estab-
8 lished under section 453(i) of the Social
9 Security Act (42 U.S.C. 653(i)).

10 (D) REPORT.—Not later than September
11 30, 2009, the Secretary of Health and Human
12 Services shall submit a report to the Committee
13 on Finance of the Senate and the Committee on
14 Ways and Means of the House of Representa-
15 tives on the Senator Blanche L. Lincoln Em-
16 ployment Credit Study.

17 (e) STATE OPTIONS FOR PARTICIPATION REQUIRE-
18 MENT EXEMPTIONS.—Section 407(b)(5) (42 U.S.C.
19 607(b)(5)), as amended by subsection (a)(1)(B)(iii), is
20 amended to read as follows:

21 “(5) STATE OPTIONS FOR PARTICIPATION RE-
22 QUIREMENT EXEMPTIONS.—At the option of a State,
23 a State may, on a case-by-case basis—

24 “(A) not include a family in the determina-
25 tion of the monthly participation rate for the

1 State in the first month for which the family
 2 receives assistance from the State program
 3 funded under this part on the basis of the most
 4 recent application for such assistance; or

5 “(B) not require a family in which the
 6 youngest child has not attained 12 months of
 7 age to engage in work, and may disregard that
 8 family in determining the minimum participa-
 9 tion rate under subsection (a) for the State for
 10 not more than 12 months.”.

11 (f) DETERMINATION OF COUNTABLE HOURS EN-
 12 GAGED IN WORK.—Section 407(c) (42 U.S.C. 607(c)) is
 13 amended to read as follows:

14 “(c) DETERMINATION OF COUNTABLE HOURS EN-
 15 GAGED IN WORK.—

16 “(1) SINGLE PARENT OR RELATIVE WHOSE
 17 YOUNGEST CHILD HAS ATTAINED AGE 6.—

18 “(A) MINIMUM AVERAGE NUMBER OF
 19 HOURS PER WEEK.—Subject to the succeeding
 20 paragraphs of this subsection, a family in which
 21 an adult recipient or minor child head of house-
 22 hold in the family is participating in work ac-
 23 tivities described in subsection (d) shall be
 24 treated as engaged in work for purposes of de-

1 termining monthly participation rates under
2 subsection (b)(1)(B)(i) as follows:

3 “(i) In the case of a family in which
4 the total number of hours in which any
5 adult recipient or minor child head of
6 household in the family is participating in
7 such work activities for an average of at
8 least 20, but less than 24, hours per week
9 in a month, as 0.675 of a family.

10 “(ii) In the case of a family in which
11 the total number of hours in which any
12 adult recipient or minor child head of
13 household in the family is participating in
14 such work activities for an average of at
15 least 24, but less than 30, hours per week
16 in a month, as 0.75 of a family.

17 “(iii) In the case of a family in which
18 the total number of hours in which any
19 adult recipient or minor child head of
20 household in the family is participating in
21 such work activities for an average of at
22 least 30, but less than 34, hours per week
23 in a month, as 0.875 of a family.

24 “(iv) In the case of a family in which
25 the total number of hours in which any

1 adult recipient or minor child head of
2 household in the family is participating in
3 such work activities for an average of at
4 least 34, but less than 35, hours per week
5 in a month, as 1 family.

6 “(v) In the case of a family in which
7 the total number of hours in which any
8 adult recipient or minor child head of
9 household in the family is participating in
10 such work activities for an average of at
11 least 35, but less than 38, hours per week
12 in a month, as 1.05 families.

13 “(vi) In the case of a family in which
14 the total number of hours in which any
15 adult recipient or minor child head of
16 household in the family is participating in
17 such work activities for an average of at
18 least 38 hours per week in a month, as
19 1.08 families.

20 “(B) DIRECT WORK ACTIVITIES REQUIRED
21 FOR AN AVERAGE OF 24 HOURS PER WEEK.—

22 Except as provided in subparagraph (C)(i), a
23 State may not count any hours of participation
24 in work activities specified in paragraph (9),
25 (10), or (11) of subsection (d) of any adult re-

1 recipient or minor child head of household in a
2 family before the total number of hours of par-
3 ticipation by any adult recipient or minor child
4 head of household in the family in work activi-
5 ties described in paragraph (1), (2), (3), (4),
6 (5), (6), (7), (8), or (12) of subsection (d) for
7 the family for the month averages at least 24
8 hours per week.

9 “(C) STATE FLEXIBILITY TO COUNT PAR-
10 TICIPATION IN CERTAIN ACTIVITIES.—

11 “(i) QUALIFIED ACTIVITIES FOR 3-
12 MONTHS IN ANY 24-MONTH PERIOD.—

13 “(I) 24-HOURS PER WEEK RE-
14 QUIRED.—Subject to subclauses (III)
15 and (IV), for purposes of determining
16 hours under subparagraph (A), a
17 State may count the total number of
18 hours any adult recipient or minor
19 child head of household in a family
20 engages in qualified activities de-
21 scribed in subclause (II) as a work ac-
22 tivity described in subsection (d),
23 without regard to whether the recipi-
24 ent has satisfied the requirement of
25 subparagraph (B), but only if—

1 “(aa) the total number of
2 hours of participation in such
3 qualified activities and in any
4 work activities described in para-
5 graph (1), (2), (3), (4), (5), (6),
6 (7), (8), or (12) of subsection (d)
7 for the family for the month av-
8 erage at least 24 hours per week
9 (except that if such hours aver-
10 age at least 20, but less than 24,
11 hours per week, the State may
12 count that family in accordance
13 with subparagraph (A)(i)); and

14 “(bb) engaging in such
15 qualified activities is a require-
16 ment of the family self-suffi-
17 ciency plan.

18 “(II) QUALIFIED ACTIVITIES DE-
19 SCRIBED.—For purposes of subclause
20 (I), qualified activities described in
21 this subclause are any of the fol-
22 lowing:

23 “(aa) Postsecondary edu-
24 cation.

1 “(bb) Adult literacy pro-
2 grams or activities, including
3 participation in a program de-
4 signed to increase proficiency in
5 the English language.

6 “(cc) Substance abuse coun-
7 seling or treatment (including
8 drug or alcohol abuse counseling
9 or treatment).

10 “(dd) Programs or activities
11 designed to remove barriers to
12 work, as defined by the State.

13 “(ee) Work activities author-
14 ized under any waiver for any
15 State that was continued under
16 section 415 before the date of en-
17 actment of the Personal Respon-
18 sibility and Individual Develop-
19 ment for Everyone Act (without
20 regard to whether the waiver ex-
21 pired prior to such date of enact-
22 ment).

23 “(ff) Financial literacy
24 training that is not otherwise
25 countable under items (aa)

1 through (ee), except that the
2 State may not count more than
3 an average of 5 hours per week
4 of such training.

5 “(gg) Programs or activities
6 design to develop parenting skills.

7 “(III) LIMITATION.—Except as
8 provided in clause (ii), in any period
9 of 24 consecutive months, subclause
10 (I) shall not apply to a family for
11 more than 3 months (no more than 1
12 month of which may be attributable to
13 activities described in subclause
14 (II)(ff)).

15 “(IV) CERTAIN ACTIVITIES.—
16 The Secretary may allow a State to
17 count the total hours of participation
18 in qualified activities described in sub-
19 clause (II) for an adult recipient or
20 minor child head of household without
21 regard to the minimum 24 hour aver-
22 age per week of participation require-
23 ment under subclause (I) if the State
24 has demonstrated conclusively that
25 such activities are part of a substan-

1 tial and supervised program whose ef-
2 fectiveness in moving families to self-
3 sufficiency is superior to any alter-
4 native activities and the effectiveness
5 of the program in moving families to
6 self-sufficiency would be substantially
7 impaired if participating individuals
8 participated in additional, concurrent
9 qualified activities that enabled the in-
10 dividuals to achieve an average of at
11 least 24 hours per week of participa-
12 tion.

13 “(ii) ADDITIONAL 3-MONTH PERIOD
14 PERMITTED FOR CERTAIN ACTIVITIES.—

15 “(I) SELF-SUFFICIENCY PLAN
16 REQUIREMENT COMBINED WITH MIN-
17 IMUM NUMBER OF HOURS.—A State
18 may extend the 3-month period under
19 clause (i) for an additional 3 months
20 in the same period of 24 consecutive
21 months in the case of an adult recipi-
22 ent or minor child head of household
23 who is receiving qualified rehabilita-
24 tive services described in subclause
25 (II) if—

1 “(aa) the total number of
2 hours that the adult recipient or
3 minor child head of household
4 engages in such qualified reha-
5 bilitative services and, subject to
6 subclause (III), a work activity
7 described in paragraph (1), (2),
8 (3), (4), (5), (6), (7), (8), or (12)
9 of subsection (d) for the month
10 average at least 24 hours per
11 week; and

12 “(bb) engaging in such
13 qualified rehabilitative services is
14 a requirement of the family self-
15 sufficiency plan.

16 “(II) QUALIFIED REHABILITA-
17 TIVE SERVICES DESCRIBED.—For
18 purposes of subclause (I), qualified re-
19 habilitative services described in this
20 subclause are any of the following:

21 “(aa) Adult literacy pro-
22 grams or activities, including
23 participation in a program de-
24 signed to increase proficiency in
25 the English language.

1 “(bb) In the case of an adult
2 recipient or minor child head of
3 household who has been certified
4 by a qualified medical, mental
5 health, or social services profes-
6 sional (as defined by the State)
7 as having a physical or mental
8 disability, substance abuse prob-
9 lem (including a drug or alcohol
10 abuse problem), or other problem
11 that requires a rehabilitative
12 service, substance abuse treat-
13 ment (including drug or alcohol
14 abuse treatment), or mental
15 health treatment, the service or
16 treatment determined necessary
17 by a professional.

18 “(iii) NONAPPLICATION OF LIMITA-
19 TIONS ON JOB SEARCH AND VOCATIONAL
20 EDUCATIONAL TRAINING.—An adult recipi-
21 ent or minor child head of household who
22 is participating in qualified activities de-
23 scribed in subclause (II) of clause (i) dur-
24 ing a 3-month period under that clause, or
25 receiving qualified rehabilitative services

1 described in subclause (II) of clause (ii)
2 during an additional period under that
3 clause, may engage in a work activity de-
4 scribed in paragraph (6) or (8) of sub-
5 section (d) for purposes of satisfying the
6 minimum 24 hour average per week of
7 participation requirement under clause
8 (i)(I)(aa) or clause (ii)(I)(aa), respectively,
9 without regard to any limit that otherwise
10 applies to the activity (including the 30
11 percent limitation on participation in voca-
12 tional educational training under para-
13 graph (6)(C)).

14 “(iv) HOURS IN EXCESS OF AN AVER-
15 AGE OF 24 WORK ACTIVITY HOURS PER
16 WEEK.—If the total number of hours that
17 any adult recipient or minor child head of
18 household in a family has participated in a
19 work activity described in paragraph (1),
20 (2), (3), (4), (5), (6), (7), (8), or (12) of
21 subsection (d) averages at least 24 hours
22 per week in a month, a State, for purposes
23 of determining hours under subparagraph
24 (A), may count any additional hours an

1 adult recipient or minor child head of
2 household in the family engages in—

3 “(I) any work activity described
4 in subsection (d), without regard to
5 any limit that otherwise applies to the
6 activity (including the 6-week limita-
7 tion on job search and job readiness
8 assistance under paragraph (6)(B)
9 and the 30 percent limitation on par-
10 ticipation in vocational educational
11 training under paragraph (6)(C)); and

12 “(II) any qualified activity de-
13 scribed in clause (i)(II), as a work ac-
14 tivity described in subsection (d).

15 “(2) SINGLE PARENT OR RELATIVE WITH A
16 CHILD UNDER AGE 6.—

17 “(A) IN GENERAL.—A family in which an
18 adult recipient or minor child head of household
19 in the family is the only parent or caretaker rel-
20 ative in the family of a child who has not at-
21 tained 6 years of age and who is participating
22 in work activities described in subsection (d)
23 shall be treated as engaged in work for pur-
24 poses of determining monthly participation
25 rates under subsection (b)(1)(B)(i) as follows:

1 “(i) In the case of such a family in
2 which the total number of hours in which
3 the adult recipient or minor child head of
4 household in the family is participating in
5 such work activities for an average of at
6 least 20, but less than 24, hours per week
7 in a month, as 0.675 of a family.

8 “(ii) In the case of such a family in
9 which the total number of hours in which
10 the adult recipient or minor child head of
11 household in the family is participating in
12 such work activities for an average of at
13 least 24, but less than 35, hours per week
14 in a month, as 1 family.

15 “(iii) In the case of such a family in
16 which the total number of hours in which
17 the adult recipient or minor child head of
18 household in the family is participating in
19 such work activities for an average of at
20 least 35, but less than 38, hours per week
21 in a month, as 1.05 families.

22 “(iv) In the case of such a family in
23 which the total number of hours in which
24 the adult recipient or minor child head of
25 household in the family is participating in

1 such work activities for an average of at
2 least 38 hours per week in a month, as
3 1.08 families.

4 “(B) APPLICATION OF RULES REGARDING
5 DIRECT WORK ACTIVITIES AND STATE FLEXI-
6 BILITY TO COUNT PARTICIPATION IN CERTAIN
7 ACTIVITIES.—Subparagraphs (B) and (C) of
8 paragraph (1) apply to a family described in
9 subparagraph (A) in the same manner as such
10 subparagraphs apply to a family described in
11 paragraph (1)(A).

12 “(3) 2-PARENT FAMILIES.—

13 “(A) IN GENERAL.—Subject to paragraph
14 (6)(A), a 2-parent family in which an adult re-
15 cipient or minor child head of household in the
16 family is participating in work activities de-
17 scribed in subsection (d) shall be treated as en-
18 gaged in work for purposes of determining
19 monthly participation rates under subsection
20 (b)(1)(B)(i) as follows:

21 “(i) In the case of such a family in
22 which the total number of hours in which
23 any adult recipient or minor child head of
24 household in the family is participating in
25 such work activities for an average of at

1 least 26, but less than 30, hours per week
2 in a month, as 0.675 of a family.

3 “(ii) In the case of such a family in
4 which the total number of hours in which
5 any adult recipient or minor child head of
6 household in the family is participating in
7 such work activities for an average of at
8 least 30, but less than 35, hours per week
9 in a month, as 0.75 of a family.

10 “(iii) In the case of such a family in
11 which the total number of hours in which
12 any adult recipient or minor child head of
13 household in the family is participating in
14 such work activities for an average of at
15 least 35, but less than 39, hours per week
16 in a month, as 0.875 of a family.

17 “(iv) In the case of such a family in
18 which the total number of hours in which
19 any adult recipient or minor child head of
20 household in the family is participating in
21 such work activities for an average of at
22 least 39, but less than 40, hours per week
23 in a month, as 1 family.

24 “(v) In the case of such a family in
25 which the total number of hours in which

1 any adult recipient or minor child head of
2 household in the family is participating in
3 such work activities for an average of at
4 least 40, but less than 43, hours per week
5 in a month, as 1.05 families.

6 “(vi) In the case of such a family in
7 which the total number of hours in which
8 any adult recipient or minor child head of
9 household in the family is participating in
10 such work activities for an average of at
11 least 43 hours per week in a month, as
12 1.08 families.

13 “(B) APPLICATION OF RULES REGARDING
14 DIRECT WORK ACTIVITIES AND STATE FLEXI-
15 BILITY TO COUNT PARTICIPATION IN CERTAIN
16 ACTIVITIES.—Subparagraphs (B) and (C) of
17 paragraph (1) apply to a 2-parent family de-
18 scribed in subparagraph (A) in the same man-
19 ner as such subparagraphs apply to a family
20 described in paragraph (1)(A), except that sub-
21 paragraph (B) of paragraph (1) shall be applied
22 to such a 2-parent family by substituting ‘34’
23 for ‘24’ each place it appears.

24 “(4) 2-PARENT FAMILIES THAT RECEIVE FED-
25 ERALLY FUNDED CHILD CARE.—

1 “(A) IN GENERAL.—Subject to paragraph
2 (6)(A), if a 2-parent family receives federally
3 funded child care assistance, an adult recipient
4 or minor child head of household in the family
5 participating in work activities described in sub-
6 section (d) shall be treated as engaged in work
7 for purposes of determining monthly participa-
8 tion rates under subsection (b)(1)(B)(i) as fol-
9 lows:

10 “(i) In the case of such a family in
11 which the total number of hours in which
12 any adult recipient or minor child head of
13 household in the family is participating in
14 such work activities for an average of at
15 least 40, but less than 45, hours per week
16 in a month, as 0.675 of a family.

17 “(ii) In the case of such a family in
18 which the total number of hours in which
19 any adult recipient or minor child head of
20 household in the family is participating in
21 such work activities for an average of at
22 least 45, but less than 51, hours per week
23 in a month, as 0.75 of a family.

24 “(iii) In the case of such a family in
25 which the total number of hours in which

1 any adult recipient or minor child head of
2 household in the family is participating in
3 such work activities for an average of at
4 least 51, but less than 55, hours per week
5 in a month, as 0.875 of a family.

6 “(iv) In the case of such a family in
7 which the total number of hours in which
8 any adult recipient or minor child head of
9 household in the family is participating in
10 such work activities for an average of at
11 least 55, but less than 56, hours per week
12 in a month, as 1 family.

13 “(v) In the case of such a family in
14 which the total number of hours in which
15 any adult recipient or minor child head of
16 household in the family is participating in
17 such work activities for an average of at
18 least 56, but less than 59, hours per week
19 in a month, as 1.05 families.

20 “(vi) In the case of such a family in
21 which the total number of hours in which
22 any adult recipient or minor child head of
23 household in the family is participating in
24 such work activities for an average of at

1 least 59 hours per week in a month, as
2 1.08 families.

3 “(B) APPLICATION OF RULES REGARDING
4 DIRECT WORK ACTIVITIES AND STATE FLEXI-
5 BILITY TO COUNT PARTICIPATION IN CERTAIN
6 ACTIVITIES.—Subparagraphs (B) and (C) of
7 paragraph (1) apply to a 2-parent family de-
8 scribed in subparagraph (A) in the same man-
9 ner as such subparagraphs apply to a family
10 described in paragraph (1)(A), except that sub-
11 paragraph (B) of paragraph (1) shall be applied
12 to such a 2-parent family by substituting ‘50’
13 for ‘24’ each place it appears.

14 “(5) CALCULATION OF HOURS PER WEEK.—

15 “(A) IN GENERAL.—The number of hours
16 per week that a family is engaged in work is
17 the quotient of—

18 “(i) the total number of hours per
19 month that the family is engaged in work;
20 divided by

21 “(ii) 4.

22 “(B) DETERMINATION OF TOTAL NUMBER
23 OF HOURS PER MONTH.—The total number of
24 hours per month in which a family is engaged
25 in work is equal to the sum of the number of

1 hours of participation in work activities de-
2 scribed in subsection (d) for all adults and
3 minor child head of households in the family for
4 the month.

5 “(6) SPECIAL RULES.—

6 “(A) FAMILY WITH A DISABLED PARENT
7 NOT TREATED AS A 2-PARENT FAMILY.—A fam-
8 ily that includes a disabled parent shall not be
9 considered a 2-parent family for purposes of
10 paragraph (3) or (4).

11 “(B) NUMBER OF WEEKS FOR WHICH JOB
12 SEARCH AND JOB READINESS ASSISTANCE
13 COUNTS AS WORK.—An individual shall not be
14 considered to be engaged in work for a month
15 by virtue of participation in an activity de-
16 scribed in subsection (d)(6) of a State program
17 funded under this part, after the individual has
18 participated in such an activity for 6 weeks per
19 fiscal year (or, if the unemployment rate of the
20 State is at least 50 percent greater than the
21 unemployment rate of the United States, or the
22 State meets the criteria of subclause (I), (II),
23 or (III) of section 403(b)(3)(A)(iii) or satisfies
24 the applicable duration requirement of section
25 403(b)(3)(B), 12 weeks per fiscal year).

1 “(C) SINGLE TEEN HEAD OF HOUSEHOLD
2 OR MARRIED TEEN WHO MAINTAINS SATISFAC-
3 TORY SCHOOL ATTENDANCE DEEMED TO COUNT
4 AS 1 FAMILY.—For purposes of determining
5 hours under the preceding paragraphs of this
6 subsection, with respect to a month, a State
7 shall count a recipient who is married or a head
8 of household and who has not attained 20 years
9 of age as 1 family if the recipient—

10 “(i) maintains satisfactory attendance
11 at a secondary school or the equivalent
12 during the month; or

13 “(ii) participates in education directly
14 related to employment for an average of at
15 least 20 hours per week during the month.

16 “(D) LIMITATION ON NUMBER OF PER-
17 SONS WHO MAY BE TREATED AS ENGAGED IN
18 WORK BY REASON OF PARTICIPATION IN EDU-
19 CATIONAL ACTIVITIES.—Except as provided in
20 paragraph (1)(C)(ii)(I), for purposes of sub-
21 section (b)(1)(B)(i), not more than 30 percent
22 of the number of individuals in all families in
23 a State who are treated as engaged in work for
24 a month may consist of individuals who are—

1 “(i) determined (without regard to in-
2 dividuals participating in a program estab-
3 lished under section 404(l)) to be engaged
4 in work for the month by reason of partici-
5 pation in vocational educational training
6 (but only with respect to such training that
7 is used to meet the requirements of para-
8 graph (1)(B)); or

9 “(ii) deemed to be engaged in work
10 for the month by reason of subparagraph
11 (C) of this paragraph.

12 “(E) STATE OPTION TO DEEM PARENT
13 CARING FOR A CHILD OR ADULT DEPENDENT
14 FOR CARE WITH A PHYSICAL OR MENTAL IM-
15 PAIRMENT TO BE MEETING ALL OR PART OF A
16 FAMILY’S WORK PARTICIPATION REQUIREMENTS
17 FOR A MONTH.—

18 “(i) IN GENERAL.—A State may
19 count the number of hours per week that
20 an adult recipient or minor child head of
21 household who is the parent or caretaker
22 relative for a child or adult dependent for
23 care with a physical or mental impairment
24 engages in providing substantial ongoing

1 care for such child or adult dependent for
2 care if the State determines that—

3 “(I) the child or adult dependent
4 for care has been verified through a
5 medically acceptable clinical or diag-
6 nostic technique as having a signifi-
7 cant physical or mental impairment or
8 combination of impairments that re-
9 quire substantial ongoing care;

10 “(II) the adult recipient or minor
11 child head of household providing
12 such care is the most appropriate
13 means, as determined by the State, by
14 which such care can be provided to
15 the child or adult dependent for care;

16 “(III) for each month in which
17 this subparagraph applies to the adult
18 recipient or minor child head of
19 household, the adult recipient or
20 minor child head of household is in
21 compliance with the requirements of
22 the family’s self-sufficiency plan; and

23 “(IV) the recipient is unable to
24 participate fully in work activities,
25 after consideration of whether there

1 are supports accessible and available
2 to the family for the care of the child
3 or adult dependent for care.

4 “(ii) TOTAL NUMBER OF HOURS LIM-
5 ITED TO BEING COUNTED AS 1 FAMILY.—
6 In no event may a family that includes a
7 recipient to which clause (i) applies be
8 counted as more than 1 family for pur-
9 poses of determining monthly participation
10 rates under subsection (b)(1)(B)(i).

11 “(iii) STATE REQUIREMENTS.—In the
12 case of a recipient to which clause (i) ap-
13 plies, the State shall—

14 “(I) conduct regular, periodic
15 evaluations of the family of the adult
16 recipient or minor child head of
17 household; and

18 “(II) include as part of the fam-
19 ily’s self-sufficiency plan, regular up-
20 dates on what special needs of the
21 child or the adult dependent for care,
22 including substantial ongoing care,
23 could be accommodated either by indi-
24 viduals other than the adult recipient

1 or minor child head of household out-
2 side of the home.

3 “(iv) RULE OF CONSTRUCTION.—

4 Nothing in this subparagraph shall be con-
5 strued as prohibiting a State from includ-
6 ing in a recipient’s self-sufficiency plan a
7 requirement to engage in work activities
8 described in subsection (d).

9 “(F) OPTIONAL MODIFICATION OF WORK
10 REQUIREMENTS FOR RECIPIENTS RESIDING IN
11 AREAS OF INDIAN COUNTRY OR AN ALASKAN
12 NATIVE VILLAGE WITH HIGH JOBLESSNESS.—If
13 a State has included in the State plan a de-
14 scription of the State’s policies in areas of In-
15 dian country or an Alaskan Native village de-
16 scribed in section 408(a)(7)(D), the State may
17 define the activities that the State will treat as
18 being work activities described in subsection (d)
19 that a recipient who resides in such an area and
20 who is participating in such activities in accord-
21 ance with a self-sufficiency plan under section
22 408(b) may engage in for purposes of satisfying
23 work requirements under the State program
24 and for purposes of determining monthly par-
25 ticipation rates under subsection (b)(1)(B)(i).”.

1 (g) WORK ACTIVITIES.—

2 (1) IN GENERAL.—Section 407(d) (42 U.S.C.
3 607(d)) is amended—

4 (A) in paragraph (11), by striking “and”
5 at the end:

6 (B) in paragraph (12), by striking the pe-
7 riod and inserting “; and”; and

8 (C) by adding at the end the following:

9 “(13) marriage education, marriage skills train-
10 ing, conflict resolution counseling in the context of
11 marriage, and participation in programs that pro-
12 mote marriage.”.

13 (2) CONFORMING AMENDMENT.—Section
14 407(c)(1)(B) (42 U.S.C. 607(c)(1)(B)), as amended
15 by subsection (f), is amended by striking “or (11)”
16 and inserting “(11), or (13)”.

17 **SEC. 110. UNIVERSAL ENGAGEMENT AND FAMILY SELF-**

18 **SUFFICIENCY PLAN REQUIREMENTS; OTHER**

19 **PROHIBITIONS AND REQUIREMENTS.**

20 (a) UNIVERSAL ENGAGEMENT AND FAMILY SELF-
21 SUFFICIENCY PLAN REQUIREMENTS.—

22 (1) MODIFICATION OF STATE PLAN REQUIRE-
23 MENTS.—

24 (A) IN GENERAL.—Section 402(a)(1)(A)
25 (42 U.S.C. 602(a)(1)(A)) is amended by strik-

1 ing clauses (ii) and (iii) and inserting the fol-
2 lowing:

3 “(ii) Require an adult or minor child
4 head of household receiving assistance
5 under the program to engage in work or
6 alternative self-sufficiency activities (as de-
7 fined by the State), consistent with section
8 407(e)(2).

9 “(iii)(I) Require families receiving as-
10 sistance under the program that—

11 “(I) include an adult or minor
12 child head of household to engage in
13 activities in accordance with family
14 self-sufficiency plans developed pursu-
15 ant to section 408(b); and

16 “(II) at State option, only consist
17 of a child or children, to engage in ac-
18 tivities in accordance with such plans
19 that specify the supportive services
20 the State intends to provide for such
21 families and provide for regular inter-
22 action with the families but do not re-
23 quire participation in a work activity
24 described in section 407(d) (other

1 than paragraph (11) of such sec-
2 tion).”.

3 (B) RULE OF CONSTRUCTION.—Nothing in
4 the amendments made by subparagraph (A)
5 shall be construed as requiring a family receiv-
6 ing assistance under a State program funded
7 under part A of title IV of the Social Security
8 Act (42 U.S.C. 601 et seq.) that only consists
9 of a child or children, or a caretaker for such
10 a family, to engage in work as a condition of
11 receiving such assistance.

12 (2) ESTABLISHMENT OF FAMILY SELF-SUFFI-
13 CIENCY PLANS.—

14 (A) IN GENERAL.—Section 408(b) (42
15 U.S.C. 608(b)) is amended to read as follows:

16 “(b) FAMILY SELF-SUFFICIENCY PLANS.—

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

19 “(A) make an initial screening and assess-
20 ment, in the manner deemed appropriate by the
21 State, of the skills, prior work experience, edu-
22 cation obtained, work readiness, barriers to
23 work, and employability of each adult or minor
24 child head of household recipient of assistance
25 in the family who—

1 “(i) has attained age 18; or

2 “(ii) has not completed high school or
3 obtained a certificate of high school equiva-
4 lency and is not attending secondary
5 school;

6 “(B) assess, in the manner deemed appro-
7 priate by the State, the work support and other
8 assistance and family support services for which
9 each family receiving assistance is eligible; and

10 “(C) assess, in the manner deemed appro-
11 priate by the State, the well-being of the chil-
12 dren in the family, and, where appropriate, ac-
13 tivities or resources to improve the well-being of
14 the children.

15 “(2) CONTENTS OF PLANS.—The State shall, in
16 the manner deemed appropriate by the State estab-
17 lish for each family that includes an individual de-
18 scribed in paragraph (1)(A) (and, if the State elects,
19 each family that only consists of a child or children),
20 in consultation as the State deems appropriate with
21 the individual, a self-sufficiency plan that—

22 “(A) specifies activities described in the
23 State plan submitted pursuant to section 402,
24 including work activities described in paragraph

1 (1), (2), (3), (4), (5), (6), (7), (8), or (12) of
2 section 407(d), as appropriate;

3 “(B) is designed to assist the family in
4 achieving their maximum degree of self-suffi-
5 ciency;

6 “(C) provides for the ongoing participation
7 of the individual in the activities specified in the
8 plan;

9 “(D) requires, at a minimum, each such
10 individual to participate in activities in accord-
11 ance with the self-sufficiency plan;

12 “(E) sets forth the appropriate supportive
13 services the State intends to provide for the
14 family;

15 “(F) establishes for the family a plan that
16 addresses the issue of child well-being and,
17 when appropriate, adolescent well-being, and
18 that may include services such as domestic vio-
19 lence counseling, mental health referrals, and
20 parenting courses; and

21 “(G) includes a section designed to assist
22 the family by informing the family, in such
23 manner as deemed appropriate by the State, of
24 the work support and other assistance for which

1 the family may be eligible including (but not
2 limited to)—

3 “(i) the food stamp program estab-
4 lished under the Food Stamp Act of 1977
5 (7 U.S.C. 2011 et seq.);

6 “(ii) the medicaid program funded
7 under title XIX;

8 “(iii) the State children’s health in-
9 surance program funded under title XXI;

10 “(iv) Federal or State funded child
11 care, including child care funded under the
12 Child Care Development Block Grant Act
13 of 1990 (42 U.S.C. 9858 et seq.) and
14 funds made available under this title or
15 title XX;

16 “(v) the earned income tax credit
17 under section 32 of the Internal Revenue
18 Code of 1986;

19 “(vi) the low-income home energy as-
20 sistance program established under the
21 Low-Income Home Energy Assistance Act
22 of 1981 (42 U.S.C. 8621 et seq.);

23 “(vii) the special supplemental nutri-
24 tion program for women, infants, and chil-
25 dren established under section 17 of the

1 Child Nutrition Act of 1966 (42 U.S.C.
2 1786);

3 “(viii) programs conducted under the
4 Workforce Investment Act of 1998 (29
5 U.S.C. 2801 et seq.); and

6 “(ix) low-income housing assistance
7 programs.

