

116TH CONGRESS  
1ST SESSION

# S. 802

To amend part A of title IV of the Social Security Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 14, 2019

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

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## A BILL

To amend part A of title IV of the Social Security Act,  
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 “Jobs and Opportunity  
5 with Benefits and Services for Success Act”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Re-naming of program.
- Sec. 5. Helping more Americans enter and remain in the workforce.
- Sec. 6. Expecting universal engagement and case management.
- Sec. 7. Promoting accountability by measuring work outcomes.

- Sec. 8. Targeting funds to truly needy families.
- Sec. 9. Targeting funds to core purposes.
- Sec. 10. Strengthening program integrity by measuring improper payments.
- Sec. 11. Prohibition on State diversion of Federal funds to replace State spending.
- Sec. 12. Inclusion of poverty reduction as a program purpose.
- Sec. 13. Welfare for needs not weed.
- Sec. 14. Strengthening accountability through HHS approval of State plans.
- Sec. 15. Aligning and improving data reporting.
- Sec. 16. Technical corrections to data exchange standards to improve program coordination.
- Sec. 17. Set-aside for economic downturns.
- Sec. 18. Definitions related to use of funds.
- Sec. 19. Elimination of obsolete provisions.
- Sec. 20. Effective date.

### 1 **SEC. 3. REFERENCES.**

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

### 7 **SEC. 4. RE-NAMING OF PROGRAM.**

8 (a) IN GENERAL.—The heading for part A of title  
 9 IV is amended to read as follows:

#### 10 **“PART A—JOBS AND OPPORTUNITY WITH** 11 **BENEFITS AND SERVICES PROGRAM”.**

12 (b) CONFORMING AMENDMENTS.—

13 (1) The heading for section 403(a)(2)(B) (42  
 14 U.S.C. 603(a)(2)(B)) is amended by striking  
 15 “TANF” and inserting “JOBS”.

16 (2) The heading for section 413 (42 U.S.C.  
 17 613) is amended by striking “**TEMPORARY AS-**  
 18 **SISTANCE FOR NEEDY FAMILIES**” and inserting

1       **“JOBS AND OPPORTUNITY WITH BENEFITS AND**  
 2       **SERVICES”.**

3           (3) The heading for section 413(a) (42 U.S.C.  
 4       613(a)) is amended by striking “TANF” and insert-  
 5       ing “JOBS”.

6           (4) The heading for section 471(e)(7)(B)(i) (42  
 7       U.S.C. 671(e)(7)(B)(i)), as in effect pursuant to the  
 8       amendment made by section 50711(a)(2) of division  
 9       E of the Bipartisan Budget Act of 2018 (Public  
 10      Law 115–123), is amended by striking “TANF”  
 11      and inserting “JOBS”.

12   **SEC. 5. HELPING MORE AMERICANS ENTER AND REMAIN IN**  
 13           **THE WORKFORCE.**

14       (a)   FAMILY    ASSISTANCE    GRANTS.—Section  
 15   403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of  
 16   subparagraphs (A) and (C) by striking “2017 and 2018”  
 17   and inserting “2019 through 2024”.

18       (b)   HEALTHY MARRIAGE PROMOTION AND RESPON-  
 19   SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) (42  
 20   U.S.C. 603(a)(2)(D)) is amended—

21           (1) by striking “2017 and 2018” and inserting  
 22           “2019 through 2024”; and

23           (2) by striking “for fiscal year 2017 or 2018”.

24       (c)   TRIBAL GRANTS.—Section 412(a) (42 U.S.C.  
 25   612(a)) is amended in each of paragraphs (1)(A) and

1 (2)(A) by striking “2017 and 2018” and inserting “2019  
2 through 2024”.

3 (d) IMPROVING ACCESS TO CHILD CARE TO SUP-  
4 PORT WORK.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is  
5 amended to read as follows:

6 “(3) APPROPRIATION.—For grants under this  
7 section, there are appropriated—

8 “(A) \$2,917,000,000 for fiscal year 2019;  
9 and

10 “(B) \$3,525,000,000 for each of fiscal  
11 years 2020 through 2024.”.

12 (e) GRANTS TO THE TERRITORIES.—Section  
13 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking  
14 “2017 and 2018” and inserting “2019 through 2024”.

15 (f) PRORATING OF APPROPRIATIONS FOR FISCAL  
16 YEAR 2019.—Notwithstanding the amendments made by  
17 the subsections (a) through (c) and (e) of this section, the  
18 amount appropriated in each provision of law amended by  
19 such subsections for fiscal year 2019 shall be—

20 (1) the amount that would be so appropriated  
21 in the absence of this subsection; multiplied by

22 (2) the number of days in the period from the  
23 date of the enactment of this Act through September  
24 30, 2019, divided by 365.

1 (g) EFFECTIVE DATE.—This section and the amend-  
 2 ments made by this section shall take effect on the date  
 3 of the enactment of this Act.

4 **SEC. 6. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**  
 5 **MANAGEMENT.**

6 Section 408(b) (42 U.S.C. 608(b)) is amended to  
 7 read as follows:

8 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

9 “(1) ASSESSMENT.—The State agency respon-  
 10 sible for administering the State program funded  
 11 under this part shall make an initial assessment of  
 12 the following for each work-eligible individual (as de-  
 13 fined in the regulations promulgated pursuant to  
 14 section 407(i)(1)(A)(i)):

15 “(A) The education obtained, skills, prior  
 16 work experience, work readiness, and barriers  
 17 to work of the individual.

18 “(B) The well-being of the children in the  
 19 family of the individual and, where appropriate,  
 20 activities or services (such as services offered by  
 21 a program funded under section 511) to im-  
 22 prove the well-being of the children.

23 “(2) CONTENTS OF PLANS.—On the basis of  
 24 the assessment required by paragraph (1) of this  
 25 subsection, the State agency, in consultation with

1 the individual, shall develop an individual oppor-  
2 tunity plan that—

3 “(A) includes a personal responsibility  
4 agreement in which the individual acknowledges  
5 receipt of publicly funded benefits and responsi-  
6 bility to comply with program requirements in  
7 order to receive the benefits;

8 “(B) sets forth the obligations of the indi-  
9 vidual to participate in work activities (as de-  
10 fined in section 407(d)), and the number of  
11 hours per month for which the individual will so  
12 participate pursuant to section 407;

13 “(C) sets forth an employment goal and  
14 planned short-, intermediate-, and long-term ac-  
15 tions to achieve the goal, and, in the case of an  
16 individual who has not attained 24 years of age  
17 and is in secondary school or the equivalent, the  
18 intermediate action may be completion of sec-  
19 ondary school or the equivalent;

20 “(D) describes the job counseling and  
21 other services the State will provide to the indi-  
22 vidual to enable the individual to obtain and  
23 keep unsubsidized employment;

1           “(E) may include referral to appropriate  
2           substance abuse or mental health treatment;  
3           and

4           “(F) is signed by the individual.

5           “(3) TIMING.—The State agency shall comply  
6           with paragraphs (1) and (2) with respect to a work-  
7           eligible individual—

8           “(A) within 1 year after the effective date  
9           of this subsection, in the case of an individual  
10          who, as of such effective date, is a recipient of  
11          assistance under the State program funded  
12          under this part (as in effect immediately before  
13          such effective date); or

14          “(B) within 60 days after the individual is  
15          determined to be eligible for the assistance, in  
16          the case of any other individual.

17          “(4) UNIVERSAL ENGAGEMENT.—Subject to the  
18          exceptions in paragraph (3), each State shall require  
19          all work-eligible recipients receiving funds under the  
20          State program funded under this part to engage in  
21          work in accordance with the provisions of section  
22          407(c), 407(d), and 407(e).

