

119TH CONGRESS
2D SESSION

S. 3583

To establish a pilot program in which States may use consolidated funds, through Upward Mobility Grants, for antipoverty programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2026

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

A BILL

To establish a pilot program in which States may use consolidated funds, through Upward Mobility Grants, for anti-poverty programs, 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 “Upward Mobility Act
5 of 2026”.

6 **SEC. 2. CONSOLIDATION OF ANTIPOVERTY PROGRAMS.**

7 (a) DEFINITIONS.—In this section:

1 (1) ANTIPOVERTY OBJECTIVES.—The term
2 “antipoverty objectives” means the objectives de-
3 scribed in subsection (b)(2).

4 (2) ANTIPOVERTY PROGRAM.—The term “anti-
5 poverty program” means the set of activities for
6 which a covered amount may be used.

7 (3) COVERED AMOUNT.—

8 (A) IN GENERAL.—Subject to subpara-
9 graph (B), the term “covered amount”
10 means—

11 (i) an amount that a State is eligible
12 to receive in Federal funds, through a
13 grant, contract, or other payment—

14 (I) under subsection (a) or (h) of
15 section 16 of the Food and Nutrition
16 Act of 2008 (7 U.S.C. 2025) (relating
17 to the supplemental nutrition assist-
18 ance program);

19 (II) for benefits (as defined in
20 section 3 of the Food and Nutrition
21 Act of 2008 (7 U.S.C. 2012)) for par-
22 ticipants of the supplemental nutrition
23 assistance program established under
24 the Food and Nutrition Act of 2008
25 (7 U.S.C. 2011 et seq.) pursuant to

1 section 4(a)(1) of that Act (7 U.S.C.
2 2013(a)(1));

3 (III) under paragraph (1) or (2)
4 of section 403(a) of the Social Secu-
5 rity Act (42 U.S.C. 603(a)) (relating
6 to the temporary assistance for needy
7 families program State family assist-
8 ance grant);

9 (IV) under section 658O(b) of
10 the Child Care and Development
11 Block Grant Act of 1990 (42 U.S.C.
12 9858m(b)), from amounts appro-
13 priated under that Act or under sec-
14 tion 418(a)(3)(A) of the Social Secu-
15 rity Act (42 U.S.C. 618(a)(3)(A)) (re-
16 lating to a program of child care serv-
17 ices);

18 (V) under section 2604 (other
19 than subsection (e)), 2607A, 2607B,
20 or 2609A of the Low-Income Home
21 Energy Assistance Act of 1981 (42
22 U.S.C. 8623, 8626a, 8626b, or
23 8628a) (relating to programs of home
24 energy assistance);

1 (VI) under section 132(b)(2)(B)
2 or section 170 of the Workforce Inno-
3 vation and Opportunity Act (29
4 U.S.C. 3171(b)(2)(B), 3225) (relating
5 to assistance for dislocated workers);
6 and

7 (VII) under subsection (b) or (d)
8 of section 106 of the Housing and
9 Community Development Act of 1974
10 (42 U.S.C. 5306) (relating to commu-
11 nity development);

12 (ii) the amount that public housing
13 agencies, as defined in section 3(b) of the
14 United States Housing Act of 1937 (42
15 U.S.C. 1437a(b)), located in a State are
16 eligible to receive through allocations—

17 (I) under section 8(o) of such Act
18 (42 U.S.C. 1437f(o)) for tenant-based
19 assistance; and

20 (II) under section 9 of such Act
21 (42 U.S.C. 1437g) for public housing
22 from the Capital Fund and Operating
23 Fund; and

24 (iii) the amount that persons and
25 families located in a State (other than

members of an Indian tribe) are eligible to receive in Federal assistance under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a).

(B) RULE.—The term “covered amount”—

(i) includes an amount described in subparagraph (A) whether or not the State or public housing agency involved is directed to use the amount to provide funding for localities or other entities under Federal law, subject to clause (ii); and

(ii) does not include any amount described in subparagraph (A) that a State or public housing agency is so directed to use to provide funding for an Indian tribe.

(4) DIRECT ASSISTANCE BENEFITS.—The term “direct assistance benefits” means—

(A) nutrition (including food) benefits;

(B) cash benefits for low-income families and individuals;

(C) child care subsidies;

(D) home energy (including utility) assistance;

1 (E) employment and training services pro-
 2 vided directly to a dislocated worker; and

3 (F) housing (including rent) subsidies.

4 (5) INDIAN TRIBE.—The term “Indian tribe”
 5 has the meaning given the term in section 4 of the
 6 Indian Self-Determination and Education Act (25
 7 U.S.C. 5304).

8 (6) MARGINAL EFFECTIVE TAX RATE.—The
 9 term “Marginal Effective Tax Rate”, used with re-
 10 spect to an individual, means the percentage of an
 11 increase in earned income attributable to the individ-
 12 ual’s employment, as determined for a State under
 13 subsection (j)(2), that is offset by—

14 (A) the combined reduction or loss in value
 15 of per-capita direct assistance for the indi-
 16 vidual; and

17 (B) the combined increase in Federal,
 18 State, and local income and payroll taxes for
 19 the individual.

20 (7) PER-CAPITA DIRECT ASSISTANCE.—The
 21 term “per-capita direct assistance”, used with re-
 22 spect to a State, means—

23 (A) the total amount of Federal funding
 24 used in a pilot project in any year for direct as-

1 sistance benefits from the funding sources listed
2 in paragraph (3); divided by

3 (B) the population of the State.

