AMENDMENT NO. 1317

At the request of Mr. BYRD, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Washington (Ms. CANTWELL) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of amendment No. 1317 proposed to H.R. 2555, a bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes.

AMENDMENT NO. 1317

At the request of Mrs. MURRAY, her name was added as a cosponsor of amendment No. 1317 proposed to H.R. 2555, supra.

AMENDMENT NO. 1317

At the request of Mrs. CLINTON, her name was added as a cosponsor of amendment No. 1317 proposed to H.R. 2555, supra.

AMENDMENT NO. 1317

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of amendment No. 1317 proposed to H.R. 2555, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1437. A bill to expand the Federal tax refund intercept program to cover children who are not minors; to the Committee on Finance.

Mr. CHAFEE. Mr. President, I am pleased to be introducing the Child Support Fairness and Tax Refund Interception Act of 2003 today.

The Child Support Fairness and Tax Refund Interception Act of 2003 closes a loophole in current Federal statute by expanding the eligibility of one of the most effective means of enforcing child support orders—that of intercepting the Federal tax refunds of parents who are delinquent in paying their court-ordered financial support for their children.

Under current law, eligibility for the Federal tax refund offset program is limited to cases involving minors, parents on public assistance, or adult children who are disabled. Custodial parents of adult, non-disabled children are not assisted under the IRS tax refund intercept program, and in many cases, they must work multiple jobs in order to make ends meet. Some of these parents have gone into debt to put their college-age children through school.

The legislation I am introducing today will address this inequity by expanding the eligibility of the Federal tax refund offset program to cover parents of all children, regardless of whether the child is disabled or a minor. This legislation will not create a cause of action for a custodial parent to seek additional child support. It will merely assist the custodial parent in recovering debt that is owed for a level of child support that was determined by a court.

Improving our child support enforcement programs is an issue that should be of concern to us all as it remains a serious problem in the United States. According to the most recent government statistics, there are approximately seventeen million active cases in which a child support order requires a noncustodial parent to contribute to the support of his or her child. Of the almost $25 billion owed in 2001, only $14 billion has been collected. In 1998, only 23 percent of children entitled to child support through our public system received some form of payment, despite Federal and State efforts. Similar shortfalls in previous years bring the combined delinquency total to approximately $88 billion. We can fix this injustice in our federal tax refund offset program by helping some of our most needy constituents receive the financial assistance they are owed.

While previous Administrations have been somewhat successful in using tax refunds as a tool to collect child support payments, more needs to be done. The IRS tax refund interception program has only collected one-third of tardy child support payments. The Child Support Fairness and Tax Refund Interception Act of 2003 will remove the current barrier to fulfilling an individual's obligation to pay child support, while helping to provide for the future of our nation's children.

I urge my colleagues to join me in supporting this important legislation, and ask unanimous consent that the text of legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1437

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Support Fairness and Tax Refund Interception Act of 2003''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Enforcing child support orders remains a serious problem in the United States. There are approximately 17,100,000 active cases in which a child support order requires a noncustodial parent to contribute to the support of his or her child. Of the $24,700,000,000 owed in 2001 pursuant to such orders, $14,200,000,000, or 57 percent, has been collected.

(2) It is an injustice for the Federal Government to issue tax refunds to a deadbeat spouse while a custodial parent has to work 2 or 3 jobs to compensate for the shortfall in providing for his or her children.

(3) The Internal Revenue Service (IRS) program to intercept the tax refunds of parents who owe child support arrears has been successful in collecting a tenth of such arrears.

(4) Congress has periodically expanded eligibility for the IRS tax refund intercept program. Initially, the program was limited to intercepting Federal tax refunds owed to parents on public assistance. In 1984, Congress expanded the program to cover parents not on public assistance. Finally, the Omnibus Budget Reconciliation Act of 1990 made the program permanent and expanded the program to cover parents of adult children who are disabled.

(5) The injustice to the custodial parent is the same regardless of whether the child is disabled, non-disabled, a minor, or an adult, so long as the child support obligation is provided for by a court or administrative order. It is common for parents to help their adult children finance a college education, a wedding, or a first home. Some parents cannot afford to provide such help because they are recovering from debt incurred to cover expenses that would have been covered if the parent had been paid the child support owed in a timely manner.