23          “(5) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—In addition to any other penalties required  
24          under the State program funded under this part, the  
25

1 State shall reduce, by such amount as the State con-  
 2 siderers appropriate, the amount of assistance other-  
 3 wise payable under the State program to a family  
 4 that includes an individual who fails without good  
 5 cause to comply with an individual opportunity plan  
 6 developed pursuant to this subsection, that is signed  
 7 by the individual.

8 “(6) PERIODIC REVIEW.—The State shall meet  
 9 with each work-eligible individual assessed by the  
 10 State under paragraph (1), not less frequently than  
 11 every 90 days, to—

12 “(A) review the individual opportunity plan  
 13 developed for the individual, including the eligi-  
 14 bility of the individual for benefits;

15 “(B) discuss with the individual the  
 16 progress made by the individual in achieving  
 17 the goals specified in the plan; and

18 “(C) update the plan, as necessary, to re-  
 19 flect any changes in the circumstances of the  
 20 individual since the plan was last reviewed.”.

21 **SEC. 7. PROMOTING ACCOUNTABILITY BY MEASURING**  
 22 **WORK OUTCOMES.**

23 (a) IN GENERAL.—Section 407(a) (42 U.S.C.  
 24 607(a)) is amended to read as follows:

1       “(a) PERFORMANCE ACCOUNTABILITY AND WORK  
2 OUTCOMES.—

3               “(1) WORK OUTCOMES.—

4                       “(A) IN GENERAL.—A State to which a  
5 grant is made under section 403 shall achieve  
6 the requisite minimum level of performance for  
7 a fiscal year described in this paragraph with  
8 respect to the percentage of employment exits  
9 for families receiving assistance under the State  
10 program funded under this part, or be subject  
11 to penalty as described in section 409(a)(3).

12                      “(B) CALCULATION OF PERCENTAGE OF  
13 EMPLOYMENT EXITS.—For purposes of this  
14 paragraph, the percentage of employment exits  
15 with respect to a State equals the ratio of the  
16 number of work-eligible individuals who are in  
17 unsubsidized employment 6 months after their  
18 exit to the average monthly number of families  
19 receiving assistance under the State program  
20 funded under this part.

21                      “(C) AGREEMENT ON REQUISITE LEVEL  
22 OF PERFORMANCE.—The Secretary and the  
23 State shall negotiate the requisite level of per-  
24 formance for the State with respect to employ-

1           ment exits for each fiscal year beginning with  
2           fiscal year 2021.

3           “(2) PERFORMANCE ACCOUNTABILITY.—

4                 “(A) PURPOSE.—The purpose of this para-  
5           graph is to provide for the establishment of per-  
6           formance accountability measures to assess the  
7           effectiveness of States in increasing employ-  
8           ment, retention, and advancement among fami-  
9           lies receiving assistance under the State pro-  
10          gram funded under this part.

11                “(B) IN GENERAL.—A State to which a  
12          grant is made under section 403 for a fiscal  
13          year shall achieve the requisite level of perform-  
14          ance on an indicator described in subparagraph  
15          (D) of this paragraph for the fiscal year.

16                “(C) MEASURING STATE PERFORMANCE.—  
17          Each State, in consultation with the Secretary,  
18          shall collect and submit to the Secretary the in-  
19          formation necessary to measure the level of per-  
20          formance of the State for each indicator de-  
21          scribed in subparagraph (D), for fiscal year  
22          2021 and each fiscal year thereafter, and the  
23          Secretary shall use the information collected for  
24          fiscal year 2021 to establish the baseline level

1 of performance for each State for each such in-  
2 dicator.

3 “(D) INDICATORS OF PERFORMANCE.—  
4 The indicators described in this subparagraph,  
5 for a fiscal year, are the following:

6 “(i) The percentage of individuals who  
7 were work-eligible individuals as of the  
8 time of exit from the program, who are in  
9 unsubsidized employment during the 2nd  
10 quarter after the exit.

11 “(ii) The percentage of individuals  
12 who were work-eligible individuals who  
13 were in unsubsidized employment in the  
14 2nd quarter after the exit, who are also in  
15 unsubsidized employment during the 4th  
16 quarter after the exit.

17 “(iii) The median earnings of individ-  
18 uals who were work-eligible individuals as  
19 of the time of exit from the program, who  
20 are in unsubsidized employment during the  
21 2nd quarter after the exit.

22 “(iv) The percentage of individuals  
23 who have not attained 24 years of age, are  
24 attending high school or enrolled in an  
25 equivalency program, and are work-eligible

1 individuals or were work-eligible individ-  
2 uals as of the time of exit from the pro-  
3 gram, who obtain a high school degree or  
4 its recognized equivalent while receiving as-  
5 sistance under the State program funded  
6 under this part or within 1 year after the  
7 exit.

8 “(E) LEVELS OF PERFORMANCE.—

9 “(i) IN GENERAL.—For each State  
10 submitting a State plan pursuant to sec-  
11 tion 402(a), there shall be established, in  
12 accordance with this subparagraph, levels  
13 of performance for each of the indicators  
14 described in subparagraph (D).

15 “(ii) WEIGHT.—The weight assigned  
16 to such an indicator shall be the following:

17 “(I) Forty percent, in the case of  
18 the indicator described in subpara-  
19 graph (D)(i).

20 “(II) Twenty-five percent, in the  
21 case of the indicator described in sub-  
22 paragraph (D)(ii).

23 “(III) Twenty-five percent, in the  
24 case of the indicator described in sub-  
25 paragraph (D)(iii).

1 “(IV) Ten percent, in the case of  
2 the indicator described in subpara-  
3 graph (D)(iv).

4 “(iii) AGREEMENT ON REQUISITE  
5 PERFORMANCE LEVEL FOR EACH INDI-  
6 CATOR.—

7 “(I) IN GENERAL.—The Sec-  
8 retary and the State shall negotiate  
9 the requisite level of performance for  
10 the State with respect to each indi-  
11 cator described in clause (ii), for each  
12 fiscal year beginning with fiscal year  
13 2021, and shall do so before the be-  
14 ginning of the fiscal year involved.

15 “(II) REQUIREMENTS IN ESTAB-  
16 LISHING PERFORMANCE LEVELS.—In  
17 establishing the requisite levels of per-  
18 formance, the State and the Secretary  
19 shall—

20 “(aa) take into account how  
21 the levels involved compare with  
22 the levels established for other  
23 States; and

24 “(bb) ensure the levels in-  
25 volved are adjusted, using the ob-

jective statistical model referred  
to in clause (v), based on—

“(AA) the differences  
among States in economic  
conditions, including dif-  
ferences in unemployment  
rates or employment losses  
or gains in particular indus-  
tries;

“(BB) the characteris-  
tics of participants on entry  
into the program, including  
indicators of prior work his-  
tory, lack of educational or  
occupational skills attain-  
ment, or other factors that  
may affect employment and  
earnings; and

“(CC) take into account  
the extent to which the lev-  
els involved promote contin-  
uous improvement in per-  
formance by each State.

“(iv) REVISIONS BASED ON ECONOMIC  
CONDITIONS AND INDIVIDUALS RECEIVING

1 ASSISTANCE DURING THE FISCAL YEAR.—

2 The Secretary shall, in accordance with the  
3 objective statistical model referred to in  
4 clause (v), revise the requisite levels of per-  
5 formance for a State and a fiscal year to  
6 reflect the economic conditions and charac-  
7 teristics of the relevant individuals in the  
8 State during the fiscal year.

9 “(v) STATISTICAL ADJUSTMENT  
10 MODEL.—The Secretary shall use an objec-  
11 tive statistical model to make adjustments  
12 to the requisite levels of performance for  
13 the economic conditions and characteristics  
14 of the relevant individuals, and shall con-  
15 sult with the Secretary of Labor to develop  
16 a model that is the same as or similar to  
17 the model described in section  
18 116(b)(3)(A)(viii) of the Workforce Inno-  
19 vation and Opportunity Act (29 U.S.C.  
20 3141(b)(3)(A)(viii)).