8 “(3) STATE OPTION TO RECEIVE WORK PAR-
9 TICIPATION RATE CREDIT FOR AN INDIVIDUAL
10 WHOSE PLAN SPECIFIES THAT THEY HAVE A CON-
11 TINUING NEED FOR REHABILITATIVE SERVICES IN
12 ORDER TO ENGAGE IN DIRECT WORK ACTIVITIES.—

13 “(A) IN GENERAL.—A State may elect, on
14 a case-by-case basis, to include direct work ac-
15 tivities by an individual described in subpara-
16 graph (B) that are combined with rehabilitative
17 services in the determination of monthly partici-
18 pation rates under section 407(b)(1)(B)(i).

19 “(B) INDIVIDUAL DESCRIBED.—For pur-
20 poses of this paragraph, an individual described
21 in this subparagraph is an individual who—

22 “(i) is an adult or minor child head of
23 household recipient of assistance;

24 “(ii) was treated as being engaged in
25 work during each of the 3-month periods

1 applicable under clauses (i) and (ii) of sec-
2 tion 407(c)(1)(C); and

3 “(iii) the State determines—

4 “(I) has been verified through a
5 medically acceptable clinical or diag-
6 nostic technique as having a disability
7 that impedes the individual’s ability to
8 function in a work setting; and

9 “(II) continues to need rehabili-
10 tative services in order to engage in
11 direct work activities.

12 “(C) REQUIREMENTS.—A State shall not
13 include activities of an individual described in
14 subparagraph (B) in the determination of
15 monthly participation rates under section
16 407(b)(1)(B)(i) unless the following require-
17 ments are met:

18 “(i) DEVELOPMENT AND MAINTENANCE OF COLLABORATIVE RELATION-
19 SHIPS.—

20
21 “(I) IN GENERAL.—The State
22 agency responsible for administering
23 the State program funded under this
24 part has or is developing collaborative
25 and referral relationships with other

1 governmental and private agencies
2 with expertise in disability determina-
3 tions, or the development of appro-
4 priate services plans for individuals
5 with disabilities, to address the needs
6 of adult or minor child head of house-
7 hold recipients of assistance who have
8 a disability and require such services
9 plans in order to engage in direct
10 work activities.

11 “(II) INCLUSION OF RELATION-
12 SHIPS WITH AGENCIES FUNDED
13 UNDER THIS PART.—The govern-
14 mental and private agencies referred
15 to in subclause (I) include agencies
16 that may be receiving funds under
17 this part, such as State and local
18 mental health agencies, substance
19 abuse treatment providers (including
20 drug or alcohol abuse treatment pro-
21 viders), disability service agencies, and
22 providers of vocational rehabilitation
23 services.

24 “(ii) SELF-SUFFICIENCY PLAN SPECI-
25 FIES THE INDIVIDUAL’S CONTINUING NEED

1 FOR SERVICES AND COORDINATION PROC-
2 ESS WITH PROVIDERS.—The plan estab-
3 lished under paragraph (2) for an indi-
4 vidual described in subparagraph (B)—

5 “(I) specifies the individual’s con-
6 tinuing need for rehabilitative services
7 in order to engage in direct work ac-
8 tivities; and

9 “(II) describes how the State will
10 coordinate with each provider of such
11 services.

12 “(iii) STATE PLAN DESCRIPTION AND
13 ASSURANCES.—The State includes in an
14 addendum to the State plan submitted
15 under section 402 the following:

16 “(I) DESCRIPTION OF PROCESS
17 FOR DEVELOPING AND MAINTAINING
18 COLLABORATIVE RELATIONSHIPS.—A
19 description of the process the State
20 shall use to develop and maintain the
21 collaborative and referral relationships
22 with other governmental and private
23 agencies required under clause (i).

24 “(II) ASSURANCE OF REGULAR
25 CONTACT WITH SERVICE PROVIDERS,

1 REEVALUATION, AND MODIFICATION
2 OF PLAN.—An assurance that the
3 State shall—

4 “(aa) ensure that each pro-
5 vider of rehabilitative services for
6 an individual described in sub-
7 paragraph (B) is in regular con-
8 tact with the individual and that
9 the provider will inform the State
10 if the individual is no longer par-
11 ticipating in the rehabilitation
12 services;

13 “(bb) reevaluate the individ-
14 ual’s continuing need for such
15 services not less than once each
16 fiscal year quarter; and

17 “(cc) make appropriate
18 modifications to the individual’s
19 self-sufficiency plan on the basis
20 of such information and reevalua-
21 tions.

22 “(iv) NO DETERMINATION THAT THE
23 STATE HAS FAILED TO COMPLY WITH THE
24 REQUIREMENT TO DEVELOP AND MAIN-
25 TAIN COLLABORATIVE RELATIONSHIPS.—

1 The Secretary has not made a determina-
2 tion that the State has failed to comply
3 with the requirement to develop and main-
4 tain the collaborative and referral relation-
5 ships with other governmental and private
6 agencies required under clause (i).

7 “(D) CREDIT FOR HOURS OF PARTICIPA-
8 TION IN DIRECT WORK ACTIVITIES AND REHA-
9 BILITATION SERVICES.—

10 “(i) IN GENERAL.—A State may in-
11 clude in the determination of monthly par-
12 ticipation rates under section
13 407(b)(1)(B)(i) the sum of the total num-
14 ber of hours that an individual described in
15 subparagraph (B) participates for a month
16 in—

17 “(I) direct work activities; and

18 “(II) rehabilitative services (but
19 only up to the number of hours of
20 such services that do not exceed the
21 total number of hours that the indi-
22 vidual participated in direct work ac-
23 tivities for that month).

24 “(ii) APPLICATION OF RULES FOR DE-
25 TERMINATION OF COUNTABLE HOURS OF

1 WORK.—The sum of hours of participation
2 by such an individual shall be treated
3 under section 407(c) in the same manner
4 as a family participating in work activities
5 described in section 407(d) is treated as
6 engaged in work under section 407(c).

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

8 “(i) DISABILITY.—The term ‘dis-
9 ability’ means a physical or mental impair-
10 ment, including substance abuse and drug
11 or alcohol abuse, that—

12 “(I) constitutes or results in a
13 substantial impediment to employ-
14 ment; or

15 “(II) substantially limits 1 or
16 more major life activities.

17 “(ii) DIRECT WORK ACTIVITY.—The
18 term ‘direct work activity’ means an activ-
19 ity described in paragraph (1), (2), (3),
20 (4), (5), (6), (7), (8), or (12) of section
21 407(d).

22 “(4) REVIEW.—

23 “(A) REGULAR REVIEW.—A State to which
24 a grant is made under section 403 shall—

1 “(i) monitor the participation of each
2 adult recipient or minor child head of
3 household in the activities specified in the
4 self-sufficiency plan, and regularly review
5 the progress of the family toward self-suffi-
6 ciency; and

7 “(ii) upon such a review, revise the
8 plan and activities required under the plan
9 as the State deems appropriate in con-
10 sultation with the family.

11 “(B) PRIOR TO THE IMPOSITION OF A
12 SANCTION.—Prior to imposing a sanction
13 against an adult recipient, minor child head of
14 household, or a family for failure to comply
15 with a requirement of the self-sufficiency plan
16 or the State program funded under this part,
17 the State shall, in the manner determined ap-
18 propriate by the State—

19 “(i) review the self-sufficiency plan;
20 and

21 “(ii) make a good faith effort (as de-
22 fined by the State) to consult with the
23 family.

24 “(5) STATE DISCRETION.—Subject to para-
25 graph (3), a State shall have sole discretion, con-

1 sistent with section 407, to define and design activi-
2 ties for families for purposes of this subsection, to
3 develop methods for monitoring and reviewing
4 progress pursuant to this subsection, and to make
5 modifications to the plan as the State deems appro-
6 priate to assist the individual in increasing their de-
7 gree of self-sufficiency.

8 “(6) APPLICATION TO PARTIALLY SANCTIONED
9 FAMILIES.—The requirements of this subsection
10 shall apply in the case of a family that includes an
11 adult or minor child head of household recipient of
12 assistance who is subject to a partial sanction.

13 “(7) TIMING.—The State shall initiate screen-
14 ing and assessment and the establishment of a fam-
15 ily self-sufficiency plan in accordance with the re-
16 quirements of this subsection—

17 “(A) in the case of a family that, as of the
18 date of enactment of the Personal Responsi-
19 bility and Individual Development for Everyone
20 Act, is not receiving assistance from the State
21 program funded under this part, not later than
22 the later of—

23 “(i) 1 year after such date of enact-
24 ment; or

1 “(ii) 60 days after the family first re-
2 ceives assistance on the basis of the most
3 recent application for assistance; and

4 “(B) in the case of a family that, as of
5 such date, is receiving assistance under the
6 State program funded under this part, not later
7 than 1 year after such date of enactment.

8 “(8) RULE OF INTERPRETATION.—Nothing in
9 this subsection shall preclude a State from—

10 “(A) requiring participation in work and
11 any other activities the State deems appropriate
12 for helping families achieve self-sufficiency and
13 improving child well-being; or

14 “(B) using job search or other appropriate
15 job readiness or work activities to assess the
16 employability of individuals and to determine
17 appropriate future engagement activities.”.

18 (B) PENALTY FOR FAILURE TO COMPLY
19 WITH FAMILY SELF-SUFFICIENCY PLAN RE-
20 QUIREMENTS.—

21 (i) IN GENERAL.—Section 409(a)(3)

22 (42 U.S.C. 609(a)(3)) is amended—

23 (I) in the paragraph heading, by
24 inserting “OR COMPLY WITH FAMILY

1 SELF-SUFFICIENCY PLAN REQUIRE-
2 MENTS” after “RATES”;

3 (II) in subparagraph (A), by in-
4 serting “or 408(b)” after “407(a)”;
5 and

6 (III) by striking subparagraph
7 (C) and inserting the following:

8 “(C) PENALTY BASED ON SEVERITY OF
9 FAILURE.—

10 “(i) FAILURE TO SATISFY MINIMUM
11 PARTICIPATION RATE.—If, with respect to
12 fiscal year 2007 or any fiscal year there-
13 after, the Secretary finds that a State has
14 failed or is failing to substantially comply
15 with the requirements of section 407(a) for
16 that fiscal year, the Secretary shall impose
17 reductions under subparagraph (A) with
18 respect to the immediately succeeding fis-
19 cal year based on the degree of substantial
20 noncompliance. In assessing the degree of
21 substantial noncompliance under section
22 407(a) for a fiscal year, the Secretary shall
23 take into account factors such as—

1 “(I) the degree to which the
2 State missed the minimum participa-
3 tion rate for that fiscal year;

4 “(II) the change in the number
5 of individuals who are engaged in
6 work in the State since the prior fiscal
7 year; and

8 “(III) the number of consecutive
9 fiscal years in which the State failed
10 to reach the minimum participation
11 rate.

12 “(ii) FAILURE TO COMPLY WITH
13 SELF-SUFFICIENCY PLAN REQUIRE-
14 MENTS.—If, with respect to fiscal year
15 2007 or any fiscal year thereafter, the Sec-
16 retary finds that a State has failed or is
17 failing to substantially comply with the re-
18 quirements of section 408(b) for that fiscal
19 year, the Secretary shall impose reductions
20 under subparagraph (A) with respect to
21 the immediately succeeding fiscal year
22 based on the degree of substantial non-
23 compliance. In assessing the degree of sub-
24 stantial noncompliance under section

1 408(b), the Secretary shall take into ac-
2 count factors such as—

3 “(I) the number or percentage of
4 families for which a self-sufficiency
5 plan is not established in a timely
6 fashion for that fiscal year;

7 “(II) the duration of the delays
8 in establishing a self-sufficiency plan
9 during that fiscal year;

10 “(III) whether the failures are
11 isolated and nonrecurring; and

12 “(IV) the existence of systems
13 designed to ensure that self-suffi-
14 ciency plans are established for all
15 families in a timely fashion and that
16 families’ progress under such plans is
17 monitored.

18 “(iii) AUTHORITY TO REDUCE THE
19 PENALTY.—The Secretary may reduce the
20 penalty that would otherwise apply under
21 this paragraph if the substantial non-
22 compliance is due to circumstances that
23 caused the State to meet the criteria of
24 subclause (I), (II), or (III) of section
25 403(b)(3)(A)(iii) or to satisfy the applica-

1 ble duration requirement of section
2 403(b)(3)(B) during the fiscal year, or if
3 the noncompliance is due to extraordinary
4 circumstances such as a natural disaster or
5 regional recession. The Secretary shall pro-
6 vide a written report to Congress to justify
7 any waiver or penalty reduction due to
8 such extraordinary circumstances.”.

9 (ii) EFFECTIVE DATE.—The amend-
10 ments made by this subparagraph take ef-
11 fect on October 1, 2006.

12 (3) GAO EVALUATION AND REPORT.—Not later
13 than September 30, 2007, the Comptroller General
14 of the United States shall submit a report to the
15 Committee on Finance of the Senate and the Com-
16 mittee on Ways and Means of the House of Rep-
17 resentatives evaluating the implementation of the
18 universal engagement provisions under the tem-
19 porary assistance to needy families program under
20 part A of title IV of the Social Security Act (42
21 U.S.C. 601 et seq.), as added by the amendments
22 made by this subsection.

23 (4) RULES OF CONSTRUCTION.—Nothing in
24 this subsection or the amendments made by this
25 subsection shall be construed—

1 (A) as establishing a private right or cause
2 of action against a State for failure to comply
3 with the requirements imposed under this sub-
4 section or the amendments made by this sub-
5 section; or

6 (B) as limiting claims that may be avail-
7 able under other Federal or State laws.

8 (b) TRANSITIONAL COMPLIANCE FOR TEEN PAR-
9 ENTS.—

10 (1) IN GENERAL.—Section 408(a)(5) (42
11 U.S.C. 608(a)(5)) is amended—

12 (A) in subparagraph (A)(i), by striking
13 “subparagraph (B)” and inserting “subpara-
14 graphs (B) and (C)”; and

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

16 “(C) AUTHORITY TO PROVIDE TEMPORARY
17 ASSISTANCE.—A State may use any part of a
18 grant made under section 403 to provide assist-
19 ance to an individual described in clause (ii) of
20 subparagraph (A) who would otherwise be pro-
21 hibited from receiving such assistance under
22 clause (i) of that subparagraph, subparagraph
23 (B), or section 408(a)(4) for not more than a
24 single 60-day period in order to assist the indi-
25 vidual in meeting the requirement of clause (i)

1 of subparagraph (A), subparagraph (B), or sec-
 2 tion 408(a)(4) for receipt of such assistance.”.

3 (2) INCLUSION OF TRANSITIONAL LIVING
 4 YOUTH PROJECTS AS A FORM OF ADULT-SUPER-
 5 VISED SETTING.—Clause (i) of section 408(a)(5)(A)
 6 (42 U.S.C. 608(a)(5)(A)), as amended by paragraph
 7 (1), is amended—

8 (A) by striking “do not reside in a place
 9 of” and inserting “do not reside in a—

10 “(I) place of”;

11 (B) by striking the period and inserting “;
 12 or”; and

13 (C) by adding at the end the following:

14 “(II) transitional living youth
 15 project funded under a grant made
 16 under section 321 of the Runaway
 17 and Homeless Youth Act (42 U.S.C.
 18 5714–1).”.

19 (c) AREAS OF INDIAN COUNTRY OF HIGH JOBLESS-
 20 NESS.—Section 408(a)(7)(D) (42 U.S.C. 608(a)(7)(D)) is
 21 amended—

22 (1) in the subparagraph heading, by striking
 23 “COUNTRY” and all that follows through “UNEM-
 24 PLOYMENT” and inserting “COUNTRY WITH HIGH

1 JOBLESSNESS OR IN AN ALASKAN NATIVE VILLAGE
2 WITH 50 PERCENT UNEMPLOYMENT”;

3 (2) by redesignating clause (ii) as clause (v);
4 and

5 (3) by striking clause (i) and inserting the fol-
6 lowing:

7 “(i) IN GENERAL.—Subject to clauses
8 (ii), (iii), and (iv), in determining the num-
9 ber of months for which an adult has re-
10 ceived assistance under a State or tribal
11 program funded under this part, the State
12 or Indian tribe shall disregard any month
13 during which the adult lived in Indian
14 country if the most reliable data available
15 (or such other data submitted by a State
16 or tribal program as the Secretary may ap-
17 prove) with respect to the month (or a pe-
18 riod including the month) indicate that at
19 least 40 percent of the adult recipients,
20 who were living in Indian country were
21 jobless.

22 “(ii) ECONOMIC DOWNTURN.—If—

23 “(I) in the case of a State pro-
24 gram funded under this part—

1 “(aa) the unemployment
2 rate of the State is at least 50
3 percent greater than the unem-
4 ployment rate of the United
5 States; and

6 “(bb) the State meets the
7 criteria of subclause (I), (II), or
8 (III) of section 403(b)(3)(A)(iii)
9 and satisfies the applicable dura-
10 tion requirement of section
11 403(b)(3)(B): or

12 “(II) in the case of a tribal pro-
13 gram funded under this part, the In-
14 dian tribe satisfies the criteria speci-
15 fied under section 403(b)(1)(D)(ii),
16 clause (i) shall be applied by substituting
17 ‘35 percent’ for ‘40 percent’.

18 “(iii) REQUIREMENT.—A month may
19 only be disregarded under clause (i) with
20 respect to an adult recipient described in
21 that clause if the adult is in compliance
22 with program requirements.

23 “(iv) CONTINUATION OF 50 PERCENT
24 UNEMPLOYMENT REQUIREMENT FOR AN
25 ALASKAN NATIVE VILLAGE.—In the case of

1 an Alaskan Native village, this subpara-
2 graph shall be applied without regard to
3 the amendments made by the Personal Re-
4 sponsibility and Individual Development
5 for Everyone Act.”.

6 **SEC. 111. PENALTIES.**

7 (a) MAINTENANCE OF CERTAIN LEVEL OF HISTORIC
8 EFFORT.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is
9 amended—

10 (1) in subparagraph (A), by striking “or 2006”
11 and inserting “2006, 2007, 2008, 2009, 2010, or
12 2011”; and

13 (2) in subparagraph (B)(ii)—

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

16 (B) by striking “for fiscal years 1997
17 through 2005,”.

18 (b) IMPLEMENTING WORK PROGRAM IMPROVEMENT
19 THROUGH CORRECTIVE ACTION PLAN.—Section
20 409(c)(2) (42 U.S.C. 609(c)(2)) is amended—

21 (1) by striking “The Secretary” and inserting
22 the following:

23 “(A) IN GENERAL.—The Secretary”; and

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

1 “(B) NO PENALTY IF WORK PROGRAM IM-
2 PROVEMENT.—The Secretary shall not impose
3 any penalty under subsection (a)(3) for a
4 State’s failure to comply with section 407(a) for
5 a fiscal year if the Secretary determines that
6 the participation rate determined for the State
7 under section 407(b)(1) for that fiscal year in-
8 creased by at least 5 percentage points above
9 the participation rate for the State for the pre-
10 ceding fiscal year and a State corrective compli-
11 ance plan accepted by the Secretary specifies
12 how the State will correct the violation.”.

13 **SEC. 112. DATA COLLECTION AND REPORTING.**

14 (a) CONTENTS OF REPORT.—Section 411(a)(1)(A)
15 (42 U.S.C. 611(a)(1)(A)) is amended—

16 (1) in the matter preceding clause (i), by insert-
17 ing “and on families receiving assistance under
18 State programs funded with other qualified State ex-
19 penditures (as defined in section 409(a)(7)(B)(i))”
20 before the colon;

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

23 (3) in clause (viii), by striking “and educational
24 level”;

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

3 (5) in clause (x)—

4 (A) by striking “each type of”; and

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

8 (6) by striking clause (xi) and inserting the fol-
9 lowing:

10 “(xi) If the adult or minor child head of
11 household participated in, and the average
12 number of hours per week of participation in,
13 each activity listed in subsections (c)(1)(i)(II)
14 (including average hours per week in each dif-
15 ferent type of rehabilitative activity as pre-
16 scribed by the Secretary) and (d) of section 407
17 and other work or self-sufficiency activities.”.

18 (7) in clause (xii), by inserting “and progress
19 toward universal engagement” after “participation
20 rates”;

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

23 (9) in clause (xvi), by striking subclause (II)
24 and redesignating subclauses (III) through (V) as
25 subclauses (II) through (IV), respectively; and

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

2 “(xviii) The date the family first re-
3 ceived assistance from the State program
4 on the basis of the most recent application
5 for such assistance.

6 “(xix) Whether a self-sufficiency plan
7 is established for the family in accordance
8 with section 408(b).

9 “(xx) With respect to any child in the
10 family, the marital status of the parents at
11 the birth of the child, and if the parents
12 were not then married, whether the pater-
13 nity of the child has been established.”.

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

16 (1) in clause (i)—

17 (A) by striking “a sample” and inserting
18 “samples”; and

19 (B) by inserting before the period “, except
20 that the Secretary may designate core data ele-
21 ments that must be reported on all families”;
22 and

23 (2) in clause (ii), by striking “funded under this
24 part” and inserting “described in subparagraph
25 (A)”.

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

4 (1) by striking paragraph (5);

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

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

9 “(6) REPORT ON FAMILIES THAT BECOME IN-
10 ELIGIBLE TO RECEIVE ASSISTANCE.—

11 “(A) IN GENERAL.—The report required
12 by paragraph (1) for a fiscal quarter shall in-
13 clude for each month in the quarter the number
14 of families and total number of individuals that,
15 during the month, became ineligible to receive
16 assistance under the State program funded
17 under this part (broken down by the number of
18 families that become so ineligible due to earn-
19 ings, changes in family composition that result
20 in increased earnings, sanctions, time limits, or
21 other specified reasons).

22 “(B) INFORMATION REGARDING FAMILIES
23 IN SEPARATE STATE PROGRAMS.—The report
24 required by paragraph (1) for a fiscal quarter
25 shall include for each month in the quarter the

1 number of families and total number of individ-
2 uals that, during the month, received assistance
3 under State programs funded with qualified
4 State expenditures (as defined in section
5 409(a)(7)(B)(i)).”.

6 (d) REPORT ON TANF-FUNDED CHILD CARE.—Sec-
7 tion 411(a) (42 U.S.C. 611(a)), as amended by subsection
8 (c), is amended—

9 (1) by redesignating paragraph (7) as para-
10 graph (8); and

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

13 “(7) REPORT ON TANF-FUNDED CHILD CARE.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graphs (B), (C), and (D), the report required
16 by paragraph (1) for a fiscal quarter shall in-
17 clude for each month in the quarter the infor-
18 mation described in section 658K(a) of the
19 Child Care and Development Block Grant Act
20 of 1990 with respect to each family that re-
21 ceived child care that was funded in whole or in
22 part with funds provided under section 403
23 (other than funds transferred under section
24 404(d)) or with qualified State expenditures (as
25 defined in section 409(a)(7)(B)(i)), without re-

1 gard to whether the family is a recipient or
2 former recipient of assistance under the State
3 program funded under this part. A State may
4 comply with the requirement of this subpara-
5 graph through the use of scientifically accept-
6 able sampling methods approved by the Sec-
7 retary.

8 “(B) COORDINATION WITH OTHER RE-
9 PORTING REQUIREMENTS.—

10 “(i) IN GENERAL.—The Secretary
11 shall coordinate the reporting required
12 under subparagraph (A) with the reporting
13 required under the Child Care and Devel-
14 opment Block Grant Act of 1990 to ensure
15 that States are not required to report du-
16 plicate information on the same families in
17 order to satisfy both requirements.

18 “(ii) CONSOLIDATED REPORTING.—
19 Notwithstanding section 658K(a) of the
20 Child Care and Development Block Grant
21 Act of 1990, the Secretary may permit a
22 State to submit a consolidated report to
23 satisfy the reporting required under sub-
24 paragraph (A) and the reporting required
25 under section 658K(a) of the Child Care

1 and Development Block Grant Act of
2 1990, so long as the State identifies in the
3 consolidated report the funding source for
4 the child care provided to each family.

5 “(C) WAIVER OF REPORTING REQUIRE-
6 MENT.—The Secretary may grant a State a
7 waiver from the requirement to comply with
8 subparagraph (A) if—

9 “(i) the Secretary determines that the
10 State has demonstrated that it would be
11 administratively or financially burdensome
12 for the State to comply with such subpara-
13 graph; and

14 “(ii) in the case of a State, the State
15 agrees to post on a quarterly basis on the
16 website of the State such information as
17 the State may have regarding the charac-
18 teristics of the families that received child
19 care that was funded in whole or in part
20 with funds provided under this part.

21 “(D) APPLICABILITY.—Subparagraph (A)
22 shall apply to a State on and after the first fis-
23 cal quarter that begins on or after 2 years after
24 the date of enactment of the Personal Responsi-

1 bility and Individual Development for Everyone
2 Act.”.

3 (e) REGULATIONS.—Paragraph (8) of section 411(a)
4 (42 U.S.C. 611(a)), as redesignated by subsection (d)(1),
5 is amended—

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

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

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

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

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

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

22 “(b) ANNUAL REPORTS ON PROGRAM CHARACTERIS-
23 TICS.—Not later than 90 days after the end of fiscal year
24 2006 and each succeeding fiscal year, each eligible State
25 shall submit to the Secretary a report on the characteris-

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

9 “(c) MONTHLY REPORTS ON CASELOAD.—Not later
10 than 3 months after the end of each calendar month that
11 begins 1 year or more after the date of enactment of this
12 subsection, each eligible State shall submit to the Sec-
13 retary a report on the number of families and total num-
14 ber of individuals receiving assistance in the calendar
15 month under the State program funded under this part
16 and under other State programs funded with qualified
17 State expenditures (as defined in section 409(a)(7)(B)(i)).

18 “(d) ANNUAL REPORT ON PERFORMANCE IMPROVE-
19 MENT AND PROGRESS TOWARD UNIVERSAL ENGAGE-
20 MENT.—Beginning with fiscal year 2007, not later than
21 January 1 of each fiscal year, each eligible State shall sub-
22 mit to the Secretary a report—

23 “(1) on achievement and improvement during
24 the preceding fiscal year under the performance
25 goals and measures under the State program funded

1 under this part or with qualified State expenditures
2 (as defined in section 409(a)(7)(B)(i)) with respect
3 to each of the matters described in section
4 402(a)(1)(A)(v); and

5 “(2) that details State progress toward full en-
6 gagement for all adult or minor child head of house-
7 hold recipients of assistance.”.

8 (g) ANNUAL REPORTS TO CONGRESS BY THE SEC-
9 RETARY.—Section 411(e) (42 U.S.C. 611(e)), as so redes-
10 igned by subsection (f) of this section, is amended—

11 (1) in the matter preceding paragraph (1), by
12 striking “and each fiscal year thereafter” and insert-
13 ing “and not later than July 1 of each fiscal year
14 thereafter”;

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

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

22 **SEC. 113. DIRECT FUNDING AND ADMINISTRATION BY IN-**
23 **DIAN TRIBES.**

24 (a) FUNDING FOR TRIBAL TANF PROGRAMS.—

1 (1) REAUTHORIZATION OF TRIBAL FAMILY AS-
2 SISTANCE GRANTS.—Section 412(a)(1)(A) (42
3 U.S.C. 612(a)(1)(A)) is amended by striking “1997,
4 1998, 1999, 2000, 2001, 2002, and 2003” and in-
5 serting “2006 through 2010”.

6 (2) GRANTS FOR INDIAN TRIBES THAT RE-
7 CEIVED JOBS FUNDS.—Section 412(a)(2) (42 U.S.C.
8 612(a)(2)) is amended—

9 (A) by striking subparagraph (A) and in-
10 serting the following:

11 “(A) GRANT AUTHORITY.—For each of fis-
12 cal years 2006 through 2010, the Secretary
13 shall pay to each eligible Indian tribe that pro-
14 poses to operate a program described in sub-
15 paragraph (C), a grant in an amount that bears
16 the same ratio to the amount specified in sub-
17 paragraph (D) of this paragraph as the amount
18 required to be paid to the tribe under this para-
19 graph for fiscal year 2004 bears to the total
20 amount required to be paid under this para-
21 graph for such fiscal year.”; and

22 (B) in subparagraph (D), by striking
23 “\$7,633,287” and inserting “\$12,633,287”.

1 (b) TRIBAL WELFARE PROGRAMS.—Section 412(a)
2 (42 U.S.C. 612(a)) is amended by adding at the end the
3 following:

4 “(4) TRIBAL IMPROVEMENT GRANTS.—

5 “(A) TRIBAL CAPACITY GRANTS.—

6 “(i) IN GENERAL.—Of the amount ap-
7 propriated under subparagraph (D) for the
8 period of fiscal years 2006 through 2010,
9 \$40,000,000 shall be used by the Secretary
10 to award grants for tribal human services
11 program infrastructure improvement (as
12 defined in clause (v)) to—

13 “(I) Indian tribes that have ap-
14 plied for approval of a tribal family
15 assistance plan and that meet the re-
16 quirements of clause (ii)(I);

17 “(II) Indian tribes with an ap-
18 proved tribal family assistance plan
19 and that meet the requirements of
20 clause (ii)(II); and

21 “(III) Indian tribes that have ap-
22 plied for approval of a foster care and
23 adoption assistance program under
24 section 479B or that plan to enter
25 into, or have in place, a tribal-State

1 cooperative agreement under section
2 479B(c) and that meet the require-
3 ments of clause (ii)(III).

4 “(ii) PRIORITIES FOR AWARDING OF
5 GRANTS.—The Secretary shall give priority
6 in awarding grants under this subpara-
7 graph as follows:

8 “(I) First, for grants to Indian
9 tribes that have applied for approval
10 of a tribal family assistance plan, that
11 have not operated such a plan as of
12 the date of enactment of the Personal
13 Responsibility and Individual Develop-
14 ment for Everyone Act that will have
15 such plan approved, and that include
16 in the plan submission provisions for
17 tribal human services program infra-
18 structure improvement (as so defined)
19 and related management information
20 systems training.

21 “(II) Second, for Indian tribes
22 with an approved tribal family assist-
23 ance plan that are not described in
24 subclause (I) and that submit an ad-
25 dendum to such plan that includes

1 provisions for tribal human services
2 program infrastructure improvement
3 that includes implementing or improv-
4 ing management information systems
5 of the tribe (including management
6 information systems training), as such
7 systems relate to the operation of the
8 tribal family assistance plan.

9 “(III) Third, for Indian tribes
10 that have applied for approval of a
11 foster care and adoption assistance
12 program under section 479B or that
13 plan to enter into, or have in place, a
14 tribal-State cooperative agreement
15 under section 479B(c) and that in-
16 clude in the plan submission under
17 section 471 (or in an addendum to
18 such plan) provisions for tribal human
19 services program infrastructure im-
20 provement (as so defined) and related
21 management information systems
22 training.

23 “(iii) OTHER REQUIREMENTS FOR
24 AWARDING GRANTS.—In awarding grants
25 under this subparagraph, the Secretary—

1 “(I) may not award an Indian
2 tribe more than 1 grant under this
3 subparagraph per fiscal year;

4 “(II) shall award grants in such
5 a manner as to maximize the number
6 of Indian tribes that receive grants
7 under this subparagraph; and

8 “(III) shall consult with Indian
9 tribes located throughout the United
10 States.