(6) This Act addresses such injustices by expanding the IRS tax refund intercept program to cover parents of all adult children, regardless of whether the child is disabled.

(7) This Act does not create a cause of action for a custodial parent to seek additional child support. This Act merely helps the custodial parent recover debt owed for a level of child support that was set by a court after both sides had the opportunity to present arguments about the proper amount of child support.

SEC. 3. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

Section 464 of the Social Security Act (42 U.S.C. 664) is amended—

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

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2), as used in'' and inserting ''In''; and

(ii) by inserting ''(whether or not a minor)'' after ''a child'' each place it appears; and

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

By Ms. CANTWELL (for herself, Mr. INOUYE, and Mrs. MURRAY):

S. 1438. A bill to provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of claims the Tribe concerning the contribution of the Tribe to the production of hydropower by the Grand Coulee Dam, and for other purposes; to the Committee on Indian Affairs.

Ms. CANTWELL. Mr. President, I rise today to introduce legislation with my friend and colleague Senator MURRAY, as well as the vice chairman of the Indian Affairs Committee Senator INOUYE, that provides an equitable settlement to the Spokane Tribe of Indians. This bill addresses the decision of the Federal Government to take lands belonging to the tribe in order to construct the Grand Coulee Dam on the Columbia River.

For more than half a century, the Grand Coulee Project has made an extraordinary contribution to this Nation. It helped pull the economy out of the Great Depression. It provided the electricity that produced aluminum required for airplanes and weapons that ensured our national security. The project continues to produce enormous revenues for the United States, it is a key component of the agricultural economy in eastern Washington, and plays a pivotal role in the electric systems serving the entire western United States.

However, these benefits have come at a direct cost to tribal property that became inundated when the U.S. Government built the Grand Coulee Dam. Before dam construction, the free flowing Columbia River supported robust and plentiful salmon runs and provided for virtually all of the subsistence needs of the Spokane Tribe. After construction, the Columbia and its Spokane river tributary flooded tribal communities, schools, and roads, and the remaining stagnant water continues to erode reservation lands today.

The legislation Senators INOUYE, MURRAY, and I are introducing today is similar to P.L. 103–436, which was enacted in 1994 to provide the neighboring Confederated Colville Tribes. This bill would provide the Spokane Tribe of Indians' with compensation that is directly proportional to the settlement afforded the Colville Tribes. Specifically, the Spokane Tribe would receive 39.4 percent of the past and future compensation awarded the Colville Tribes pursuant to the 1994 legislation. This percentage is based on the proportion of tribal lands impacted after the Federal Government built the Grand Coulee Project.

The United States has a trust responsibility to maintain and protect the integrity of all tribal lands within its borders. When Federal actions physically or economically impact harm, our Nation has a legal responsibility to address and compensate the damaged parties. Unfortunately, despite countless efforts, half a century has passed without justice to the Spokane people.

The time has come for the Federal Government to finally meet is fiduciary responsibility for converting the Spokane tribe's resources to its own benefit. Senators INOUYE, MURRAY, and I believe that the legislation we are proposing today will finally bring a fair and honorable closure to these matters. We are pleased to see similar bipartisan legislation was introduced earlier this year in the U.S. House of Representatives.

I look forward to working with the Indian Affairs Committee and my Senate colleagues as this legislation proceeds through the Congress.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no obligation, the bill was ordered to be printed in the RECORD, as follows:

S. 1438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Settlement Act.'

SEC. 2. FINDINGS.

Congress finds the following:

(1) From 1927 to 1931, at the direction of Congress, the Corps of Engineers investigated the Columbia River and its tributaries to determine sites at which power could be produced at low cost.

(2) The Corps of Engineers—

(A) identified a number of sites, including the site at which the Grand Coulee Dam is located; and

(B) recommended that power development at those sites be performed by local governmental authorities or private utilities under the Federal Power Act (16 U.S.C. 791 et seq.).

(3) Under section 10(e) of that Act (16 U.S.C. 803(e)), a licensee is required to compensate an Indian tribe for the use of land under the jurisdiction of the Indian tribe.