4 (8) SECRETARY.—The term “Secretary” means
5 the Secretary of Health and Human Services, acting
6 through the Assistant Secretary for Children and
7 Families.

8 (9) STATE.—The term “State” means each of
9 the several States of the United States, and the Dis-
10 trict of Columbia.

11 (b) PURPOSES.—The purposes of this Act are—

12 (1) to achieve the goals of—

13 (A) streamlining service delivery and re-
14 ducing inconsistent eligibility requirements and
15 benefit cliffs through pilot projects promoting
16 antipoverty objectives;

17 (B) promoting upward mobility through
18 improved employment outcomes described in
19 subsection (j)(2)(B), including increased em-
20 ployment and earnings, among participants in a
21 pilot project; and

22 (C) providing incentives to States to re-
23 duce dependence on per-capita direct assistance
24 through the pilot projects by enabling individ-

1 uals to achieve the improved employment out-
2 comes; and

3 (2) to accomplish those goals by authorizing
4 States to apply to receive Upward Mobility Grants
5 for the purpose of carrying out a pilot project to
6 promote antipoverty objectives, consisting of—

7 (A) reduced benefit cliffs through benefit
8 structures that limit Marginal Effective Tax
9 Rates; and

10 (B) increased levels of employment and
11 earnings among participants in programs cov-
12 ered by the pilot project, skills acquisition,
13 housing (including rental housing) affordability,
14 access to nutrition, reduced home energy costs,
15 affordable child care, and temporary assistance
16 to low-income families.

17 (c) ESTABLISHMENT.—

18 (1) IN GENERAL.—There is established a pilot
19 program through which the Secretary may—

20 (A) permit not more than 5 States to carry
21 out pilot projects; and

22 (B) consolidate funding from antipoverty
23 programs into Upward Mobility Grants made
24 under subsection (d)(1), and make those grants
25 to the States to carry out the projects.

1 (2) LIMITED SCOPE PILOT PROJECTS.—A State
 2 may elect to seek such permission and consolidated
 3 funding to carry out a limited scope pilot project de-
 4 scribed in the State’s application under subsection
 5 (f).

6 (3) DURATION.—The Secretary shall provide
 7 the permission and grants described in this sub-
 8 section for a pilot project for a single period of 5
 9 years.

10 (d) UPWARD MOBILITY GRANTS.—

11 (1) PILOT PROJECT GRANT AMOUNTS.—Not-
 12 withstanding any other provision of Federal law ap-
 13 plicable to an antipoverty program, except as other-
 14 wise provided in this section, for each fiscal year of
 15 the pilot project period applicable to a pilot project
 16 approved for a State pursuant to subsection (g), the
 17 Secretary shall make an Upward Mobility Grant to
 18 the State, as calculated under paragraph (2), for
 19 purposes of carrying out the project for that fiscal
 20 year.

21 (2) CALCULATION.—

22 (A) FIRST YEAR.—For the first fiscal year
 23 of the pilot project, the Secretary shall make an
 24 Upward Mobility Grant to the State, in a sum
 25 calculated as the total of the covered amounts

received by the State, for the preceding fiscal year, adjusted by the percentage change in the Personal Consumption Expenditures Price Index of the Bureau of Economic Analysis of the Department of Commerce for such preceding fiscal year.

(B) SUBSEQUENT YEARS.—For each fiscal year of the pilot project (referred to in this subparagraph as a “target fiscal year”) after the first fiscal year described in subparagraph (A), the Secretary shall make an Upward Mobility Grant to the State, in an updated sum equal to the sum calculated for the State under this paragraph for the preceding fiscal year, adjusted—

(i) by the percentage change in that Personal Consumption Expenditures Price Index between the first day of the preceding fiscal year and the first day of the target fiscal year; and

(ii) in a manner consistent with the per-capita direct assistance adjustment prohibition described in subsection (k).

(C) ADJUSTMENT FOR APPROPRIATIONS LAPSE.—

1 (i) FIRST YEAR.—For the purposes of
2 determining, under subparagraph (A), a
3 total of covered amounts for a preceding
4 fiscal year in which there was a lapse in
5 appropriations, the total of the covered
6 amounts shall be determined as if the cor-
7 responding funding was appropriated for
8 the entire fiscal year.

9 (ii) SUBSEQUENT YEARS.—For the
10 purposes of determining, under subpara-
11 graph (B), a sum calculated for a State for
12 a preceding fiscal year in which there was
13 a lapse in appropriations, the sum shall be
14 determined as if the corresponding funding
15 was appropriated for the entire fiscal year.

16 (D) LIMITED SCOPE PILOT PROJECTS.—
17 Notwithstanding subparagraphs (A) and (B), if
18 a State has obtained approval to carry out a
19 limited scope pilot project under this section,
20 the Upward Mobility Grant for the State shall
21 be a percentage, between 10 and 100 percent,
22 as indicated by the State in the application sub-
23 mitted under subsection (f) of the amount the
24 State would otherwise receive under subpara-
25 graph (A) or (B).

1 (3) PAYMENTS.—For each fiscal year quarter
 2 during the pilot project, the Secretary shall make a
 3 payment to the State under the Upward Mobility
 4 Grant, equal to 25 percent of the amount of the
 5 grant.