11 “(iv) APPLICATION.—An Indian tribe
12 desiring a grant under this subparagraph
13 shall submit an application to the Sec-
14 retary, at such time, in such manner, and
15 containing such information as the Sec-
16 retary may require.

17 “(v) DEFINITION OF HUMAN SERV-
18 ICES PROGRAM INFRASTRUCTURE IM-
19 PROVEMENT.—In this subparagraph, the
20 term ‘human services program infrastruc-
21 ture improvement’ includes (but is not lim-
22 ited to) improvement of management infor-
23 mation systems, management information
24 systems-related training, equipping offices,
25 and renovating, but not constructing,

1 buildings, as described in an application
2 for a grant under this subparagraph, and
3 subject to approval by the Secretary.

4 “(B) TRIBAL DEVELOPMENT GRANTS.—

5 “(i) IN GENERAL.—Of the amount ap-
6 propriated under subparagraph (D) for the
7 period of fiscal years 2006 through 2010,
8 \$35,000,000 shall be used by the Secretary
9 to award, through the Commissioner of the
10 Administration for Native Americans,
11 grants to nonprofit organizations, Indian
12 tribes, and tribal organizations to enable
13 such organizations and tribes to provide
14 technical assistance to Indian tribes and
15 tribal organizations in any or all of the fol-
16 lowing areas:

17 “(I) The development and im-
18 provement of uniform commercial
19 codes.

20 “(II) The creation or expansion
21 of small business or microenterprise
22 programs.

23 “(III) The development and im-
24 provement of tort liability codes.

1 “(IV) The creation or expansion
2 of tribal marketing efforts.

3 “(V) The creation or expansion
4 of for-profit collaborative business
5 networks.

6 “(VI) The development of inno-
7 vative uses of telecommunications to
8 assist with distance learning or tele-
9 commuting.

10 “(VII) The development of eco-
11 nomic opportunities and job creation
12 in areas of high joblessness (as de-
13 fined in section 408(a)(7)(D)).

14 “(ii) REQUIREMENTS.—

15 “(I) IN GENERAL.—At least an
16 amount equal to 30 percent of the
17 total amount of grants awarded under
18 this subparagraph shall be awarded to
19 carry out clause (i)(VII).

20 “(II) CONSULTATION.—In
21 awarding grants under this subpara-
22 graph the Secretary shall consult with
23 other Federal agencies with expertise
24 in the areas described in clause (i).

1 “(iii) APPLICATION.—A nonprofit or-
2 ganization, Indian tribe, or tribal organiza-
3 tion desiring a grant under this subpara-
4 graph shall submit an application to the
5 Secretary at such time, in such manner,
6 and containing such information as the
7 Secretary may require.

8 “(C) TECHNICAL ASSISTANCE.—

9 “(i) IN GENERAL.—Of the amount ap-
10 propriated under subparagraph (D) for the
11 period of fiscal years 2006 through 2010,
12 \$5,000,000 shall be used by the Secretary
13 for making grants, or entering into con-
14 tracts, to provide technical assistance to
15 Indian tribes—

16 “(I) in applying for or carrying
17 out a grant made under this para-
18 graph;

19 “(II) in applying for or carrying
20 out a tribal family assistance plan
21 under this section; or

22 “(III) related to best practices
23 and approaches for State and tribal
24 coordination on the transfer of the ad-

1 ministration of social services pro-
2 grams to Indian tribes.

3 “(ii) RESERVATION OF FUNDS.—Not
4 less than—

5 “(I) \$2,500,000 of the amount
6 described in clause (i) shall be used by
7 the Secretary to support, through
8 grants or contracts, peer-learning pro-
9 grams among tribal administrators;
10 and

11 “(II) \$1,000,000 of such amount
12 shall be used by the Secretary for
13 making grants to Indian tribes to con-
14 duct feasibility studies of the capacity
15 of Indian tribes to operate tribal fam-
16 ily assistance plans under this part or
17 foster care and adoption assistance
18 programs under section 479B.

19 “(D) APPROPRIATION.—Out of any money
20 in the Treasury of the United States not other-
21 wise appropriated, there is appropriated
22 \$80,000,000 for the period of fiscal years 2006
23 through 2010 to carry out this paragraph.
24 Amounts appropriated under this subparagraph
25 shall remain available until expended.”.

1 (c) CLARIFICATION OF APPLICATION OF INDIAN EM-
2 PLOYMENT, TRAINING AND RELATED SERVICES DEM-
3 ONSTRATION ACT OF 1992.—Section 412 (42 U.S.C.612)
4 is amended by adding at the end the following:

5 “(j) APPLICATION OF INDIAN EMPLOYMENT, TRAIN-
6 ING AND RELATED SERVICES DEMONSTRATION ACT OF
7 1992.—Notwithstanding any other provision of law, if an
8 Indian tribe elects to incorporate the services it provides
9 using funds made available under this part into a plan
10 under section 6 of the Indian Employment, Training and
11 Related Services Demonstration Act of 1992 (25 U.S.C.
12 3405), the programs authorized to be conducted with such
13 funds shall be—

14 “(1) considered to be programs subject to sec-
15 tion 5 of the Indian Employment, Training and Re-
16 lated Services Demonstration Act of 1992 (25
17 U.S.C. 3404); and

18 “(2) subject to the single plan and single budg-
19 et requirements of section 6 of that Act (25 U.S.C.
20 3505) and the single report format required under
21 section 11 of that Act (25 U.S.C. 3410).”.

22 (d) ENSURING EQUITABLE ACCESS.—

23 (1) STATE PLAN REQUIREMENT.—Section
24 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended

1 by section 101(a)(1)(B) is amended by adding at the
2 end the following:

3 “(viii) The document shall describe
4 how the State will ensure equitable access
5 to benefits and services provided under the
6 program for each member of an Indian
7 tribe or tribal organization, who is domi-
8 ciled in the State and is not eligible for as-
9 sistance under a tribal family assistance
10 plan approved under section 412.”.

11 (2) TRIBAL FAMILY ASSISTANCE PLAN RE-
12 QUIREMENT.—Section 412(b)(1) of the Social Secu-
13 rity Act (42 U.S.C. 612(b)(1)) is amended—

14 (A) in subparagraph (E), by striking
15 “and” at the end;

16 (B) in subparagraph (F), by striking the
17 period and inserting “; and”; and

18 (C) by adding at the end the following:

19 “(G) describes how the Indian tribe will
20 ensure equitable access to benefits and services
21 provided under the plan for each member of the
22 population to be served by the plan.”.

23 (3) CONSULTATION BETWEEN STATES AND IN-
24 DIAN TRIBES OR OTHER INDIANS RESIDING ON A
25 RESERVATION.—Section 402(a)(5) (42 U.S.C.

1 602(a)(5)) is amended by striking “will” and all
2 that follows through the period and inserting “will—

3 “(A) consult with each Indian tribe and
4 tribal organization located within the State re-
5 garding the State plan in order to ensure equi-
6 table access to benefits and services provided
7 under the plan for any member of such a tribe
8 or organization who is not eligible for assistance
9 under a tribal family assistance plan approved
10 under section 412; and

11 “(B) provide each member of an Indian
12 tribe or tribal organization, who is domiciled in
13 the State and is not eligible for assistance
14 under a tribal family assistance plan approved
15 under section 412, with equitable access to as-
16 sistance under the State program funded under
17 this part attributable to funds provided by the
18 Federal Government.”.

19 (e) ANNUAL REPORT TO CONGRESS.—

20 (1) INCLUSION OF INFORMATION ON INDIANS
21 SERVED BY STATE PROGRAMS.—Section 411(e) (42
22 U.S.C. 611(e)), as redesignated by section 112(f)(1),
23 is amended—

24 (A) in paragraph (3), by striking “and” at
25 the end;

1 (B) in paragraph (4), by striking the pe-
2 riod and inserting “; and”; and

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

4 “(5) State specific information on the demo-
5 graphics and caseload characteristics of Indians
6 served by each State program funded under this
7 part or with qualified State expenditures (as defined
8 in section 409(a)(7)(B)(i)).”.

9 (2) CONFORMING AMENDMENTS.—Section
10 411(a) of the Social Security Act (42 U.S.C.
11 611(a)), as amended by section 112(d), is amend-
12 ed—

13 (A) by redesignating paragraph (8) as
14 paragraph (9); and

15 (B) by inserting after paragraph (7), the
16 following:

17 “(8) REPORT ON INDIANS SERVED BY THE
18 STATE PROGRAM.—The report required by para-
19 graph (1) for a fiscal quarter shall include informa-
20 tion on the demographics and caseload characteris-
21 tics of Indians served by each State program funded
22 under this part or with qualified State expenditures
23 (as defined in section 409(a)(7)(B)(i)) during the
24 quarter.”.

25 (g) GAO STUDY AND REPORT.—

1 (1) STUDY.—The Comptroller General of the
2 United States shall conduct a study of the demo-
3 graphics of Indians who do not—

4 (A) reside in Indian country (as defined in
5 section 1151 of title 18, United States Code);

6 (B) reside in Alaska; or

7 (C) receive assistance under a tribal family
8 assistance plan under section 412 of the Social
9 Security Act (42 U.S.C. 612).

10 (2) REQUIREMENT.—The study conducted
11 under subparagraph (A) shall include economic and
12 health information regarding the Indians described
13 in that paragraph, as well as information regarding
14 the access of all Indians to benefits or services avail-
15 able under non-tribal publicly funded programs serv-
16 ing low-income families.

17 (3) REPORT.—Not later than January 1, 2007,
18 the Comptroller General shall submit to Congress a
19 report on the study conducted under paragraph (1).

20 **SEC. 114. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
21 **IES.**

22 (a) SECRETARY'S FUND FOR RESEARCH, DEM-
23 ONSTRATIONS, AND TECHNICAL ASSISTANCE.—

1 (1) IN GENERAL.—Section 413 (42 U.S.C.
2 613), as amended by section 103(c), is amended by
3 adding at the end the following:

4 “(m) FUNDING FOR RESEARCH, DEMONSTRATIONS,
5 AND TECHNICAL ASSISTANCE.—

6 “(1) APPROPRIATION.—

7 “(A) IN GENERAL.—Out of any money in
8 the Treasury of the United States not otherwise
9 appropriated, there are appropriated
10 \$100,000,000 for each of fiscal years 2005
11 through 2010, which shall remain available to
12 the Secretary until expended.

13 “(B) USE OF FUNDS.—

14 “(i) IN GENERAL.—Funds appro-
15 priated under subparagraph (A) shall be
16 used for the purpose of—

17 “(I) conducting or supporting re-
18 search and demonstration projects by
19 public or private entities; or

20 “(II) providing technical assist-
21 ance in connection with a purpose of
22 the program funded under this part,
23 as described in section 401(a), to
24 States, Indian tribal organizations,

1 sub-State entities, and such other en-
2 tities as the Secretary may specify.

3 “(ii) REQUIREMENT.—Not less than
4 80 percent of the funds appropriated under
5 subparagraph (A) for a fiscal year shall be
6 expended for the purpose of conducting or
7 supporting research and demonstration
8 projects, or for providing technical assist-
9 ance, in connection with activities de-
10 scribed in section 403(a)(2)(B). Funds ap-
11 propriated under subparagraph (A) and ex-
12 pended in accordance with this clause shall
13 be in addition to any other funds made
14 available under this part for activities de-
15 scribed in section 403(a)(2)(B).

16 “(2) SECRETARY’S AUTHORITY.—The Secretary
17 may conduct activities authorized by this subsection
18 directly or through grants, contracts, or interagency
19 agreements with public or private entities.

20 “(3) REQUIREMENT FOR USE OF FUNDS.—The
21 Secretary shall not pay any funds appropriated
22 under paragraph (1)(A) to an entity for the purpose
23 of conducting or supporting research and demonstra-
24 tion projects involving activities described in section

1 403(a)(2)(B) unless the entity complies with the re-
2 quirements of section 403(a)(2)(E).”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall take effect on the date of en-
5 actment 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) PROGRAM COORDINATION DEMONSTRATION
11 PROJECTS.—

12 (1) PURPOSE.—The purpose of this subsection
13 is to establish a program of demonstration projects
14 in a State or portion of a State to coordinate assist-
15 ance provided under qualified programs for the pur-
16 pose of supporting working individuals and families,
17 helping families escape welfare dependency, pro-
18 moting child well-being, or helping build stronger
19 families, using innovative approaches to strengthen
20 service systems and provide more coordinated and
21 effective service delivery.

22 (2) DEFINITIONS.—In this subsection:

23 (A) QUALIFIED PROGRAM.—The term
24 “qualified program” means—

1 (i) a program under part A of title IV
2 of the Social Security Act (42 U.S.C. 601
3 et seq.);

4 (ii) the program under title XX of the
5 Social Security Act (42 U.S.C. 1397 et
6 seq.); and

7 (iii) child care assistance funded
8 under section 418 of the Social Security
9 Act (42 U.S.C. 618).

10 (B) SECRETARY.—The term “Secretary”
11 means the Secretary of Health and Human
12 Services.

13 (3) APPLICATION REQUIREMENTS.—The head
14 of a State entity or of a sub-State entity admin-
15 istering 2 or more qualified programs proposed to be
16 included in a demonstration project under this sub-
17 section shall (or, if the project is proposed to include
18 qualified programs administered by 2 or more such
19 entities, the heads of the administering entities
20 (each of whom shall be considered an applicant for
21 purposes of this subsection) shall jointly) submit to
22 the Secretary an application that contains the fol-
23 lowing:

24 (A) PROGRAMS INCLUDED.—A statement
25 identifying each qualified program to be in-

1 cluded in the project, and describing how the
2 purposes of each such program will be achieved
3 by the project.

4 (B) POPULATION SERVED.—A statement
5 identifying the population to be served by the
6 project and specifying the eligibility criteria to
7 be used.

8 (C) DESCRIPTION AND JUSTIFICATION.—A
9 detailed description of the project, including—

10 (i) a description of how the project is
11 expected to improve or enhance achieve-
12 ment of the purposes of the programs to
13 be included in the project, from the stand-
14 point of quality, of cost-effectiveness, or of
15 both; and

16 (ii) a description of the performance
17 objectives for the project, including any
18 proposed modifications to the performance
19 measures and reporting requirements used
20 in the programs.

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

1 (E) COST NEUTRALITY.—Such information
2 and assurances as necessary to establish to the
3 satisfaction of the Secretary, in consultation
4 with the Director of the Office of Management
5 and Budget, that the proposed project is rea-
6 sonably expected to meet the applicable cost
7 neutrality requirements of paragraph (4)(E).

8 (F) EVALUATION AND REPORTS.—An as-
9 surance that the applicant will—

10 (i) obtain an evaluation by an inde-
11 pendent contractor of the effectiveness of
12 the project using an evaluation design that,
13 to the maximum extent feasible, includes
14 random assignment of clients (or entities
15 serving such clients) to service delivery and
16 control groups; and

17 (ii) make interim and final reports to
18 the Secretary, at such times and in such
19 manner as the Secretary may require.

20 (G) OTHER INFORMATION AND ASSUR-
21 ANCES.—Such other information and assur-
22 ances as the Secretary may require.

23 (4) APPROVAL OF APPLICATIONS.—

24 (A) IN GENERAL.—The Secretary with re-
25 spect to a qualified program that is identified

1 in an application submitted pursuant to sub-
2 section (c) may approve the application and, ex-
3 cept as provided in subparagraph (B), waive
4 any requirement applicable to the program, to
5 the extent consistent with this subsection and
6 necessary and appropriate for the conduct of
7 the demonstration project proposed in the appli-
8 cation, if the Secretary determines that the
9 project—

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

13 (ii) may reasonably be expected to
14 meet the applicable cost neutrality require-
15 ments of subparagraph (E), as determined
16 by the Director of the Office of Manage-
17 ment and Budget;

18 (iii) includes the coordination of 2 or
19 more qualified programs; and

20 (iv) provides for an independent eval-
21 uation that includes random assignment to
22 the maximum extent feasible, as described
23 in paragraph (3)(F), and which the Sec-
24 retary determines to be appropriate for as-
25 sessing the effectiveness of the project.

1 (B) PROVISIONS EXCLUDED FROM WAIVER
2 AUTHORITY.—A waiver shall not be granted
3 under subparagraph (A)—

4 (i) with respect to any provision of
5 law relating to—

6 (I) civil rights or prohibition of
7 discrimination;

8 (II) purposes or goals of any pro-
9 gram;

10 (III) maintenance of effort re-
11 quirements;

12 (IV) health, safety, or a licensing
13 requirement;

14 (V) requirements relating to the
15 use of financial assistance for activi-
16 ties to improve the quality and avail-
17 ability of child care;

18 (VI) report and audit require-
19 ments of the Child Care and Develop-
20 ment Block Grant Act of 1990 (42
21 U.S.C. 9858 et seq.);

22 (VII) requirements of that Act
23 that limit what financial assistance
24 shall be expended for;

1 (VIII) the State plan and State
2 application requirements specified in
3 section 658E of that Act (42 U.S.C.
4 9858e);

5 (IX) labor standards under the
6 Fair Labor Standards Act of 1938; or

7 (X) environmental protection;

8 (ii) in the case of child care assistance
9 funded under section 418 of the Social Se-
10 curity Act (42 U.S.C. 618), with respect to
11 the requirement under the first sentence of
12 subsection (b)(1) of that section that funds
13 received by a State under that section shall
14 only be used to provide child care assist-
15 ance;

16 (iii) with respect to any requirement
17 that a State pass through to a sub-State
18 entity part or all of an amount paid to the
19 State;

20 (iv) if the waiver would waive any
21 funding restriction or limitation provided
22 in an appropriations Act, or would have
23 the effect of transferring appropriated
24 funds from 1 appropriations account to an-
25 other; or

1 (v) except as otherwise provided by
2 statute, if the waiver would waive any
3 funding restriction applicable to a program
4 authorized under an Act which is not an
5 appropriations Act (but not including pro-
6 gram requirements such as application
7 procedures, performance standards, report-
8 ing requirements, or eligibility standards),
9 or would have the effect of transferring
10 funds from a program for which there is
11 direct spending (as defined in section
12 250(e)(8) of the Balanced Budget and
13 Emergency Deficit Control Act of 1985) to
14 another program.

15 (C) 10 STATE LIMITATION.—The Director
16 of the Office of Management and Budget shall
17 establish a procedure for ensuring that not
18 more than 10 States (including any portion of
19 a State) conduct a demonstration project under
20 this subsection.

21 (D) AGREEMENT OF SECRETARY RE-
22 QUIRED.—

23 (i) IN GENERAL.—An applicant may
24 not conduct a demonstration project under
25 this subsection unless the Secretary, with

1 respect to each qualified program proposed
2 to be included in the project, has approved
3 the application to conduct the project.

4 (ii) AGREEMENT WITH RESPECT TO
5 FUNDING AND IMPLEMENTATION.—Before
6 approving an application to conduct a dem-
7 onstration project under this subsection,
8 the Secretary shall have in place an agree-
9 ment with the applicant with respect to the
10 payment of funds and responsibilities re-
11 quired of the Secretary with respect to the
12 project.

13 (E) COST-NEUTRALITY REQUIREMENT.—

14 (i) GENERAL RULE.—Notwithstanding
15 any other provision of law (except as pro-
16 vided in clause (ii)), the total of the
17 amounts that may be paid by the Federal
18 Government for a fiscal year with respect
19 to the programs in the State in which an
20 entity conducting a demonstration project
21 under this subsection is located that are
22 affected by the project shall not exceed the
23 estimated total amount that the Federal
24 Government would have paid for the fiscal
25 year with respect to the programs if the

1 project had not been conducted, as deter-
2 mined by the Director of the Office of
3 Management and Budget.

4 (ii) SPECIAL RULE.—If an applicant
5 submits to the Director of the Office of
6 Management and Budget a request to
7 apply the rules of this clause to the pro-
8 grams in the State in which the applicant
9 is located that are affected by a dem-
10 onstration project proposed in an applica-
11 tion submitted by the applicant pursuant
12 to this section, during such period of not
13 more than 5 consecutive fiscal years in
14 which the project is in effect, and the Di-
15 rector determines, on the basis of sup-
16 porting information provided by the appli-
17 cant, to grant the request, then, notwith-
18 standing any other provision of law, the
19 total of the amounts that may be paid by
20 the Federal Government for the period
21 with respect to the programs shall not ex-
22 ceed the estimated total amount that the
23 Federal Government would have paid for
24 the period with respect to the programs if
25 the project had not been conducted.

1 (F) 90-DAY APPROVAL DEADLINE.—

2 (i) IN GENERAL.—If the Secretary re-
3 ceives an application to conduct a dem-
4 onstration project under this subsection
5 and does not disapprove the application
6 within 90 days after the receipt, then, sub-
7 ject to the 10 State limitation under para-
8 graph (3)—

9 (I) the Secretary is deemed to
10 have approved the application for such
11 period as is requested in the applica-
12 tion, except to the extent inconsistent
13 with paragraph (5); and

14 (II) any waiver requested in the
15 application which applies to a quali-
16 fied program that is identified in the
17 application and is administered by the
18 Secretary is deemed to be granted, ex-
19 cept to the extent inconsistent with
20 subparagraph (B) or (E) of this para-
21 graph.

22 (ii) DEADLINE EXTENDED IF ADDI-
23 TIONAL INFORMATION IS SOUGHT.—The
24 90-day period referred to in clause (i) shall
25 not include any period that begins with the

1 date the Secretary requests the applicant
2 to provide additional information with re-
3 spect to the application and ends with the
4 date the additional information is provided.

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

8 (6) REPORTS TO CONGRESS.—

9 (A) REPORT ON DISPOSITION OF APPLICA-
10 TIONS.—Within 90 days after the date the Sec-
11 retary receives an application submitted pursu-
12 ant to this subsection, the Secretary shall sub-
13 mit to the Committee on Finance of the Senate
14 and the Committee on Ways and Means of the
15 House of Representatives notice of the receipt,
16 a description of the decision of the Secretary
17 with respect to the application, and the reasons
18 for approving or disapproving the application.

19 (B) REPORTS ON PROJECTS.—The Sec-
20 retary shall provide annually to Congress a re-
21 port concerning demonstration projects ap-
22 proved under this subsection, including—

23 (i) the projects approved for each ap-
24 plicant;

1 (ii) the number of waivers granted
2 under this subsection, and the specific
3 statutory provisions waived;

4 (iii) how well each project for which a
5 waiver is granted is improving or enhance-
6 ing program achievement from the stand-
7 point of quality, cost-effectiveness, or both;

8 (iv) how well each project for which a
9 waiver is granted is meeting the perform-
10 ance objectives specified in paragraph
11 (3)(C)(ii);

12 (v) how each project for which a waiv-
13 er is granted is conforming with the cost-
14 neutrality requirements of paragraph
15 (4)(E); and

16 (vi) to the extent the Secretary deems
17 appropriate, recommendations for modi-
18 fication of programs based on outcomes of
19 the projects.

20 (d) RESEARCH ON INDICATORS OF CHILD WELL-
21 BEING.—Section 413 (42 U.S.C. 613), as amended by
22 subsection (a)(1), is amended by adding at the end the
23 following:

24 “(n) INDICATORS OF CHILD WELL-BEING.—

1 “(1) IN GENERAL.—The Secretary, through
2 grants, contracts, or interagency agreements shall
3 develop comprehensive indicators to assess child
4 well-being in each State.

5 “(2) REQUIREMENTS.—

6 “(A) IN GENERAL.—The indicators devel-
7 oped under paragraph (1) shall include meas-
8 ures related to the following:

9 “(i) Education.

10 “(ii) Social and emotional develop-
11 ment.

12 “(iii) Health and safety.

13 “(iv) Family well-being, such as fam-
14 ily structure, income, employment, child
15 care arrangements, and family relation-
16 ships.

17 “(B) OTHER REQUIREMENTS.—The data
18 collected with respect to the indicators devel-
19 oped under paragraph (1) shall be—

20 “(i) statistically representative at the
21 State level;

22 “(ii) consistent across States;

23 “(iii) collected on an annual basis for
24 at least the 5 years following the first year
25 of collection;

1 “(iv) expressed in terms of rates or
2 percentages;

3 “(v) statistically representative at the
4 national level;

5 “(vi) measured with reliability;

6 “(vii) current;

7 “(viii) over-sampled, with respect to
8 low-income children and families; and

9 “(ix) made publicly available.

10 “(C) CONSULTATION.—In developing the
11 indicators required under paragraph (1) and
12 the means to collect the data required with re-
13 spect to the indicators, the Secretary shall con-
14 sult and collaborate with the Federal Inter-
15 agency Forum on Child and Family Statistics.

16 “(3) ADVISORY PANEL.—

17 “(A) ESTABLISHMENT.—The Secretary
18 shall establish an advisory panel to make rec-
19 ommendations regarding the appropriate meas-
20 ures and statistical tools necessary for making
21 the assessment required under paragraph (1)
22 based on the indicators developed under that
23 paragraph and the data collected with respect
24 to the indicators.

25 “(B) MEMBERSHIP.—

1 “(i) IN GENERAL.—The advisory
2 panel established under subparagraph (A)
3 shall consist of the following:

4 “(I) One member appointed by
5 the Secretary of Health and Human
6 Services.

7 “(II) One member appointed by
8 the Chairman of the Committee on
9 Ways and Means of the House of
10 Representatives.

11 “(III) One member appointed by
12 the Ranking Member of the Com-
13 mittee on Ways and Means of the
14 House of Representatives.

15 “(IV) One member appointed by
16 the Chairman of the Committee on
17 Finance of the Senate.

18 “(V) One member appointed by
19 the Ranking Member of the Com-
20 mittee on Finance of the Senate.

21 “(VI) One member appointed by
22 the Chairman of the National Gov-
23 ernors Association, or the Chairman’s
24 designee.

1 “(VII) One member appointed by
2 the President of the National Con-
3 ference of State Legislatures or the
4 President’s designee.

5 “(VIII) One member appointed
6 by the Director of the National Acad-
7 emy of Sciences, or the Director’s des-
8 ignee.

9 “(ii) DEADLINE.—The members of
10 the advisory panel shall be appointed not
11 later than 2 months after the date of en-
12 actment of the Personal Responsibility and
13 Individual Development for Everyone Act.

14 “(C) MEETINGS.—The advisory panel es-
15 tablished under subparagraph (A) shall meet—

16 “(i) at least 3 times during the first
17 year after the date of enactment of the
18 Personal Responsibility and Individual De-
19 velopment for Everyone Act; and

20 “(ii) annually thereafter for the 3 suc-
21 ceeding years.

22 “(4) APPROPRIATION.—Out of any money in
23 the Treasury of the United States not otherwise ap-
24 propriated, there are appropriated for each of fiscal

1 years 2006 through 2010, \$10,000,000 for the pur-
2 pose of carrying out this subsection.”.

3 (e) DOMESTIC VIOLENCE PREVENTION GRANTS.—
4 Section 413 (42 U.S.C. 613), as amended by subsection
5 (d), is amended by adding at the end the following:

6 “(o) DOMESTIC VIOLENCE PREVENTION GRANTS.—

7 “(1) IN GENERAL.—The Secretary shall award
8 grants to eligible entities to enable such entities to
9 carry out domestic violence prevention activities. In
10 carrying out this subsection, the Secretary shall
11 make public the criteria to be used by the Secretary
12 for awarding such grants.

13 “(2) ELIGIBILITY.—To be eligible to receive a
14 grant under this subsection, an entity shall—

15 “(A) be a State, Indian tribe or tribal or-
16 ganization, or nonprofit domestic violence pre-
17 vention organization; and

18 “(B) submit to the Secretary an applica-
19 tion at such time, in such manner, and con-
20 taining such information as the Secretary may
21 require.

22 “(3) ACTIVITIES.—An entity shall use amounts
23 received under a grant awarded under this sub-
24 section to—

1 “(A) develop and disseminate best prac-
2 tices for addressing domestic violence (as de-
3 fined in section 402(a)(7)(B));

4 “(B) implement voluntary skills programs
5 on domestic violence as a barrier to economic
6 security, including providing caseworker train-
7 ing, technical assistance, and voluntary services
8 for victims of domestic violence;

9 “(C) provide broad-based income support
10 and supplementation strategies that provide in-
11 creased assistance to low-income working
12 adults, such as housing, transportation, and
13 transitional benefits as a means to reduce do-
14 mestic violence; or

15 “(D) carry out programs to enhance rela-
16 tionship skills and financial management skills,
17 to teach individuals how to control aggressive
18 behavior, and to disseminate information on the
19 causes of domestic violence and child abuse.

20 “(4) MATCHING REQUIREMENT.—The Sec-
21 retary may not award a grant to an entity under
22 this subsection unless the entity agrees that, with re-
23 spect to the costs to be incurred by the entity in car-
24 rying out the program for which the grant was
25 awarded, the entity will make available (directly or

1 through donations from public or private entities)
2 non-Federal contributions toward such costs in an
3 amount equal to not less than 25 percent of such
4 costs (\$1 for each \$3 of Federal funds provided
5 under the grant).

6 “(5) REQUIRED CONSULTATION.—The Sec-
7 retary may not award a grant to a State or an In-
8 dian tribe or tribal organization under this sub-
9 section unless such State, tribe, or tribal organiza-
10 tion agrees, in carrying out activities under the
11 grant, to consult with National, State, local, or trib-
12 al organizations with demonstrated expertise in pro-
13 viding aid to victims of domestic violence.

14 “(6) EVALUATION AND REPORT.—The Sec-
15 retary shall, by grant, contract, or interagency
16 agreement, conduct an evaluation of the activities
17 carried out with grants awarded under this sub-
18 section and shall submit a report to Congress on the
19 results of such evaluation.

20 “(7) AUTHORIZATION OF APPROPRIATIONS.—
21 There is authorized to be appropriated to carry out
22 this subsection, \$20,000,000 for each of fiscal years
23 2006 through 2010.”.

24 (f) RESEARCH ON TRIBAL WELFARE PROGRAMS AND
25 POVERTY AMONG INDIANS.—Section 413 (42 U.S.C.

1 613), as amended by subsection (e), is amended by adding
2 at the end the following:

3 “(p) TRIBAL WELFARE PROGRAMS AND EFFORTS TO
4 REDUCE POVERTY AMONG INDIANS.—

5 “(1) IN GENERAL.—The Secretary, directly or
6 through grants, contracts, or interagency agree-
7 ments, shall conduct research on tribal family assist-
8 ance programs conducted under section 412 and
9 other tribal welfare programs and on efforts to re-
10 duce poverty among Indians.

11 “(2) PRIORITY FOR CERTAIN APPLICATIONS.—
12 With respect to applications for grants under para-
13 graph (1), the Secretary shall give priority to appli-
14 cations to conduct research in cooperation with trib-
15 al governments or tribally controlled colleges or uni-
16 versities.

17 “(3) TECHNICAL ASSISTANCE.—The Secretary
18 may use funds appropriated under paragraph (4) to
19 provide technical assistance concerning data report-
20 ing and collection with respect to research conducted
21 under this subsection.

22 “(4) APPROPRIATION.—Out of any money in
23 the Treasury of the United States not otherwise ap-
24 propriated, there are appropriated \$2,000,000 for
25 fiscal year 2006 for the purpose of carrying out this

1 subsection. Funds appropriated under this para-
2 graph shall remain available to the Secretary until
3 expended.”.