(4) In August 1933, the Columbia Basin Commission, an agency of the State of Washington, received a preliminary permit from the Federal Power Commission for water power development at the Grand Coulee site.

(5) In the mid-1930's, the Federal Government, which is not subject to the Federal Power Act (16 U.S.C. 791a et seq.)—

(A) federalized the Grand Coulee Dam project; and

(B) began construction of the Grand Coulee Dam.

(6) At the time at which the Grand Coulee Dam project was federalized, the Federal Government recognized that the Spokane Tribe and the Confederated Tribes of the Colville Reservation had compensable interests in the Grand Coulee Dam project, including compensation for—

(A) the development of hydropower;

(B) the extinguishment of a salmon fishery on which the Spokane Tribe was almost completely financially dependent; and

(C) the inundation of land with loss of potential power sites previously identified by the Spokane Tribe.

(7) In the Act of June 29, 1940, Congress—

(A) in the first section (16 U.S.C. 835d) granted to the United States—

(i) all rights of Indian tribes in land of the Spokane Tribe and Colville Indian Reservations that were required for the Grand Coulee Dam project; and

(ii) various rights-of-way over other land under the jurisdiction of Indian tribes that were required in connection with the project; and

(B) in section 2 (16 U.S.C. 835e) provided that compensation for the land and rights-of-way was to be determined by the Secretary of the Interior in such amounts as the Secretary determined to be just and equitable.

(8) In furtherance of that Act, the Secretary of the Interior paid—

(A) to the Spokane Tribe, $4,700; and

(B) to the Confederated Tribes of the Colville Reservation, $63,000.

(9) In 1994, following 43 years of litigation before the Indian Claims Commission, the United States Court of Federal Claims, and the United States Court of Appeals for the Federal Circuit, Congress ratified an agreement between the Confederated Tribes of the Colville Reservation and the United States that provided for damages and annual payments of $15,250,000 in perpetuity, adjusted annually, based on revenues from the sale of electric power from the Grand Coulee Dam project and transmission of that power by the Bonneville Power Administration.

(10) In legal opinions issued by the Office of the Solicitor of the Department of the Interior, a Task Force Study conducted from 1976 to 1980 ordered by the Committee on Appropriations of the Senate, and hearings before Congress at the time at which the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (Public Law 103–436; 108 Stat. 4577) was enacted, it has repeatedly been recognized that—

(A) the Spokane Tribe suffered damages similar to those suffered by, and had a case legally comparable to that of, the Confederated Tribes of the Colville Reservation; but

(B) the 5-year statute of limitations under the Act of August 13, 1946 (25 U.S.C. 70 et seq.) precluded the Spokane Tribe from bringing a civil action for damages under that Act.

(11) The inability of the Spokane Tribe to bring a civil action before the Indian Claims Commission can be attributed to a combination of factors, including—

(A) the failure of the Bureau of Indian Affairs to carry out its advisory responsibilities in accordance with that Act; and

(B) an attempt by the Commissioner of Indian Affairs to impose improper requirements on claims attorneys retained by Indian tribes, which caused delays in retention of counsel and full investigation of the potential claims of the Spokane Tribe.

(12) As a consequence of construction of the Grand Coulee Dam project, the Spokane Tribe—

(A) has suffered the loss of—

(i) the salmon fishery on which the Spokane Tribe was dependent;

(ii) identified hydropower sites that the Spokane Tribe could have developed; and

(ii) hydropower revenues that the Spokane Tribe would have received under the Federal Power Act (16 U.S.C. 791a et seq.) had the project not been federalized; and

(B) continues to lose hydropower revenues that the Federal Government recognized were owed to the Spokane Tribe at the time at which the project was constructed.

(13) More than 39 percent of the land owned by Indian tribes or members of Indian tribes that was used for the Grand Coulee Dam project was land of the Spokane Tribe.

SEC. 3. STATEMENT OF PURPOSE.

The purpose of this Act is to provide fair and equitable compensation to the Spokane Tribe, using the same proportional basis as was used in providing compensation to the Confederated Tribes of the Colville Reservation, for the losses suffered as a result of the construction and operation of the Grand Coulee Dam project.

SEC. 4. DEFINITIONS.