6 (e) IMPACT OF PARTICIPATION.—

7 (1) WAIVER.—Notwithstanding any other provi-
 8 sion of Federal law applicable to an antipoverty pro-
 9 gram, except as otherwise provided in this section, if
 10 a State elects to carry out a pilot project and ob-
 11 tains approval of an application under subsection
 12 (g), the Secretary shall, subject to paragraph (2)
 13 and consistent with the goals of the antipoverty pro-
 14 grams included in the pilot project, grant the State,
 15 for purposes of the pilot project, such waivers to
 16 statutory or regulatory requirements, as the State
 17 requests in its application—

18 (A) relating to consolidating, replacing, or
 19 altering eligibility requirements;

20 (B) relating to the design, operation, or
 21 delivery of an antipoverty program; and

22 (C) relating to the use, allocation, or dis-
 23 tribution of funding.

24 (2) PROVISIONS EXCLUDED FROM WAIVER AU-
 25 THORITY.—A waiver shall not be granted under

paragraph (1) with respect to any provision of law relating to—

(A) the goals of any antipoverty program;

(B) civil rights or the prohibition of discrimination;

(C) health or safety;

(D) labor standards under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.);

(E) environmental protection;

(F) any restriction on providing benefits to individuals who are not citizens of or are unlawfully present in the United States;

(G) the protection of religious freedom for providers and beneficiaries of assistance;

(H) any funding restriction or limitation provided in an appropriations Act;

(I) a maintenance of effort requirement; or

(J) any requirement that a State distribute to a sub-State entity part or all of an amount paid to the State.

(3) HOUSING PROGRAMS.—Funds made available under a pilot project for the goals of an antipoverty program related to a covered amount described in clause (i)(VII), (ii), or (iii) of subsection (a)(3)(A) shall continue to be provided to the same

1 eligible local entities or recipients as under applica-
2 ble law in effect as of the date of enactment of this
3 Act.

4 (4) IMPACT ON FUNDING.—

5 (A) IN GENERAL.—During the period of
6 the pilot project—

7 (i) the State shall not be eligible to re-
8 ceive Federal funding for the antipoverty
9 programs, outside the pilot project; and

10 (ii) individuals receiving per-capita di-
11 rect assistance through the pilot project
12 shall not be eligible for additional benefits
13 under the antipoverty programs, outside
14 the pilot project.

15 (B) EXCEPTIONS.—Notwithstanding sub-
16 paragraph (A), in the case of a State carrying
17 out a limited scope pilot project described in
18 subsection (c)(2), the State may continue to re-
19 ceive Federal funding for the antipoverty pro-
20 grams, outside the pilot project.

21 (C) SNAP CONTINGENCY FUND.—

22 (i) IN GENERAL.—Notwithstanding
23 subparagraph (A), on the request of a
24 State carrying out a pilot project, the Sec-
25 retary of Agriculture may use contingency

1 reserve funding made available under the
 2 provisions described in clause (ii) to pro-
 3 vide benefits to individuals receiving per-
 4 capita direct assistance through the pilot
 5 project under the supplemental nutrition
 6 assistance program established under the
 7 Food and Nutrition Act of 2008 (7 U.S.C.
 8 2011 et seq.) during a period of economic
 9 downturn, a natural disaster, a public
 10 health emergency, or another unanticipated
 11 event that increases the demand for those
 12 benefits, as determined by the Secretary of
 13 Agriculture.

14 (ii) PROVISIONS DESCRIBED.—The
 15 provisions referred to in clause (i) are the
 16 following:

17 (I) The matter under the heading
 18 “SUPPLEMENTAL NUTRITION ASSIST-
 19 ANCE PROGRAM” under the heading
 20 “FOOD AND NUTRITION SERVICE”
 21 under the heading “DOMESTIC
 22 FOOD PROGRAMS” in title IV of
 23 division B of the Continuing Appro-
 24 priations, Agriculture, Legislative
 25 Branch, Military Construction and

1 Veterans Affairs, and Extensions Act,
2 2026 (Public Law 119–37).

3 (II) The matter under the head-
4 ing “SUPPLEMENTAL NUTRITION AS-
5 SISTANCE PROGRAM” under the head-
6 ing “FOOD AND NUTRITION SERV-
7 ICE” under the heading “DOMESTIC
8 FOOD PROGRAMS” in title IV of
9 division B of the Consolidated Appro-
10 priations Act, 2024 (Public Law 118–
11 42; 138 Stat. 93).

12 (III) Section 1109 of the Full-
13 Year Continuing Appropriations and
14 Extensions Act, 2025 (Public Law
15 119–4; 139 Stat. 13).

16 (D) TEMPORARY ASSISTANCE FOR NEEDY
17 FAMILIES (TANF) CONTINGENCY FUND.—Not-
18 withstanding subparagraph (A), on the request
19 of a State carrying out a pilot project, the Sec-
20 retary may use funds available under section
21 403(b) of the Social Security Act (42 U.S.C.
22 603(b)) to provide benefits to individuals receiv-
23 ing per-capita direct assistance under the tem-
24 porary assistance for needy families program
25 established under part A of title IV of the So-

1 cial Security Act (42 U.S.C. 601 et seq.)
2 through the pilot project during a period of eco-
3 nomic downturn, a natural disaster, a public
4 health emergency, or another unanticipated
5 event that increases the demand for those bene-
6 fits, as determined by the Secretary. Nothing in
7 the preceding sentence shall be construed as re-
8 quiring the State carrying out the pilot project
9 to submit a request under section 403(b) of the
10 Social Security Act (42 U.S.C. 603(b)) during
11 an eligible month (as defined in paragraph (4)
12 of such section) for payment of funds under
13 such section or for the Secretary to determine
14 that the State is an eligible State for purposes
15 of such section.