21 “(vi) DEFINITION OF EXIT.—In this  
22 paragraph, the term ‘exit’ means, with re-  
23 spect to a State program funded under  
24 this part, ceases to a receive a JOBS ben-  
25 efit under the program.

1           “(F) STATE OPTION TO ESTABLISH COM-  
 2           MON EXIT MEASURES.—Notwithstanding sub-  
 3           paragraph (E)(vi) of this paragraph, a State  
 4           that has not provided the notification under  
 5           section 121(b)(1)(C)(ii) of the Workforce Inno-  
 6           vation and Opportunity Act to exclude the State  
 7           program funded under this part as a mandatory  
 8           one-stop partner may adopt an alternative defi-  
 9           nition of ‘exit’ for the purpose of creating com-  
 10          mon exit measures to improve alignment with  
 11          workforce programs operated under title I of  
 12          such Act.

13           “(G) REGULATIONS.—In order to ensure  
 14          nationwide comparability of data, the Secretary,  
 15          after consultation with the Secretary of Labor  
 16          and with States, shall issue regulations gov-  
 17          erning the establishment of the performance ac-  
 18          countability system under this paragraph and a  
 19          template for performance reports to be used by  
 20          all States consistent with subsection (b).”.

21          (b) REPORTS ON STATE PERFORMANCE ON HHS  
 22          ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.  
 23          607(b)) is amended to read as follows:

24           “(b) PUBLICATION OF STATE PERFORMANCE.—The  
 25          Secretary shall, directly or through the use of grants or

1 contracts, establish and operate an Internet website that  
 2 is accessible to the public, with a dashboard that is regu-  
 3 larly updated and provides easy-to-understand information  
 4 on the performance of each State program funded under  
 5 this part, including a profile for each such program, ex-  
 6 pressed by use of a template, which shall include—

7           “(1) information on the indicators and requisite  
 8           performance levels established for the State under  
 9           subsection (a), including, with respect to each such  
 10          level, whether the State achieves, exceeds, or fails to  
 11          achieve the level on an ongoing basis, including—

12                   “(A) information on any adjustments made  
 13                   to the requisite levels using the statistical ad-  
 14                   justment model described in subsection  
 15                   (a)(3)(D)(v); and

16                   “(B) a grade based on the overall perform-  
 17                   ance of the State, as determined by the Sec-  
 18                   retary and in consultation with the State, and  
 19                   the overall performance shall be graded based  
 20                   on the performance indicators and weights for  
 21                   each such indicator as described in subsection  
 22                   (a);

23           “(2) information reported under section 411 on  
 24          the characteristics and demographics of individuals

1 receiving assistance under the State program, in-  
 2 cluding—

3 “(A) the number and percentage of child-  
 4 only cases and reason why the cases are child-  
 5 only; and

6 “(B) the average weekly number of hours  
 7 that each work-eligible individual in the State  
 8 program participates in work activities, includ-  
 9 ing a separate section showing the number and  
 10 percentage of the work-eligible individuals with  
 11 zero hours of the participation and the reason  
 12 for non-participation;

13 “(3) information on the results of improper  
 14 payments reviews;

15 “(4) a link to the State plan approved under  
 16 section 402; and

17 “(5) information regarding any penalty im-  
 18 posed, or other corrective action taken, by the Sec-  
 19 retary against a State for failing to achieve a req-  
 20 uisite performance level or any other requirement  
 21 imposed by or under this part.”.

22 (c) MODIFICATION OF RULES FOR DETERMINING  
 23 WHETHER AN INDIVIDUAL IS ENGAGED IN WORK.—Sec-  
 24 tion 407(c) (42 U.S.C. 607(c)) is amended—

25 (1) in paragraph (1)—

1 (A) in subparagraph (A)—

2 (i) by striking “For purposes of sub-  
3 section (b)(1)(B)(i), a” and inserting “A”;  
4 and

5 (ii) by striking “, not fewer than” and  
6 all that follows through “this subsection”;  
7 and

8 (B) in subparagraph (B)—

9 (i) in the matter preceding clause (i),  
10 by striking “For purposes of subsection  
11 (b)(2)(B), an” and inserting “An”;

12 (ii) in clause (i), by striking “, not  
13 fewer than” and all that follows through  
14 “this subsection”; and

15 (iii) in clause (ii), by striking “, not  
16 fewer than” and all that follows through  
17 “subsection (d)”; and

18 (2) in paragraph (2)—

19 (A) by striking subparagraphs (A) and  
20 (D);

21 (B) in each of subparagraphs (B) and (C),  
22 by striking “For purposes of determining  
23 monthly participation rates under subsection  
24 (b)(1)(B)(i), a” and inserting “A”;

1 (C) by redesignating subparagraphs (B)  
 2 and (C) as subparagraphs (A) and (B), respec-  
 3 tively; and

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

5 “(C) STATE OPTION FOR PARTICIPATION  
 6 REQUIREMENT EXEMPTIONS.—For any fiscal  
 7 year, a State may, at its option, not require an  
 8 individual who is a single custodial parent car-  
 9 ing for a child who has not attained 12 months  
 10 of age to engage in work, for not more than 12  
 11 months.”.

12 (d) MODIFICATIONS TO ALLOWABLE WORK ACTIVI-  
 13 TIES.—Section 407(d) (42 U.S.C. 607(d)) is amended—

14 (1) in paragraph (5), by inserting “, including  
 15 apprenticeship” before the semicolon;

16 (2) in paragraph (6), by inserting “supervised”  
 17 before “job search”;

18 (3) in paragraph (8), by striking “(not to ex-  
 19 ceed 12 months with respect to any individual)” and  
 20 inserting “, including career technical education”;

21 (4) in paragraph (11), by striking “and” at the  
 22 end;

23 (5) in paragraph (12), by striking the period  
 24 and inserting “; and”; and

25 (6) by adding at the end the following:

1 “(13) participation in an in-home program  
2 teaching parenting skills that complies with the re-  
3 quirements of section 407(c).”.

4 (e) PENALTY AGAINST STATES.—

5 (1) IN GENERAL.—Section 409(a)(3) (42  
6 U.S.C. 609(a)(3)) is amended by striking all that  
7 precedes subparagraph (B) and inserting the fol-  
8 lowing:

9 “(3) FAILURE TO SATISFY WORK OUTCOMES  
10 AND WORK ENGAGEMENT.—

11 “(A) IN GENERAL.—If the Secretary deter-  
12 mines that a State to which a grant is made  
13 under section 403 for a fiscal year has failed to  
14 comply with any of section 407(a)(1), section  
15 408(b)(3), or section 408(b)(4) for the fiscal  
16 year, the Secretary shall reduce the grant pay-  
17 able to the State under section 403(a)(1) for  
18 the immediately succeeding fiscal year by an  
19 amount equal to the applicable percentage of  
20 the State family assistance grant.”.

21 (2) TRANSITION RULE.—The Secretary of  
22 Health and Human Services may not impose a pen-  
23 alty under section 409(a)(3) of the Social Security  
24 Act by reason of the failure of a State to comply

1 with section 407(a) of such Act for any fiscal year  
 2 before fiscal year 2021.

3 (f) PRO RATA REDUCTION OF ASSISTANCE FOR INDIVIDUAL  
 4 NONCOMPLIANCE.—Section 407(e) (42 U.S.C.  
 5 607(e)) is amended by adding at the end the following:

6 “(3) PRO RATA REDUCTION.—For purposes of  
 7 paragraph (1)(A), the amount of a pro rata reduc-  
 8 tion in assistance shall be determined by multiplying  
 9 the total amount of monthly assistance that would,  
 10 in the absence of the application of this paragraph,  
 11 be paid to the entire family, by the ratio of—

12 “(A) the number of hours of required work  
 13 activities as designated in subsection (d) actu-  
 14 ally performed by the individual during the  
 15 month; to

16 “(B) the number of hours of work activi-  
 17 ties that the individual was required to perform  
 18 during the month in accordance with subsection  
 19 (c).