In this Act:

(1) Secretary.—The term ''Secretary'' means the Secretary of the Treasury.

(2) Confederated Tribes Act.—The term ''Confederated Tribes Act'' means the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (Public Law 103–436; 108 Stat. 4577).

(3) Fund Account.—The term ''Fund Account means the Spokane Tribe of Indians Settlement Fund Account established under section 5(a).

(4) SPOKANE TRIBE.—The term ''Spokane Tribe'' means the Spokane Tribe of Indians of the Spokane Reservation, Washington.

SEC. 5. SETTLEMENT FUND ACCOUNT.

(a) ESTABLISHMENT OF ACCOUNT.—There is established in the Treasury an interest bearing account to be known as the ''Spokane Tribe of Indians Settlement Fund Account''.

(b) DEPOSIT OF AMOUNTS.—

(1) INITIAL DEPOSIT.—On the date on which funds are made available to carry out this Act, the Secretary shall deposit in the Fund Account, as payment and satisfaction of the claim of the Spokane Tribe for use of land of the Spokane Tribe for generation of hydropower for the period beginning on June 29, 1940, and ending on November 2, 1994, an amount that is equal to 39.4 percent of the amount paid to the Confederated Tribes of the Colville Reservation under section 5(a) of the Confederated Tribes Act, adjusted to reflect the change, during the period beginning on the date on which the payment described in subparagraph (A) was made to the Confederated Tribes of the Colville Reservation and ending on the date of enactment of this Act, in Consumer Price Index for all urban consumers published by the Department of Labor.

(2) SUBSEQUENT DEPOSITS.—On September 30 of the first fiscal year that begins after the date of enactment of this Act, and on September 30 of each of the 5 fiscal years thereafter, the Secretary shall deposit in the Fund Account an amount that is equal to 7.88 percent of the amount authorized to be paid to the Confederated Tribes of the Colville Reservation under section 5(b) of the Confederated Tribes Act through the end of the fiscal year during which this Act is enacted, adjusted to reflect the change, during the period beginning on the date on which the payment to the Confederated Tribes of the Colville Reservation was first made and ending on the date of enactment of this Act, in the Consumer Price Index for all urban consumers published by the Department of Labor.

(c) ANNUAL PAYMENTS.—On September 1 of the first fiscal year after the date of enactment of this Act, and annually thereafter, the Secretary shall pay to the Spokane Tribe an amount that is equal to 39.4 percent of the annual payment authorized to be paid to the Confederated Tribes of the Colville Reservation under section 5(b) of the Confederated Tribes Act for the fiscal year.

SEC. 6. USE AND TREATMENT OF SETTLEMENT FUNDS.

(a) TRANSFER OF FUNDS TO SPOKANE TRIBE.—

(1) INITIAL TRANSFER.—Not later than 60 days after the date on which the Secretary receives from the Spokane Business Council written notice of the adoption of the Spokane Business Council of a resolution requesting that the Secretary execute the transfer of settlement funds described in section 5(a), the Secretary shall transfer all or a portion of the settlement funds, as appropriate, to the Spokane Business Council.

(2) SUBSEQUENT TRANSFERS.—If not all funds described in section 5(a) are transferred to the Spokane Business Council under an initial transfer request described in paragraph (1), the Spokane Business Council may make subsequent requests for, and the Secretary of the Treasury may execute subsequent transfers of, those funds.

(b) USE OF INITIAL PAYMENT FUNDS.—Of the settlement funds described in subsections (a) and (b) of section 5—

(1) 25 percent shall be—

(A) reserved by the Spokane Business Council; and

(B) used for discretionary purposes of general benefit to all members of the Spokane Tribe; and

(2) 75 percent shall be used by the Spokane Business Council to carry out—

(A) a resource development program;

(B) a credit program;

(C) a scholarship program; or

(D) a reserve, investment, and economic development program.

(c) USE OF ANNUAL PAYMENT FUNDS.—Annual payments made to the Spokane Tribe under section 5(c) may be used or invested by the Spokane Tribe in the same manner and for the same purposes as other tribal government funds.