16 (E) LOW-INCOME HOME ENERGY ASSIST-
17 ANCE PROGRAM (LIHEAP) EMERGENCY FUND.—
18 Notwithstanding subparagraph (A), on the re-
19 quest of a State carrying out a pilot project, the
20 Secretary may use funds available under section
21 2602(e) of the Low-Income Home Energy As-
22 sistance Act of 1981 (42 U.S.C. 8621(e)) (in
23 addition to meeting the objectives described in
24 that section) to provide benefits to households
25 that include individuals receiving per-capita di-

1 rect assistance through the pilot project under
 2 the Low-Income Home Energy Assistance Pro-
 3 gram established under that Act during a pe-
 4 riod of economic downturn, a natural disaster,
 5 a public health emergency, or another unantici-
 6 pated event that increases the demand for those
 7 benefits, as determined by the Secretary.

8 (F) EMERGENCY FUNDING.—

9 (i) IN GENERAL.—Notwithstanding
 10 subparagraph (A), nothing shall prohibit a
 11 State carrying out a pilot project from re-
 12 ceiving an appropriation described in
 13 clause (ii), and using that appropriation to
 14 provide benefits to individuals receiving
 15 per-capita direct assistance through the
 16 pilot project.

17 (ii) APPROPRIATION.—An appropria-
 18 tion described in this clause is an appro-
 19 priation—

20 (I) for an antipoverty program
 21 related to a covered amount described
 22 in subsection (a)(3)(A); and

23 (II) made in an Act other than
 24 an regular appropriations Act.

1 (5) CLARIFICATION.—A waiver granted to a
 2 State under paragraph (1) includes a waiver for
 3 agencies, persons, and families in the State de-
 4 scribed in clauses (ii) and (iii) of subsection
 5 (a)(3)(A).

6 (f) APPLICATIONS.—To be eligible to receive an Up-
 7 ward Mobility Grant to carry out a pilot project under this
 8 section, a State shall submit an application to the Sec-
 9 retary at such time, in such manner, and containing such
 10 information as the Secretary may require, including—

11 (1) information stating—

12 (A) how the State will utilize the Upward
 13 Mobility Grant to achieve the antipoverty objec-
 14 tives described in subsection (b)(2)(B);

15 (B) how the State will achieve the goals of
 16 the antipoverty programs included in the pilot
 17 project involved, including (as applicable to the
 18 programs included) skills acquisition, housing
 19 (including rental housing) affordability, access
 20 to nutrition, reduced home energy costs, afford-
 21 able child care, and temporary assistance to
 22 low-income families; and

23 (C) how the State will ensure that funds
 24 made available under the pilot project for the
 25 goals of an antipoverty program related to a

1 covered amount described in clause (i)(VII),
2 (ii), or (iii) of subsection (a)(3)(A) shall con-
3 tinue to be provided to the same eligible local
4 entities or recipients as under applicable law in
5 effect as of the date of enactment of this Act,
6 and information demonstrating demonstrable,
7 substantive, and robust engagement with those
8 local entities and recipients on the waiver provi-
9 sions described in subsection (e)(1).

10 (2)(A) information stating which statutory and
11 regulatory requirements applicable to an antipoverty
12 program the State requests to be waived, as de-
13 scribed in subparagraphs (A), (B), and (C) of sub-
14 section (e)(1);

15 (B) a description of how the State will utilize the Up-
16 ward Mobility Grant funds to design and use a benefit
17 structure for benefits and services provided through the
18 pilot project that promotes upward mobility through im-
19 provements on the upward mobility measures outlined in
20 subsection (j)(2); and

21 (C) benchmark goals for improvements on those
22 measures;

23 (3) information describing—

24 (A) the eligibility criteria established by
25 the State for pilot project participants;

1 (B) how the State, in carrying out the pilot
2 project, will—

3 (i) protect beneficiary data and pri-
4 vacy;

5 (ii) prevent fraudulent use of funds;
6 and

7 (iii) maintain clear, auditable records
8 for all funds and services; and

9 (C) the program integrity measures estab-
10 lished by the State to ensure that the State
11 provides direct assistance benefits to eligible
12 pilot project participants in compliance with the
13 criteria established under subparagraph (A) and
14 requirements established under clauses (i), (ii),
15 and (iii) of subparagraph (B);

16 (4)(A) information describing how the State
17 will apply the work requirement for direct assistance
18 benefit recipients specified in subsection (h); and

19 (B) information describing the program integrity
20 measures established by the State to ensure compliance
21 with that work requirement;

22 (5) information demonstrating how the State
23 will engage nonprofit organizations, faith-based or-
24 ganizations, private service providers, local govern-
25 ments, and other local entities to deliver holistic,

1 customized case management and a portion of the
2 services for the pilot project;