20 “(4) PENALTIES AND ENGAGEMENT.—

21 “(A) IN GENERAL.—Subject to the limita-  
 22 tion in (B), if in a given month an individual  
 23 who received assistance under this part was re-  
 24 quired to engage in work under section  
 25 408(b)(4), failed to fulfill those obligations and

1           was subsequently sanctioned in accordance with  
 2           section 407(e)(2) and (3), that individual shall  
 3           judged to be engaged in work for that month  
 4           for purposes of section 408(b)(4).

5           “(B) LIMITATION.—If an individual re-  
 6           ceives no benefits for two consecutive months  
 7           due to sanctioning under section 407(e)(2) and  
 8           (3), that individual shall not be counted as en-  
 9           gaged in work in subsequent months for pur-  
 10          poses of section 408(b)(4) unless actual work in  
 11          accordance with section 407(d) was resumed.”.

12          (g) CONFORMING AMENDMENT.—The heading of sec-  
 13          tion 412(c) (42 U.S.C. 612(c)) is amended by striking  
 14          “MINIMUM WORK PARTICIPATION REQUIREMENTS” and  
 15          inserting “REQUIREMENTS FOR WORK OUTCOME MEAS-  
 16          URES”.

17       **SEC. 8. TARGETING FUNDS TO TRULY NEEDY FAMILIES.**

18          (a) PROHIBITION ON USE OF FUNDS FOR FAMILIES  
 19          WITH INCOME GREATER THAN TWICE THE POVERTY  
 20          LINE.—Section 404(k) (42 U.S.C. 604(k)) is amended to  
 21          read as follows:

22          “(k) PROHIBITIONS.—

23               “(1) USE OF FUNDS FOR PERSONS WITH IN-  
 24               COME GREATER THAN TWICE THE POVERTY LINE.—

25               A State to which a grant is made under this part

1 shall not use the grant to provide any assistance or  
 2 services to a family whose monthly income exceeds  
 3 twice the poverty line (as defined by the Office of  
 4 Management and Budget, and revised annually in  
 5 accordance with section 673(2) of the Omnibus  
 6 Budget Reconciliation Act of 1981 (42 U.S.C.  
 7 9902(2))).’.

8 (b) ELIMINATION OF LIMITATION ON USE OF FUNDS  
 9 FOR CASE MANAGEMENT ACTIVITIES.—Section 404(b)(2)  
 10 (42 U.S.C. 604(b)(2)) is amended to read as follows:

11 “(2) EXCEPTIONS.—Paragraph (1) of this sub-  
 12 section shall not apply to the use of a grant for—

13 “(A) information technology and comput-  
 14 erization needed for tracking, monitoring, or  
 15 data collection required by or under this part;  
 16 or

17 “(B) case management activities to carry  
 18 out section 408(b).’.

19 (c) PROHIBITION ON USE OF FUNDS FOR DIRECT  
 20 SPENDING ON CHILD CARE SERVICES OR ACTIVITIES.—  
 21 Section 404(k) (42 U.S.C. 604(k)), as amended by sub-  
 22 section (a) of this section, is amended by adding at the  
 23 end the following:

24 “(2) DIRECT SPENDING ON CHILD CARE SERV-  
 25 ICES OR ACTIVITIES.—A State to which a grant is

1       made under this part shall not use the grant for di-  
 2       rect spending on child care and other early childhood  
 3       education programs, services, or activities.”.

4       (d) LIMITATION ON USE OF FUNDS FOR CHILD WEL-  
 5       FARE SERVICES OR ACTIVITIES.—Section 404(k) (42  
 6       U.S.C. 604(k)), as amended by subsections (a) and (c)  
 7       of this section, is amended—

8               (1) in the subsection heading, by inserting “;  
 9       LIMITATION” after “PROHIBITIONS”; and

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

11              “(3) LIMITATION ON USE OF FUNDS FOR CHILD  
 12       WELFARE SERVICES OR ACTIVITIES.—A State may  
 13       use not more than 10 percent of a grant made to  
 14       the State under section 403(a)(1) for child welfare  
 15       services or activities, taking into account any  
 16       amount transferred under subsection (d)(2) of this  
 17       section.”.

18       (e) EXPANSION OF AUTHORITY TO TRANSFER  
 19       FUNDS.—Section 404(d) (42 U.S.C. 604(d)) is amended  
 20       by striking paragraphs (1) through (3) and inserting the  
 21       following:

22              “(1) IN GENERAL.—A State may transfer not  
 23       more than 50 percent of the grant made to the State  
 24       under section 403(a)(1) to a State program pursu-  
 25       ant to any or all of the following provisions of law:

1           “(A) The Child Care and Development  
2           Block Grant Act of 1990.

3           “(B) Title I of the Workforce Innovation  
4           and Opportunity Act.

5           “(C) Subpart 1 of part B of this title.

6           “(2) LIMITATION ON AMOUNT TRANSFERABLE  
7           TO SUBPART 1 OF PART B.—A State may transfer  
8           not more than 10 percent of a grant made to the  
9           State under section 403(a)(1) to carry out State  
10          programs operated pursuant to the State plan devel-  
11          oped under subpart 1 of part B, taking into account  
12          any amount used as described in subsection (k)(3)  
13          of this section.

14          “(3) APPLICABLE RULES.—

15               “(A) IN GENERAL.—Except as provided in  
16               subparagraph (B) of this paragraph, any  
17               amount paid to a State under this part that is  
18               used to carry out a State program pursuant to  
19               a provision of law specified in paragraph (1)  
20               shall not be subject to the requirements of this  
21               part, but shall be subject to the requirements  
22               that apply to Federal funds provided directly  
23               under the provision of law to carry out the pro-  
24               gram, and the expenditure of any amount so

1           used shall not be considered to be an expendi-  
2           ture under this part.

3           “(B) FUNDS TRANSFERRED TO THE  
4           WIOA.—In the case of funds transferred under  
5           paragraph (1)(B) of this subsection—

6                   “(i) the State shall provide an assur-  
7                   ance that the funds will be used to support  
8                   individuals eligible for assistance or serv-  
9                   ices under this part pursuant to subsection  
10                  (k)(1); and

11                   “(ii) not more than 15 percent of the  
12                   funds will be reserved for statewide work-  
13                   force investment activities referred to in  
14                   section 128(a)(1) of the Workforce Innova-  
15                   tion and Opportunity Act.

16           “(4) WIOA TRANSFER AUTHORITY NOT AVAIL-  
17           ABLE TO STATES EXCLUDING THE STATE JOBS PRO-  
18           GRAM AS A MANDATORY ONE-STOP PARTNER UNDER  
19           THE WIOA.—The authority provided by paragraph  
20           (1)(B) of this subsection may not be exercised by a  
21           State that has provided the notification referred to  
22           in section 407(a)(2)(F).”.

23 **SEC. 9. TARGETING FUNDS TO CORE PURPOSES.**

24           (a) REQUIREMENT THAT STATES RESERVE 25 PER-  
25           CENT OF JOBS GRANT FOR SPENDING ON CORE ACTIVI-

1 TIES.—Section 408(a) (42 U.S.C. 608(a)) is amended by  
 2 adding at the end the following:

3 “(13) REQUIREMENT THAT STATES RESERVE 25  
 4 PERCENT OF JOBS GRANT FOR SPENDING ON CORE  
 5 ACTIVITIES.—A State to which a grant is made  
 6 under section 403(a)(1) for a fiscal year shall ex-  
 7 pend not less than 25 percent of the grant on assist-  
 8 ance, case management, work supports and sup-  
 9 portive services, work, wage subsidies, work activities  
 10 (as defined in section 407(d)), and non-recurring  
 11 short-term benefits.”.