(d) APPROVAL BY SECRETARY.—Notwithstanding any other provision of law—

(1) the approval of the Secretary of the Treasury or the Secretary of the Interior for any payment, distribution, or use of the principal, interest, or income generated by any settlement funds transferred or paid to the Spokane Tribe under this Act shall not be required; and

(2) the Secretary of the Treasury and the Secretary of the Interior shall have no trust responsibility for the investment, supervision, administration, or expenditure of those funds after the date on which the funds are transferred to or paid to the Spokane Tribe.

(e) TREATMENT OF FUNDS FOR CERTAIN PURPOSES.—The payments and distributions of any portion of the principal, interest, and income generated by the settlement funds described in section 5 shall be treated in the same manner as payments or distributions under section 6 of the Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgment Funds Act (Public Law 99–346; 100 Stat. 677).

(f) TRIBAL AUDIT.—After the date on which the settlement funds described in section 5 are transferred or paid to the Spokane Tribe, the funds—

(1) shall be considered to be Spokane Tribe governmental funds; and

(2) shall be subject to an annual tribal governmental audit.

SEC. 7. SATISFACTION OF CLAIMS.

Payment by the Secretary under section 5 constitutes full satisfaction of the claim of Spokane Tribe to a fair share of the annual hydropower revenues generated by the Grand Coulee Dam project from June 29, 1940, through the fiscal year preceding the fiscal year in which this Act is enacted.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

By Mr. BUNNING:

S. 1439. A bill to amend part E of title IV of the Social Security Act to reauthorize adoption incentives payments under section 473A of that Act and to provide incentives for the adoption of older children; to the Committee on Finance.

Mr. BUNNING. Mr. President, the Adoption Incentive Program has been a successful program, which provides States with real incentives to find permanent homes for foster children. However, AIP's authorization expires on September 30, 2003, and the program needs to be reauthorized this year.

Under current law, States receive incentive payments for increasing the number of adoptions from the public foster care system. The amount of payments is based on the number of adoptions above a State's baseline, which is the highest number of adoptions in a State since 1997.

Currently, States receive $4,000 for each foster child adopted above the baseline number. The State can also receive $6,000 for each adoption above a baseline for children with special needs. While each State relies on individual criteria, ''special needs'' can include a child's age, ethnicity, disability or having siblings.

AIP's success cannot be questioned. In fact, according to the Congressional Research Service, there was a 61 percent increase in adoptions of children from the public foster care system from 1997 to 2001.

At the same time, states have earned about $144 million in adoption incentives for adoptions from 1998, to 2001. In my State, Kentucky has received about $1.6 million in adoption incentives during this time period.

However, it is now time to reauthorize and strengthen the program.

One of the biggest challenges in the foster care system today is finding adoptive homes for older children. In fact, according to the Adoption and Foster Care Analysis and Reporting System, AFCARS, which is part of the Department of Health and Human Services, once children reach the age of 9, their chances of adoption diminish.

As of 2001, there were over 100,000 American children waiting to be adopted. Quit frankly, this is too many children waiting for loving homes, regardless of their age. The bill I am introducing continues to give States incentives to find homes for these kids, particularly older children.

My bill, the Adoption Incentive Program Reauthorization Act of 2003, reauthorizes the program from 2004 to 2008, at $43 million a year.

The bill continues to give States a payment of $4,000 for every child adopted above the State's baseline. Also, the bill requires States to establish a separate baseline for adoptions of children over the age of 9, and will provide a payment of $6,000 for all older children adopted above the baseline.

Children deserve the stability and support of a permanent home and a permanent family. The Adoption Incentive Program has already proven successful in encouraging states to act aggressively on a foster child's behalf. It is now time to strengthen the program for the years to come.

I look forward to working on this issue with the other Members of Congress who are interested in adoption and hope we can get the program reauthorized soon.

By Mr. GRASSLEY (for himself and Mr. LEAHY):

S. 1440. A bill to reform the Federal Bureau of Investigation; to the Committee on the Judiciary.

Mr. GRASSLEY. Mr. President, I am proud to be reintroducing the FBI Reform Act of 2003 with Senator PATRICK LEAHY. This reform bill is designed to address the accountability problems that have plagued the FBI for years. For almost a decade, I have been engaged in FBI oversight, and during that time, I have seen numerous scandals and coverups. I am pleased to see that Director Mueller is committed to changing the culture of the FBI. He is making good strides toward overcoming past bad policies and procedures at the Bureau. However, Congress also has a role to play in this overhaul of the FBI.