3 (6) information describing how the State will
4 evaluate the project by contracting under subsection
5 (j) with an independent, third-party evaluator, and
6 will ensure the most rigorous results from the eval-
7 uation and the strongest possible measurement
8 through the evaluation of the causal link between
9 the State's proposed benefit structure and the up-
10 ward mobility measures listed in subsection (j)(2),
11 including—

12 (A) the methodology that will be used to
13 evaluate the pilot project;

14 (B) the data the State will collect and pro-
15 vide to the evaluator;

16 (C) the process by which the State will col-
17 lect the data to provide to the evaluator; and

18 (D) information on the evaluator's quali-
19 fications, including—

20 (i) confirmation that the evaluator is
21 independent from the State and from any
22 nonprofit organizations, faith-based organi-
23 zations, private service providers, local gov-
24 ernments, and other local entities partici-
25 pating in the pilot project; and

1 (ii) information stating whether the
2 evaluator has demonstrated substantial ex-
3 perience in conducting rigorous evalua-
4 tions, utilizing the methodology described
5 under subparagraph (A);

6 (7) information—

7 (A) describing how the State will utilize
8 fiscal savings resulting from improvements on
9 upward mobility measures under subsection
10 (j)(2) to improve program operations and infra-
11 structure of programs covered by the pilot
12 project, including—

13 (i) establishing a State reserve fund to
14 provide temporary per-capita direct assist-
15 ance benefits to eligible individuals and
16 households during a period of economic
17 downturn, a natural disaster, a public
18 health emergency, or another unanticipated
19 event that increases the demand for those
20 benefits, as determined by the cor-
21 responding Secretary;

22 (ii) using the savings to improve pro-
23 gram management, eligibility verification,
24 benefits distribution, compliance moni-

1 toring, and enforcement of the work re-
2 quirement required under subsection (h);

3 (iii) using the savings for renovation,
4 expansion, or maintenance of community
5 facilities to promote antipoverty objectives
6 described in subsection (b)(2)(B);

7 (iv) using the savings for resources
8 for capacity-building to increase collabora-
9 tion with and involvement of nonprofit or-
10 ganizations, faith-based organizations, pri-
11 vate service providers, local governments,
12 and other local entities to deliver services
13 funded under the pilot project;

14 (v) using the savings to integrate pro-
15 gram operations, improve case manage-
16 ment, streamline client intake, or reduce
17 administrative duplication; and

18 (vi) providing work supports for indi-
19 viduals who are employed and working
20 hours consistent with section 261.32 of
21 title 45, Code of Federal Regulations (or a
22 successor regulation), who are not receiv-
23 ing assistance through the Upward Mobil-
24 ity Grant; and

1 (B) demonstrating how the supports de-
2 scribed in subparagraph (A)(vi) will be designed
3 to—

4 (i) increase the level of hours worked
5 for those receiving such a support; and

6 (ii) increase the level of earnings for
7 those receiving such a support;

8 (8) at the election of the State, a proposal—

9 (A) that describes how the State will re-
10 duce regulatory barriers for the purpose of in-
11 creasing market access to, or lowering the costs
12 of, nutrition, child care, home energy (including
13 utilities), employment and training services for
14 dislocated workers, or housing (including rental
15 housing) (referred to in this paragraph as “cov-
16 ered basics”); and

17 (B) that includes—

18 (i) identification of existing (as of the
19 date of submission) State regulatory bar-
20 riers that limit market entry to, or produc-
21 tion or supply of, any of the covered ba-
22 sics; and

23 (ii) actions the State will take to re-
24 duce, streamline, or eliminate regulations
25 establishing such barriers; and

(9) in the case of a State seeking to carry out a limited scope pilot project—

(A) a detailed description of the more limited scope of the pilot project, including whether the project will involve a limited percentage of the individuals eligible to participate in the pilot project, a limited geographic area, a limited number of antipoverty programs, or some other limitation on the project; and

(B) information indicating the percentage described in subsection (d)(2)(D) that the State seeks to receive through the pilot program.

(g) EVALUATING AND APPROVING APPLICATIONS.—

(1) IN GENERAL.—In order for a State to receive an Upward Mobility Grant to carry out a pilot project under this section, the State shall obtain approval from the Secretary of the application for the pilot project submitted under subsection (f).

(2) COMMENT PERIOD.—On receiving the application, the Secretary shall—

(A) not later than 5 days after the date of that receipt, provide notice on the website of the Department of Health and Human Services of receipt of the application; and

1 (B) give interested persons, including
2 stakeholders in the State, an opportunity to
3 submit comments on the application for a 30-
4 day period beginning on the date on which the
5 Secretary provides notice under subparagraph
6 (A).

7 (3) EVALUATION OF APPLICATIONS.—In evalu-
8 ating an application to carry out a project, the Sec-
9 retary shall—

10 (A) evaluate the application based on the
11 extent to which the project—

12 (i) will achieve the antipoverty objec-
13 tives described in subsection (b)(2)(B);

14 (ii) will achieve the goals described in
15 subsection (f)(1)(B); and

16 (iii) will meet the requirements de-
17 scribed in subsection (f)(1)(C) relating to
18 provision of funds and to engagement;

19 (B) evaluate the application based on the
20 extent to which the project will make improve-
21 ments on the upward mobility measures de-
22 scribed in subsection (j)(2); and

23 (C) consider the extent to which the meth-
24 odology of the project evaluation under sub-

section (j) and data collection under subsection
(f) will—

(i) produce rigorous results, using experimental designs that use—

(I) random assignment; or

(II) if random assignment is not feasible, another reliable, evidence-based research methodology that allows for the strongest practicable causal inferences; and

(ii) provide sufficient contextual information on the characteristics of the population served by the project, including demographic and geographic information, to assess the applicability of the project in other settings.