12 (b) REQUIREMENT THAT AT LEAST 25 PERCENT OF  
 13 QUALIFIED STATE EXPENDITURES BE FOR CORE ACTIVI-  
 14 TIES.—Section 408(a) (42 U.S.C. 608(a)), as amended by  
 15 subsection (a) of this section, is amended by adding at  
 16 the end the following:

17 “(14) REQUIREMENT THAT AT LEAST 25 PER-  
 18 CENT OF QUALIFIED STATE EXPENDITURES BE FOR  
 19 CORE ACTIVITIES.—Not less than 25 percent of the  
 20 qualified State expenditures (as defined in section  
 21 409(a)(7)(B)(ii)) of a State during the fiscal year  
 22 shall be for assistance, case management, work sup-  
 23 ports and supportive services, work, wage subsidies,  
 24 work activities (as defined in section 407(d)), and  
 25 non-recurring short-term benefits.”.

1       (c) PHASE-OUT OF COUNTING OF THIRD-PARTY  
 2 CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-  
 3 TURES.—Section 408(a) (42 U.S.C. 608(a)), as amended  
 4 by subsections (a) and (b) of this section, is amended by  
 5 adding at the end the following:

6           “(15) PHASE-OUT OF COUNTING OF THIRD-  
 7 PARTY CONTRIBUTIONS AS QUALIFIED STATE EX-  
 8 PENDITURES.—

9           “(A) IN GENERAL.—The qualified State  
 10 expenditures (as defined in section  
 11 409(a)(7)(B)(i)) of a State for a fiscal year  
 12 that are attributable to the value of goods and  
 13 services provided by a source other than a State  
 14 or local government shall not exceed the appli-  
 15 cable percentage of the expenditures for the fis-  
 16 cal year.

17           “(B) APPLICABLE PERCENTAGE.—In sub-  
 18 paragraph (A), the term ‘applicable percentage’  
 19 means, with respect to a fiscal year—

20                   “(i) 75 percent, in the case of fiscal  
 21 year 2020;

22                   “(ii) 50 percent, in the case of fiscal  
 23 year 2021;

24                   “(iii) 25 percent, in the case of fiscal  
 25 year 2022; and

1 “(iv) 0 percent, in the case of fiscal  
2 year 2023 or any succeeding fiscal year.”.

3 **SEC. 10. STRENGTHENING PROGRAM INTEGRITY BY MEAS-**  
4 **URING IMPROPER PAYMENTS.**

5 Section 404 (42 U.S.C. 604) is amended by adding  
6 at the end the following:

7 “(1) APPLICABILITY OF IMPROPER PAYMENTS  
8 LAWS.—

9 “(1) IN GENERAL.—The Improper Payments  
10 Information Act of 2002 and the Improper Pay-  
11 ments Elimination and Recovery Act of 2010 shall  
12 apply to a State in respect of the State program  
13 funded under this part in the same manner in which  
14 such Acts apply to a Federal agency.

15 “(2) REGULATIONS.—Within 2 years after the  
16 date of the enactment of this subsection, the Sec-  
17 retary shall prescribe regulations governing how a  
18 State reviews and reports improper payments under  
19 the State program funded under this part.”.

20 **SEC. 11. PROHIBITION ON STATE DIVERSION OF FEDERAL**  
21 **FUNDS TO REPLACE STATE SPENDING.**

22 (a) IN GENERAL.—Section 408(a) (42 U.S.C.  
23 608(a)), as amended by section 9 of this Act, is amended  
24 by adding at the end the following:

1           “(16) NON-SUPPLANTATION REQUIREMENT.—  
 2       Funds made available to a State under this part  
 3       shall be used to supplement, not supplant, State  
 4       general revenue spending on activities described in  
 5       section 404.”.

6       (b) EFFECTIVE DATE.—The amendment made by  
 7       subsection (a) shall take effect on October 1, 2020.

8       **SEC. 12. INCLUSION OF POVERTY REDUCTION AS A PRO-**  
 9                               **GRAM PURPOSE.**

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

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

13           (2) by striking the period at the end of para-  
 14       graph (4) and inserting “; and”; and

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

16           “(5) reduce child poverty by increasing employ-  
 17       ment entry, retention, and advancement of needy  
 18       parents.”.

19       **SEC. 13. WELFARE FOR NEEDS NOT WEED.**

20       (a) PROHIBITION.—Section 408(a)(12)(A) (42  
 21       U.S.C. 608(a)(12)(A)) is amended—

22           (1) by striking “or” at the end of clause (ii);

23           (2) by striking the period at the end of clause

24       (iii) and inserting “; or”; and

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

1 “(iv) any establishment that offers  
 2 marihuana (as defined in section 102(16)  
 3 of the Controlled Substances Act) for  
 4 sale.”.

5 (b) EFFECTIVE DATE.—The amendments made by  
 6 subsection (a) shall take effect on the date that is 3 years  
 7 after the date of the enactment of this Act.

8 **SEC. 14. STRENGTHENING ACCOUNTABILITY THROUGH**  
 9 **HHS APPROVAL OF STATE PLANS.**

10 (a) IN GENERAL.—Section 402 (42 U.S.C. 602) is  
 11 amended—

12 (1) in subsection (a)—

13 (A) in the matter preceding paragraph

14 (1)—

15 (i) by striking “27-month” and insert-  
 16 ing “24-month”; and

17 (ii) by striking “found” and inserting  
 18 “approved that”; and

19 (B) in paragraph (1)—

20 (i) in subparagraph (A)—

21 (I) by striking clauses (ii) and

22 (iii) and inserting the following:

23 “(ii) Require work-eligible individuals  
 24 (as defined in the regulations promulgated  
 25 pursuant to section 407(i)(1)(A)(i)) to en-

1 gage in work activities consistent with sec-  
 2 tion 407(c). The document shall describe  
 3 any in-home parenting program participa-  
 4 tion in which will be considered by the  
 5 State as a work activity pursuant to sec-  
 6 tion 407(d)(13).”;

7 (II) by redesignating clauses (iv)  
 8 through (viii) as clauses (iii) through  
 9 (vii), respectively; and

10 (III) by adding at the end the  
 11 following:

12 “(viii) Describe the case management  
 13 practices of the State with respect to the  
 14 requirements of section 408(b), provide a  
 15 copy of the form or forms that will be used  
 16 to assess a work-eligible individual (as so  
 17 defined) and prepare an individual oppor-  
 18 tunity plan for the individual, describe how  
 19 the State will ensure that such a plan is  
 20 reviewed in accordance with section  
 21 408(b)(6), and describe how the State will  
 22 measure progress under the plan.

23 “(ix) Propose the requisite levels of  
 24 performance for the State for purposes of  
 25 section 407(a) for each year in the 2-year

1 period referred to in subsection (d) of this  
2 section, and provide an explanation with  
3 supporting data of why each such level is  
4 appropriate.

5 “(x) Describe how the State will en-  
6 gage low-income noncustodial parents who  
7 owe child support and how such a parent  
8 will be provided with access to work sup-  
9 port and other services under the program  
10 to which the parent is referred to support  
11 their employment and advancement.

12 “(xi) Describe how the State will com-  
13 ply with improper payments provisions in  
14 section 404(l).

15 “(xii) Describe coordination with  
16 other programs, including whether the  
17 State intends to exercise authority pro-  
18 vided by section 404(d) of this Act to  
19 transfer any funds paid to the State under  
20 this part, provide assurance that, in the  
21 case of a transfer to carry out a program  
22 under title I of the Workforce Innovation  
23 and Opportunity Act, the State will comply  
24 with section 404(d)(3)(B) of this Act and  
25 coordinate with the one-stop delivery sys-

1           tem under the Workforce Innovation and  
2           Opportunity Act, and describe how the  
3           State will coordinate with the programs in-  
4           volved to provide services to families re-  
5           ceiving assistance under the program re-  
6           ferred to in paragraph (1) of this sub-  
7           section.