A little over a year ago, a bill similar to this one was approved unanimously by the Judiciary Committee. Since then, a number of the provisions of that bill were enacted in separate legislation. However, some of the most important provisions of that bill—provisions protecting whistleblowers, creating a Security Career Program and Counterintelligence Polygraph Program, and ending the double standard for discipline of senior FBI executives—have yet to be taken up by the full Senate. These provisions are needed to maintain America's confidence in the FBI.

When I was growing up, I was surrounded by a generation that believed the FBI could do no wrong. Yet today at a time when we rely on the FBI to protect us from acts of catastrophic terrorism that endanger the lives of the American people, a time when the need for confidence in the FBI is at its greatest, Americans' trust and confidence in the FBI has been shaken. Do not get me wrong, the majority of FBI agents and especially those who are posted all over the heartland of this country, are honorable, hard working Federal servants who are doing a great job of protecting us from harm. However, there are a few bad apples that must be dealt with because their actions give the Bureau a black eye. The spy cases of Robert Hanssen and Chinese espionage in Los Angeles have highlighted internal security problems. Retaliation against agents like John Roberts, Frank Perry, and Patrick Kiernan, who did their duty investigating internal wrongdoing and spoke the truth to Congress, highlight continuing cultural hostility to criticism. This bill goes a long way to address these systemic problems and shore up trust and confidence in the FBI in the wake of these concerns.

While Congress sometimes follows a hands-off approach to the FBI, the Judiciary Committees hearings and other oversight activities over the last 2 or 3 years have highlighted the actions that Congress needs to take to do its part in reforming the Bureau. The hearings that spurred this legislation demonstrated the need to extend adequate whistleblower protections to the FBI, enhance the Bureau's internal security program, end the double-standard for discipline, and modernize the FBI's information technology systems. These and additional management issues the committee has explored are reflected in this bill. As the Patriot Act has increased the FBI's powers, as the American people have increased their reliance on the FBI to stop terrorism, and as we continue to increase the FBI's funding, it is time for Congress to take action with a more hands-on approach. Let me provide some more detail about the most important provisions of the FBI reform bill.

First, title I of the bill contains much needed protections for FBI whistleblowers. As my colleagues know, I have long held that good government requires that the brave men and women who blow the whistle on wrongdoing be protected. It is my strong belief that disclosures of wrongdoing by whistleblowers are an integral part of our system of checks and balances. However, although whistleblowers play a critical role in ensuring that waste, fraud, and abuse are brought to light and that public health and safety problems are exposed, the same whistleblower protection laws that apply to almost all other Federal employees do not currently apply to the FBI. In fact, it is a violation for FBI agents to report problems to Congress. That restriction leaves patriotic, loyal FBI employees with little recourse. This bill will fix that problem.

I truly believe that reform at the FBI will only occur when FBI employees feel free to blow the whistle on wrongdoing. Without adequate whistleblower protections, I am concerned that agents, such as Coleen Rowley and others, who speak out about abuses and problems at the FBI will be subject to retaliation. Thus, this bill finally gives FBI whistleblowers the same rights and protections that other Federal employees currently possess. When this bill is passed, FBI employees who are retaliated against for blowing the whistle will be able to avail themselves of all the protections afforded by the Whistleblower Protection Act.

In order to enhance internal security at the FBI, title II of the bill requires the FBI to establish a career security program and ensure that appropriate management tools and resources are devoted to that task. Modeled after the Department of Defense Acquisition Career Program, security professional career development requirements would bring the FBI into line with the other Federal agencies that handle top secret intelligence. This bill establishes and defines the Career Security Program and sets out the framework for career development and training in internal security. With the development of a Career Security Program, the FBI can meet the challenges of espionage, information technology vulnerability, and the threat of direct terrorist attack.