(4) PRIORITY.—In determining which applications to approve under this subsection, the Secretary shall give priority to—

(A) applications for a pilot project with a program design that limits—

(i) the average Marginal Effective Tax Rate of an increase in earned income attributable to employment through the pilot project to not more than 50 percent; and

1 (ii) the average Marginal Effective
 2 Tax Rate of an increase in such earned in-
 3 come to not more than 50 percent, among
 4 participants for whom such increase results
 5 in lack of eligibility for any per-capita di-
 6 rect assistance;

7 (B) applications the Secretary projects will
 8 most make improvements on the upward mobil-
 9 ity measures described in subsection (j)(2);

10 (C) applications for a pilot project for
 11 which the methodology described in paragraph
 12 (3)(C) will use an experimental design that
 13 uses—

14 (i) random assignment; or

15 (ii) if random assignment is not fea-
 16 sible—

17 (I) a natural experiment design;

18 (II) a synthetic control method;

19 (III) a differences-in-differences
 20 technique;

21 (IV) a regression discontinuity
 22 method;

23 (V) an instrumental variable
 24 method;

1 (VI) a panel data with mixed ef-
 2 fects method;

3 (VII) a propensity score match-
 4 ing method; or

5 (VIII) a cross-sectional regres-
 6 sion method;

7 (D) applications that describe program in-
 8 tegrity measures that will maximize compliance
 9 with—

10 (i) the work requirement described in
 11 subsection (h); and

12 (ii) the requirements established
 13 under clauses (i), (ii), (iii) of subsection
 14 (f)(3)(B).

15 (5) APPROVAL OR DISAPPROVAL.—

16 (A) GROUNDS FOR DISAPPROVAL.—In re-
 17 viewing an application, the Secretary deter-
 18 mines that the project will not achieve the anti-
 19 poverty objectives described in subsection
 20 (b)(2)(B), achieve the goals described in sub-
 21 section (f)(1)(B), or meet the requirements de-
 22 scribed in subsection (f)(1)(C) relating to the
 23 provision of funds and to engagement, the Sec-
 24 retary shall disapprove the application. Nothing
 25 in this subparagraph shall be construed to pre-

1 vent the Secretary from disapproving an appli-
 2 cation for another reason specified in this sec-
 3 tion.

4 (B) **TIMELINE.**—The Secretary shall de-
 5 cide whether or not to approve the application
 6 not later than 90 days after the date of receipt
 7 of the application.

8 (6) **PROCESS AFTER DISAPPROVAL.**—If the Sec-
 9 retary decides to disapprove the application of a
 10 State—

11 (A) the Secretary shall provide the State
 12 with a detailed explanation of the decision;

13 (B) the State may submit a modified appli-
 14 cation to the Secretary for approval; and

15 (C) if a modified application is submitted,
 16 the Secretary shall make a decision on approval
 17 of the application, after evaluating and giving
 18 priority as described in paragraphs (3) and (4),
 19 not later than 30 days after the date of receipt
 20 of the modified application.

21 (h) **WORK REQUIREMENT AND PROGRAM INTEG-**
 22 **RITY.**—

23 (1) **SNAP REQUIREMENTS.**—The requirements
 24 under subsections (d) and (o) of section 6 of the
 25 Food and Nutrition Act of 2008 (7 U.S.C. 2015)

1 shall apply to recipients of direct assistance benefits
2 under a pilot project carried out under this section,
3 subject to such changes to those requirements as the
4 Secretary determines necessary.

5 (2) REGULATIONS; AUDIT.—The Secretary
6 shall—

7 (A) prescribe such regulations as the Sec-
8 retary determines necessary and appropriate to
9 ensure compliance with and State enforcement
10 of the requirements described in paragraph (1);
11 and

12 (B) audit the program integrity measures
13 described in paragraphs (3)(C) and (4)(B) of
14 subsection (f) established by States.

15 (i) DATA SHARING.—The Secretary shall facilitate
16 data sharing, concerning data and other information relat-
17 ing to antipoverty programs, with Federal agencies and
18 offices (other than the Administration for Children and
19 Families of the Department of Health and Human Serv-
20 ices) as necessary to administer the pilot program carried
21 out under this Act. The Secretary shall cooperate with
22 each State participating in the pilot program to coordinate
23 access by Federal agencies and offices to data and other
24 information relating to antipoverty programs included in
25 the State’s pilot project.

1 (j) EVALUATIONS.—

2 (1) IN GENERAL.—

3 (A) DETERMINATIONS.—Each State that
 4 carries out a pilot project under this Act shall
 5 enter into a contract for an annual inde-
 6 pendent, third-party evaluation of the pilot
 7 project, for purposes of determining, for pur-
 8 poses of this section—

9 (i) per-capita direct assistance, and
 10 per-capita direct assistance described in
 11 paragraph (2)(C); and

12 (ii) improvement on the upward mo-
 13 bility measures described in paragraph (2),
 14 as described in paragraph (3).

15 (B) QUALIFICATIONS.—The evaluator shall
 16 demonstrate the independence described in
 17 clause (i), and the substantial experience de-
 18 scribed in clause (ii), of subsection (f)(6)(D).