8           “(xiii) Describe how the State will  
9           promote marriage, such as through tem-  
10          porary disregard of the income of a new  
11          spouse when an individual receiving assist-  
12          ance under the State program marries so  
13          that the couple doesn’t automatically lose  
14          benefits due to marriage.

15          “(xiv) Describe how the State will  
16          allow for a transitional period of benefits,  
17          such as through temporary earned income  
18          disregards or a gradual reduction in the  
19          monthly benefit amount, for an individual  
20          receiving assistance who obtains employ-  
21          ment and becomes ineligible due to an in-  
22          crease in income obtained through employ-  
23          ment or through an increase in wages.”;  
24          and

1 (ii) in subparagraph (B), by striking  
 2 clauses (iv) and (v);

3 (2) by striking subsection (c) and inserting the  
 4 following:

5 “(c) PUBLIC AVAILABILITY OF STATE PLANS.—The  
 6 Secretary shall make available to the public a link to any  
 7 plan or plan amendment submitted by a State under this  
 8 subsection.”; and

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

10 “(d) 2-YEAR PLAN.—A plan submitted pursuant to  
 11 this section shall be designed to be implemented during  
 12 a 2-year period.

13 “(e) COMBINED PLAN ALLOWED.—A State may sub-  
 14 mit to the Secretary and the Secretary of Labor a com-  
 15 bined State plan that meets the requirements of sub-  
 16 sections (a) and (d) and that is for programs and activities  
 17 under the Workforce Innovation and Opportunity Act.

18 “(f) APPROVAL OF PLANS.—The Secretary shall ap-  
 19 prove any plan submitted pursuant to this section that  
 20 meets the requirements of subsections (a) through (d).”.

21 (b) DUTIES OF THE SECRETARY.—

22 (1) COORDINATION OF ACTIVITIES; DISSEMINA-  
 23 TION OF INFORMATION.—Section 416 (42 U.S.C.  
 24 616) is amended—

1 (A) by inserting “(a) IN GENERAL.—” be-  
 2 fore “The programs”; and

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

4 “(b) COORDINATION OF ACTIVITIES.—The Secretary  
 5 shall coordinate all activities of the Department of Health  
 6 and Human Services relating to work activities (as defined  
 7 in section 407(d)) and requirements and measurement of  
 8 employment outcomes, and, to the maximum extent prac-  
 9 ticable, coordinate the activities of the Department in this  
 10 regard with similar activities of other Federal entities.

11 “(c) DISSEMINATION OF INFORMATION.—The Sec-  
 12 retary shall disseminate, for voluntary informational pur-  
 13 poses, information on practices that scientifically valid re-  
 14 search indicates are most successful in improving the qual-  
 15 ity of State and tribal programs funded under this part.”.

16 (c) TECHNICAL ASSISTANCE.—

17 (1) IN GENERAL.—Section 406 (42 U.S.C. 606)  
 18 is amended to read as follows:

19 **“SEC. 406. TECHNICAL ASSISTANCE.**

20 “(a) IN GENERAL.—The Secretary shall provide tech-  
 21 nical assistance to States and Indian tribes (which may  
 22 include providing technical assistance on a reimbursable  
 23 basis), which shall be provided by qualified experts on  
 24 practices grounded in scientifically valid research, where  
 25 appropriate, to support activities related publication of

1 State performance under section 407(b) and to carry out  
 2 State and tribal programs funded under this part.

3 “(b) RESERVATION OF FUNDS.—The Secretary shall  
 4 reserve not more than 0.25 percent of the amount appro-  
 5 priated by section 403(a)(1)(C) for a fiscal year to carry  
 6 out subsection (a) of this section.”.

7 (2) CONFORMING AMENDMENT.—Section  
 8 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended  
 9 by striking “percentage specified in section  
 10 413(h)(1)” and inserting “the sum of the percent-  
 11 ages specified in sections 406(b) and 413(h)”.

12 **SEC. 15. ALIGNING AND IMPROVING DATA REPORTING.**

13 (a) REQUIREMENT THAT STATES REPORT FULL-  
 14 POPULATION DATA.—Section 411(a)(1) (42 U.S.C.  
 15 611(a)(1)) is amended—

16 (1) by striking subparagraph (B);

17 (2) by striking “(1) GENERAL REPORTING RE-  
 18 QUIREMENT.—”; and

19 (3) by—

20 (A) redesignating—

21 (i) subparagraph (A) as paragraph  
 22 (1);

23 (ii) clauses (i) through (xvii) of sub-  
 24 paragraph (A) as subparagraphs (A)  
 25 through (Q), respectively;

1 (iii) subclauses (I) through (V) of  
 2 clause (ii) as clauses (i) through (v), re-  
 3 spectively;

4 (iv) subclauses (I) through (VII) of  
 5 clause (xi) as clauses (i) through (vii), re-  
 6 spectively; and

7 (v) subclauses (I) through (V) of  
 8 clause (xvi) as clauses (i) through (v), re-  
 9 spectively; and

10 (B) moving each such redesignated provi-  
 11 sion 2 ems to the left.

12 (b) REPORT ON PARTICIPATION IN WORK ACTIVI-  
 13 TIES.—Section 411(a)(1) (42 U.S.C. 611(a)(1)), as  
 14 amended by subsection (a)(3) of this section, is amended  
 15 by striking subparagraphs (K) and (L) and inserting the  
 16 following:

17 “(K) The work eligibility status of each in-  
 18 dividual in the family, and—

19 “(i) in the case of each work-eligible  
 20 individual (as defined in the regulations  
 21 promulgated pursuant to section  
 22 407(i)(1)(A)(i)) in the family—

23 “(I) the number of hours (includ-  
 24 ing zero hours) per month of partici-  
 25 pation in—

1 “(aa) work activities (as de-  
2 fined in section 407(d)); and

3 “(bb) any other activity re-  
4 quired by the State to remove a  
5 barrier to employment; and

6 “(ii) in the case of each individual in  
7 the family who is not a work-eligible indi-  
8 vidual (as so defined), the reason for that  
9 status.

10 “(L) For each work-eligible individual (as  
11 so defined) and each adult in the family who  
12 did not participate in work activities (as so de-  
13 fined) during a month, the reason for the lack  
14 of participation.”.

15 (c) REPORTING OF INFORMATION ON EMPLOYMENT  
16 AND EARNINGS OUTCOMES.—Section 411(c) (42 U.S.C.  
17 611(c)) is amended to read as follows:

18 “(c) REPORTING OF INFORMATION ON EMPLOYMENT  
19 AND EARNINGS OUTCOMES.—The Secretary, in consulta-  
20 tion with the Secretary of Labor, shall determine the in-  
21 formation that is necessary to compute the employment  
22 and earnings outcomes and the statistical adjustment  
23 model for the employment and earnings outcomes required  
24 under section 407, and each eligible State shall collect and  
25 report that information to the Secretary.”.

1 **SEC. 16. TECHNICAL CORRECTIONS TO DATA EXCHANGE**  
2 **STANDARDS TO IMPROVE PROGRAM COORDI-**  
3 **NATION.**

4 (a) IN GENERAL.—Section 411(d) (42 U.S.C.  
5 611(d)) is amended to read as follows:

6 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED  
7 INTEROPERABILITY.—

8 “(1) DESIGNATION.—The Secretary shall, in  
9 consultation with an interagency work group estab-  
10 lished by the Office of Management and Budget and  
11 considering State government perspectives, by rule,  
12 designate data exchange standards to govern, under  
13 this part—

14 “(A) necessary categories of information  
15 that State agencies operating programs under  
16 State plans approved under this part are re-  
17 quired under applicable Federal law to elec-  
18 tronically exchange with another State agency;  
19 and

20 “(B) Federal reporting and data exchange  
21 required under applicable Federal law.