This bill requires the Attorney General to establish policies and procedures for career management of FBI security personnel. It directs the Director of the FBI to appoint a Director of Security who would chair a security career program board that would advise in the management of hiring, training, education, and career development. The bill also requires the FBI Director to designate certain positions as security positions. The bill requires that career paths to senior positions be published, and it ensures that all FBI personnel would have the opportunity to acquire the education, training and experience needed for senior security positions. Moreover, in order to ensure that security professionals gain the stature that special agents enjoy, the bill provides that special agents would not have preference for security positions and security positions could not be restricted to special agents unless the Attorney General makes a special determination.

Furthermore, the bill would direct that education, training, and experience requirements be established for each position and that before assignment as a manager or a deputy manager of a significant security program, a person would have to complete an accredited security program management course and have at least 6 years security experience, including 2 years in a similar program.

In addition to the Security Career Program, the bill will also enhance security through the creation of an FBI counterintelligence polygraph program. The program would consist of the periodic screening of employees and contractors who have access to sensitive information or restricted data. While the program recognizes the value of polygraph screening, it also provides safeguards for those subject to polygraph examination. The bill directs that the program have procedures to address false positives, ensure quality control, requires that no adverse personnel action could be taken solely by reason of physiological reaction on an exam without further investigation, and provides that employees would have prompt access to unclassified reports of their exams that relate to adverse personnel action. Thus, title III provides increased security while at the same time protecting employee rights.

Title IV requires the Attorney General to report on the legal authority for the FBI's programs and activities. This report will help the FBI focus on its most important duty—preventing terrorism—by cutting back on the FBI's jurisdiction, which has become cumbersome and unwieldy. Currently, the FBI investigates over 300 different Federal offenses, which are divided between violent crime, white collar crime, organized crime, drugs, national security, and civil rights. In many of these areas, there are instances of concurrent or overlapping jurisdiction with other Federal law enforcement agencies who specialize in investigating these crimes.

The FBI needs to scale back on the broad range of investigations which are duplicated by other Federal and State agencies. The Bureau needs to completely jettison some of these areas and in other areas, the Bureau could simply take a secondary role, allowing another agency to take the lead. In order to assist the FBI in scaling back its jurisdiction, this bill directs the Attorney General to report to Congress on the legal authority for FBI programs and activities, identifying those that have express statutory authority and those that do not. The bill also requires the Attorney General to recommend what criminal statutes for which he believes the FBI should have investigative responsibility.

Additionally, there exists a gross inequality in the way Senior Executive Service, SES, employees of the FBI and rank and file agents are disciplined. SES employees are often given a slap on the wrist for an infraction, whereas the rank and file agents are often punished to the letter of the law. Title V of the bill attempts to address this double standard. The bill attempts to address the double standard by providing some flexibility in how SES employees can be punished. The Senate Judiciary Committee has heard repeatedly that this inflexibility is one of the main causes for the inequality in punishment at the FBI. Under the current

system, the minimum suspension that an SES employee can receive is 14 days. This means that the FBI's management is often left with the choice of either an overly harsh penalty or no penalty at all. Often they decide not to impose any meaningful disciplinary action.

In order to attempt to remedy this problem our bill lifts the 14-day minimum suspension for SES disciplinary cases to provide for additional options in disciplining senior executive employees. Hopefully, this change will help to remedy this double standard. In addition, our bill would require the Office of Inspector General to submit to the Judiciary Committees of both houses, for 5 years, annual reports by the FBI Office of Professional Responsibility on its investigations, recommendations, and their disposition including an analysis of whether any double standard is being employed.

Finally, title VI of the bill attempts to provide further enhancement to security at the Department of Justice as a whole. This title would implement recommendations of the Webster Commission for enhancing security at the DOJ. It requires the Attorney General to submit a report to Congress on the manner by which the Department plans to improve protection of security information at the DOJ. Moreover, this title authorizes funds to meet the demands for increased security at the DOJ. Also, the bill would authorize funds for the DOJ Office of Intelligence Policy and Review to help meet the increased demands to combat terrorism, process applications to the Foreign Intelligence Surveillance Court, participate effectively in counterespionage investigations, provide policy analysis and oversight on national security matters, and enhance computer and telecommunications security.

Mr. President, I say to my fellow colleagues, it is time we acted on the reforms in this bill. It has been almost a year since this bill passed unanimously out of committee. Let's act to reform the FBI and help maintain America's trust and confidence in the Bureau.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Bureau of Investigation Reform Act of 2003''.