19 (2) UPWARD MOBILITY MEASURES.—The State
 20 shall require the evaluator to conduct annual evalua-
 21 tions of the pilot project on upward mobility meas-
 22 ures, which measure—

23 (A) the Marginal Effective Tax Rates, for
 24 pilot project participants, of increases in earned

1 income attributable to employment through the
2 pilot project;

3 (B) participant employment outcomes, con-
4 sisting of achievement of (relative to the full fis-
5 cal year that precedes the date on which the
6 Secretary approves the application for the pilot
7 project under subsection (g) (referred to in this
8 paragraph as the “pre-implementation
9 year”))—

10 (i) higher earnings of participants;

11 (ii) a higher percentage of partici-
12 pants with employment;

13 (iii) a higher percentage of partici-
14 pants with full-time employment; and

15 (iv) a higher percentage of partici-
16 pants who have retained employment;

17 (C) reduction (relative to the pre-imple-
18 mentation year) in per-capita direct assistance
19 by reducing the dependence of participants on
20 per-capita direct assistance through improve-
21 ment in employment outcomes described in sub-
22 paragraph (B);

23 (D) elimination or reduction in (relative to
24 the pre-implementation year) marriage penalties
25 for participants; and

1 (E) reduction (relative to the pre-imple-
2 mentation year) in poverty among participants.

3 (3) IMPROVEMENT.—The State shall require
4 the evaluator, as part of each annual evaluation, to
5 measure—

6 (A) improvement (relative to the pre-imple-
7 mentation year) on the upward mobility meas-
8 ures described in paragraph (2); and

9 (B) improvement on the upward mobility
10 measures, relative to the benchmark goals de-
11 scribed under subsection (f)(2)(C).

12 (4) USE OF EVALUATIONS.—The evaluator shall
13 prepare and submit to the Secretary a report con-
14 taining the results of each annual evaluation.

15 (5) COMPARISON.—The evaluator shall make
16 comparisons on the upward mobility measures by
17 comparing the outcomes of the entire population en-
18 rolled in the antipoverty programs related to a cov-
19 ered amount described in subsection (a)(3)(A)(i) for
20 the preceding fiscal year described in subsection
21 (d)(2)(A), to the outcomes for that entire population
22 enrolled in those antipoverty programs (included in
23 the pilot project or not so included) for the year cov-
24 ered by the evaluation.

1 (k) FUNDING ADJUSTMENT.—No State shall receive
 2 an adjustment to an Upward Mobility Grant because the
 3 State increased the amount of the per-capita direct assist-
 4 ance provided, through an Upward Mobility Grant.

5 **SEC. 3. TRANSFERS AND SAVINGS PROVISION.**

6 (a) DEFINITIONS.—For purposes of this section, un-
 7 less otherwise provided or indicated by the context—

8 (1) the term “Administration” means the Ad-
 9 ministration for Children and Families;

10 (2) the term “covered Federal agency” means
 11 an agency, as defined in section 551(1) of title 5,
 12 United States Code, that carries out an antipoverty
 13 program;

14 (3) the term “function” means any duty, obli-
 15 gation, power, authority, responsibility, right, privi-
 16 lege, activity, or program;

17 (4) the term “Secretary” means the Secretary
 18 of Health and Human Services, acting through the
 19 Assistant Secretary for Children and Families; and

20 (5) the term “transferred function” means a
 21 function (including a part of a function) transferred
 22 under this section.

23 (b) ADMINISTRATIVE FUNDING.—

24 (1) AMOUNTS TO STATES FOR ADMINISTRATIVE
 25 COSTS.—

1 (A) IN GENERAL.—Notwithstanding any
2 other provision of this section, for each State
3 carrying out a pilot project under this Act, each
4 head of a covered Federal agency shall transfer
5 to the State, for a fiscal year, an amount that
6 bears the same relationship to the total amount
7 of funding for administrative costs of the anti-
8 poverty program involved for that fiscal year for
9 all States as the amount of funding the State
10 received for the nonadministrative costs of the
11 program for the prior fiscal year bears to the
12 total amount of funding that all States received
13 for those costs for the prior fiscal year.

14 (B) DETERMINATION.—For the purposes
15 of determining, under subparagraph (A), the
16 funding a State received for nonadministrative
17 costs for a prior fiscal year in which there was
18 a lapse in appropriations, the funding shall be
19 determined as if the corresponding money was
20 appropriated for the entire fiscal year.

21 (2) LIMITED SCOPE PILOT PROJECTS.—For a
22 State carrying out a limited scope pilot project
23 under section 2(c)(2), the head of the Federal agen-
24 cy shall adjust the amount to be transferred under
25 paragraph (1) to account for the limited scope.

1 (c) TRANSFER OF FUNCTIONS.—

2 (1) IN GENERAL.—There are transferred to the
3 Administration a portion, determined by the Office
4 of Management and Budget, of the functions that
5 the heads of covered Federal agencies exercised be-
6 fore the date of the enactment of this Act (including
7 related functions of any officer or employee of a cov-
8 ered Federal agency). The portion shall consist of
9 those functions (or parts of functions) that the Of-
10 fice determines are appropriate for the Administra-
11 tion to exercise in carrying out this Act.