4 (g) REPORT ON ENFORCEMENT OF CERTAIN AFFI-
5 DAVITS OF SUPPORT AND SPONSOR DEEMING.—Not later
6 than March 31, 2006, the Secretary of Health and Human
7 Services, in consultation with the Attorney General, shall
8 submit to the Congress a report on the enforcement of
9 affidavits of support and sponsor deeming as required by
10 sections 421, 422, and 432 of the Personal Responsibility
11 and Work Opportunity Reconciliation Act of 1996.

12 **SEC. 115. STUDY BY THE CENSUS BUREAU.**

13 (a) IN GENERAL.—Section 414(a) (42 U.S.C.
14 614(a)) is amended to read as follows:

15 “(a) IN GENERAL.—The Bureau of the Census shall
16 implement or enhance a longitudinal survey of program
17 participation, developed in consultation with the Secretary
18 and made available to interested parties, to allow for the
19 assessment of the outcomes of continued welfare reform
20 on the economic and child well-being of low-income fami-
21 lies with children, including those who received assistance
22 or services from a State program funded under this part,
23 and, to the extent possible, shall provide State representa-
24 tive samples. The content of the survey should include
25 such information as may be necessary to examine the

1 issues of out-of-wedlock childbearing, marriage, welfare
2 dependency and compliance with work requirements, the
3 beginning and ending of spells of assistance, work, earn-
4 ings and employment stability, and the well-being of chil-
5 dren.”.

6 (b) REPORTS ON THE WELL-BEING OF CHILDREN
7 AND FAMILIES.—Section 414 (42 U.S.C. 614), as amend-
8 ed by subsection (a), is amended—

9 (1) by redesignating subsection (b) as sub-
10 section (c); and

11 (2) by inserting after subsection (a) the fol-
12 lowing:

13 “(b) REPORTS ON THE WELL-BEING OF CHILDREN
14 AND FAMILIES.—

15 “(1) IN GENERAL.—Not later than 24 months
16 after the date of enactment of the Personal Respon-
17 sibility and Individual Development for Everyone
18 Act, the Secretary of Commerce shall prepare and
19 submit to the Committee on Finance of the Senate
20 and the Committee on Ways and Means of the
21 House of Representatives a report on the well-being
22 of children and families using data collected under
23 subsection (a).

24 “(2) SECOND REPORT.—Not later than 60
25 months after such date of enactment, the Secretary

1 of Commerce shall submit a second report to the
2 Committee on Finance of the Senate and the Com-
3 mittee on Ways and Means of the House of Rep-
4 resentatives on the well-being of children and fami-
5 lies using data collected under subsection (a).

6 “(3) INCLUSION OF COMPARABLE MEASURES.—
7 Where comparable measures for data collected under
8 subsection (a) exist in surveys previously adminis-
9 tered by the Bureau of the Census, appropriate com-
10 parisons shall be made and included in each report
11 required under this subsection on the well-being of
12 children and families to assess changes in such
13 measures.”.

14 (c) APPROPRIATION.—Section 414(c) (42 U.S.C.
15 614(c)), as redesignated by subsection (b)(1), is amended
16 by striking “1996,” and all that follows through the period
17 and inserting “2006 through 2010 for payment to the Bu-
18 reau of the Census to carry out this section. Funds appro-
19 priated under this subsection for a fiscal year shall remain
20 available through fiscal year 2010 to carry out this sec-
21 tion.”.

22 **SEC. 116. FUNDING FOR CHILD CARE.**

23 (a) INCREASE IN MANDATORY FUNDING.—Section
24 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

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

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

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

6 “(G) \$2,917,000,000 for each of fiscal
7 years 2006 through 2010.”.

8 (b) RESERVATION OF CHILD CARE FUNDS.—

9 (1) IN GENERAL.—Section 418(a)(4) (42
10 U.S.C. 618(a)(4)) is amended to read as follows:

11 “(4) AMOUNTS RESERVED.—

12 “(A) INDIAN TRIBES AND TRIBAL ORGANI-
13 ZATIONS.—

14 “(i) IN GENERAL.—The Secretary
15 shall reserve 2 percent of the aggregate
16 amount appropriated to carry out this sec-
17 tion for a fiscal year for payments to In-
18 dian tribes and tribal organizations for
19 such fiscal year for the purpose of pro-
20 viding child care assistance.

21 “(ii) APPLICATION OF CCDBG RE-
22 QUIREMENTS.—Payments made under this
23 subparagraph shall be subject to the re-
24 quirements that apply to payments made
25 to Indian tribes and tribal organizations

1 under the Child Care and Development
2 Block Grant Act of 1990.

3 “(B) TERRITORIES.—

4 “(i) PUERTO RICO.—The Secretary
5 shall reserve 1.5 percent of the amount ap-
6 propriated under paragraph (5)(A)(i) for a
7 fiscal year for payments to the Common-
8 wealth of Puerto Rico for such fiscal year
9 for the purpose of providing child care as-
10 sistance.

11 “(ii) OTHER TERRITORIES.—The Sec-
12 retary shall reserve 0.5 percent of the
13 amount appropriated under paragraph
14 (5)(A)(i) for a fiscal year for payments to
15 Guam, American Samoa, the Virgin Is-
16 lands of the United States, and the Com-
17 monwealth of the Northern Mariana Is-
18 lands in amounts which bear the same
19 ratio to such amount as the amounts allot-
20 ted to such territories under section 6580
21 of the Child Care and Development Block
22 Grant Act of 1990 for the fiscal year bear
23 to the total amount reserved under such
24 section for that fiscal year.

1 “(iii) APPLICATION OF CCDBG RE-
2 QUIREMENTS.—Payments made under this
3 subparagraph shall be subject to the re-
4 quirements that apply to payments made
5 to territories under the Child Care and De-
6 velopment Block Grant Act of 1990.”.

7 (2) CONFORMING AMENDMENT.—Section
8 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by
9 section 108(b)(3), is amended by striking “or
10 413(f)” and inserting “413(f), or 418(a)(4)(B)”.

11 (c) SUPPLEMENTAL GRANTS.—Section 418(a) (42
12 U.S.C. 618(a)) is amended—

13 (1) by redesignating paragraph (5) as para-
14 graph (7); and

15 (2) by inserting after paragraph (4), the fol-
16 lowing:

17 “(5) SUPPLEMENTAL GRANTS.—

18 “(A) APPROPRIATION.—

19 “(i) IN GENERAL.—For supplemental
20 grants under this section, there are appro-
21 priated—

22 “(I) \$700,000,000 for fiscal year
23 2006;

24 “(II) \$800,000,000 for fiscal
25 year 2007;

1 “(III) \$1,000,000,000 for fiscal
2 year 2008;

3 “(IV) \$1,100,000,000 for fiscal
4 year 2009; and

5 “(V) \$1,400,000,000 for fiscal
6 year 2010.

7 “(ii) AVAILABILITY.—Amounts appro-
8 priated under clause (i) for a fiscal year
9 shall be in addition to amounts appro-
10 priated under paragraph (3) for such fiscal
11 year and shall remain available for expend-
12 iture through fiscal year 2010.

13 “(B) SUPPLEMENTAL GRANT.—In addition
14 to the grants paid to a State under paragraphs
15 (1) and (2) for each of fiscal years 2006
16 through 2010, the Secretary, after reserving the
17 amounts described in subparagraphs (A) and
18 (B) of paragraph (4) and subject to the require-
19 ments described in paragraph (6), shall pay
20 each State an amount which bears the same
21 ratio to the amount specified in subparagraph
22 (A)(i) for the fiscal year (after such reserva-
23 tions), as the amount allotted to the State
24 under paragraph (2)(B) for fiscal year 2003

1 bears to the amount allotted to all States under
2 that paragraph for such fiscal year.

3 “(C) BUDGET SCORING.—Notwithstanding
4 section 257(b)(2) of the Balanced Budget and
5 Emergency Deficit Control Act of 1985, the
6 baseline shall assume that no grant shall be
7 made under this paragraph after fiscal year
8 2010.

9 “(6) REQUIREMENTS.—

10 “(A) MAINTENANCE OF EFFORT.—A State
11 may not be paid a supplemental grant under
12 paragraph (5) for a fiscal year unless the State
13 ensures that the level of State expenditures for
14 child care for such fiscal year is not less than
15 the sum of—

16 “(i) the level of State expenditures for
17 child care that were matched under a
18 grant made to the State under paragraph
19 (2) for fiscal year 2003; and

20 “(ii) the level of State expenditures
21 for child care that the State reported as
22 maintenance of effort expenditures for pur-
23 poses of paragraph (2) for fiscal year
24 2003.

1 “(B) MATCHING REQUIREMENT FOR FIS-
2 CAL YEARS 2009 AND 2010.—With respect to the
3 amount of the supplemental grant made to a
4 State under paragraph (5) for each of fiscal
5 years 2009 and 2010 that is in excess of the
6 amount of the grant made to the State under
7 paragraph (5) for fiscal year 2008, subpara-
8 graph (C) of paragraph (2) shall apply to such
9 excess amount in the same manner as such sub-
10 paragraph applies to grants made under sub-
11 paragraph (A) of paragraph (2) for each of fis-
12 cal years 2009 and 2010, respectively.

13 “(C) REDISTRIBUTION.—In the case of a
14 State that fails to satisfy the requirement of
15 subparagraph (A) for a fiscal year, the supple-
16 mental grant determined under paragraph (5)
17 for the State for that fiscal year shall be redis-
18 tributed in accordance with paragraph (2)(D).”.

19 (d) DEFINITION OF VALID TAXPAYER IDENTIFICA-
20 TION NUMBER FOR EARNED INCOME CREDIT.—

21 (1) IN GENERAL.—Section 32(m) of the Inter-
22 nal Revenue Code of 1986 is amended to read as fol-
23 lows:

24 “(m) IDENTIFICATION NUMBERS.—Solely for pur-
25 poses of subsections (c)(1)(E) and (c)(3)(D), a taxpayer

1 identification number means a social security number as-
2 signed by the Social Security Administration—

3 “(1) to a citizen of the United States, or

4 “(2) to an individual pursuant to subclause (I)
5 (or that portion of subclause (III) that relates to
6 subclause (I)) of section 205(c)(2)(B)(i) of the So-
7 cial Security Act.”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by this subsection shall apply to taxable years begin-
10 ning after the date of enactment of this Act.

11 (e) DENIAL OF CHILD CREDIT FOR INDIVIDUALS
12 ELECTING SECTION 911.—

13 (1) IN GENERAL.—Section 24 of the Internal
14 Revenue Code of 1986 (relating to child tax credit)
15 is amended by adding at the end the following new
16 subsection:

17 “(g) DENIAL OF CREDIT FOR INDIVIDUALS ELECT-
18 ING SECTION 911.—No credit shall be allowed under this
19 section for any taxable year to a taxpayer who claims the
20 benefits of section 911 (relating to citizens or residents
21 living abroad) for such taxable year.”.

22 (2) CONFORMING AMENDMENT.—Section
23 24(b)(1) of the Internal Revenue Code of 1986 is
24 amended by striking “section 911, 931, or 933” and
25 inserting “section 931 or 933”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to taxable years begin-
3 ning after the date of enactment of this Act.

4 (f) MODIFICATION OF ELIGIBILITY RULES FOR
5 CHILD-RELATED TAX BENEFITS.—

6 (1) RULES INVOLVING PARENTS.—Paragraph
7 (4) of section 152(c) of the Internal Revenue Code
8 of 1986 (relating to qualifying child) is amended to
9 read as follows:

10 “(4) SPECIAL RULES FOR CLAIMING QUALI-
11 FYING CHILD.—

12 “(A) RULES INVOLVING PARENTS.—

13 “(i) IN GENERAL.—A taxpayer other
14 than a parent of an individual may not
15 claim such individual as a qualifying child
16 for any taxable year beginning in a cal-
17 endar year if—

18 “(I) a parent is eligible to claim
19 and claims such individual as a quali-
20 fying child for any taxable year begin-
21 ning in such calendar year, or

22 “(II) the taxpayer has a lower
23 adjusted gross income than any par-
24 ent who may claim such individual as

1 a qualifying child for any taxable year
2 beginning in such calendar year.

3 “(ii) MORE THAN 1 PARENT CLAIMING
4 QUALIFYING CHILD.—If the parents claim-
5 ing any qualifying child do not file a joint
6 return together, such child shall be treated
7 as the qualifying child of—

8 “(I) the parent with whom the
9 child resided for the longest period of
10 time during the taxable year, or

11 “(II) if the child resides with
12 both parents for the same amount of
13 time during such taxable year, the
14 parent with the highest adjusted gross
15 income.

16 “(B) RULE FOR 2 OR MORE NONPARENTS
17 CLAIMING QUALIFYING CHILD.—If an individual
18 may be and is claimed as a qualifying child by
19 2 or more taxpayers, neither of whom is a par-
20 ent of the individual, for a taxable year begin-
21 ning in the same calendar year, such individual
22 shall be treated as the qualifying child of the
23 taxpayer with the highest adjusted gross income
24 for such taxable year.”.

1 (2) SPECIAL RULE INVOLVING SIBLINGS CLAIM-
2 ING EARNED INCOME CREDIT.—Section 32(c)(1)(B)
3 of the Internal Revenue Code of 1986 (relating to
4 qualifying child ineligible) is amended by adding at
5 the end the following new sentence: “The preceding
6 sentence shall not apply with respect to any indi-
7 vidual who is a qualifying child of 1 or more broth-
8 ers, sisters, stepbrothers, and stepsisters who are
9 also qualifying children of such individual if among
10 all such qualifying children, such individual has the
11 highest adjusted gross income.”.

12 (3) TECHNICAL CORRECTIONS RELATED TO
13 THE WORKING FAMILIES TAX RELIEF ACT OF
14 2004.—

15 (A) AMENDMENT RELATED TO SECTION
16 203 OF THE ACT.—Subparagraph (B) of section
17 21(b)(1) of the Internal Revenue Code of 1986
18 is amended by inserting “(as defined in section
19 152, determined without regard to subsections
20 (b)(1), (b)(2), and (d)(1)(B))” after “dependent
21 of the taxpayer”.

22 (B) AMENDMENT RELATED TO SECTION
23 207 OF THE ACT.—Subparagraph (A) of section
24 223(d)(2) of such Code is amended by inserting
25 “, determined without regard to subsections

1 (b)(1), (b)(2), and (d)(1)(B) thereof” after
2 “section 152”.

3 (4) EFFECTIVE DATES.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), the amendments made by
6 this subsection shall apply to taxable years be-
7 ginning after December 31, 2004.

8 (B) TECHNICAL CORRECTIONS.—The
9 amendments made by paragraph (3) shall take
10 effect as if included in the provisions of the
11 Working Families Tax Relief Act of 2004 to
12 which they relate.

13 **SEC. 117. DEFINITIONS.**

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

16 “(6) ASSISTANCE.—

17 “(A) IN GENERAL.—The term ‘assistance’
18 means cash, payments, vouchers, and other
19 forms of benefits designed to meet a family’s
20 ongoing basic needs (including for food, cloth-
21 ing, shelter, utilities, household goods, personal
22 care items and general incidental expenses).

23 “(B) INCLUSION OF CERTAIN BENEFITS.—
24 Such term includes benefits even when they
25 are—

1 “(i) provided in the form of payments
2 by a State agency responsible for admin-
3 istering the State program funded under
4 this part, or other agency on its behalf, to
5 individual recipients; and

6 “(ii) conditioned on participation in
7 work experience or community service (or
8 any other work activity under the State
9 program funded under this part or with
10 qualified State expenditures (as defined in
11 section 409(a)(7)(B)(i)).

12 “(C) EXCLUSION OF CERTAIN BENE-
13 FITS.—Such term does not include—

14 “(i) nonrecurrent, short-term benefits
15 that—

16 “(I) are designed to deal with a
17 specific crisis situation or episode of
18 need;

19 “(II) are not intended to meet re-
20 current or ongoing needs; and

21 “(III) will not extend beyond 4
22 months;

23 “(ii) work subsidies (such as pay-
24 ments to employers or third parties to help

1 cover the costs of employee wages, benefits,
2 supervision, and training);

3 “(iii) supportive services such as child
4 care and transportation;

5 “(iv) refundable earned income tax
6 credits;

7 “(v) contributions to, and distribu-
8 tions from, Individual Development Ac-
9 counts;

10 “(vi) services such as counseling, case
11 management, peer support, child care in-
12 formation and referral, transitional serv-
13 ices, job retention, job advancement, and
14 other employment-related services that do
15 not provide basic income support; and

16 “(v) transportation benefits provided
17 under a Job Access or Reverse Commute
18 project, pursuant to section 404(k), to an
19 individual who is not otherwise receiving
20 assistance.

21 “(D) APPLICABILITY.—Unless otherwise
22 provided, the definition of ‘assistance’ under
23 this paragraph—

24 “(i) only applies for purposes of the
25 State program funded under this part or a

1 program funded with qualified State ex-
2 penditures (as defined in section
3 409(a)(7)(B)(i)); and

4 “(ii) does not preclude a State from
5 providing other types of benefits and serv-
6 ices in support of the purposes of the State
7 program funded under this part or a pro-
8 gram funded with qualified State expendi-
9 tures (as so defined).”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is
12 amended by striking “assistance” and inserting
13 “aid”.

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

17 (3) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is
18 amended by striking “assistance” and inserting
19 “aid”.

20 (4) Section 5(g)(2)(D) of the Food Stamp Act
21 of 1977 (7 U.S.C. 2014(g)(2)(D)) is amended—

22 (A) by striking “If the vehicle allowance”
23 and inserting the following:

24 “(i) IN GENERAL.—If the vehicle al-
25 lowance”; and

1 (B) by adding at the end the following:

2 “(ii) DEFINITION OF ASSISTANCE.—

3 In clause (i), the term ‘assistance’ shall
4 have the meaning given such term in sec-
5 tion 260.31 of title 45 of the Code of Fed-
6 eral Regulations, as in effect on June 1,
7 2002.”.

8 (5) Section 1137(b)(1) (42 U.S.C. 1320b-
9 7(b)(1)) is amended by inserting “, but only with re-
10 spect to applicants for, or recipients of, assistance
11 (as defined in section 419(6)) under such program”
12 before the semicolon.

13 **SEC. 118. RESPONSIBLE FATHERHOOD PROGRAM.**

14 (a) RESPONSIBLE FATHERHOOD PROGRAM.—

15 (1) FINDINGS.—Congress makes the following
16 findings:

17 (A) Nearly 24,000,000 children in the
18 United States, or 34 percent of all such chil-
19 dren, live apart from their biological father.

20 (B) Sixty percent of couples who divorce
21 have at least 1 child.

22 (C) The number of children living with
23 only a mother increased from just over
24 5,000,000 in 1960 to 17,000,000 in 1999, and
25 between 1981 and 1991 the percentage of chil-

1 dren living with only 1 parent increased from
2 19 percent to 25 percent.

3 (D) Forty percent of children who live in
4 households without a father have not seen their
5 father in at least 1 year and 50 percent of such
6 children have never visited their father's home.

7 (E) The most important factor in a child's
8 upbringing is whether the child is brought up in
9 a loving, healthy, supportive environment.

10 (F) Children who live without contact with
11 their biological father are, in comparison to
12 children who have such contact—

13 (i) 5 times more likely to live in pov-
14 erty;

15 (ii) more likely to bring weapons and
16 drugs into the classroom;

17 (iii) twice as likely to commit crime;

18 (iv) twice as likely to drop out of
19 school;

20 (v) more likely to commit suicide;

21 (vi) more than twice as likely to abuse
22 alcohol or drugs; and

23 (vii) more likely to become pregnant
24 as teenagers.

1 (G) Violent criminals are overwhelmingly
2 males who grew up without fathers.

3 (H) Between 20 and 30 percent of families
4 in poverty are headed by women who have suf-
5 fered domestic violence during the past year,
6 and between 40 and 60 percent of women with
7 children receiving welfare were abused some-
8 time during their life.

9 (I) Responsible fatherhood includes active
10 participation in financial support and child
11 care, as well as the formation and maintenance
12 of a positive, healthy, and nonviolent relation-
13 ship between father and child and a cooperative
14 relationship between parents.

15 (J) States should be encouraged to imple-
16 ment programs that provide support for respon-
17 sible fatherhood, promote marriage, and in-
18 crease the incidence of marriage, and should
19 not be restricted from implementing such pro-
20 grams.

21 (K) Fatherhood programs should promote
22 and provide support services for—

23 (i) loving and healthy relationships be-
24 tween parents and children; and

25 (ii) cooperative parenting.

1 (L) There is a social need to reconnect
2 children and fathers.

3 (M) The promotion of responsible father-
4 hood and encouragement of healthy 2-parent
5 married families should not—

6 (i) denigrate the standing or par-
7 enting efforts of single mothers or other
8 caregivers;

9 (ii) lessen the protection of children
10 from abusive parents; or

11 (iii) compromise the safety or health
12 of the custodial parent;

13 but should increase the chance that children
14 will have 2 caring parents to help them grow up
15 healthy and secure.

16 (N) The promotion of responsible father-
17 hood must always recognize and promote the
18 values of nonviolence.

19 (O) For the future of the United States
20 and the future of our children, Congress,
21 States, and local communities should assist par-
22 ents to become more actively involved in their
23 children's lives.

24 (P) Child support is an important means
25 by which a parent can take financial responsi-

1 time, in such manner, and containing such
2 information as the Secretary may require.

3 “(ii) STATE PLAN.—A State plan
4 that includes the following:

5 “(I) PROJECT DESCRIPTION.—A
6 description of the programs or activi-
7 ties the State will fund under the
8 grant, including a good faith estimate
9 of the number and characteristics of
10 clients to be served under such
11 projects and how the State intends to
12 achieve at least 2 of the purposes de-
13 scribed in paragraph (2).

14 “(II) COORDINATION EF-
15 FORTS.—A description of how the
16 State will coordinate and cooperate
17 with State and local entities respon-
18 sible for carrying out other programs
19 that relate to the purposes intended to
20 be achieved under the demonstration
21 program, including as appropriate, en-
22 tities responsible for carrying out jobs
23 programs and programs serving chil-
24 dren and families.

1 “(III) RECORDS, REPORTS, AND
2 AUDITS.—An agreement to maintain
3 such records, submit such reports,
4 and cooperate with such reviews and
5 audits as the Secretary finds nec-
6 essary for purposes of oversight of the
7 demonstration program.

8 “(iii) CERTIFICATIONS.—The fol-
9 lowing certifications from the chief execu-
10 tive officer of the State:

11 “(I) A certification that the
12 State will use funds provided under
13 the grant to promote at least 2 of the
14 purposes described in paragraph (2).

15 “(II) A certification that the
16 State will return any unused funds to
17 the Secretary in accordance with the
18 reconciliation process under para-
19 graph (5).

20 “(III) A certification that the
21 funds provided under the grant will be
22 used for programs and activities that
23 target low-income participants and
24 that not less than 50 percent of the

1 participants in each program or activ-
2 ity funded under the grant shall be—

3 “(aa) parents of a child
4 who is, or within the past 24
5 months has been, a recipient of
6 assistance or services under a
7 State program funded under part
8 A, D, or E of this title, title XIX,
9 or the Food Stamp Act of 1977;
10 or

11 “(bb) parents, including an
12 expectant parent or a married
13 parent, whose income (after ad-
14 justment for court-ordered child
15 support paid or received) does
16 not exceed 150 percent of the
17 poverty line.

18 “(IV) A certification that the
19 State has or will comply with the re-
20 quirements of paragraph (4).

21 “(V) A certification that funds
22 provided to a State under this sub-
23 section shall not be used to supple-
24 ment or supplant other Federal,
25 State, or local funds that are used to

1 support programs or activities that
2 are related to the purposes described
3 in paragraph (2).

4 ““(C) PREFERENCES AND FACTORS OF
5 CONSIDERATION.—In awarding grants under
6 this subsection, the Secretary shall take into
7 consideration the following:

8 ““(i) DIVERSITY OF ENTITIES USED
9 TO CONDUCT PROGRAMS AND ACTIVI-
10 TIES.—The Secretary shall, to the extent
11 practicable, achieve a balance among the
12 eligible States awarded grants under this
13 subsection with respect to the size, urban
14 or rural location, and employment of dif-
15 fering or unique methods of the entities
16 that the eligible States intend to use to
17 conduct the programs and activities funded
18 under the grants.

19 ““(ii) PRIORITY FOR CERTAIN
20 STATES.—The Secretary shall give priority
21 to awarding grants to eligible States that
22 have—

23 ““(I) demonstrated progress in
24 achieving at least 1 of the purposes

1 described in paragraph (2) through
2 previous State initiatives; or

3 “(II) demonstrated need with
4 respect to reducing the incidence of
5 out-of-wedlock births or absent fa-
6 thers in the State.

7 “(2) PURPOSES.—The purposes described in
8 this paragraph are the following:

9 “(A) PROMOTING RESPONSIBLE FATHER-
10 HOOD THROUGH MARRIAGE PROMOTION.—To
11 promote marriage or sustain marriage through
12 activities such as counseling, mentoring, dis-
13 seminating information about the benefits of
14 marriage and 2-parent involvement for children,
15 enhancing relationship skills, education regard-
16 ing how to control aggressive behavior, dissemi-
17 nating information on the causes of domestic vi-
18 olence and child abuse, marriage preparation
19 programs, premarital counseling, marital inven-
20 tories, skills-based marriage education, financial
21 planning seminars, including improving a fam-
22 ily’s ability to effectively manage family busi-
23 ness affairs by means such as education, coun-
24 seling, or mentoring on matters related to fam-
25 ily finances, including household management,

1 budgeting, banking, and handling of financial
2 transactions and home maintenance, and di-
3 vorce education and reduction programs, includ-
4 ing mediation and counseling.

5 ““(B) PROMOTING RESPONSIBLE FATHER-
6 HOOD THROUGH PARENTING PROMOTION.—To
7 promote responsible parenting through activities
8 such as counseling, mentoring, and mediation,
9 disseminating information about good parenting
10 practices, skills-based parenting education, en-
11 couraging child support payments, and other
12 methods.

13 ““(C) PROMOTING RESPONSIBLE FATHER-
14 HOOD THROUGH FOSTERING ECONOMIC STA-
15 BILITY OF FATHERS.—To foster economic sta-
16 bility by helping fathers improve their economic
17 status by providing activities such as work first
18 services, job search, job training, subsidized em-
19 ployment, job retention, job enhancement, and
20 encouraging education, including career-advanc-
21 ing education, dissemination of employment ma-
22 terials, coordination with existing employment
23 services such as welfare-to-work programs, re-
24 ferrals to local employment training initiatives,
25 and other methods.

1 “(3) RESTRICTION ON USE OF FUNDS.—No
2 funds provided under this subsection may be used
3 for costs attributable to court proceedings regarding
4 matters of child visitation or custody, or for legisla-
5 tive advocacy.

6 “(4) REQUIREMENTS FOR RECEIPT OF
7 FUNDS.—A State may not be awarded a grant under
8 this section unless the State, as a condition of re-
9 ceiving funds under such a grant—

10 “(A) consults with experts in domestic vi-
11 olence or with relevant community domestic vio-
12 lence coalitions in developing such programs or
13 activities; and

14 “(B) describes in the application for a
15 grant under this section—

16 “(i) how the programs or activities
17 proposed to be conducted will address, as
18 appropriate, issues of domestic violence;
19 and

20 “(ii) what the State will do, to the
21 extent relevant, to ensure that participa-
22 tion in such programs or activities is vol-
23 untary, and to inform potential partici-
24 pants that their involvement is voluntary.

25 “(5) RECONCILIATION PROCESS.—

1 “(A) 3-YEAR AVAILABILITY OF AMOUNTS
2 ALLOTTED.—Each eligible State that receives a
3 grant under this subsection for a fiscal year
4 shall return to the Secretary any unused por-
5 tion of the grant for such fiscal year not later
6 than the last day of the second succeeding fiscal
7 year, together with any earnings on such un-
8 used portion.

9 “(B) PROCEDURE FOR REDISTRIBU-
10 TION.—The Secretary shall establish an appro-
11 priate procedure for redistributing to eligible
12 States that have expended the entire amount of
13 a grant made under this subsection for a fiscal
14 year any amount that is returned to the Sec-
15 retary by eligible States under subparagraph
16 (A).

17 “(6) AMOUNT OF GRANTS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), the amount of each grant awarded
20 under this subsection shall be an amount suffi-
21 cient to implement the State plan submitted
22 under paragraph (1)(B)(ii).

23 “(B) MINIMUM AMOUNTS.—No eligible
24 State shall—

1 “(i) in the case of the District of Co-
2 lumbia or a State other than the Common-
3 wealth of Puerto Rico, the United States
4 Virgin Islands, Guam, American Samoa,
5 and the Commonwealth of the Northern
6 Mariana Islands, receive a grant for a fis-
7 cal year in an amount that is less than
8 \$1,000,000; and

9 “(ii) in the case of the Common-
10 wealth of Puerto Rico, the United States
11 Virgin Islands, Guam, American Samoa,
12 and the Commonwealth of the Northern
13 Mariana Islands, receive a grant for a fis-
14 cal year in an amount that is less than
15 \$500,000.

16 “(7) DEFINITION OF STATE.—In this sub-
17 section, the term ‘State’ means each of the 50
18 States, the District of Columbia, the Commonwealth
19 of Puerto Rico, the United States Virgin Islands,
20 Guam, American Samoa, and the Commonwealth of
21 the Northern Mariana Islands.

22 “(8) APPROPRIATION.—Out of any money in
23 the Treasury of the United States not otherwise ap-
24 propriated, there are appropriated for each of fiscal
25 years 2006 through 2010, \$20,000,000 for purposes

1 of making grants to eligible States under this sub-
2 section.

3 ““(b) GRANTS TO ELIGIBLE ENTITIES TO CONDUCT
4 DEMONSTRATION PROGRAMS.—

5 ““(1) AUTHORITY TO AWARD GRANTS.—

6 ““(A) IN GENERAL.—The Secretary shall
7 award grants to eligible entities to conduct
8 demonstration programs to carry out the pur-
9 poses described in subsection (a)(2).

10 ““(B) ELIGIBLE ENTITY.—For purposes of
11 this subsection, an eligible entity is a local gov-
12 ernment, local public agency, community-based
13 or nonprofit organization, or private entity, in-
14 cluding any charitable or faith-based organiza-
15 tion, or an Indian tribe or tribal organization
16 (as defined in section 419(4)), that submits to
17 the Secretary the following:

18 ““(i) APPLICATION.—An application
19 for a grant under this subsection, at such
20 time, in such manner, and containing such
21 information as the Secretary may require.

22 ““(ii) PROJECT DESCRIPTION.—A de-
23 scription of the programs or activities the
24 entity intends to carry out with funds pro-
25 vided under the grant, including a good

1 faith estimate of the number and charac-
2 teristics of clients to be served under such
3 programs or activities and how the entity
4 intends to achieve at least 2 of the pur-
5 poses described in subsection (a)(2).