22 “(2) REQUIREMENTS.—The data exchange  
23 standards required by paragraph (1) shall, to the ex-  
24 tent practicable—

1           “(A) incorporate a widely accepted, non-  
 2           proprietary, searchable, computer-readable for-  
 3           mat, such as the eXtensible Markup Language;

4           “(B) contain interoperable standards devel-  
 5           oped and maintained by intergovernmental  
 6           partnerships, such as the National Information  
 7           Exchange Model;

8           “(C) incorporate interoperable standards  
 9           developed and maintained by Federal entities  
 10          with authority over contracting and financial  
 11          assistance;

12          “(D) be consistent with and implement ap-  
 13          plicable accounting principles;

14          “(E) be implemented in a manner that is  
 15          cost-effective and improves program efficiency  
 16          and effectiveness; and

17          “(F) be capable of being continually up-  
 18          graded as necessary.

19          “(3) RULE OF CONSTRUCTION.—Nothing in  
 20          this subsection shall be construed to require a  
 21          change to existing data exchange standards found to  
 22          be effective and efficient.”.

23          (b) EFFECTIVE DATE.—Not later than the date that  
 24          is 24 months after the date of the enactment of this sec-

tion, the Secretary of Health and Human Services shall  
 issue a proposed rule that—

(1) identifies federally required data exchanges,  
 include specification and timing of exchanges to be  
 standardized, and address the factors used in deter-  
 mining whether and when to standardize data ex-  
 changes; and

(2) specifies State implementation options and  
 describes future milestones.

**SEC. 17. SET-ASIDE FOR ECONOMIC DOWNTURNS.**

Section 404(e) (42 U.S.C. 604(e)) is amended to read  
 as follows:

“(e) DEADLINES FOR OBLIGATION AND EXPENDI-  
 TURES OF FUNDS BY STATES.—

“(1) IN GENERAL.—Except as provided in para-  
 graph (2), a State to which a grant is made under  
 section 403(a)(1) shall obligate the funds within 2  
 years after the date the funds are made available,  
 and shall expend the funds within 3 years after such  
 date.

“(2) EXCEPTION FOR LIMITED AMOUNT OF  
 FUNDS SET ASIDE FOR FUTURE USE.—

“(A) IN GENERAL.—A State to which  
 funds are paid under section 403(a)(1) may re-  
 serve not more than 15 percent of the funds for

1 use in the State program funded under this  
 2 part without fiscal year limitation.

3 “(B) NOTICE OF INTENT TO RESERVE  
 4 FUNDS.—A State that intends to reserve funds  
 5 paid to the State under section 402(a)(1) shall  
 6 notify the Secretary of the intention not later  
 7 than the end of the period in which the funds  
 8 are available for obligation without regard to  
 9 subparagraph (A) of this paragraph.”.

10 **SEC. 18. DEFINITIONS RELATED TO USE OF FUNDS.**

11 Section 419 (42 U.S.C. 619) is amended by adding  
 12 at the end the following:

13 “(6) ASSISTANCE.—The term ‘assistance’  
 14 means cash, payments, vouchers, and other forms of  
 15 benefits designed to meet a family’s ongoing basic  
 16 needs (such as for food, clothing, shelter, utilities,  
 17 household goods, personal care items, and general  
 18 incidental expenses).

19 “(7) WORK SUPPORTS.—The term ‘work sup-  
 20 ports’ means assistance and non-assistance transpor-  
 21 tation benefits (such as the value of allowances, bus  
 22 tokens, car payments, auto repair, auto insurance  
 23 reimbursement, and van services) provided in order  
 24 to help families obtain, retain, or advance in employ-  
 25 ment, participate in work activities (as defined in

section 407(d)), or as a non-recurrent, short-term benefit, including goods provided to individuals in order to help them obtain or maintain employment (such as tools, uniforms, fees to obtain special licenses, bonuses, incentives, and work support allowances and expenditures for job access).

“(8) SUPPORTIVE SERVICES.—The term ‘supportive services’ means services such as domestic violence services, and mental health, substance abuse and disability services, housing counseling services, and other family supports, except to the extent that the provision of the service would violate section 408(a)(6).

“(9) JOBS BENEFIT.—The term ‘JOBS benefit’ means—

“(A) assistance; or

“(B) wage subsidies that are paid, with funds provided under section 403(a) or with qualified State expenditures, with respect to a person who—

“(i) was a work-eligible individual (as defined in the regulations promulgated pursuant to section 407(i)(1)(A)(i)) at the time of entry into subsidized employment,

1                   such as on-the-job training or apprentice-  
2                   ship; and

3                   “(ii) is not receiving assistance.”.

4 **SEC. 19. ELIMINATION OF OBSOLETE PROVISIONS.**

5           (a) **ELIMINATION OF SUPPLEMENTAL GRANTS TO**  
6 **STATES.**—Section 403(a) (42 U.S.C. 603(a)) is amended  
7 by striking paragraph (3).

8           (b) **ELIMINATION OF BONUS TO REWARD HIGH PER-**  
9 **FORMANCE STATES.**—

10           (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.  
11 603(a)) is amended by striking paragraph (4).

12           (2) **CONFORMING AMENDMENT.**—Section  
13 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by  
14 striking “403(a)(4),”.

15           (c) **ELIMINATION OF WELFARE-TO-WORK GRANTS.**—

16           (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.  
17 603(a)) is amended by striking paragraph (5).

18           (2) **CONFORMING AMENDMENTS.**—

19           (A) **ELIMINATION OF EXCLUSION FROM**  
20 **TIME LIMIT.**—Section 408(a)(7) (42 U.S.C.  
21 608(a)(7)) is amended by striking subpara-  
22 graph (G).

23           (B) **ELIMINATION OF PENALTY FOR MIS-**  
24 **USE OF COMPETITIVE WELFARE-TO-WORK**  
25 **FUNDS.**—Section 409(a)(1) (42 U.S.C.

1           609(a)(1)) is amended by striking subpara-  
2           graph (C).

3           (C) ELIMINATION OF EXCLUSION FROM  
4           QUALIFIED STATE EXPENDITURES OF STATE  
5           FUNDS USED TO MATCH WELFARE-TO-WORK  
6           GRANT FUNDS.—Section 409(a)(7)(B)(iv) (42  
7           U.S.C. 609(a)(7)(B)(iv)) is amended in the 1st  
8           sentence—

9                   (i) by adding “or” at the end of sub-  
10                  clause (II); and

11                   (ii) by striking subclause (III) and re-  
12                  designating subclause (IV) as subclause  
13                  (III).

14           (D) ELIMINATION OF PENALTY FOR FAIL-  
15           URE OF STATE TO MAINTAIN HISTORIC EFFORT  
16           DURING YEAR IN WHICH WELFARE-TO-WORK  
17           GRANT IS RECEIVED.—Section 409(a) (42  
18           U.S.C. 609(a)) is amended by striking para-  
19           graph (13).

20           (E) ELIMINATION OF REQUIREMENTS RE-  
21           LATING TO WELFARE-TO-WORK GRANTS IN  
22           QUARTERLY STATE REPORTS.—Section 411(a)  
23           (42 U.S.C. 611(a)), as amended by section  
24           15(a) of this Act, is amended—

1 (i) in paragraph (1), by striking “(ex-  
 2 cept for information relating to activities  
 3 carried out under section 403(a)(5))”; and

4 (ii) in each of paragraphs (2) through  
 5 (4), by striking the comma and all that fol-  
 6 lows and inserting a period.

7 (F) INDIAN TRIBAL PROGRAMS.—Section  
 8 412(a) (42 U.S.C. 612(a)) is amended by strik-  
 9 ing paragraph (3).

10 (G) ELIMINATION OF REQUIREMENT TO  
 11 DISCLOSE CERTAIN INFORMATION TO PRIVATE  
 12 INDUSTRY COUNCIL RECEIVING WELFARE-TO-  
 13 WORK FUNDS.—Section 454A(f) (42 U.S.C.  
 14 654a(f)) is amended by striking paragraph (5).