12 (2) DELEGATION AND ASSIGNMENT.—Except
13 where otherwise expressly prohibited by law or oth-
14 erwise provided by this Act, the Secretary may dele-
15 gate any of the transferred functions to such officers
16 and employees of the Administration as the Sec-
17 retary may designate, and may authorize successive
18 redelegations of such functions as may be necessary
19 or appropriate. No delegation of transferred func-
20 tions by the Secretary under this section shall relieve
21 such Secretary of responsibility for the administra-
22 tion of such functions.

23 (3) REORGANIZATION.—The Secretary is au-
24 thorized to allocate or reallocate any transferred
25 function among the officers of the Administration,

1 and to establish, consolidate, alter, or discontinue
2 such organizational entities in the Administration as
3 may be necessary or appropriate.

4 (4) TRANSFER AND ALLOCATIONS OF APPRO-
5 PRIATIONS AND PERSONNEL.—Except as otherwise
6 provided in this Act, the personnel employed in con-
7 nection with, and the assets, liabilities, contracts,
8 property, records, and unexpended balances of ap-
9 propriations, authorizations, allocations, and other
10 funds employed, used, held, arising from, available
11 to, or to be made available in connection with the
12 transferred functions, subject to section 1531 of title
13 31, United States Code, shall be transferred to the
14 Administration. Unexpended funds transferred pur-
15 suant to this section shall be used only for the pur-
16 poses for which the funds were originally authorized
17 and appropriated. The Director of the Office of
18 Management and Budget shall provide for such fur-
19 ther measures and dispositions as may be necessary
20 to effectuate the purposes of this Act.

21 (5) RULES.—The Secretary is authorized to
22 prescribe, in accordance with the provisions of chap-
23 ters 5 and 6 of title 5, United States Code, such
24 rules and regulations as the Secretary determines
25 necessary or appropriate to administer and manage

1 the functions of the Administration to carry out sec-
2 tion 2.

3 (6) TRANSITION.—The Secretary is authorized
4 to utilize—

5 (A) the services of officers, employees, and
6 other personnel of a covered Federal agency
7 with respect to transferred functions; and

8 (B) funds appropriated to such functions
9 for such period of time as may reasonably be
10 needed to facilitate the orderly implementation
11 of this Act.

12 (d) SAVINGS PROVISIONS.—

13 (1) CONTINUING EFFECT OF LEGAL DOCU-
14 MENTS.—All orders, determinations, rules, regula-
15 tions, permits, agreements, grants, contracts, certifi-
16 cates, licenses, registrations, privileges, and other
17 administrative actions—

18 (A) which have been issued, made, grant-
19 ed, or allowed to become effective by the Presi-
20 dent, any covered Federal agency or official
21 thereof, or by a court of competent jurisdiction,
22 in the performance of transferred functions;
23 and

24 (B) which are in effect on the date of en-
25 actment of this Act, or were final before that

1 date and are to become effective on or after
2 that date,
3 shall continue in effect according to their terms until
4 modified, terminated, superseded, set aside, or re-
5 voked in accordance with law by the President, the
6 Secretary or other authorized official, a court of
7 competent jurisdiction, or by operation of law.

8 (2) PROCEEDINGS NOT AFFECTED.—The provi-
9 sions of this Act shall not affect any proceedings, in-
10 cluding notices of proposed rulemaking, or any ap-
11 plication for any license, permit, certificate, or finan-
12 cial assistance pending before any covered Federal
13 agency on the date of enactment of this Act, with re-
14 spect to transferred functions but such proceedings
15 and applications shall be continued. Orders shall be
16 issued in such proceedings, appeals shall be taken
17 therefrom, and payments shall be made pursuant to
18 such orders, as if this Act had not been enacted, and
19 orders issued in any such proceedings shall continue
20 in effect until modified, terminated, superseded, or
21 revoked by a duly authorized official, by a court of
22 competent jurisdiction, or by operation of law. Noth-
23 ing in this paragraph shall be deemed to prohibit the
24 discontinuance or modification of any such pro-
25 ceeding under the same terms and conditions and to

1 the same extent that such proceeding could have
2 been discontinued or modified if this Act had not
3 been enacted.

4 (3) SUITS NOT AFFECTED.—The provisions of
5 this Act shall not affect suits commenced before the
6 date of enactment of this Act, and in all such suits,
7 proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the
8 same effect as if this Act had not been enacted.

10 (4) NONABATEMENT OF ACTIONS.—No suit, ac-
11 tion, or other proceeding commenced by or against
12 a covered Federal agency, or by or against any indi-
13 vidual in the official capacity of such individual as
14 an officer of a covered Federal agency, shall abate
15 by reason of the enactment of this Act.

16 (5) ADMINISTRATIVE ACTIONS RELATING TO
17 PROMULGATION OF REGULATIONS.—Any administra-
18 tive action relating to the preparation or promulga-
19 tion of a regulation by a covered Federal agency re-
20 lating to a transferred function may be continued by
21 the Administration with the same effect as if this
22 Act had not been enacted.

23 (6) REFERENCES.—Reference in any other
24 Federal law, Executive order, rule, regulation, or

1 delegation of authority, or any document of or relat-
2 ing to—

3 (A) the head of a covered Federal agency
4 with regard to a transferred function, shall be
5 deemed to refer to the Secretary; and

6 (B) a covered Federal agency with regard
7 to a transferred function, shall be deemed to
8 refer to the Administration.

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