6 “(iii) COORDINATION EFFORTS.—A
7 description of how the entity will coordi-
8 nate and cooperate with State and local
9 entities responsible for carrying out other
10 programs that relate to the purposes in-
11 tended to be achieved under the dem-
12 onstration program, including as appro-
13 priate, entities responsible for carrying out
14 jobs programs and programs serving chil-
15 dren and families.

16 “(iv) RECORDS, REPORTS, AND AU-
17 DITS.—An agreement to maintain such
18 records, submit such reports, and cooper-
19 ate with such reviews and audits as the
20 Secretary finds necessary for purposes of
21 oversight of the demonstration program.

22 “(v) CERTIFICATIONS.—The fol-
23 lowing certifications:

24 “(I) A certification that the en-
25 tity will use funds provided under the

1 grant to promote at least 2 of the
2 purposes described in subsection
3 (a)(2).

4 “(II) A certification that the en-
5 tity will return any unused funds to
6 the Secretary in accordance with the
7 reconciliation process under para-
8 graph (3).

9 “(III) A certification that the
10 funds provided under the grant will be
11 used for programs and activities that
12 target low-income participants and
13 that not less than 50 percent of the
14 participants in each program or activ-
15 ity funded under the grant shall be—

16 “(aa) parents of a child
17 who is, or within the past 24
18 months has been, a recipient of
19 assistance or services under a
20 State program funded under part
21 A, D, or E of this title, title XIX,
22 or the Food Stamp Act of 1977;
23 or

24 “(bb) parents, including an
25 expectant parent or a married

1 parent, whose income (after ad-
2 justment for court-ordered child
3 support paid or received) does
4 not exceed 150 percent of the
5 poverty line.

6 “(IV) A certification that the
7 entity has or will comply with the re-
8 quirements of paragraph (3).

9 “(V) A certification that funds
10 provided to an entity under this sub-
11 section shall not be used to supple-
12 ment or supplant other Federal,
13 State, or local funds provided to the
14 entity that are used to support pro-
15 grams or activities that are related to
16 the purposes described in subsection
17 (a)(2).

18 “(C) PREFERENCES AND FACTORS OF
19 CONSIDERATION.—In awarding grants under
20 this subsection, the Secretary shall, to the ex-
21 tent practicable, achieve a balance among the
22 eligible entities awarded grants under this sub-
23 section with respect to the size, urban or rural
24 location, and employment of differing or unique
25 methods of the entities.

1 “(2) RESTRICTION ON USE OF FUNDS.—No
2 funds provided under this subsection may be used
3 for costs attributable to court proceedings regarding
4 matters of child visitation or custody, or for legisla-
5 tive advocacy.

6 “(3) REQUIREMENTS FOR USE OF FUNDS.—
7 The Secretary may not award a grant under this
8 subsection to an eligible entity unless the entity, as
9 a condition of receiving funds under such a grant—

10 “(A) consults with experts in domestic vi-
11 olence or with relevant community domestic vio-
12 lence coalitions in developing the programs or
13 activities to be conducted with such funds
14 awarded under the grant; and

15 “(B) describes in the application for a
16 grant under this section—

17 “(i) how the programs or activities
18 proposed to be conducted will address, as
19 appropriate, issues of domestic violence;
20 and

21 “(ii) what the entity will do, to the
22 extent relevant, to ensure that participa-
23 tion in such programs or activities is vol-
24 untary, and to inform potential partici-
25 pants that their involvement is voluntary.

1 “(4) RECONCILIATION PROCESS.—

2 “(A) 3-YEAR AVAILABILITY OF AMOUNTS
3 ALLOTTED.—Each eligible entity that receives a
4 grant under this subsection for a fiscal year
5 shall return to the Secretary any unused por-
6 tion of the grant for such fiscal year not later
7 than the last day of the second succeeding fiscal
8 year, together with any earnings on such un-
9 used portion.

10 “(B) PROCEDURE FOR REDISTRIBU-
11 TION.—The Secretary shall establish an appro-
12 priate procedure for redistributing to eligible
13 entities that have expended the entire amount
14 of a grant made under this subsection for a fis-
15 cal year any amount that is returned to the
16 Secretary by eligible entities under subpara-
17 graph (A).

18 “(5) APPROPRIATION.—Out of any money in
19 the Treasury of the United States not otherwise ap-
20 propriated, there are appropriated for each of fiscal
21 years 2006 through 2010, \$30,000,000 for purposes
22 of making grants to eligible entities under this sub-
23 section.

1 **“SEC. 442. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE**
2 **FATHERHOOD PROGRAMS.**

3 **“(a) MEDIA CAMPAIGN NATIONAL CLEARINGHOUSE**
4 **FOR RESPONSIBLE FATHERHOOD.—**

5 **“(1) IN GENERAL.—**From any funds appro-
6 priated under subsection (c), the Secretary shall con-
7 tract with a nationally recognized, nonprofit father-
8 hood promotion organization described in subsection
9 (b) to—

10 **“(A) develop, promote, and distribute to**
11 **interested States, local governments, public**
12 **agencies, and private entities a media campaign**
13 **that encourages the appropriate involvement of**
14 **parents in the life of any child, with a priority**
15 **for programs that specifically address the issue**
16 **of responsible fatherhood; and**

17 **“(B) develop a national clearinghouse to**
18 **assist States and communities in efforts to pro-**
19 **mote and support marriage and responsible fa-**
20 **therhood by collecting, evaluating, and making**
21 **available (through the Internet and by other**
22 **means) to other States information regarding**
23 **the media campaigns established under section**
24 **443.**

25 **“(2) COORDINATION WITH DOMESTIC VIO-**
26 **LENCE PROGRAMS.—**The Secretary shall ensure that

1 the nationally recognized nonprofit fatherhood pro-
2 motion organization with a contract under para-
3 graph (1) coordinates the media campaign developed
4 under subparagraph (A) of such paragraph and the
5 national clearinghouse developed under subpara-
6 graph (B) of such paragraph with national, State, or
7 local domestic violence programs.

8 “(b) **NATIONALLY RECOGNIZED, NONPROFIT FA-
9 THERHOOD PROMOTION ORGANIZATION DESCRIBED.—**
10 The nationally recognized, nonprofit fatherhood promotion
11 organization described in this subsection is an organiza-
12 tion that has at least 4 years of experience in—

13 “(1) designing and disseminating a national
14 public education campaign, as evidenced by the pro-
15 duction and successful placement of television, radio,
16 and print public service announcements that pro-
17 mote the importance of responsible fatherhood, a
18 track record of service to Spanish-speaking popu-
19 lations and historically underserved or minority popu-
20 lations, the capacity to fulfill requests for informa-
21 tion and a proven history of fulfilling such requests,
22 and a mechanism through which the public can re-
23 quest additional information about the campaign;
24 and

1 “(2) providing consultation and training to
2 community-based organizations interested in imple-
3 menting fatherhood outreach, support, or skill devel-
4 opment programs with an emphasis on promoting
5 married fatherhood as the ideal.

6 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
7 is authorized to be appropriated \$5,000,000 for each of
8 fiscal years 2006 through 2010 to carry out this section.

9 **“SEC. 443. BLOCK GRANTS TO STATES TO ENCOURAGE**
10 **MEDIA CAMPAIGNS.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) BROADCAST ADVERTISEMENT.—The term
13 ‘broadcast advertisement’ means a communication
14 intended to be aired by a television or radio broad-
15 cast station, including a communication intended to
16 be transmitted through a cable channel.

17 “(2) CHILD AT RISK.—The term ‘child at risk’
18 means each young child whose family income does
19 not exceed the poverty line.

20 “(3) POVERTY LINE.—The term ‘poverty line’
21 has the meaning given such term in section 673(2)
22 of the Community Services Block Grant Act (42
23 U.S.C. 9902(2)), including any revision required by
24 such section, that is applicable to a family of the
25 size involved.

1 “(4) PRINTED OR OTHER ADVERTISEMENT.—

2 The term ‘printed or other advertisement’ includes
3 any communication intended to be distributed
4 through a newspaper, magazine, outdoor advertising
5 facility, mailing, or any other type of general public
6 advertising, but does not include any broadcast ad-
7 vertisement.

8 “(5) STATE.—The term ‘State’ means each of
9 the 50 States, the District of Columbia, the Com-
10 monwealth of Puerto Rico, the United States Virgin
11 Islands, Guam, American Samoa, and the Common-
12 wealth of the Northern Mariana Islands.

13 “(6) YOUNG CHILD.—The term ‘young child’
14 means an individual under age 5.

15 “(b) STATE CERTIFICATIONS.—Not later than Octo-
16 ber 1 of each of fiscal year for which a State desires to
17 receive an allotment under this section, the chief executive
18 officer of the State shall submit to the Secretary a certifi-
19 cation that the State shall—

20 “(1) use such funds to promote the formation
21 and maintenance of healthy 2-parent married fami-
22 lies, strengthen fragile families, and promote respon-
23 sible fatherhood through media campaigns conducted
24 in accordance with the requirements of subsection
25 (d);

1 “(2) return any unused funds to the Secretary
2 in accordance with the reconciliation process under
3 subsection (e); and

4 “(3) comply with the reporting requirements
5 under subsection (f).

6 “(c) PAYMENTS TO STATES.—For each of fiscal
7 years 2006 through 2010, the Secretary shall pay to each
8 State that submits a certification under subsection (b),
9 from any funds appropriated under subsection (i), for the
10 fiscal year an amount equal to the amount of the allotment
11 determined for the fiscal year under subsection (g).

12 “(d) ESTABLISHMENT OF MEDIA CAMPAIGNS.—
13 Each State receiving an allotment under this section for
14 a fiscal year shall use the allotment to conduct media cam-
15 paigns as follows:

16 “(1) CONDUCT OF MEDIA CAMPAIGNS.—

17 “(A) RADIO AND TELEVISION MEDIA CAM-
18 PAIGNS.—

19 “(i) PRODUCTION OF BROADCAST
20 ADVERTISEMENTS.—At the option of the
21 State, to produce broadcast advertisements
22 that promote the formation and mainte-
23 nance of healthy 2-parent married families,
24 strengthen fragile families, and promote
25 responsible fatherhood.

1 “(ii) AIRTIME CHALLENGE PRO-
2 GRAM.—At the option of the State, to es-
3 tablish an airtime challenge program under
4 which the State may spend amounts allot-
5 ted under this section to purchase time
6 from a broadcast station to air a broadcast
7 advertisement produced under clause (i),
8 but only if the State obtains an amount of
9 time of the same class and during a com-
10 parable period to air the advertisement
11 using non-Federal contributions.

12 “(B) OTHER MEDIA CAMPAIGNS.—At the
13 option of the State, to conduct a media cam-
14 paign that consists of the production and dis-
15 tribution of printed or other advertisements
16 that promote the formation and maintenance of
17 healthy 2-parent married families, strengthen
18 fragile families, and promote responsible father-
19 hood.

20 “(2) ADMINISTRATION OF MEDIA CAM-
21 PAIGNS.—A State may administer media campaigns
22 funded under this section directly or through grants,
23 contracts, or cooperative agreements with public
24 agencies, local governments, or private entities, in-
25 cluding charitable and faith-based organizations.

1 “(3) CONSULTATION WITH DOMESTIC VIO-
2 LENCE ASSISTANCE CENTERS.—In developing broad-
3 cast and printed advertisements to be used in the
4 media campaigns conducted under paragraph (1),
5 the State or other entity administering the campaign
6 shall consult with representatives of State and local
7 domestic violence centers.

8 “(4) NON-FEDERAL CONTRIBUTIONS.—In this
9 section, the term ‘non-Federal contributions’ in-
10 cludes contributions by the State and by public and
11 private entities. Such contributions may be in cash
12 or in kind. Such term does not include any amounts
13 provided by the Federal Government, or services as-
14 sisted or subsidized to any significant extent by the
15 Federal Government, or any amount expended by a
16 State before October 1, 2005.

17 “(e) RECONCILIATION PROCESS.—

18 “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-
19 LOTTED.—Each State that receives an allotment
20 under this section shall return to the Secretary any
21 unused portion of the amount allotted to a State for
22 a fiscal year not later than the last day of the sec-
23 ond succeeding fiscal year together with any earn-
24 ings on such unused portion.

1 “(2) PROCEDURE FOR REDISTRIBUTION OF
2 UNUSED ALLOTMENTS.—The Secretary shall estab-
3 lish an appropriate procedure for redistributing to
4 States that have expended the entire amount allotted
5 under this section any amount that is—

6 “(A) returned to the Secretary by States
7 under paragraph (1); or

8 “(B) not allotted to a State under this
9 section because the State did not submit a cer-
10 tification under subsection (b) by October 1 of
11 a fiscal year.

12 “(f) REPORTING REQUIREMENTS.—

13 “(1) MONITORING AND EVALUATION.—Each
14 State receiving an allotment under this section for a
15 fiscal year shall monitor and evaluate the media
16 campaigns conducted using funds made available
17 under this section in such manner as the Secretary,
18 in consultation with the States, determines appro-
19 priate.

20 “(2) ANNUAL REPORTS.—Not less frequently
21 than annually, each State receiving an allotment
22 under this section for a fiscal year shall submit to
23 the Secretary reports on the media campaigns con-
24 ducted using funds made available under this section

1 at such time, in such manner, and containing such
2 information as the Secretary may require.

3 ““(g) AMOUNT OF ALLOTMENTS.—

4 ““(1) IN GENERAL.—Except as provided in
5 paragraph (2), of the amount appropriated for the
6 purpose of making allotments under this section for
7 a fiscal year, the Secretary shall allot to each State
8 that submits a certification under subsection (b) for
9 the fiscal year an amount equal to the sum of—

10 ““(A) the amount that bears the same
11 ratio to 50 percent of such funds as the number
12 of young children in the State (as determined
13 by the Secretary based on the most current reli-
14 able data available) bears to the number of
15 such children in all States; and

16 ““(B) the amount that bears the same
17 ratio to 50 percent of such funds as the number
18 of children at risk in the State (as determined
19 by the Secretary based on the most current reli-
20 able data available) bears to the number of
21 such children in all States.

22 ““(2) MINIMUM ALLOTMENTS.—No allotment
23 for a fiscal year under this section shall be less
24 than—

1 “(A) in the case of the District of Colum-
2 bia or a State other than the Commonwealth of
3 Puerto Rico, the United States Virgin Islands,
4 Guam, American Samoa, and the Common-
5 wealth of the Northern Mariana Islands, 1 per-
6 cent of the amount appropriated for the fiscal
7 year under subsection (i); and

8 “(B) in the case of the Commonwealth of
9 Puerto Rico, the United States Virgin Islands,
10 Guam, American Samoa, and the Common-
11 wealth of the Northern Mariana Islands, 0.5
12 percent of such amount.

13 “(3) PRO RATA REDUCTIONS.—The Secretary
14 shall make such pro rata reductions to the allot-
15 ments determined under this subsection as are nec-
16 essary to comply with the requirements of paragraph
17 (2).

18 “(h) EVALUATION.—

19 “(1) IN GENERAL.—The Secretary shall con-
20 duct an evaluation of the impact of the media cam-
21 paigns funded under this section.

22 “(2) REPORT.—Not later than December 31,
23 2008, the Secretary shall report to Congress the re-
24 sults of the evaluation under paragraph (1).

1 “(b) **NATIONALLY RECOGNIZED NONPROFIT RE-**
2 **SEARCH AND EDUCATION FATHERHOOD ORGANIZATION**
3 **DESCRIBED.**—A nationally recognized nonprofit research
4 and education fatherhood organization described in this
5 subsection is an organization that has been in existence
6 for at least 12 years with experience in—

7 “(1) developing and distributing research-
8 based curriculum that promotes responsible father-
9 hood and healthy marriage with an emphasis on low-
10 income and noncustodial fathers;

11 “(2) providing consultation and training to
12 community-based organizations with a track record
13 of working with social service, government, and
14 faith-based organizations; and

15 “(3) providing direct training to fathers, fa-
16 ther figures, and mothers using research-based cur-
17 riculum in a variety of economic, cultural and family
18 situations.

19 “(c) **AUTHORIZATION OF APPROPRIATIONS.**—There
20 is authorized to be appropriated to the Secretary to carry
21 out this section, \$1,000,000 for each of fiscal years 2006
22 through 2010.

23 **“SEC. 445. NONDISCRIMINATION.**

24 ““The projects and activities assisted under this part
25 shall be available on the same basis to all fathers and ex-

1 pectant fathers able to benefit from such projects and ac-
 2 tivities, including married and unmarried fathers and cus-
 3 todial and noncustodial fathers, with particular attention
 4 to low-income fathers, and to mothers and expectant
 5 mothers on the same basis as to fathers.’.

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

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

“Sec. 117. Responsible fatherhood program.”.

12 **SEC. 119. ADDITIONAL GRANTS.**

13 (a) GRANTS TO CAPITALIZE AND DEVELOP SUSTAIN-
 14 ABLE SOCIAL SERVICES.—Section 403(a) (42 U.S.C.
 15 603(a)) is amended by adding at the end the following:

16 “(6) GRANTS TO CAPITALIZE AND DEVELOP
 17 SUSTAINABLE SOCIAL SERVICES.—

18 “(A) AUTHORITY TO AWARD GRANTS.—

19 The Secretary may award grants to entities for
 20 the purpose of capitalizing and developing the
 21 role of sustainable social services that are crit-
 22 ical to the success of moving recipients of as-
 23 sistance under a State program funded under
 24 this part to work.

25 “(B) APPLICATION.—

1 “(i) IN GENERAL.—An entity desiring
2 a grant under this paragraph shall submit
3 an application to the Secretary, at such
4 time, in such manner, and, subject to
5 clause (ii), containing such information as
6 the Secretary may require.

7 “(ii) STRATEGY FOR GENERATION OF
8 REVENUE.—An application for a grant
9 under this paragraph shall include a de-
10 scription of the capitalization strategy that
11 the entity intends to follow to develop a
12 program that generates its own source of
13 ongoing revenue while assisting recipients
14 of assistance under a State program fund-
15 ed under this part.

16 “(C) USE OF FUNDS.—

17 “(i) IN GENERAL.—Funds made avail-
18 able under a grant made under this para-
19 graph may be used for the acquisition, con-
20 struction, or renovation of facilities or
21 buildings.

22 “(ii) GENERAL RULES GOVERNING
23 USE OF FUNDS.—The rules of section 404,
24 other than subsection (b) of that section,

1 shall not apply to a grant made under this
2 paragraph.

3 “(D) EVALUATION AND REPORT.—The
4 Secretary shall, by grant, contract, or inter-
5 agency agreement, conduct an evaluation of the
6 programs developed with grants awarded under
7 this paragraph and shall submit a report to
8 Congress on the results of such evaluation.

9 “(E) AUTHORIZATION OF APPROPRIA-
10 TIONS.—There is authorized to be appropriated
11 to the Secretary for the purpose of carrying out
12 this paragraph, \$40,000,000 for each of fiscal
13 years 2006 through 2010.”.

14 (b) GRANTS FOR LOW-INCOME CAR OWNERSHIP
15 PROGRAMS.—Section 403(a) (42 U.S.C. 603(a)), as
16 amended by subsection (a), is further amended by adding
17 at the end the following:

18 “(7) GRANTS FOR LOW-INCOME CAR OWNER-
19 SHIP PROGRAMS.—

20 “(A) PURPOSES.—The purposes of this
21 paragraph are to—

22 “(i) assist low-income families with
23 children obtain dependable, affordable
24 automobiles to improve their employment
25 opportunities and access to training; and

1 “(ii) provide incentives to States, In-
2 dian tribes or tribal organizations, local-
3 ities, and nonprofit entities to develop and
4 administer programs that provide assist-
5 ance with automobile ownership for low-in-
6 come families.

7 “(B) DEFINITIONS.—In this paragraph:

8 “(i) LOCALITY.—The term ‘locality’
9 means a municipality that does not admin-
10 ister a State program funded under this
11 part.

12 “(ii) LOW-INCOME FAMILY WITH
13 CHILDREN.—The term ‘low-income family
14 with children’ means a household that is
15 eligible for benefits or services funded
16 under the State program funded under this
17 part or under a program funded with
18 qualified State expenditures (as defined in
19 section 409(a)(7)(B)(i)).

20 “(iii) NONPROFIT ENTITY.—The term
21 ‘nonprofit entity’ means a school, local
22 agency, organization, or institution owned
23 and operated by 1 or more nonprofit cor-
24 porations or associations, no part of the
25 net earnings of which inures, or may law-

1 fully inure, to the benefit of any private
2 shareholder or individual.

3 “(C) AUTHORITY TO AWARD GRANTS.—

4 The Secretary may award grants to States,
5 counties, localities, Indian tribes or tribal orga-
6 nizations, and nonprofit entities to promote im-
7 proving access to dependable, affordable auto-
8 mobiles by low-income families with children.

9 “(D) GRANT APPROVAL CRITERIA.—The
10 Secretary shall establish criteria for approval of
11 an application for a grant under this paragraph
12 that include consideration of—

13 “(i) the extent to which the proposal,
14 if funded, is likely to improve access to
15 training and employment opportunities and
16 child care services by low-income families
17 with children by means of car ownership;

18 “(ii) the level of innovation in the ap-
19 plicant’s grant proposal; and

20 “(iii) any partnerships between the
21 public and private sector in the applicant’s
22 grant proposal.

23 “(E) USE OF FUNDS.—

24 “(i) IN GENERAL.—A grant awarded
25 under this paragraph shall be used to ad-

1 minister programs that assist low-income
2 families with children with dependable
3 automobile ownership, and maintenance of,
4 or insurance for, the purchased auto-
5 mobile.

6 “(ii) SUPPLEMENT NOT SUPPLANT.—
7 Funds provided to a State, Indian tribe or
8 tribal organization, county, or locality
9 under a grant awarded under this para-
10 graph shall be used to supplement and not
11 supplant other State, county, or local pub-
12 lic funds expended for car ownership pro-
13 grams.

14 “(iii) GENERAL RULES GOVERNING
15 USE OF FUNDS.—The rules of section 404,
16 other than subsection (b) of that section,
17 shall not apply to a grant made under this
18 paragraph.

19 “(F) APPLICATION.—Each applicant desir-
20 ing a grant under this paragraph shall submit
21 an application to the Secretary at such time, in
22 such manner, and accompanied by such infor-
23 mation as the Secretary may reasonably re-
24 quire.

1 “(G) REVERSION OF FUNDS.—Any funds
2 not expended by a grantee within 3 years after
3 the date the grant is awarded under this para-
4 graph shall be available for redistribution
5 among other grantees in such manner and
6 amount as the Secretary may determine, unless
7 the Secretary extends by regulation the time pe-
8 riod to expend such funds.

9 “(H) LIMITATION ON ADMINISTRATIVE
10 COSTS OF THE SECRETARY.—Not more than an
11 amount equal to 5 percent of the funds appro-
12 priated to make grants under this paragraph
13 for a fiscal year shall be expended for adminis-
14 trative costs of the Secretary in carrying out
15 this paragraph.

16 “(I) EVALUATION.—The Secretary shall,
17 by grant, contract, or interagency agreement,
18 conduct an evaluation of the programs adminis-
19 tered with grants awarded under this para-
20 graph.

21 “(J) AUTHORIZATION OF APPROPRIA-
22 TIONS.—There is authorized to be appropriated
23 to the Secretary to make grants under this
24 paragraph, \$25,000,000 for each of fiscal years
25 2006 through 2010.”.

1 (c) TRANSITIONAL JOBS GRANTS.—

2 (1) IN GENERAL.—Section 403(a) (42 U.S.C.
3 603(a)), as amended by subsection (b), is further
4 amended by adding at the end the following:

5 “(8) INNOVATIVE BUSINESS LINK PARTNERSHIP
6 GRANTS.—

7 “(A) IN GENERAL.—The Secretary and the
8 Secretary of Labor (in this paragraph referred
9 to as the ‘Secretaries’) jointly shall award
10 grants in accordance with this paragraph for
11 projects proposed by eligible applicants based
12 on the following:

13 “(i) The potential effectiveness of the
14 proposed project in carrying out the activi-
15 ties described in subparagraph (E).

16 “(ii) Evidence of the ability of the eli-
17 gible applicant to leverage private, State,
18 or local resources.

19 “(iii) Evidence of the ability of the eli-
20 gible applicant to coordinate with other or-
21 ganizations at the State or local level.

22 “(B) DEFINITION OF ELIGIBLE APPLI-
23 CANT.—

24 “(i) IN GENERAL.—In this paragraph,
25 the term ‘eligible applicant’ means a pri-

1 vate organization, a local workforce invest-
2 ment board established under section 117
3 of the Workforce Investment Act of 1998
4 (29 U.S.C. 2832), a State, a political sub-
5 division of a State, or an Indian tribe or
6 tribal organization.

7 “(ii) GRANTS TO PROMOTE BUSINESS
8 LINKAGES.—

9 “(I) ADDITIONAL ELIGIBLE AP-
10 PPLICANT.—Only for purposes of
11 grants to carry out the activities de-
12 scribed in subparagraph (E)(i), the
13 term ‘eligible applicant’ includes an
14 employer.

15 “(II) ADDITIONAL REQUIRE-
16 MENT.—In order to qualify as an eli-
17 gible applicant for purposes of sub-
18 paragraph (E)(i), the applicant must
19 demonstrate that the application has
20 been developed by and will be imple-
21 mented by a local or regional consor-
22 tium that includes, at minimum, em-
23 ployers or employer associations, and
24 education and training providers, in
25 consultation with local labor organiza-

1 tions and social service providers that
2 work with low-income families or indi-
3 viduals with disabilities.

4 “(C) REQUIREMENTS.—

5 “(i) IN GENERAL.—In awarding
6 grants under this paragraph, the Secre-
7 taries shall—

8 “(I) consider the needs of rural
9 areas and cities with large concentra-
10 tions of residents with an income that
11 is less than 150 percent of the poverty
12 line; and

13 “(II) ensure that—

14 “(aa) all of the funds made
15 available under this paragraph
16 (other than funds reserved for
17 use by the Secretaries under sub-
18 paragraph (J)) shall be used for
19 activities described in subpara-
20 graph (E);

21 “(bb) not less than 40 per-
22 cent of the funds made available
23 under this paragraph (other than
24 funds so reserved) shall be used

1 for activities described in sub-
2 paragraph (E)(i); and

3 “(cc) not less than 40 per-
4 cent of the funds made available
5 under this paragraph (other than
6 funds so reserved) shall be used
7 for the activities described in
8 subparagraph (E)(ii).

9 “(ii) CONTINUATION OF AVAIL-
10 ABILITY.—If any portion of the funds re-
11 quired to be used for activities referred to
12 in item (bb) or (cc) of clause (i)(II) are not
13 awarded in a fiscal year, such portion shall
14 continue to be available in the subsequent
15 fiscal year for the same activity, in addi-
16 tion to other amounts that may be avail-
17 able for such activities for that subsequent
18 fiscal year.

19 “(D) DETERMINATION OF GRANT
20 AMOUNT.—

21 “(i) IN GENERAL.—Subject to clause
22 (ii), in determining the amount of a grant
23 to be awarded under this paragraph for a
24 project proposed by an eligible applicant,
25 the Secretaries shall take into account—

1 “(I) the number and characteris-
2 tics of the individuals to be served by
3 the project;

4 “(II) the level of unemployment
5 in the area to be served by the
6 project;

7 “(III) the job opportunities and
8 job growth in such area;

9 “(IV) the poverty rate for such
10 area; and

11 “(V) such other factors as the
12 Secretary deems appropriate in such
13 area.

14 “(ii) MAXIMUM AWARD FOR GRANTS
15 TO PROMOTE BUSINESS LINKAGES OR PRO-
16 VIDE TRANSITIONAL JOBS PROGRAMS.—

17 “(I) IN GENERAL.—In the case
18 of a grant to carry out activities de-
19 scribed in clause (i) or (ii) of subpara-
20 graph (E), an eligible applicant
21 awarded a grant under this paragraph
22 may not receive more than
23 \$10,000,000 per fiscal year under the
24 grant.

1 “(II) RULE OF CONSTRU-
2 TION.—Nothing in subclause (I) shall
3 be construed as precluding an other-
4 wise eligible applicant from receiving
5 separate grants to carry out activities
6 described in clause (i) or (ii) of sub-
7 paragraph (E).

8 “(iii) GRANT PERIOD.—The period in
9 which a grant awarded under this para-
10 graph may be used shall be specified for a
11 period of not less than 36 months and not
12 more than 60 months.

13 “(E) ALLOWABLE ACTIVITIES.—An eligible
14 applicant awarded a grant under this paragraph
15 shall use funds provided under the grant to do
16 the following:

17 “(i) PROMOTE BUSINESS LINKAGES.—

18 “(I) IN GENERAL.—To promote
19 business linkages in which funds shall
20 be used to fund new or expanded pro-
21 grams that are designed to—

22 “(aa) substantially increase
23 the wages of eligible individuals
24 (as defined in subparagraph (F)),
25 whether employed or unemployed,

1 who have limited English pro-
2 ficiency or other barriers to em-
3 ployment by creating or upgrad-
4 ing job and related skills in part-
5 nership with employers, especially
6 by providing supports and serv-
7 ices at or near worksites; and

8 “(bb) identify and strength-
9 en career pathways by expanding
10 and linking work and training
11 opportunities for such individuals
12 in collaboration with employers.

13 “(II) CONSIDERATION OF IN-
14 KIND, IN-CASH RESOURCES.—In de-
15 termining which programs to fund
16 under this clause, an eligible applicant
17 awarded a grant under this paragraph
18 shall consider the ability of a consor-
19 tium to provide funds in-kind or in-
20 cash (including employer-provided,
21 paid release time) to help support the
22 programs for which funding is sought.

23 “(III) PRIORITY.—In deter-
24 mining which programs to fund under
25 this clause, an eligible applicant

1 awarded a grant under this paragraph
2 shall give priority to programs that
3 include education or training for
4 which participants receive credit to-
5 ward a recognized credential, such as
6 an occupational certificate or license.

7 “(IV) USE OF FUNDS.—

8 “(aa) IN GENERAL.—Funds
9 provided to a program under this
10 clause may be used for a com-
11 prehensive set of employment and
12 training benefits and services, in-
13 cluding job development, job
14 placement, workplace supports
15 and accommodations, curricula
16 development, wage subsidies, re-
17 tention services, and such other
18 benefits or services as the pro-
19 gram deems necessary to achieve
20 the overall objectives of this
21 clause.

22 “(bb) PROVISION OF SERV-
23 ICES.—So long as a program is
24 principally designed to assist eli-
25 gible individuals (as defined in

1 subparagraph (F)), funds may be
2 provided to a program under this
3 clause that also serves low-earn-
4 ing employees of 1 or more em-
5 ployers even if such individuals
6 are not within the definition of
7 eligible individual (as so defined).

8 “(ii) PROVIDE FOR TRANSITIONAL
9 JOBS PROGRAMS.—

10 “(I) IN GENERAL.—To provide
11 for wage-paying transitional jobs pro-
12 grams which combine time-limited em-
13 ployment in the public or nonprofit
14 private sector that is subsidized with
15 public funds with skill development
16 and activities to remove barriers to
17 employment, pursuant to an individ-
18 ualized plan (or, in the case of an eli-
19 gible individual described in subpara-
20 graph (F)(i), an individual responsi-
21 bility plan developed for an individual
22 under section 408(b)). Such programs
23 also shall provide job development and
24 placement assistance to individual
25 participants to help them move from

1 subsidized employment in transitional
2 jobs into unsubsidized employment, as
3 well as retention services after the
4 transition to unsubsidized employ-
5 ment.