15 (H) GRANTS TO TERRITORIES.—Section  
 16 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended  
 17 by striking “403(a)(5),”.

18 (d) ELIMINATION OF CONTINGENCY FUND.—

19 (1) IN GENERAL.—Section 403 (42 U.S.C. 603)  
 20 is amended by striking all of subsection (b) except  
 21 paragraph (5).

22 (2) CONFORMING AMENDMENTS.—

23 (A) TRANSFER OF NEEDY STATE DEFINI-  
 24 TION.—

(i) IN GENERAL.—Paragraph (5) of section 403(b) (42 U.S.C. 603(b)(5)) is—

(I) amended—

(aa) in the matter preceding subparagraph (A), by striking “paragraph (4)” and inserting “subparagraph (C)”;

(bb) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(cc) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(dd) by redesignating such paragraph as subparagraph (D); and

(ee) by moving each provision 2 ems to the right; and

(II) as so amended, hereby transferred into section 409(a)(3) (42 U.S.C. 609(a)(3)) and added to the end of such section.

(ii) CONFORMING AMENDMENT.—Section 409(a)(3)(C) (42 U.S.C.

1                   609(a)(3)(C)) is amended by striking “(as  
2                   defined in section 403(b)(5))”.

3                   (B) ELIMINATION OF PENALTY FOR FAIL-  
4                   URE OF STATE RECEIVING AMOUNTS FROM  
5                   CONTINGENCY FUND TO MAINTAIN 100 PER-  
6                   CENT OF HISTORIC EFFORT.—Section 409(a)  
7                   (42 U.S.C. 609(a)) is amended by striking  
8                   paragraph (10).

9                   (e) CONFORMING AMENDMENTS RELATED TO ELIMI-  
10                  NATION OF FEDERAL LOANS FOR STATE WELFARE PRO-  
11                  GRAMS.—

12                  (1) ELIMINATION OF ASSOCIATED PENALTY  
13                  PROVISION.—

14                   (A) IN GENERAL.—Section 409(a) (42  
15                   U.S.C. 609(a)) is amended by striking para-  
16                   graph (6).

17                   (B) CONFORMING AMENDMENTS.—Section  
18                   412(g)(1) (42 U.S.C. 612(g)(1)) is amended by  
19                   striking “(a)(6),”.

20                   (2) ELIMINATION OF PROVISION PROVIDING  
21                   FOR TRIBAL ELIGIBILITY.—Section 412 (42 U.S.C.  
22                   612) is amended by striking subsection (f).

23                   (3) ELIMINATION OF DISREGARD OF LOAN IN  
24                   APPLYING LIMIT ON PAYMENTS TO THE TERRI-

1       TORIES.—Section     1108(a)(2)     (42     U.S.C.  
2       1308(a)(2)) is amended by striking “406,”.

3       (f) ELIMINATION OF LIMITATIONS ON OTHER STATE  
4 PROGRAMS FUNDED WITH QUALIFIED STATE EXPENDI-  
5 TURES.—

6           (1) The following provisions are each amended  
7       by striking “or any other State program funded with  
8       qualified State expenditures (as defined in section  
9       409(a)(7)(B)(i))”:

10           (A) Paragraphs (1) and (2) of section  
11       407(e) (42 U.S.C. 607(e)(1) and (2)).

12           (B) Section 411(a)(1) (42 U.S.C.  
13       611(a)(1)), as amended by section  
14       15(a)(3)(A)(i) of this Act.

15           (C) Subsections (d) and (e)(1) of section  
16       413 (42 U.S.C. 613(d) and (e)(1)).

17       (2) Section 413(a) (42 U.S.C. 613(a)) is  
18       amended by striking “and any other State program  
19       funded with qualified State expenditures (as defined  
20       in section 409(a)(7)(B)(i))”.

21       (g) CONFORMING AMENDMENTS RELATED TO ELIMI-  
22 NATION OF REPORT.—

23           (1) IN GENERAL.—Section 409(a)(2) (42  
24       U.S.C. 609(a)(2)) is amended—

1 (A) in the paragraph heading, by inserting  
 2 “QUARTERLY” before “REPORT”;

3 (B) in subparagraph (A)(ii), by striking  
 4 “clause (i)” and inserting “subparagraph (A)”;

5 (C) by striking “(A) QUARTERLY RE-  
 6 PORTS.—”;

7 (D) by striking subparagraph (B); and

8 (E) by redesignating clauses (i) and (ii) of  
 9 subparagraph (A) as subparagraphs (A) and  
 10 (B), respectively (and adjusting the margins ac-  
 11 cordingly).

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 409(b)(2) (42 U.S.C.  
 14 609(b)(2)) is amended by striking “and,” and  
 15 all that follows and inserting a period.

16 (B) Section 409(c)(4) (42 U.S.C.  
 17 609(c)(4)) is amended by striking “(2)(B),”.

18 (h) ANNUAL REPORTS TO CONGRESS.—Section  
 19 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by  
 20 striking “participation rates” and inserting “outcome  
 21 measures”.

22 (i) REDUCTION IN FORCE PROVISIONS.—Section  
 23 416(a) (42 U.S.C. 616(a)), as so designated by section  
 24 14(b)(1)(A) of this Act, is amended by striking “, and the  
 25 Secretary” and all that follows and inserting a period.

1 (j) CONFORMING CROSS-REFERENCES.—

2 (1) Section 409 (42 U.S.C. 609) is amended—

3 (A) in subsection (a)(7)(B)(i)(III), by  
4 striking “(12)” and inserting “(10)”;

5 (B) in subsection (a) (as amended by sub-  
6 sections (c)(2)(D), (d)(2)(B), and (e)(1)(A) of  
7 this section), by redesignating paragraphs (7),  
8 (8), (9), (11), (12), (14), (15), and (16) as  
9 paragraphs (6) through (13), respectively;

10 (C) in subsection (b)(2), by striking “(8),  
11 (10), (12), or (13)” and inserting “or (10)”;  
12 and

13 (D) in subsection (c)(4), by striking “(8),  
14 (10), (12), (13), or (16)” and inserting “(10),  
15 or (13)”.

16 (2) Section 452 (42 U.S.C. 652) is amended in  
17 each of subsections (d)(3)(A)(i) and (g)(1) by strik-  
18 ing “409(a)(8)” and inserting “409(a)(7)”.

19 (k) MODIFICATIONS TO MAINTENANCE-OF-EFFORT

20 REQUIREMENT.—Section 409(a)(6)(B)(i) (42 U.S.C.

21 609(a)(6)(B)(i)), as redesignated by subsection (j)(1)(B)

22 of this section, is amended—

23 (1) in subclause (I)—

1 (A) in the matter preceding item (aa), by  
 2 striking “all State programs” and inserting  
 3 “the State program funded under this part”;

4 (B) by redesignating items (dd) and (ee)  
 5 as items (ee) and (ff), respectively, and insert-  
 6 ing after item (cc) the following:

7 “(dd) Expenditures for a  
 8 purpose described in paragraph  
 9 (3), (4), or (5) of section  
 10 401(a).”; and

11 (C) in item (ee) (as so redesignated), by  
 12 striking “and (ee)” and inserting “(dd), and  
 13 (ff)”;

14 (2) by striking subclause (V); and

15 (3) in subclause (IV), by inserting “, except any  
 16 of such families whose monthly income exceeds twice  
 17 the poverty line (as defined by the Office of Manage-  
 18 ment and Budget, and revised annually in accord-  
 19 ance with section 673(2) of the Omnibus Budget  
 20 Reconciliation Act of 1981 (42 U.S.C. 9902(2)))”  
 21 before the period.

1   **SEC. 20. EFFECTIVE DATE.**

2           Except as provided in sections 5(g), 11(b) and 13(b),  
3   the amendments made by this Act shall take effect on Oc-  
4   tober 1, 2019.

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