6 “(II) ELIGIBLE PARTICIPANTS.—

7 The Secretary shall ensure that indi-
8 viduals who participate in transitional
9 jobs programs funded under a grant
10 made under this paragraph shall be
11 individuals who have been unemployed
12 because of limited skills, experience,
13 or other barriers to employment, and
14 who are eligible individuals (as de-
15 fined in subparagraph (F)), provided
16 that so long as a program is designed
17 to, and principally serves, eligible indi-
18 viduals (as so defined), a limited num-
19 ber of individuals who are unemployed
20 because of limited skills, experience,
21 or other barriers to employment, and
22 who have an income below 100 per-
23 cent of the Federal poverty line but
24 who do not satisfy the definition of el-
25 ible individual (as so defined) may

1 be served in the program to the extent
2 the Secretaries determine that the in-
3 clusion of such individuals in the pro-
4 gram is appropriate.

5 “(III) USE OF FUNDS.—Funds
6 provided to a program under this
7 clause may only be used in accordance
8 with the following:

9 “(aa) To create subsidized
10 transitional jobs in which work
11 shall be performed directly for
12 the program operator or at other
13 public and nonprofit organiza-
14 tions (in this subclause referred
15 to as ‘worksite employers’) in the
16 community, and in which 100
17 percent of the wages shall be
18 subsidized, except as described in
19 item (ff) regarding placements in
20 the private, for-profit sector.

21 “(bb) Participants shall be
22 paid at the rate paid to unsub-
23 subsidized employees of the worksite
24 employer who perform com-
25 parable work at the worksite

1 where the individual is placed. If
2 no other employees perform the
3 same or comparable work then
4 wages shall be set, at a min-
5 imum, at 50 percent of the
6 Lower Living Standard Income
7 Level (commonly referred to as
8 the ‘LLSIL’), as determined
9 under section 101(24) of the
10 Workforce Investment Act of
11 1998 (29 U.S.C. 2801(24)), for a
12 family of 3 based on 35 hours
13 per week.

14 “(cc) Transitional jobs shall
15 be limited to not less than 6
16 months and not more than 24
17 months, however, nothing shall
18 preclude a participant from mov-
19 ing into unsubsidized employ-
20 ment at a point prior to the max-
21 imum duration of the transitional
22 job placement. Participants shall
23 be paid wages based on a work-
24 week of not less than 30 hours
25 per week or more than 40 hours

1 per week, except that a parent of
2 a child under the age of 6, a
3 child who is disabled, or a child
4 with other special needs, or an
5 individual who for other reasons
6 cannot successfully participate
7 for 30 to 40 hours per week, may
8 be allowed to participate for more
9 limited hours, but not less than
10 20 hours per week. In any work
11 week, 50 percent to 80 percent of
12 hours shall be spent in the tran-
13 sitional job and 20 percent to 50
14 percent of hours shall be spent in
15 education or training, or other
16 services designed to reduce or
17 eliminate any barriers.

18 “(dd) Program operators
19 shall provide case management
20 services and ensure access to ap-
21 propriate education, training, and
22 other services, including job ac-
23 commodation, work supports, and
24 supported employment, as appro-
25 priate and consistent with an in-

1 individual employment plan (unless
2 the individual already has an em-
3 ployment plan developed by the
4 appropriate State agency with re-
5 sponsibility for the administra-
6 tion of the State program funded
7 under this part or the State
8 workforce investment board es-
9 tablished under section 111 of
10 the Workforce Investment Act of
11 1998 (29 U.S.C. 2821)) that is
12 based on the individual's
13 strengths, resources, priorities,
14 concerns, abilities, capabilities,
15 career interests, and informed
16 choice and that is developed with
17 each participant. The goal of
18 each participant's plan shall
19 focus on preparation for unsub-
20 subsidized jobs in demand in the
21 local economy which offer the po-
22 tential for advancement and
23 growth. Services shall also in-
24 clude job placement assistance
25 and retention services for 12

1 months after entry into unsub-
2 subsidized placement. Participants
3 shall also receive support services
4 such as subsidized child care and
5 transportation, on the same basis
6 as those services are made avail-
7 able to recipients of assistance
8 under the State program funded
9 under this part who are engaged
10 in work-related activities.

11 “(ee) Providers shall work
12 with individual recipients to de-
13 termine eligibility for other em-
14 ployment-related supports which
15 may include (but are not limited
16 to) supported employment, other
17 vocational rehabilitation services,
18 and programs or services avail-
19 able under the Workforce Invest-
20 ment Act of 1998 (29 U.S.C.
21 2801 et seq.), or the ticket to
22 work and self-sufficiency program
23 established under section 1148,
24 and, to the extent possible, shall
25 provide transitional employment

1 in collaboration with entities pro-
2 viding, or arranging for the pro-
3 vision of, such other supports.

4 “(ff) Not more than $\frac{1}{3}$ of
5 the placements for a grantee
6 shall be with a private for-profit
7 company, except that such $\frac{1}{3}$
8 limit may be waived by the Sec-
9 retary for programs in rural
10 areas when the grantee can dem-
11 onstrate insufficient public and
12 non-profit worksites. When a
13 placement is made at a private
14 for-profit company, the company
15 shall pay 50 percent of program
16 costs (including wages) for each
17 participant, and the company
18 shall agree, in writing, to hire
19 each participant into an unsub-
20 subsidized position at the completion
21 of the agreed upon subsidized
22 placement, or sooner, provided
23 that the participant’s job per-
24 formance has been satisfactory.

1 “(gg) Subject to item (hh),
2 not more than 15 percent of the
3 workforce of a private for-profit
4 company may be composed of
5 transitional jobs participants.

6 “(hh) Notwithstanding item
7 (gg), no employer shall be pre-
8 cluded from employing up to 2
9 transitional jobs participants.

10 “(IV) DEFINITION OF TRANSI-
11 TIONAL JOBS PROGRAM.—In this
12 clause, the term ‘transitional jobs pro-
13 gram’ means a program that is in-
14 tended to serve current and former re-
15 cipients of assistance under a State or
16 tribal program funded under this part
17 and other low-income individuals who
18 have been unable to secure employ-
19 ment through job search or other em-
20 ployment-related services because of
21 limited skills, experience, or other bar-
22 riers to employment.

23 “(iii) LIMITATION ON ADMINISTRA-
24 TIVE EXPENDITURES.—Not more than 5
25 percent of the funds awarded to an eligible

1 applicant under clause (i) or (ii) may be
2 used for administrative expenditures in-
3 curred in carrying out the activities de-
4 scribed in clause (i) or (ii) or for expendi-
5 tures related to carrying out the assess-
6 ments and reports required under subpara-
7 graph (H).

8 “(F) DEFINITION OF ELIGIBLE INDI-
9 VIDUAL.—In this paragraph, the term ‘eligible
10 individual’ means—

11 “(i) an individual who is a parent who
12 is a recipient of assistance under a State
13 or tribal program funded under this part;

14 “(ii) an individual who is a parent
15 who has ceased to receive assistance under
16 such a State or tribal program;

17 “(iii) an individual who is at risk of
18 receiving assistance under a State or tribal
19 program funded under this part;

20 “(iv) an individual with a disability; or

21 “(v) a noncustodial parent who is un-
22 employed, or is having difficulty in paying
23 child support obligations, including such a
24 parent who is a former criminal offender.

1 “(G) APPLICATION.—Each eligible appli-
2 cant desiring a grant under this paragraph
3 shall submit an application to the Secretaries at
4 such time, in such manner, and accompanied by
5 such information as the Secretaries may re-
6 quire.

7 “(H) ASSESSMENTS AND REPORTS BY
8 GRANTEES.—

9 “(i) IN GENERAL.—An eligible appli-
10 cant that receives a grant under this para-
11 graph shall assess and report on the out-
12 comes of programs funded under the
13 grant, including the identity of each pro-
14 gram operator, demographic information
15 about each participant, including education
16 level, literacy level, prior work experience
17 and identified barriers to employment, the
18 nature of education, training, or other
19 services received by the participant, the
20 reason for the participant’s leaving the
21 program, and outcomes related to the
22 placement of the participant in an unsub-
23 sidized job, including 1-year employment
24 retention, wage at placement, benefits, and

1 earnings progression, as specified by the
2 Secretaries.

3 “(ii) ASSISTANCE.—The Secretaries
4 shall—

5 “(I) assist grantees in conducting
6 the assessment required under clause
7 (i) by making available where prac-
8 ticable low-cost means of tracking the
9 labor market outcomes of partici-
10 pants; and

11 “(II) encourage States to provide
12 such assistance.

13 “(I) APPLICATION TO REQUIREMENTS OF
14 THE STATE PROGRAM.—

15 “(i) PARTICIPATION NOT CONSIDERED
16 ASSISTANCE.—A benefit or service pro-
17 vided with funds made available under a
18 grant made under this paragraph shall not
19 be considered assistance for any purpose
20 under a State or tribal program funded
21 under this part.

22 “(ii) GENERAL RULES GOVERNING
23 USE OF FUNDS.—The rules of section 404,
24 other than subsection (b) of that section,

1 shall not apply to a grant made under this
2 paragraph.

3 “(J) ASSESSMENTS BY THE SECRE-
4 TARIES.—

5 “(i) RESERVATION OF FUNDS.—Of
6 the amount appropriated to carry out this
7 paragraph for each of fiscal years 2006
8 and 2007, \$3,000,000 of such amount for
9 each such fiscal year is reserved for use by
10 the Secretaries to prepare an interim and
11 final report summarizing and synthesizing
12 outcomes and lessons learned from the
13 programs funded through grants awarded
14 under this paragraph.

15 “(ii) INTERIM AND FINAL ASSESS-
16 MENTS.—With respect to the reports pre-
17 pared under clause (i), the Secretaries
18 shall submit—

19 “(I) the interim report not later
20 than 4 years after the date of enact-
21 ment of the Personal Responsibility
22 and Individual Development for Ev-
23 eryone Act; and

1 “(II) the final report not later
2 than 6 years after such date of enact-
3 ment.

4 “(K) EVALUATIONS.—

5 “(i) RESERVATION OF FUNDS.—Of
6 the amount appropriated to carry out this
7 paragraph for a fiscal year, an amount
8 equal to 1.5 percent of such amount for
9 each such fiscal year shall be reserved for
10 use by the Secretaries to conduct evalua-
11 tions in accordance with the requirements
12 of clause (ii).

13 “(ii) REQUIREMENTS.—The Secre-
14 taries—

15 “(I) shall develop a plan to evalu-
16 ate the extent to which programs
17 funded under grants made under this
18 paragraph have been effective in pro-
19 moting sustained, unsubsidized em-
20 ployment for each group of eligible
21 participants, and in improving the
22 skills and wages of participants in
23 comparison to the participants’ skills
24 and wages prior to participation in
25 the programs;

1 “(II) may evaluate the use of
2 such a grant by a grantee, as the Sec-
3 retaries deem appropriate, in accord-
4 ance with an agreement entered into
5 with the grantee after good-faith ne-
6 gotiations; and

7 “(III) shall include, as appro-
8 priate, the following outcome meas-
9 ures in the evaluation plan developed
10 under subclause (I):

11 “(aa) Placements in unsub-
12 sidized employment.

13 “(bb) Retention in unsub-
14 sidized employment 6 months
15 and 12 months after initial place-
16 ment.

17 “(cc) Earnings of individuals
18 at the time of placement in un-
19 subsidized employment.

20 “(dd) Earnings of individ-
21 uals 12 months after placement
22 in unsubsidized employment.

23 “(ee) The extent to which
24 unsubsidized job placements in-
25 clude access to affordable em-

1 ployer-sponsored health insurance
2 and paid leave benefits.

3 “(ff) Comparison of pre-
4 and post-program wage rates of
5 participants.

6 “(gg) Comparison of pre-
7 and post-program skill levels of
8 participants.

9 “(hh) Wage growth and em-
10 ployment retention in relation to
11 occupations and industries at ini-
12 tial placement in unsubsidized
13 employment and over the first 12
14 months after initial placement.

15 “(ii) Recipient of cash as-
16 sistance under the State program
17 funded under this part.

18 “(jj) Average expenditures
19 per participant.

20 “(iii) REPORTS TO CONGRESS.—The
21 Secretaries shall submit to Congress the
22 following reports on the evaluations of pro-
23 grams funded under grants made under
24 this paragraph:

1 “(I) INTERIM REPORT.—An in-
2 terim report not later than 4 years
3 after the date of enactment of the
4 Personal Responsibility and Individual
5 Development for Everyone Act.

6 “(II) FINAL REPORT.—A final
7 report not later than 6 years after
8 such date of enactment.

9 “(L) AUTHORIZATION OF APPROPRIA-
10 TIONS.—

11 “(i) IN GENERAL.—There is author-
12 ized to be appropriated for the purpose of
13 carrying out this paragraph, \$200,000,000
14 for each of fiscal years 2006 through
15 2010.

16 “(ii) AVAILABILITY.—Amounts appro-
17 priated in accordance with clause (i) for a
18 fiscal year shall remain available for obli-
19 gation for 5 fiscal years after the fiscal
20 year in which the amount is appro-
21 priated.”.

22 (2) NONDISPLACEMENT IN WORK ACTIVITIES.—
23 Section 407(f) (42 U.S.C. 607(f)) is amended to
24 read as follows:

25 “(f) NONDISPLACEMENT.—

1 “(1) IN GENERAL.—An adult in a family receiv-
2 ing assistance under a State program funded under
3 this part, in order to engage in a work activity, shall
4 not displace any employee or position (including par-
5 tial displacement, such as a reduction in the hours
6 of nonovertime work, wages, or employment bene-
7 fits), fill any unfilled vacancy, or perform work when
8 any individual is on layoff from the same or substan-
9 tially equivalent job.

10 “(2) PROHIBITIONS.—A work activity engaged
11 in under a program operated with funds provided
12 under this part shall not impair any existing con-
13 tract for services, be inconsistent with any existing
14 law, regulation, or collective bargaining agreement,
15 or infringe upon the recall rights or promotional op-
16 portunities of any worker.

17 “(3) NO SUPPLANTING OF OTHER HIRES.—A
18 work activity engaged in under a program operated
19 with funds provided under this part shall be in addi-
20 tion to any activity that otherwise would be available
21 and shall not supplant the hiring of an employed
22 worker not funded under such program.

23 “(4) ENFORCING ANTIDISPLACEMENT PROTEC-
24 TIONS.—

1 “(A) IN GENERAL.—The State shall estab-
2 lish and maintain an impartial grievance proce-
3 dure, which shall include the opportunity for a
4 hearing, to resolve any complaints alleging vio-
5 lations of the requirements of paragraph (1),
6 (2), or (3) within 60 days of receipt of the com-
7 plaint and, if a decision is adverse to the party
8 who filed such grievance or no decision has
9 been reached, provide for the completion of an
10 arbitration procedure within 75 days of receipt
11 of the complaint or the adverse decision or con-
12 clusion of the 60-day period, whichever is ear-
13 lier.

14 “(B) APPEALS.—Appeals may be made to
15 the Secretary who shall make a decision within
16 75 days of receipt of an appeal.

17 “(C) REMEDIES.—Remedies for a violation
18 of the requirements of paragraph (1), (2), or
19 (3) shall include—

20 “(i) suspension or termination of pay-
21 ments from funds provided under this
22 part;

23 “(ii) prohibition of placement of a
24 participant with an employer that has vio-
25 lated paragraph (1), (2), or (3);

1 “(iii) where applicable, reinstatement
2 of an employee, payment of lost wages and
3 benefits, and reestablishment of other rel-
4 evant terms, conditions and privileges of
5 employment; and

6 “(iv) where appropriate, other equi-
7 table relief.

8 “(D) LIMITATION ON PLACEMENT.—If a
9 grievance is filed regarding a proposed place-
10 ment of a participant, such placement shall not
11 be made unless such placement is consistent
12 with the resolution of the grievance pursuant to
13 this paragraph.

14 “(E) NON-EXCLUSIVE PROCEDURES.—The
15 grievance procedures specified in this paragraph
16 are not exclusive, and an aggrieved employee or
17 participant in a program funded under a grant
18 made under this part may pursue other rem-
19 edies or procedures available under applicable
20 contracts, collective bargaining agreements, or
21 Federal, State, or local laws.

22 “(E) NO PREEMPTION.—The provisions of
23 this subsection shall not be construed to pre-
24 empt any provision of State or local law that af-
25 fords greater protections to employees or to

1 other participants engaged in work activities
2 under a program funded under this part than
3 is afforded by the provisions of this sub-
4 section.”.

5 (d) TEEN PREGNANCY PREVENTION RESOURCE
6 CENTER.—Section 413 (42 U.S.C. 613), as amended by
7 section 114(f), is amended by adding at the end the fol-
8 lowing:

9 “(q) TEEN PREGNANCY PREVENTION RESOURCE
10 CENTER.—

11 “(1) AUTHORITY.—

12 “(A) IN GENERAL.—The Secretary shall
13 make a grant to 1 nationally recognized, non-
14 partisan, nonprofit organization that meets the
15 requirements described in subparagraph (B) to
16 establish and operate a national teen pregnancy
17 prevention resource center (in this subsection
18 referred to as the ‘Resource Center’) to carry
19 out the purposes and activities described in
20 paragraph (2).

21 “(B) REQUIREMENTS.—The requirements
22 described in this subparagraph are the fol-
23 lowing:

24 “(i) The organization focuses exclu-
25 sively on preventing teen pregnancy and

1 has at least 9 years of experience in work-
2 ing with diverse sectors of society to reduce
3 teen pregnancy.

4 “(ii) The organization has a dem-
5 onstrated ability to work with, and provide
6 assistance to, a broad range of individuals
7 and entities with a variety of perspectives,
8 including teens and youth leaders, parents,
9 the entertainment and news media, State,
10 tribal, and local organizations, networks of
11 teen pregnancy prevention practitioners,
12 businesses, faith and community leaders,
13 and researchers.

14 “(iii) The organization is research-
15 based and has capabilities in scientific
16 analysis and evaluation.

17 “(iv) The organization has com-
18 prehensive knowledge and data about teen
19 pregnancy prevention strategies.

20 “(v) The organization has experience
21 carrying out activities similar to the activi-
22 ties described in paragraph (2)(B).

23 “(2) PURPOSES AND ACTIVITIES.—

24 “(A) PURPOSES.—The purposes of the Re-
25 source Center are to improve the well-being of

1 children and families and encourage young peo-
2 ple to delay pregnancy until marriage. Specifi-
3 cally, the Resource Center shall—

4 “(i) provide information and technical
5 assistance to States, Indian tribes, local
6 communities, and other public or private
7 organizations seeking to reduce rates of
8 teen pregnancy;

9 “(ii) support parents in their essential
10 role in preventing teen pregnancy by equip-
11 ping them with information and resources
12 to promote and strengthen communication
13 with their children about sex, values, and
14 positive relationships, including healthy
15 marriage; and

16 “(iii) assist the entertainment media
17 industry by providing information and en-
18 couraging the industry to develop content
19 and messages for teens and adults that can
20 help prevent teen pregnancy.

21 “(B) ACTIVITIES.—The Resource Center
22 shall carry out the purposes described in sub-
23 paragraph (A) through the following activities:

24 “(i) Synthesizing and disseminating
25 research and information regarding effec-

1 tive and promising practices, and providing
2 information on how to design and imple-
3 ment effective strategies to prevent teen
4 pregnancy.

5 “(ii) Providing information and reach-
6 ing out to diverse populations, with par-
7 ticular attention to areas and populations
8 with the highest rates of teen pregnancy.

9 “(iii) Helping States, local commu-
10 nities, and other organizations increase
11 their knowledge of existing resources that
12 can be used to advance teen pregnancy
13 prevention efforts, and build their capacity
14 to access such resources and develop part-
15 nerships with other programs and funding
16 streams.

17 “(iv) Raising awareness of the impor-
18 tance of increasing the proportion of chil-
19 dren born to, and raised in, healthy, adult
20 marriages.

21 “(v) Linking organizations working to
22 reduce teen pregnancy with experts and
23 peers, including the creation of technical
24 assistance networks that use cost-effective

1 and efficient communication tools (such as
2 the Internet).

3 “(vi) Providing consultation and re-
4 sources about how to reduce teen preg-
5 nancy to various sectors of society includ-
6 ing parents, other adults (such as teachers,
7 coaches, and mentors), community and
8 faith-based groups, the entertainment and
9 news media, businesses, and teens them-
10 selves, through a broad array of strategies
11 and messages, including a focus on absti-
12 nence, responsible behavior, family commu-
13 nication, relationships, and values.

14 “(vii) Assisting organizations seeking
15 to reduce teen pregnancy in their efforts to
16 communicate effective messages about pre-
17 venting teen pregnancy with a variety of
18 audiences (including teens, parents, and
19 ethnically diverse groups).

20 “(viii) Providing resources for parents
21 and other adults that help to foster strong
22 relationships with children, a strategy that
23 research has shown is effective in reducing
24 sexual activity and teen pregnancy, includ-
25 ing online access to research, parent

1 guides, tips, advice from experts, and in-
2 formation about the media environment of
3 teens.

4 “(ix) Working directly with individ-
5 uals and organizations in the entertain-
6 ment industry to provide consultation and
7 serve as a source of factual information on
8 issues related to teen pregnancy preven-
9 tion.

10 “(3) COLLABORATION WITH OTHER ORGANIZA-
11 TIONS.—The organization operating the Resource
12 Center shall collaborate with other organizations
13 that have expertise and interest in teen pregnancy
14 prevention, and that can help reach out to diverse
15 audiences.

16 “(4) APPROPRIATION.—Out of any money in
17 the Treasury of the United States not otherwise ap-
18 propriated, there is appropriated to carry out this
19 subsection, \$5,000,000 for fiscal year 2006. Funds
20 appropriated under this subparagraph shall remain
21 available for expenditure through fiscal year 2010.”.

22 **SEC. 120. TECHNICAL CORRECTIONS.**

23 (a) Section 409(c)(2)(A) (42 U.S.C. 609(c)(2)(A)),
24 as added by section 111(b)(1), is amended by inserting
25 a comma after “appropriate”.

1 (b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.
2 611(a)(1)(A)(ii)(III)) is amended by striking the last close
3 parenthesis.

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

6 (d)(1) Section 413 (42 U.S.C. 613) is amended by
7 striking subsection (g) and redesignating subsections (h)
8 through (j) and subsections (k) through (q) (as added by
9 sections 101(d), 103(c), subsections (a), (d), (e), and (f)
10 of section 114, and section 119(d) of this Act, respec-
11 tively) as subsections (g) through (p), respectively.

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

14 (A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C.
15 603(a)(5)(A)(ii)(III)).

16 (B) Section 403(a)(5)(F) (42 U.S.C.
17 603(a)(5)(F)).

18 (C) Section 403(a)(5)(G)(ii) (42 U.S.C.
19 603(a)(5)(G)(ii)).

20 (D) Section 412(a)(3)(B)(iv) (42 U.S.C.
21 612(a)(3)(B)(iv)).

1 **TITLE II—ABSTINENCE**
2 **EDUCATION**

3 **SEC. 201. EXTENSION OF ABSTINENCE EDUCATION PRO-**
4 **GRAM.**

5 (a) EXTENSION OF APPROPRIATIONS.—Section
6 510(d) (42 U.S.C. 710(d)) is amended by striking “2003”
7 and inserting “2010”.

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

10 (1) in the matter preceding paragraph (1), by
11 striking “an application for the fiscal year under
12 section 505(a)” and inserting “, for the fiscal year,
13 an application under section 505(a), and an applica-
14 tion under this section (in such form and meeting
15 such terms and conditions as determined appropriate
16 by the Secretary),”; and

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

18 “(2) the percentage described in section
19 502(c)(1)(B)(ii) that would be determined for the
20 State under section 502(c) if such determination
21 took into consideration only those States that trans-
22 mitted both such applications for such fiscal year.”.

23 (c) REALLOTMENT OF FUNDS.—Section 510 (42
24 U.S.C. 710) is amended by adding at the end the fol-
25 lowing:

1 “(e)(1) With respect to allotments under subsection
2 (a) for fiscal year 2006 and subsequent fiscal years, the
3 amount of any allotment to a State for a fiscal year that
4 the Secretary determines will not be expended to carry out
5 a program under this section during such fiscal year or
6 the succeeding fiscal year shall be available for reallocation
7 from time to time during such fiscal years on such dates
8 as the Secretary may fix, to other States that the Sec-
9 retary determines—

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

13 “(B) will expend such excess amounts during
14 such fiscal years.

15 “(2) Reallocations under paragraph (1) shall be made
16 on the basis of such States’ applications under this sec-
17 tion, after taking into consideration the population of low-
18 income children in each such State as compared with the
19 population of low-income children in all such States with
20 respect to which a determination under paragraph (1) has
21 been made by the Secretary.

22 “(3) Any amount reallocated under paragraph (1) to
23 a State is deemed to be part of its allotment under sub-
24 section (a).”.

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

5 **TITLE III—CHILD SUPPORT**

6 **SEC. 301. DISTRIBUTION OF CHILD SUPPORT COLLECTED** 7 **BY STATES ON BEHALF OF CHILDREN RE-** 8 **CEIVING CERTAIN WELFARE BENEFITS.**

9 (a) MODIFICATION OF RULE REQUIRING ASSIGN-
10 MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-
11 ING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is
12 amended to read as follows:

13 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-
14 SIGNING CERTAIN SUPPORT RIGHTS TO THE
15 STATE.—A State to which a grant is made under
16 section 403 shall require, as a condition of paying
17 assistance to a family under the State program
18 funded under this part, that a member of the family
19 assign to the State any right the family member
20 may have (on behalf of the family member or of any
21 other person for whom the family member has ap-
22 plied for or is receiving such assistance) to support
23 from any other person, not exceeding the total
24 amount of assistance so paid to the family, which ac-

1 crues during the period that the family receives as-
2 sistance under the program.”.

3 (b) INCREASING CHILD SUPPORT PAYMENTS TO
4 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBU-
5 TION RULES.—

6 (1) DISTRIBUTION RULES.—

7 (A) IN GENERAL.—Section 457(a) (42
8 U.S.C. 657(a)) is amended to read as follows:

9 “(a) IN GENERAL.—Subject to subsections (d) and
10 (e), the amounts collected on behalf of a family as support
11 by a State pursuant to a plan approved under this part
12 shall be distributed as follows:

13 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
14 case of a family receiving assistance from the State,
15 the State shall—

16 “(A) pay to the Federal Government the
17 Federal share of the amount collected, subject
18 to paragraph (3)(A);

19 “(B) retain, or pay to the family, the State
20 share of the amount collected, subject to para-
21 graph (3)(B); and

22 “(C) pay to the family any remaining
23 amount.

1 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
2 SISTANCE.—In the case of a family that formerly re-
3 ceived assistance from the State:

4 “(A) CURRENT SUPPORT.—To the extent
5 that the amount collected does not exceed the
6 current support amount, the State shall pay the
7 amount to the family.

8 “(B) ARREARAGES.—Except as otherwise
9 provided in an election made under section
10 454(34), to the extent that the amount col-
11 lected exceeds the current support amount, the
12 State—

13 “(i) shall first pay to the family the
14 excess amount, to the extent necessary to
15 satisfy support arrearages not assigned
16 pursuant to section 408(a)(3);

17 “(ii) if the amount collected exceeds
18 the amount required to be paid to the fam-
19 ily under clause (i), shall—

20 “(I) pay to the Federal Govern-
21 ment the Federal share of the excess
22 amount described in this clause, sub-
23 ject to paragraph (3)(A); and

24 “(II) retain, or pay to the family,
25 the State share of the excess amount

1 described in this clause, subject to
2 paragraph (3)(B); and

3 “(iii) shall pay to the family any re-
4 maining amount.

5 “(3) LIMITATIONS.—

6 “(A) FEDERAL REIMBURSEMENTS.—The
7 total of the amounts paid by the State to the
8 Federal Government under paragraphs (1) and
9 (2) of this subsection with respect to a family
10 shall not exceed the Federal share of the
11 amount assigned with respect to the family pur-
12 suant to section 408(a)(3).

13 “(B) STATE REIMBURSEMENTS.—The
14 total of the amounts retained by the State
15 under paragraphs (1) and (2) of this subsection
16 with respect to a family shall not exceed the
17 State share of the amount assigned with respect
18 to the family pursuant to section 408(a)(3).

19 “(4) FAMILIES THAT NEVER RECEIVED ASSIST-
20 ANCE.—In the case of any other family, the State
21 shall pay the amount collected to the family.

22 “(5) FAMILIES UNDER CERTAIN AGREE-
23 MENTS.—Notwithstanding paragraphs (1) through
24 (3), in the case of an amount collected for a family
25 in accordance with a cooperative agreement under

1 section 454(33), the State shall distribute the
2 amount collected pursuant to the terms of the agree-
3 ment.

4 “(6) STATE FINANCING OPTIONS.—To the ex-
5 tent that the State’s share of the amount payable to
6 a family pursuant to paragraph (2)(B) of this sub-
7 section exceeds the amount that the State estimates
8 (under procedures approved by the Secretary) would
9 have been payable to the family pursuant to former
10 section 457(a)(2)(B) (as in effect for the State im-
11 mediately before the date this subsection first ap-
12 plies to the State) if such former section had re-
13 mained in effect, the State may elect to have the
14 payment considered a qualified State expenditure for
15 purposes of section 409(a)(7).

16 “(7) STATE OPTION TO PASS THROUGH ADDI-
17 TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-
18 TICIPATION.—

19 “(A) FAMILIES THAT FORMERLY RE-
20 CEIVED ASSISTANCE.—Notwithstanding para-
21 graph (2), a State shall not be required to pay
22 to the Federal Government the Federal share of
23 an amount collected on behalf of a family that
24 formerly received assistance from the State to

1 the extent that the State pays the amount to
2 the family.

3 “(B) FAMILIES THAT CURRENTLY RE-
4 CEIVE ASSISTANCE.—

5 “(i) IN GENERAL.—Notwithstanding
6 paragraph (1), in the case of a family that
7 receives assistance from the State, a State
8 shall not be required to pay to the Federal
9 Government the Federal share of the ex-
10 cepted portion (as defined in clause (ii)) of
11 any amount collected on behalf of such
12 family during a month to the extent that—

13 “(I) the State pays the excepted
14 portion to the family; and

15 “(II) the excepted portion is dis-
16 regarded in determining the amount
17 and type of assistance provided to the
18 family under such program.

19 “(ii) EXCEPTED PORTION DEFINED.—
20 For purposes of this subparagraph, the
21 term ‘excepted portion’ means that portion
22 of the amount collected on behalf of a fam-
23 ily during a month that does not exceed
24 \$400 per month, or in the case of a family
25 that includes 2 or more children, that does

1 not exceed an amount established by the
2 State that is not more than \$600 per
3 month.

4 “(8) STATES WITH DEMONSTRATION WAIV-
5 ERS.—Notwithstanding the preceding paragraphs, in
6 the case of a State that, on the date of enactment
7 of this paragraph, has had in effect since October 1,
8 1997, a waiver under section 1115 permitting pass-
9 through payments of child support collections—

10 “(A) the State may continue to distribute
11 such payments to families without regard to the
12 expiration date of such waiver; and

13 “(B) the requirement under paragraph (1)
14 to pay to the Federal Government the Federal
15 share of the amount collected on behalf of a
16 family shall not apply to the extent that—

17 “(i) the State distributes such amount
18 to the family; and

19 “(ii) such amount is disregarded in
20 determining the amount and type of assist-
21 ance paid to the family.”.

22 (B) STATE PLAN TO INCLUDE ELECTION
23 AS TO WHICH RULES TO APPLY IN DISTRIB-
24 UTING CHILD SUPPORT ARREARAGES COL-
25 LECTED ON BEHALF OF FAMILIES FORMERLY

1 RECEIVING ASSISTANCE.—Section 454 (42
2 U.S.C. 654) is amended—

3 (i) by striking “and” at the end of
4 paragraph (32);

5 (ii) by striking the period at the end
6 of paragraph (33) and inserting “; and”;
7 and

8 (iii) by inserting after paragraph (33)
9 the following:

10 “(34) include an election by the State to apply
11 section 457(a)(2)(B) of this Act or former section
12 457(a)(2)(B) of this Act (as in effect for the State
13 immediately before the date this paragraph first ap-
14 plies to the State) to the distribution of the amounts
15 which are the subject of such sections and, for so
16 long as the State elects to so apply such former sec-
17 tion, the amendments made by section 301(d)(1) of
18 the Personal Responsibility and Individual Develop-
19 ment for Everyone Act shall not apply with respect
20 to the State, notwithstanding section 301(e) of that
21 Act.”.

22 (C) APPROVAL OF ESTIMATION PROCE-
23 DURES.—Not later than the date that is 6
24 months after the date of enactment of this Act,
25 the Secretary of Health and Human Services,

1 in consultation with the States (as defined for
2 purposes of part D of title IV of the Social Se-
3 curity Act (42 U.S.C. 651 et seq.)), shall estab-
4 lish the procedures to be used to make the esti-
5 mate described in section 457(a)(6) of such Act
6 (42 U.S.C. 657(a)(6)).

7 (2) CURRENT SUPPORT AMOUNT DEFINED.—
8 Section 457(c) (42 U.S.C. 657(c)) is amended by
9 adding at the end the following:

10 “(5) CURRENT SUPPORT AMOUNT.—The term
11 ‘current support amount’ means, with respect to
12 amounts collected as support on behalf of a family,
13 the amount designated as the monthly support obli-
14 gation of the noncustodial parent in the order re-
15 quiring the support or calculated by the State based
16 on such order.”.

17 (c) STATE OPTION TO DISCONTINUE OLDER SUP-
18 PORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b))
19 is amended to read as follows:

20 “(b) CONTINUATION OF ASSIGNMENTS.—

21 “(1) STATE OPTION TO DISCONTINUE PRE-1997
22 SUPPORT ASSIGNMENTS.—

23 “(A) IN GENERAL.—Any rights to support
24 obligations assigned to a State as a condition of
25 receiving assistance from the State under part

1 A and in effect on September 30, 1997 (or such
2 earlier date on or after August 22, 1996, as the
3 State may choose), may remain assigned after
4 such date.

5 “(B) DISTRIBUTION OF AMOUNTS AFTER
6 ASSIGNMENT DISCONTINUATION.—If a State
7 chooses to discontinue the assignment of a sup-
8 port obligation described in subparagraph (A),
9 the State may treat amounts collected pursuant
10 to such assignment as if such amounts had
11 never been assigned and may distribute such
12 amounts to the family in accordance with sub-
13 section (a)(4).

14 “(2) STATE OPTION TO DISCONTINUE POST-1997
15 ASSIGNMENTS.—

16 “(A) IN GENERAL.—Any rights to support
17 obligations accruing before the date on which a
18 family first receives assistance under part A
19 that are assigned to a State under that part
20 and in effect before the implementation date of
21 this section may remain assigned after such
22 date.

23 “(B) DISTRIBUTION OF AMOUNTS AFTER
24 ASSIGNMENT DISCONTINUATION.—If a State
25 chooses to discontinue the assignment of a sup-

1 port obligation described in subparagraph (A),
2 the State may treat amounts collected pursuant
3 to such assignment as if such amounts had
4 never been assigned and may distribute such
5 amounts to the family in accordance with sub-
6 section (a)(4).”.

7 (d) CONFORMING AMENDMENTS.—

8 (1) Section 409(a)(7)(B)(i) (42 U.S.C.
9 609(a)(7)(B)(i)), as amended by section 103(c), is
10 amended—

11 (A) in subclause (I)(aa), by striking
12 “457(a)(1)(B)” and inserting “457(a)(1)”; and
13 (B) by adding at the end the following:

14 “(VI) PORTIONS OF CERTAIN
15 CHILD SUPPORT PAYMENTS COL-
16 LECTED ON BEHALF OF AND DISTRIB-
17 UTED TO FAMILIES NO LONGER RE-
18 CEIVING ASSISTANCE.—Any amount
19 paid by a State pursuant to clause (i)
20 or (ii) of section 457(a)(2)(B), but
21 only to the extent that the State prop-
22 erly elects under section 457(a)(6) to
23 have the payment considered a quali-
24 fied State expenditure.”.

1 (2) Section 6402(c) of the Internal Revenue
2 Code of 1986 (relating to offset of past-due support
3 against overpayments) is amended—

4 (A) in the first sentence, by striking “the
5 Social Security Act.” and inserting “of such
6 Act.”; and

7 (B) by striking the third sentence and in-
8 serting the following: “The Secretary shall
9 apply a reduction under this subsection first to
10 an amount certified by the State as past due
11 support under section 464 of the Social Secu-
12 rity Act before any other reductions allowed by
13 law.”.

14 (e) EFFECTIVE DATE.—

15 (1) IN GENERAL.—The amendments made by
16 this section shall take effect on October 1, 2009,
17 and shall apply to payments under parts A and D
18 of title IV of the Social Security Act for calendar
19 quarters beginning on or after such date, and with-
20 out regard to whether regulations to implement such
21 amendments (in the case of State programs operated
22 under such part D) are promulgated by such date.

23 (2) STATE OPTION TO ACCELERATE EFFECTIVE
24 DATE.—In addition, a State may elect to have the
25 amendments made by this section apply to the State

1 and to amounts collected by the State (and such
2 payments under parts A and D), on and after such
3 date as the State may select that is not earlier than
4 18 months after the date of enactment of this Act
5 and not later than September 30, 2009.

6 **SEC. 302. 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. 303. REPORT ON UNDISTRIBUTED CHILD SUPPORT**
18 **PAYMENTS.**

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

1 report shall include an estimate of the total amount of
2 undistributed child support and the average length of time
3 it takes undistributed child support to be distributed. To
4 the extent the Secretary deems appropriate, the Secretary
5 shall include in the report recommendations as to whether
6 additional procedures should be established at the Federal
7 or State level to expedite the payment of undistributed
8 child support.

9 **SEC. 304. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**
10 **REARAGE TRIGGERING PASSPORT DENIAL.**

11 (a) IN GENERAL.—Section 452(k)(1) (42 U.S.C.
12 652(k)(1)) is amended by striking “\$5,000” and inserting
13 “\$2,500”.

14 (b) CONFORMING AMENDMENT.—Section 454(31)
15 (42 U.S.C. 654(31)) is amended by striking “\$5,000” and
16 inserting “\$2,500”.

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

19 **SEC. 305. USE OF TAX REFUND INTERCEPT PROGRAM TO**
20 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
21 **HALF OF CHILDREN WHO ARE NOT MINORS.**

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

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

4 (2) in subsection (c)—

5 (A) in paragraph (1)—

6 (i) by striking “(1) Except as pro-
7 vided in paragraph (2), as used in” and in-
8 serting “In”; and

9 (ii) by inserting “(whether or not a
10 minor)” after “a child” each place it ap-
11 pears; and

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

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

15 **SEC. 306. GARNISHMENT OF COMPENSATION PAID TO VET-**
16 **ERANS FOR SERVICE-CONNECTED DISABIL-**
17 **ITIES IN ORDER TO ENFORCE OBLIGATIONS.**

18 (a) IN GENERAL.—Section 459(h)(1)(A)(ii)(V) (42
19 U.S.C. 659(h)(1)(A)(ii)(V)) is amended by striking all
20 that follows “Armed Forces” and inserting “, except that
21 such compensation shall not be subject to withholding pur-
22 suant to this section for payment of alimony unless the
23 former member to whom it is payable is in receipt of re-
24 tired or retainer pay and has waived a portion of such
25 pay in order to receive such compensation;”.

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

3 **SEC. 307. 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)(A) Except as provided in subparagraph (B), in
8 applying this section with respect to any debt owed to a
9 State, subsection (c)(3)(A) shall not apply.

10 “(B) Subsection (c)(3)(A) shall apply with respect to
11 payments owed to an individual under title II of the Social
12 Security Act (notwithstanding any other provision of law,
13 including section 207 of the Social Security Act (42
14 U.S.C. 407)) for purposes of offset under this section of
15 such payments to collect past-due support being enforced
16 by a State.”.

17 (b) CONFORMING AMENDMENT.—Section 3701(d)(2)
18 of title 31, United States Code, is amended by striking
19 “section 3716(e) of this title” and inserting “subsections
20 (c) and (h)(3) of section 3716 of this title”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on the date that is 18 months
23 after the date of enactment of this Act.

1 **SEC. 308. MAINTENANCE OF TECHNICAL ASSISTANCE**
2 **FUNDING.**

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

7 **SEC. 309. MAINTENANCE OF FEDERAL PARENT LOCATOR**
8 **SERVICE FUNDING.**

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

10 (1) in the first sentence, by inserting “or the
11 amount appropriated under this paragraph for fiscal
12 year 2002, whichever is greater” before “, which
13 shall be available”; and

14 (2) in the second sentence, by striking “for
15 each of fiscal years 1997 through 2001”.

16 **SEC. 310. IDENTIFICATION AND SEIZURE OF ASSETS HELD**
17 **BY MULTISTATE FINANCIAL INSTITUTIONS.**

18 (a) DUTIES OF THE SECRETARY.—Section 452(l) (42
19 U.S.C. 652(l)) is amended to read as follows:

20 “(l) IDENTIFICATION AND SEIZURE OF ASSETS
21 HELD BY MULTISTATE FINANCIAL INSTITUTIONS.—

22 “(1) IN GENERAL.—The Secretary, through the
23 Federal Parent Locator Service, is authorized—

24 “(A) to assist State agencies operating
25 programs under this part and financial institu-
26 tions doing business in 2 or more States in

1 reaching agreements regarding the receipt from
2 such institutions, and the transfer to the State
3 agencies, of information that may be provided
4 pursuant to section 466(a)(17)(A)(i) or
5 469A(a);

6 “(B) to perform data matches comparing
7 information from such State agencies and fi-
8 nancial institutions entering into such agree-
9 ments with respect to individuals owing past-
10 due support; and

11 “(C) to seize assets, held by such financial
12 institutions, of individuals identified through
13 such data matches who owe past-due support,
14 by—

15 “(i) issuing a notice of lien or levy to
16 such financial institutions requiring them
17 to encumber such assets for 30 calendar
18 days and to subsequently transfer such as-
19 sets to the Secretary (except that the Sec-
20 retary shall promptly release such lien or
21 levy within such 30-day period upon re-
22 quest of the State agencies responsible for
23 collecting past-due support from such indi-
24 viduals); and

1 “(ii) providing notice to such individ-
2 uals of the lien or levy upon their assets
3 and informing them—

4 “(I) of their procedural due proc-
5 ess rights, including the opportunity
6 to contest such lien or levy to the ap-
7 propriate State agency; and

8 “(II) in the case of jointly owned
9 assets, of the process by which other
10 owners may secure their respective
11 share of such assets, according to
12 such policies and procedures as the
13 Secretary may specify with respect to
14 seizure of such assets.

15 “(2) TRANSFER OF FUNDS TO STATES.—Assets
16 seized from individuals under paragraph (1)(C) shall
17 be promptly transferred by the Secretary to the
18 State agencies responsible for collecting past-due
19 support from such individuals for distribution pursu-
20 ant to section 457.

21 “(3) RELATIONSHIP TO STATE LAWS.—Not-
22 withstanding any provision of State law, an indi-
23 vidual receiving a notice under paragraph (1)(C)
24 shall have 21 calendar days from the date of such
25 notice to contest the lien or levy imposed under such

1 paragraph by requesting an administrative review by
2 the State agency responsible for collecting past-due
3 support from such individual.

4 “(4) TREATMENT OF DISCLOSURES.—For pur-
5 poses of section 1113(d) of the Right to Financial
6 Privacy Act of 1978, a disclosure pursuant to this
7 subsection shall be considered a disclosure pursuant
8 to a Federal statute.”.

9 (b) STATE DUTIES.—

10 (1) INDIVIDUALS WITH ASSETS SUBJECT TO
11 FEDERAL SEIZURE.—Section 454 (42 U.S.C. 654),
12 as amended by section 301(b)(1)(B)(iii), is amend-
13 ed—

14 (A) in paragraph (33), by striking “and”
15 at the end;

16 (B) in paragraph (34), by striking the pe-
17 riod and inserting “; and”; and

18 (C) by inserting after paragraph (34), the
19 following:

20 “(35) provide that the State shall—

21 “(A) upon furnishing the Secretary with
22 information under section 452(l) with respect to
23 individuals owing past-due support, provide no-
24 tice to such individuals that their assets held in

1 financial institutions shall be subject to seizure
2 to pay such past-due support, and shall—

3 “(i) instruct such individuals of the
4 steps which may be taken to contest the
5 State’s determination that past-due sup-
6 port is owed or the amount of the past-due
7 support; and

8 “(ii) include, in the case of jointly
9 owned assets, a description of the process
10 by which other owners may secure their
11 share of such assets, in accordance with
12 such policies and procedures as the Sec-
13 retary may specify with respect to seizure
14 of such assets;

15 “(B) promptly resolve cases in which such
16 individuals contest the State’s determination
17 with respect to past-due support, and provide
18 for expedited refund of any assets erroneously
19 seized and transferred to the State under such
20 section 452(1); and

21 “(C) except as otherwise specified under
22 this paragraph or by the Secretary, ensure that
23 the due process protections afforded under this
24 paragraph to individuals whose assets are sub-
25 ject to seizure under section 452(1) are gen-

1 erally consistent with, and to the extent prac-
2 ticable conform to, the due process protections
3 afforded by the State to individuals subject to
4 offset of tax refunds under section 464.”.

5 (2) REIMBURSEMENT OF FEDERAL COSTS.—
6 Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amend-
7 ed—

8 (A) in the paragraph heading, by inserting
9 “AND ENFORCEMENT SERVICES” after “INFOR-
10 MATION”;

11 (B) by inserting “or enforcement services”
12 after “that receives information”;

13 (C) by inserting “or section 452(l)” after
14 “pursuant to this section”; and

15 (D) by striking “in furnishing the informa-
16 tion” and inserting “in furnishing such infor-
17 mation or enforcement services”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) STATE LAW REQUIREMENTS.—Section
20 466(a)(17) (42 U.S.C. 666(a)(17)) is amended—

21 (A) in subparagraph (A)—

22 (i) in clause (i), by inserting “pursu-
23 ant to section 452(l)” after “and the Fed-
24 eral Parent Locator Service”; and

1 (ii) in clause (ii), by inserting “issued
 2 by the State agency or by the Secretary
 3 under section 452(l)” after “in response to
 4 a notice of lien or levy”; and

5 (B) in subparagraph (C)—

6 (i) in clause (i), by inserting “or to
 7 the Federal Parent Locator Service” after
 8 “to the State agency”; and

9 (ii) in clause (ii), by striking “issued
 10 by the State agency”.

11 (2) NONLIABILITY FOR FINANCIAL INSTITU-
 12 TIONS.—Section 469A(a) (42 U.S.C. 669a(a)) is
 13 amended by inserting “section 452(l) or” before
 14 “section 466(a)(17)(A)”.

15 **SEC. 311. INFORMATION COMPARISONS WITH INSURANCE**
 16 **DATA.**

17 (a) DUTIES OF THE SECRETARY.—Section 452 (42
 18 U.S.C. 652) is amended by adding at the end the fol-
 19 lowing:

20 “(m) COMPARISONS WITH INSURANCE INFORMA-
 21 TION.—

22 “(1) IN GENERAL.—The Secretary, through the
 23 Federal Parent Locator Service, is authorized—

24 “(A) to compare information concerning
 25 individuals owing past-due support with infor-

1 **SEC. 313. REIMBURSEMENT OF SECRETARY'S COSTS OF IN-**
 2 **FORMATION COMPARISONS AND DISCLO-**
 3 **SURE FOR ENFORCEMENT OF OBLIGATIONS**
 4 **ON HIGHER EDUCATION ACT LOANS AND**
 5 **GRANTS.**

6 Section 453(j)(6)(F) (42 U.S.C. 653(j)(6)(F)) is
 7 amended by striking “additional”.

8 **SEC. 314. TECHNICAL AMENDMENT RELATING TO COOPER-**
 9 **ATIVE AGREEMENTS BETWEEN STATES AND**
 10 **INDIAN TRIBES.**

11 Section 454(33) (42 U.S.C. 654(33)) is amended by
 12 striking “that receives funding pursuant to section 428
 13 and”.

14 **SEC. 315. CLAIMS UPON LONGSHORE AND HARBOR WORK-**
 15 **ERS' COMPENSATION FOR CHILD SUPPORT.**

16 (a) IN GENERAL.—Section 17 of the Longshore and
 17 Harbor Workers' Compensation Act (33 U.S.C. 917) is
 18 amended to read as follows:

19 “LIENS ON COMPENSATION; CHILD SUPPORT
 20 ENFORCEMENT

21 “SEC. 17. (a) LIENS.—Where a trust fund which
 22 complies with section 302(c) of the Labor Management
 23 Relations Act, 1947 (29 U.S.C. 186(c)) established pursu-
 24 ant to a collective-bargaining agreement in effect between
 25 an employer and an employee covered under this Act has
 26 paid disability benefits to an employee which the employee

1 is legally obligated to repay by reason of the employee's
2 entitlement to compensation under this Act or under a set-
3 tlement, the Secretary shall authorize a lien on such com-
4 pensation in favor of the trust fund for the amount of
5 such payments.

6 “(b) CHILD SUPPORT.—Compensation or benefits
7 due or payable to an individual under this Act (other than
8 medical benefits) shall be subject, in like manner and to
9 the same extent as similar compensation or benefits under
10 a workers' compensation program if established under
11 State law—

12 “(1) to withholding in accordance with State
13 law enacted pursuant to subsections (a)(1) and (b)
14 of section 466 of the Social Security Act and regula-
15 tions under such subsections; and

16 “(2) to any other legal process brought, by a
17 State agency administering a program under a State
18 plan approved under part D of title IV of the Social
19 Security Act or by an individual obligee, to enforce
20 the legal obligation of the individual to provide child
21 support or alimony.”.

22 (b) CONFORMING AMENDMENTS.—Section 16 of the
23 Longshore and Harbor Workers' Compensation Act (33
24 U.S.C. 916) is amended—

1 (1) by striking “No” and inserting “Except as
2 provided by this Act, no”; and

3 (2) by striking “, except as provided by this
4 Act,” after “under this Act”.

5 **SEC. 316. STATE OPTION TO USE STATEWIDE AUTOMATED**
6 **DATA PROCESSING AND INFORMATION RE-**
7 **TRIEVAL SYSTEM FOR INTERSTATE CASES.**

8 Section 466(a)(14)(A)(iii) (42 U.S.C.
9 666(a)(14)(A)(iii)) is amended by inserting before the
10 semicolon the following: “(but the assisting State may es-
11 tablish a corresponding case based on such other State’s
12 request for assistance)”.

13 **SEC. 317. STATE LAW REQUIREMENT CONCERNING THE**
14 **UNIFORM INTERSTATE FAMILY SUPPORT ACT**
15 **(UIFSA).**

16 (a) IN GENERAL.—Section 466(f) (42 U.S.C. 666(f))
17 is amended—

18 (1) by striking “and as in effect on August 22,
19 1996,”; and

20 (2) by striking “adopted as of such date” and
21 inserting “adopted as of August, 2001”.

22 (b) FULL FAITH AND CREDIT FOR CHILD SUPPORT
23 ORDERS.—Section 1738B of title 28, United States Code,
24 is amended—

1 (1) by striking subsection (d) and inserting the
2 following:

3 “(d) CONTINUING EXCLUSIVE JURISDICTION.—

4 “(1) IN GENERAL.—Subject to paragraph (2), a
5 court of a State that has made a child support order
6 consistent with this section has continuing, exclusive
7 jurisdiction to modify its order if the order is the
8 controlling order and—

9 “(A) the State is the child’s State or the
10 residence of any individual contestant; or

11 “(B) if the State is not the residence of
12 the child or an individual contestant, the con-
13 testants consent in a record or in open court
14 that the court may continue to exercise jurisdic-
15 tion to modify its order.

16 “(2) REQUIREMENT.—A court may not exercise
17 its continuing, exclusive jurisdiction to modify the
18 order if the court of another State, acting in accord-
19 ance with subsections (e) and (f), has made a modi-
20 fication of the order.”;

21 (2) in subsection (e)(2)—

22 (A) in subparagraph (A), by striking “be-
23 cause” and all that follows through the semi-
24 colon and inserting “pursuant to paragraph (1)
25 or (2) of subsection (d);” and

1 (B) in subparagraph (B), by inserting
2 “with jurisdiction over at least 1 of the indi-
3 vidual contestants or that is located in the
4 child’s State” after “another State”;

5 (3) in subsection (f)—

6 (A) in the subsection heading, by striking
7 “RECOGNITION OF CHILD SUPPORT ORDERS”
8 and inserting “DETERMINATION OF CONTROL-
9 LING CHILD SUPPORT ORDER”;

10 (B) in the matter preceding paragraph (1),
11 by striking “shall apply” and all that follows
12 through the colon and inserting “having per-
13 sonal jurisdiction over both individual contest-
14 ants shall apply the following rules and by
15 order shall determine which order controls.”;

16 (C) in paragraph (1), by striking “must
17 be” and inserting “controls and must be so”;

18 (D) in paragraph (2), by striking “must be
19 recognized” and inserting “controls”;

20 (E) in paragraph (3), by striking “must be
21 recognized” each place it appears and inserting
22 “controls”;

23 (F) in paragraph (4)—

24 (i) by striking “may” and inserting
25 “shall”; and

1 (ii) by striking “must be recognized”

2 and inserting “controls”; and

3 (G) by striking paragraph (5);

4 (4) by striking subsection (g) and inserting the
5 following:

6 “(g) ENFORCEMENT OF MODIFIED ORDERS.—If a
7 child support order issued by a court of a State is modified
8 by a court of another State which properly assumed juris-
9 diction, the issuing court—

10 “(1) may enforce its order that was modified
11 only as to arrears and interest accruing before the
12 modification;

13 “(2) may provide appropriate relief for viola-
14 tions of its order which occurred before the effective
15 date of the modification; and

16 “(3) shall recognize the modifying order of the
17 other State for the purpose of enforcement.”;

18 (5) in subsection (h)—

19 (A) in paragraph (1), by striking “and
20 (3)” and inserting “, (3), and (4)”;

21 (B) in paragraph (2), by inserting “the
22 computation and payment of arrearages, and
23 the accrual of interest on the arrearages,” after
24 “obligations of support,”; and

25 (C) by adding at the end the following:

1 “(4) PROSPECTIVE APPLICATION.—After a
 2 court determines which is the controlling order and
 3 issues an order consolidating arrears, if any, a court
 4 shall prospectively apply the law of the State issuing
 5 the controlling order, including that State’s law with
 6 respect to interest on arrears, current and future
 7 support, and consolidated arrears.”; and

8 (6) in subsection (i), by inserting “and sub-
 9 section (d)(2) does not apply” after “issuing State”.

10 **SEC. 318. GRANTS TO STATES FOR ACCESS AND VISITATION**
 11 **PROGRAMS.**

12 (a) AUTHORITY TO MAKE GRANTS TO INDIAN
 13 TRIBES.—Section 469B (42 U.S.C. 669b) is amended—

14 (1) in the section heading, by inserting “**AND**
 15 **INDIAN TRIBES**” after “**STATES**”; and

16 (2) in subsection (a), by inserting “and Indian
 17 tribes or tribal organizations” after “to enable
 18 States”.

19 (b) AMOUNT OF GRANTS.—Section 469B(b) (42
 20 U.S.C. 669b(b)) is amended to read as follows:

21 “(b) AMOUNT OF GRANTS.—

22 “(1) GRANTS TO STATES.—The amount of the
 23 grant to be made to a State under this section for
 24 a fiscal year shall be an amount equal to the lesser
 25 of—

1 “(A) 90 percent of State expenditures dur-
2 ing the fiscal year for activities described in
3 subsection (a); or

4 “(B) the allotment of the State under sub-
5 section (c) for the fiscal year.

6 “(2) GRANTS TO INDIAN TRIBES.—An Indian
7 tribe or tribal organization operating a program
8 under section 455 that has operated such program
9 throughout the preceding fiscal year and has an ap-
10 plication under this section approved by the Sec-
11 retary shall receive a grant under this section for a
12 fiscal year in an amount equal to the allotment of
13 such Indian tribe or tribal organization under sub-
14 section (c)(2) for the fiscal year.”.

15 (c) ALLOTMENTS.—Section 469B(c) (42 U.S.C.
16 669b(c)) is amended to read as follows:

17 “(c) ALLOTMENTS.—

18 “(1) ALLOTMENTS TO STATES.—

19 “(A) IN GENERAL.—Subject to the sub-
20 paragraph (C), the allotment of a State for a
21 fiscal year is the amount that bears the same
22 ratio to the amount specified in subparagraph
23 (B) for such fiscal year as the number of chil-
24 dren in the State living with only 1 parent

1 bears to the total number of such children in all
2 States.

3 “(B) AMOUNT AVAILABLE FOR ALLOT-
4 MENT.—For purposes of subparagraph (A), the
5 amount specified in this subparagraph is the
6 following amount, reduced by the total allot-
7 ments to Indian tribes or tribal organizations in
8 accordance with paragraph (2):

9 “(i) \$12,000,000 for fiscal year 2006.

10 “(ii) \$14,000,000 for fiscal year 2007.

11 “(iii) \$16,000,000 for fiscal year
12 2008.

13 “(iv) \$20,000,000 for fiscal year 2009
14 and each succeeding fiscal year.

15 “(C) MINIMUM STATE ALLOTMENT.—The
16 Secretary shall adjust allotments to States
17 under subparagraph (A) as necessary to ensure
18 that no State is allotted less than—

19 “(i) \$120,000 for fiscal year 2006;

20 “(ii) \$140,000 for fiscal year 2007;

21 “(iii) \$160,000 for fiscal year 2008;

22 and

23 “(iv) \$180,000 for fiscal year 2009

24 and each succeeding fiscal year.

25 “(2) ALLOTMENTS TO INDIAN TRIBES.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (C), the allotment of an Indian tribe or
3 tribal organization described in subsection
4 (b)(2) for a fiscal year is an amount that bears
5 the same ratio to the amount specified in sub-
6 paragraph (B) for such fiscal year as the num-
7 ber of children in the Indian tribe or tribal or-
8 ganization living with only 1 parent bears to the
9 total number of such children in all Indian
10 tribes and tribal organizations eligible to receive
11 grants under this section for such year.

12 “(B) AMOUNT AVAILABLE FOR ALLOT-
13 MENT.—For purposes of subparagraph (A), the
14 amount available under this subparagraph is an
15 amount, deducted from the amount specified in
16 paragraph (1)(B), not to exceed—

17 “(i) \$250,000 for fiscal year 2006;

18 “(ii) \$600,000 for fiscal year 2007;

19 “(iii) \$800,000 for fiscal year 2008;

20 and

21 “(iv) \$1,670,000 for fiscal year 2009

22 and each succeeding year.

23 “(C) MINIMUM AND MAXIMUM TRIBAL AL-
24 LOTMENT.—The Secretary shall adjust allot-
25 ments to Indian tribes and tribal organizations

1 under subparagraph (A) as necessary to ensure
2 that no Indian tribe or tribal organization is al-
3 lotted, for a fiscal year, an amount which is less
4 than \$10,000 or more than the minimum State
5 allotment for such fiscal year.”.

6 (d) ADMINISTRATION.—Section 469B(e) (42 U.S.C.
7 669b(e)) is amended to read as follows:

8 “(e) ADMINISTRATION.—

9 “(1) GRANTS TO STATES.—Each State to which
10 a grant is made under this section—

11 “(A) may administer State programs fund-
12 ed with the grant, directly or through grants to
13 or contracts with courts, local public agencies,
14 or nonprofit private entities; and

15 “(B) shall not be required to operate such
16 programs on a statewide basis.

17 “(2) GRANTS TO STATES OR INDIAN TRIBES.—

18 Each State or Indian tribe or tribal organization to
19 which a grant is made under this section shall mon-
20 itor, evaluate, and report on such programs in ac-
21 cordance with regulations prescribed by the Sec-
22 retary.”.

1 **SEC. 319. TIMING OF CORRECTIVE ACTION YEAR FOR**
2 **STATE NONCOMPLIANCE WITH CHILD SUP-**
3 **PORT ENFORCEMENT PROGRAM REQUIRE-**
4 **MENTS.**

5 (a) IN GENERAL.—Section 409(a)(8) (42 U.S.C.
6 609(a)(8)) is amended—

7 (1) in subparagraph (A)—

8 (A) in the matter preceding clause (i)(I),
9 by striking “in a fiscal year” and inserting “for
10 a fiscal year”; and

11 (B) in clause (ii)—

12 (i) in the matter preceding subclause
13 (I), by striking “that, with respect to the
14 succeeding fiscal year—” and inserting
15 “that, with respect to the period described
16 in subparagraph (D)—”; and

17 (ii) in the matter following subclause
18 (II), by striking “the end of such suc-
19 ceeding fiscal year” and inserting “the end
20 of the period described in subparagraph
21 (D)”; and

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

23 “(D) PERIOD DESCRIBED.—Subject to
24 subparagraph (E), for purposes of this para-
25 graph, the period described in this subpara-
26 graph is the period that begins with the date on

1 which the Secretary makes a finding described
2 in subparagraph (A)(i) with respect to State
3 performance in a fiscal year and ends on Sep-
4 tember 30 of the fiscal year following the fiscal
5 year in which the Secretary makes such a find-
6 ing.

7 “(E) NO PENALTY IF STATE CORRECTS
8 NONCOMPLIANCE IN FINDING YEAR.—The Sec-
9 retary shall not take a reduction described in
10 subparagraph (A) with respect to a noncompli-
11 ance described in clause (i) of that subpara-
12 graph if the Secretary determines that the
13 State has corrected the noncompliance in the
14 fiscal year in which the Secretary makes the
15 finding of the noncompliance.”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) shall be effective with respect to determina-
18 tions of State compliance for fiscal year 2002 and suc-
19 ceeding fiscal years.

20 (c) SPECIAL RULE FOR FISCAL YEAR 2001.—Not-
21 withstanding any other provision of law, the Secretary of
22 Health and Human Services shall not take against
23 amounts otherwise payable to a State, a reduction de-
24 scribed in section 409(a)(8)(A) of the Social Security Act
25 (42 U.S.C. 609(a)(8)(A)) with respect to a noncompliance

1 described in such section occurring in fiscal year 2001 if
2 the Secretary determines that the State has corrected such
3 noncompliance in fiscal year 2002 or 2003.

4 **SEC. 320. REQUIREMENT THAT STATE CHILD SUPPORT EN-**
5 **FORCEMENT AGENCIES SEEK MEDICAL SUP-**
6 **PORT FOR CHILDREN FROM EITHER PARENT.**

7 (a) STATE AGENCIES REQUIRED TO SEEK MEDICAL
8 SUPPORT FROM EITHER PARENT.—

9 (1) IN GENERAL.—Section 466(a)(19)(A) (42
10 U.S.C. 666(a)(19)(A)) is amended by striking
11 “which include a provision for the health care cov-
12 erage of the child are enforced” and inserting “shall
13 include a provision for medical support for the child
14 to be provided by either or both parents, and shall
15 be enforced”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) TITLE IV—D.—

18 (i) Section 452(f) (42 U.S.C. 652(f))
19 is amended by striking “include medical
20 support as part of any child support order
21 and enforce medical support” and inserting
22 “enforce medical support included as part
23 of a child support order”.

1 (ii) Section 466(a)(19) (42 U.S.C.
2 666(a)(19)), as amended by paragraph (1),
3 is amended—

4 (I) in subparagraph (A)—

5 (aa) by striking “section
6 401(e)(3)(C)” and inserting “sec-
7 tion 401(e)”; and

8 (bb) by striking “section
9 401(f)(5)(C)” and inserting “sec-
10 tion 401(f)”; and

11 (II) in subparagraph (B)—

12 (aa) by striking “noncusto-
13 dial” each place it appears; and

14 (bb) in clause (iii), by strik-
15 ing “section 466(b)” and insert-
16 ing “subsection (b)”; and

17 (III) in subparagraph (C), by
18 striking “noncustodial” each place it
19 appears and inserting “obligated”.

20 (B) ERISA.—Section 609(a)(5)(C) of the
21 Employee Retirement Income Security Act of
22 1974 (29 U.S.C. 1169(a)(5)(C)) is amended by
23 striking “noncustodial” each place it appears.

24 (C) STATE OR LOCAL GOVERNMENTAL
25 GROUP HEALTH PLANS.—Section 401(e)(2) of

1 the Child Support Performance and Incentive
2 Act of 1998 (29 U.S.C. 1169 note) is amended,
3 in the matter preceding subparagraph (A), by
4 striking “who is a noncustodial parent of the
5 child”.

6 (D) CHURCH PLANS.—Section
7 401(f)(5)(C) of the Child Support Performance
8 and Incentive Act of 1998 (29 U.S.C. 1169
9 note) is amended by striking “noncustodial”
10 each place it appears.

11 (b) ENFORCEMENT OF MEDICAL SUPPORT REQUIRE-
12 MENTS.—Section 452(f) (42 U.S.C. 652(f)), as amended
13 by subsection (a)(2)(A)(i), is amended by inserting after
14 the first sentence the following: “A State agency admin-
15 istering the program under this part is authorized to en-
16 force medical support against a custodial parent whenever
17 health care coverage is available to the custodial parent
18 at a reasonable cost, notwithstanding any provision of this
19 part (other than this sentence) that might be construed
20 to limit or bar such enforcement actions.”.

21 (c) DEFINITION OF MEDICAL SUPPORT.—Section
22 452(f) (42 U.S.C. 652(f)), as amended by subsections
23 (a)(2)(A)(i) and (b), is amended by adding at the end the
24 following: “For purposes of this part, the term ‘medical
25 support’ may include health care coverage, such as cov-

1 erage under a health insurance plan (including payment
 2 of costs of premiums, co-payments, and deductibles) and
 3 payment for medical expenses incurred on behalf of a
 4 child.”.

5 (d) EFFECTIVE DATE.—Subject to section 701(b),
 6 the amendments made by this section shall apply to child
 7 support orders issued or amended after the date of enact-
 8 ment of this Act.

9 **SEC. 321. NOTICE TO STATE CHILD SUPPORT ENFORCE-**
 10 **MENT AGENCY FROM HEALTH CARE PLAN**
 11 **ADMINISTRATOR UNDER CERTAIN CIR-**
 12 **CUMSTANCES WHEN A CHILD LOSES HEALTH**
 13 **CARE COVERAGE.**

14 (a) ERISA.—Section 606(a)(4) of the Employee Re-
 15 tirement Income Security Act of 1974 (29 U.S.C.
 16 1166(a)(4)) is amended—

17 (1) in subparagraph (A), by striking “and” at
 18 the end;

19 (2) in subparagraph (B), by adding “and” after
 20 the comma at the end; and

21 (3) by inserting after subparagraph (B) the fol-
 22 lowing:

23 “(C) in any case in which the qualifying
 24 event with respect to which notice to a qualified
 25 beneficiary is required by subparagraph (A) or

1 (B) is a qualifying event with respect to the
2 parent of a qualified beneficiary who is an al-
3 ternative recipient under a qualified medical
4 child support order (as such terms are defined
5 in section 609(a)(2)), the State agency admin-
6 istering the program under part D of title IV
7 of the Social Security Act that issued, or is au-
8 thorized to enforce, such order.”.

9 (b) INTERNAL REVENUE CODE OF 1986.—Section
10 4980B(f)(6)(D) of the Internal Revenue Code of 1986 is
11 amended—

12 (1) in clause (i), by striking “and” at the end;

13 (2) in clause (ii), by adding “and” after the
14 comma at the end; and

15 (3) by inserting after clause (ii) the following:

16 “(iii) in any case in which the quali-
17 fying event with respect to which notice to
18 a qualified beneficiary is required by clause
19 (i) or (ii) is a qualifying event with respect
20 to the parent of a qualified beneficiary who
21 is an alternative recipient under a qualified
22 medical child support order (as such terms
23 are defined in section 609(a)(2) of the Em-
24 ployee Retirement Income Security Act of
25 1974), the State agency administering the

1 program under part D of title IV of the
2 Social Security Act which issued, or is au-
3 thorized to enforce, such order,”.

4 (c) PUBLIC HEALTH SERVICE ACT.—Section
5 2206(4) of the Public Health Service Act (42 U.S.C.
6 300bb–6(4)) is amended—

7 (1) in subparagraph (A), by striking “and” at
8 the end;

9 (2) in subparagraph (B), by adding “and” after
10 the comma at the end; and

11 (3) by inserting after subparagraph (B) the fol-
12 lowing:

13 “(C) in any case in which the qualifying
14 event with respect to which notice to a qualified
15 beneficiary is required by subparagraph (A) or
16 (B) is a qualifying event with respect to the
17 parent of a qualified beneficiary who is an al-
18 ternative recipient (as defined in paragraph
19 (4)(B) of section 401(e) of the Child Support
20 Performance and Incentive Act of 1998) under
21 a National Medical Support Notice issued in ac-
22 cordance with that section, the State agency
23 issuing, or that is authorized to enforce, such
24 notice,”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section apply to qualifying events occurring on or
3 after the date of enactment of this Act.

4 **SEC. 322. AUTHORITY TO CONTINUE STATE PROGRAM FOR**
5 **MONITORING AND ENFORCEMENT OF CHILD**
6 **SUPPORT ORDERS.**

7 The Secretary of Health and Human Services shall
8 not require the State of Texas, in operating the program
9 established under part D of title IV of the Social Security
10 Act, to apply for a waiver from the requirements of section
11 454(4)(A)(ii) of such Act (42 U.S.C. 654(4)(A)(ii)) to
12 continue to operate the State's program for monitoring
13 and enforcement of a court order without the necessity
14 of a written application, as in effect on the date of enact-
15 ment of this Act. Such State may continue to operate such
16 program and expand it to additional counties, as the State
17 determines necessary, without the necessity of applying for
18 a waiver from the Secretary so long as an individual to
19 whom the support is owed and who would otherwise have
20 to sign a written application for services under such pro-
21 gram has an opportunity to decline such services.

1 **SEC. 323. TECHNICAL AMENDMENT RELATING TO INFOR-**
2 **MATION COMPARISONS AND DISCLOSURE TO**
3 **ASSIST IN FEDERAL DEBT COLLECTION.**

4 (a) **IN GENERAL.**—Section 643 of division H of the
5 Consolidated Appropriations Act, 2005 (Public Law 108–
6 447) is amended—

7 (1) by striking “Section 653(j)” and all that
8 follows through “new paragraph” and inserting
9 “Section 453(j) of the Social Security Act (42
10 U.S.C. 653(j)) is amended by adding at the end the
11 following new paragraph:”; and

12 (2) by redesignating the paragraph (7) added to
13 section 453(j) of the Social Security Act (42 U.S.C.
14 653(j)) by the amendment made by such section as
15 paragraph (9).

16 (b) **EFFECTIVE DATE.**—The amendments made by
17 subsection (a) shall take effect as if included in the enact-
18 ment of section 643 of division H of the Consolidated Ap-
19 propriations Act, 2005 (Public Law 108–447).

20 **TITLE IV—CHILD WELFARE**

21 **SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-**
22 **ONSTRATION PROJECTS.**

23 Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is
24 amended by striking “2003” and inserting “2010”.

1 **SEC. 402. REMOVAL OF COMMONWEALTH OF PUERTO RICO**

2 **IV-E FUNDS FROM LIMITATION ON PAY-**

3 **MENTS.**

4 Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as
5 amended by section 116(b)(2), is amended—

6 (1) by striking “Paragraph (1)” and inserting
7 the following:

8 “(A) IN GENERAL.—Paragraph (1)”;

9 (2) in subparagraph (A) (as added by para-
10 graph (1)), by striking “or 418(a)(4)(B)” and in-
11 sserting “418(a)(4)(B), 473A, or, subject to clause
12 (ii) of subparagraph (B), payments to Puerto Rico
13 described in clause (i) of that subparagraph” before
14 the period; and

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

16 “(B) CERTAIN PAYMENTS TO PUERTO
17 RICO.—

18 “(i) PAYMENTS DESCRIBED.—For
19 purposes of subparagraph (A), payments
20 described in this subparagraph are pay-
21 ments made to Puerto Rico under section
22 474 for each of fiscal years 2007 through
23 2010 that exceed the total amount of pay-
24 ments made to Puerto Rico under that sec-
25 tion for fiscal year 2003.

1 “(ii) LIMITATION.—The total amount
2 of payments to Puerto Rico described in
3 clause (i) that are disregarded under sub-
4 paragraph (A) may not exceed \$6,250,000
5 for each of fiscal years 2007 through
6 2010.”.

7 **SEC. 403. AUTHORITY OF INDIAN TRIBES TO RECEIVE FED-**
8 **ERAL FUNDS FOR FOSTER CARE AND ADOPT-**
9 **ION ASSISTANCE.**

10 (a) CHILDREN PLACED IN TRIBAL CUSTODY ELIGI-
11 BLE FOR FOSTER CARE FUNDING.—Section 472(a)(2)
12 (42 U.S.C. 672(a)(2)) is amended—

13 (1) by striking “or (B)” and inserting “(B)”;
14 and

15 (2) by inserting before the semicolon the fol-
16 lowing: “, or (C) an Indian tribe or tribal organiza-
17 tion (as defined in section 479B(e)) or an intertribal
18 consortium if the Indian tribe, tribal organization, or
19 consortium (i) is operating a program pursuant to
20 section 479B, (ii) has a cooperative agreement with
21 a State pursuant to section 479B(c), or (iii) submits
22 to the Secretary a description of the arrangements
23 (jointly developed or developed in consultation with
24 the State) made by the Indian tribe, tribal organiza-
25 tion, or consortium for the payment of funds and

1 the provision of the child welfare services and pro-
2 tections required by this title”.

3 (b) PROGRAMS OPERATED BY INDIAN TRIBAL ORGA-
4 NIZATIONS.—Part E of title IV (42 U.S.C. 670 et seq.)
5 is amended by adding at the end the following:

6 **“SEC. 479B. PROGRAMS OPERATED BY INDIAN TRIBAL OR-**
7 **GANIZATIONS.**

8 “(a) APPLICATION.—Except as provided in sub-
9 section (b), this part shall apply to an Indian tribe or trib-
10 al organization that elects to operate a program under this
11 part in the same manner as this part applies to a State.

12 “(b) MODIFICATION OF PLAN REQUIREMENTS.—

13 “(1) SERVICE AREA; STANDARDS.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), in the case of an Indian tribe or
16 tribal organization submitting a plan for ap-
17 proval under section 471, the plan shall—

18 “(i) in lieu of the requirement of sec-
19 tion 471(a)(3), identify the service area or
20 areas and population to be served by the
21 Indian tribe or tribal organization; and

22 “(ii) in lieu of the requirement of sec-
23 tion 471(a)(10), provide for the approval
24 of foster homes pursuant to tribal stand-
25 ards and in a manner that ensures the

1 safety of, and accountability for, children
2 placed in foster care.

3 “(B) SPECIAL RULE.—With respect to an
4 Indian tribe located in the State of Alaska—

5 “(i) clause (ii) of subparagraph (A)
6 shall not apply; and

7 “(ii) the requirement of section
8 471(a)(10) shall apply to a plan submitted
9 by such tribe.

10 “(2) DETERMINATION OF FEDERAL SHARE.—

11 “(A) PER CAPITA INCOME.—

12 “(i) IN GENERAL.—For purposes of
13 determining the Federal medical assistance
14 percentage applicable to an Indian tribe or
15 tribal organization under paragraphs (1)
16 and (2) of section 474(a), the calculation
17 of an Indian tribe’s or tribal organization’s
18 per capita income shall be based upon the
19 service population of the Indian tribe or
20 tribal organization as defined in its plan in
21 accordance with paragraph (1)(A).

22 “(ii) CONSIDERATION OF OTHER IN-
23 FORMATION.—An Indian tribe or tribal or-
24 ganization may submit to the Secretary
25 such information as the Indian tribe or

1 tribal organization considers relevant to
2 the calculation of the per capita income of
3 the Indian tribe or tribal organization, and
4 the Secretary shall consider such informa-
5 tion before making the calculation.

6 “(B) ADMINISTRATIVE EXPENDITURES.—
7 The Secretary shall, by regulation, determine
8 the proportions to be paid to Indian tribes and
9 tribal organizations pursuant to section
10 474(a)(3), except that in no case shall an In-
11 dian tribe or tribal organization receive a lesser
12 proportion than the corresponding amount spec-
13 ified for a State in that section.

14 “(C) SOURCES OF NON-FEDERAL
15 SHARE.—An Indian tribe or tribal organization
16 may use Federal or State funds to match pay-
17 ments for which the Indian tribe or tribal orga-
18 nization is eligible under section 474.

19 “(3) MODIFICATION OF OTHER REQUIRE-
20 MENTS.—Upon the request of an Indian tribe, tribal
21 organization, or a consortia of tribes or tribal orga-
22 nizations, the Secretary may modify any requirement
23 under this part if, after consulting with the Indian
24 tribe, tribal organization, or consortia of tribes or
25 tribal organizations, the Secretary determines that

1 modification of the requirement would advance the
2 best interests and the safety of children served by
3 the Indian tribe, tribal organization, or consortia of
4 tribes or tribal organizations.

5 “(4) CONSORTIUM.—The participating Indian
6 tribes or tribal organizations of an intertribal con-
7 sortium may develop and submit a single plan under
8 section 471 that meets the requirements of this sec-
9 tion.

10 “(c) COOPERATIVE AGREEMENTS.—An Indian tribe,
11 tribal organization, or intertribal consortium and a State
12 may enter into a cooperative agreement for the adminis-
13 tration or payment of funds pursuant to this part. In any
14 case where an Indian tribe, tribal organization, or inter-
15 tribal consortium and a State enter into a cooperative
16 agreement that incorporates any of the provisions of this
17 section, those provisions shall be valid and enforceable.
18 Any such cooperative agreement that is in effect as of the
19 date of enactment of this section, shall remain in full force
20 and effect subject to the right of either party to the agree-
21 ment to revoke or modify the agreement pursuant to the
22 terms of the agreement.

23 “(d) REGULATIONS.—Not later than 1 year after the
24 date of enactment of this section, the Secretary shall, in

1 full consultation with Indian tribes and tribal organiza-
 2 tions, promulgate regulations to carry out this section.

3 “(e) DEFINITIONS OF INDIAN TRIBE; TRIBAL ORGA-
 4 NIZATIONS.—In this section, the terms ‘Indian tribe’ and
 5 ‘tribal organization’ have the meanings given those terms
 6 in subsections (e) and (l) of section 4 of the Indian Self-
 7 Determination and Education Assistance Act (25 U.S.C.
 8 450b), respectively, except that, with respect to the State
 9 of Alaska, the term ‘Indian tribe’ has the meaning given
 10 that term in section 419(4)(B).”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section take effect on October 1, 2006, without regard
 13 to whether regulations to implement such amendments
 14 have been promulgated as of such date.

15 **SEC. 404. TECHNICAL CORRECTION.**

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

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

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

23 Section 1633 (42 U.S.C. 1383b) is amended by add-
 24 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. Any review by the Commissioner of Social Se-
7 curity of a State agency determination under this para-
8 graph shall be made before any action is taken to imple-
9 ment the determination.

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

12 “(i) with respect to fiscal year 2006, at least 25
13 percent of all determinations referred to in para-
14 graph (1) that are made in such fiscal year; and

15 “(ii) with respect to each of fiscal years 2006
16 through 2015, at least 50 percent of all such deter-
17 minations that are made in each such fiscal year.

18 “(B) In conducting reviews pursuant to subpara-
19 graph (A), the Commissioner of Social Security shall, to
20 the extent feasible, select for review those determinations
21 which the Commissioner of Social Security identifies as
22 being the most likely to be incorrect.”.

1 **SEC. 502. TEMPORARY EXPANSION OF LENGTH OF TIME-**
2 **LIMITED ELIGIBILITY OF QUALIFIED ALIENS**
3 **FOR SUPPLEMENTAL SECURITY INCOME**
4 **BENEFITS.**

5 (a) **IN GENERAL.**—During the period described in
6 subsection (b), subsection (a)(2)(A) of section 402 of the
7 Personal Responsibility and Work Opportunity Reconcili-
8 ation Act of 1996 (8 U.S.C. 1612) shall be applied to the
9 program described in subsection (a)(3)(A) of such section
10 by substituting “9 years” for “7 years”.

11 (b) **PERIOD DESCRIBED.**—For purposes of sub-
12 section (a), the period described in this subsection is the
13 period that begins on the first day of the month in which
14 this Act is enacted and ends on September 30, 2008.

15 (c) **EFFECTIVE DATE.**—This section shall be effective
16 with respect to benefits payable under the program de-
17 scribed in section 402(a)(3)(A) of the Personal Responsi-
18 bility and Work Opportunity Reconciliation Act of 1996
19 (8 U.S.C. 1612(a)(3)(A)) for months occurring during the
20 period described in subsection (b).

1 **TITLE VI—TRANSITIONAL**
2 **MEDICAL ASSISTANCE**

3 **SEC. 601. EXTENSION AND SIMPLIFICATION OF THE TRAN-**
4 **SITIONAL MEDICAL ASSISTANCE PROGRAM**
5 **(TMA).**

6 (a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12
7 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO
8 AN ADDITIONAL YEAR.—

9 (1) OPTION OF CONTINUOUS ELIGIBILITY FOR
10 12 MONTHS BY MAKING REPORTING REQUIREMENTS
11 OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r-
12 6(b)) is amended—

13 (A) in paragraph (1), by inserting “, at the
14 option of a State,” after “and which”;

15 (B) in paragraph (2)(A), by inserting
16 “Subject to subparagraph (C):” after “(A) NO-
17 TICES.—”;

18 (C) in paragraph (2)(B), by inserting
19 “Subject to subparagraph (C):” after “(B) RE-
20 PORTING REQUIREMENTS.—”;

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

22 “(C) STATE OPTION TO WAIVE NOTICE
23 AND REPORTING REQUIREMENTS.—A State
24 may waive some or all of the reporting require-
25 ments under clauses (i) and (ii) of subpara-

1 graph (B). Insofar as it waives such a reporting
2 requirement, the State need not provide for a
3 notice under subparagraph (A) relating to such
4 requirement.”; and

5 (E) in paragraph (3)(A)(iii), by inserting
6 “the State has not waived under paragraph
7 (2)(C) the reporting requirement with respect
8 to such month under paragraph (2)(B) and if”
9 after “6-month period if”.

10 (2) STATE OPTION TO EXTEND ELIGIBILITY
11 FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDI-
12 TIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r-
13 6) is further amended—

14 (A) by redesignating subsections (e)
15 through (f) as subsections (d) through (g), re-
16 spectively; and

17 (B) by inserting after subsection (b) the
18 following:

19 “(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-
20 TIONAL ELIGIBILITY.—

21 “(1) IN GENERAL.—Notwithstanding any other
22 provision of this title, each State plan approved
23 under this title may provide, at the option of the
24 State, that the State shall offer to each family which
25 received assistance during the entire 6-month period

1 under subsection (b) and which meets the applicable
2 requirement of paragraph (2), in the last month of
3 the period the option of extending coverage under
4 this subsection for the succeeding period not to ex-
5 ceed 12 months.

6 “(2) INCOME RESTRICTION.—The option under
7 paragraph (1) shall not be made available to a fam-
8 ily for a succeeding period unless the State deter-
9 mines that the family’s average gross monthly earn-
10 ings (less such costs for such child care as is nec-
11 essary for the employment of the caretaker relative)
12 as of the end of the 6-month period under sub-
13 section (b) does not exceed 185 percent of the offi-
14 cial poverty line (as defined by the Office of Man-
15 agement and Budget, and revised annually in ac-
16 cordance with section 673(2) of the Omnibus Budget
17 Reconciliation Act of 1981) applicable to a family of
18 the size involved.

19 “(3) APPLICATION OF EXTENSION RULES.—
20 The provisions of paragraphs (2), (3), (4), and (5)
21 of subsection (b) shall apply to the extension pro-
22 vided under this subsection in the same manner as
23 they apply to the extension provided under sub-
24 section (b)(1), except that for purposes of this sub-
25 section—

1 “(A) any reference to a 6-month period
2 under subsection (b)(1) is deemed a reference
3 to the extension period provided under para-
4 graph (1) and any deadlines for any notices or
5 reporting and the premium payment periods
6 shall be modified to correspond to the appro-
7 priate calendar quarters of coverage provided
8 under this subsection; and

9 “(B) any reference to a provision of sub-
10 section (a) or (b) is deemed a reference to the
11 corresponding provision of subsection (b) or of
12 this subsection, respectively.”.

13 (b) STATE OPTION TO WAIVE RECEIPT OF MED-
14 ICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR
15 TMA.—Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is
16 amended by adding at the end the following: “A State
17 may, at its option, also apply the previous sentence in the
18 case of a family that was receiving such aid for fewer than
19 3 months, or that had applied for and was eligible for such
20 aid for fewer than 3 months, during the 6 immediately
21 preceding months described in such sentence.”.

22 (c) EXTENSION OF SUNSET FOR TMA.—

23 (1) IN GENERAL.—Subsection (g) of section
24 1925 (42 U.S.C. 1396r–6), as so redesignated under
25 subsection (a)(2)(A), is further redesignated as sub-

1 section (i) and is amended by striking “2003” and
2 inserting “2010”.

3 (2) CONFORMING AMENDMENT.—Section
4 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)), as so
5 amended, is amended by striking “September 30,
6 2003” and inserting “the last date (if any) on which
7 section 1925 applies under subsection (i) of that sec-
8 tion”.

9 (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-
10 TION RATES UNDER TMA.—Section 1925 (42 U.S.C.
11 1396r-6), as amended by subsections (a)(2)(A) and
12 (c)(1), is amended by inserting after subsection (f) the fol-
13 lowing:

14 “(g) ADDITIONAL PROVISIONS.—

15 “(1) COLLECTION AND REPORTING OF PARTICI-
16 PATION INFORMATION.—Each State shall—

17 “(A) collect and submit to the Secretary,
18 in a format specified by the Secretary, informa-
19 tion on average monthly enrollment and average
20 monthly participation rates for adults and chil-
21 dren under this section; and

22 “(B) make such information publicly avail-
23 able.

24 Such information shall be submitted under subpara-
25 graph (A) at the same time and frequency in which

1 other enrollment information under this title is sub-
 2 mitted to the Secretary. Using such information, the
 3 Secretary shall submit to Congress annual reports
 4 concerning such rates.”.

5 (e) COORDINATION OF WORK.—Section 1925(g) (42
 6 U.S.C. 1396r–6(g)), as added by subsection (d), is amend-
 7 ed by adding at the end the following:

8 “(2) COORDINATION WITH ADMINISTRATION
 9 FOR CHILDREN AND FAMILIES.—The Administrator
 10 of the Centers for Medicare & Medicaid Services, in
 11 carrying out this section, shall work with the Assist-
 12 ant Secretary for the Administration for Children
 13 and Families to develop guidance or other technical
 14 assistance for States regarding best practices in
 15 guaranteeing access to transitional medical assist-
 16 ance under this section.”.

17 (f) ELIMINATION OF TMA REQUIREMENT FOR
 18 STATES THAT EXTEND COVERAGE TO CHILDREN AND
 19 PARENTS THROUGH 185 PERCENT OF POVERTY.—

20 (1) IN GENERAL.—Section 1925 (42 U.S.C.
 21 1396r–6) is amended by inserting after subsection
 22 (g), as added by subsection (d), the following:

23 “(h) PROVISIONS OPTIONAL FOR STATES THAT EX-
 24 TEND COVERAGE TO CHILDREN AND PARENTS THROUGH
 25 185 PERCENT OF POVERTY.—A State may meet (but is

1 not required to meet) the requirements of subsections (a)
2 and (b) if it provides for medical assistance under section
3 1931 to families (including both children and caretaker
4 relatives) the average gross monthly earning of which (less
5 such costs for such child care as is necessary for the em-
6 ployment of a caretaker relative) is at or below a level that
7 is at least 185 percent of the official poverty line (as de-
8 fined by the Office of Management and Budget, and re-
9 vised annually in accordance with section 673(2) of the
10 Omnibus Budget Reconciliation Act of 1981) applicable
11 to a family of the size involved.”.

12 (2) CONFORMING AMENDMENTS.—Section 1925
13 (42 U.S.C. 1396r–6) is amended, in subsections
14 (a)(1) and (b)(1), by inserting “, but subject to sub-
15 section (h),” after “Notwithstanding any other pro-
16 vision of this title,” each place it appears.

17 (g) REQUIREMENT OF NOTICE FOR ALL FAMILIES
18 LOSING TANF.—Subsection (a)(2) of section 1925 (42
19 U.S.C. 1396r–6) is amended by adding at the end the fol-
20 lowing flush sentences:

21 “Each State shall provide, to families whose aid
22 under part A or E of title IV has terminated but
23 whose eligibility for medical assistance under this
24 title continues, written notice of their ongoing eligi-
25 bility for such medical assistance. If a State makes

1 a determination that any member of a family whose
2 aid under part A or E of title IV is being terminated
3 is also no longer eligible for medical assistance under
4 this title, the notice of such determination shall be
5 supplemented by a 1-page notification form describ-
6 ing the different ways in which individuals and fami-
7 lies may qualify for such medical assistance and ex-
8 plaining that individuals and families do not have to
9 be receiving aid under part A or E of title IV in
10 order to qualify for such medical assistance. Such
11 notice shall further be supplemented by information
12 on how to apply for child health assistance under the
13 State children's health insurance program under
14 title XXI and how to apply for medical assistance
15 under this title.”.

16 (h) EXTENDING USE OF OUTSTATIONED WORKERS
17 TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL
18 ASSISTANCE.—Section 1902(a)(55) (42 U.S.C.
19 1396a(a)(55)) is amended by inserting “and under section
20 1931” after “(a)(10)(A)(ii)(IX)”.

21 (i) EFFECTIVE DATES.—

22 (1) IN GENERAL.—Except as provided in this
23 subsection, the amendments made by this section
24 shall apply to calendar quarters beginning on or
25 after October 1, 2005, without regard to whether or

1 not final regulations to carry out such amendments
2 have been promulgated by such date.

3 (2) NOTICE.—The amendment made by sub-
4 section (g) shall take effect 6 months after the date
5 of enactment of this Act.

6 (3) DELAY PERMITTED FOR STATE PLAN
7 AMENDMENT.—In the case of a State plan for med-
8 ical assistance under title XIX of the Social Security
9 Act which the Secretary of Health and Human Serv-
10 ices determines requires State legislation (other than
11 legislation appropriating funds) in order for the plan
12 to meet the additional requirements imposed by the
13 amendments made by this section, the State plan
14 shall not be regarded as failing to comply with the
15 requirements of such title solely on the basis of its
16 failure to meet these additional requirements before
17 the first day of the first calendar quarter beginning
18 after the close of the first regular session of the
19 State legislature that begins after the date of enact-
20 ment of this Act. For purposes of the previous sen-
21 tence, in the case of a State that has a 2-year legis-
22 lative session, each year of such session shall be
23 deemed to be a separate regular session of the State
24 legislature.

1 **TITLE VII—EFFECTIVE DATE**

2 **SEC. 701. EFFECTIVE DATE.**

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

6 (b) EXCEPTION.—In the case of a State plan under
7 part A or D of title IV of the Social Security Act which
8 the Secretary of Health and Human Services determines
9 requires State legislation in order for the plan to meet the
10 additional requirements imposed by the amendments made
11 by this Act, the effective date of the amendments imposing
12 the additional requirements shall be 3 months after the
13 first day of the first calendar quarter beginning after the
14 close of the first regular session of the State legislature
15 that begins after the date of enactment of this Act. For
16 purposes of the preceding sentence, in the case of a State
17 that has a 2-year legislative session, each year of the ses-
18 sion shall be considered to be a separate regular session
19 of the State legislature.

20 **SEC. 702. EXTENSION THROUGH REMAINDER OF FISCAL**

21 **YEAR 2005.**

22 (a) IN GENERAL.—Except as otherwise provided in
23 this Act and the amendments made by this Act, activities
24 authorized by part A of title IV of the Social Security Act,
25 and by sections 429A, 510, 1108(b), 1130(a), and 1925

1 of such Act, shall continue through September 30, 2005,
2 in the manner authorized for fiscal year 2004, notwith-
3 standing section 1902(e)(1)(A) of such Act, and out of
4 any money in the Treasury of the United States not other-
5 wise appropriated, there are hereby appropriated such
6 sums as may be necessary for such purpose. Grants and
7 payments may be made pursuant to this authority through
8 the fourth quarter of fiscal year 2005 at the level provided
9 for such activities through the fourth quarter of fiscal year
10 2004, except that in the case of section 403(a)(4) of such
11 Act the level of authority shall be \$0.

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

Calendar No. 60

109TH CONGRESS
1ST Session

S. 667

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.

MARCH 17, 2005

Read twice and placed on the calendar