TITLE I—WHISTLEBLOWER PROTECTION

SEC. 101. INCREASING PROTECTIONS FOR FBI WHISTLEBLOWERS.

Section 2303 of title 5, United States Code, is amended to read as follows:

''§ 2303. Prohibited personnel practices in the Federal Bureau of Investigation

''(a) DEFINITION.—In this section, the term 'personnel action' means any action described in clauses (i) through (x) of section 2302(a)(2)(A).

''(b) PROHIBITED PRACTICES.—Any employee of the Federal Bureau of Investigation who has the authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or fail to take a personnel action with respect to any employee of the Bureau or because of—

''(1) any disclosure of information by the employee to the Attorney General (or an employee designated by the Attorney General for such purpose), a supervisor of the employee, the Inspector General for the Department of Justice, or a Member of Congress that the employee reasonably believes evidences—

''(A) a violation of any law, rule, or regulation; or

''(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety; or

''(2) any disclosure of information by the employee to the Special Counsel of information that the employee reasonably believes evidences—

''(A) a violation of any law, rule, or regulation; or

''(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety,

if such disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

''(c) INDIVIDUAL RIGHT OF ACTION.—Chapter 12 of this title shall apply to an employee of the Federal Bureau of Investigation who claims that a personnel action has been taken under this section against the employee as a reprisal for any disclosure of information described in subsection (b)(2).

''(d) REGULATIONS.—The Attorney General shall prescribe regulations to ensure that a personnel action under this section shall not be taken against an employee of the Federal Bureau of Investigation as a reprisal for any disclosure of information described in subsection (b)(1), and shall provide for the enforcement of such regulations in a manner consistent with applicable provisions of sections 1214 and 1221, and in accordance with the procedures set forth in sections 554 through 557 and 701 through 706.''.

TITLE II—FBI SECURITY CAREER PROGRAM

SEC. 201. SECURITY MANAGEMENT POLICIES.

The Attorney General shall establish policies and procedures for the effective management (including accession, education, training, and career development) of persons serving in security positions in the Federal Bureau of Investigation.

SEC. 202. DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.

(a) IN GENERAL.—Subject to the authority, direction, and control of the Attorney General, the Director of the Federal Bureau of Investigation (referred to in this title as the ''Director'') shall carry out all powers, functions, and duties of the Attorney General with respect to the security workforce in the Federal Bureau of Investigation.

(b) POLICY IMPLEMENTATION.—The Director shall ensure that the policies of the Attorney General established in accordance with this Act are implemented throughout the Federal Bureau of Investigation at both the headquarters and field office levels.

SEC. 203. DIRECTOR OF SECURITY.

The Director shall appoint a Director of Security, or such other title as the Director may determine, to assist the Director in the performance of the duties of the Director under this Act.

SEC. 204. SECURITY CAREER PROGRAM BOARDS.

(a) ESTABLISHMENT.—The Director acting through the Director of Security shall establish a security career program board to advise the Director in managing the hiring, training, education, and career development of personnel in the security workforce of the Federal Bureau of Investigation.

(b) COMPOSITION OF BOARD.—The security career program board shall include—

(1) the Director of Security (or a representative of the Director of Security);

(2) the senior officials, as designated by the Director, with responsibility for personnel management;

(3) the senior officials, as designated by the Director, with responsibility for information management;

(4) the senior officials, as designated by the Director, with responsibility for training and career development in the various security disciplines; and

(5) such other senior officials for the intelligence community as the Director may designate.

(c) CHAIRPERSON.—The Director of Security (or a representative of the Director of Security) shall be the chairperson of the board.

(d) SUBORDINATE BOARDS.—The Director of Security may establish a subordinate board structure to which functions of the security career program board may be delegated.

SEC. 205. DESIGNATION OF SECURITY POSITIONS.

(a) DESIGNATION.—The Director shall designate, by regulation, those positions in the Federal Bureau of Investigation that are security positions for purposes of this Act.

(b) REQUIRED POSITIONS.—In designating security positions under subsection (a), the Director shall include, at a minimum, all security-related positions in the areas of—

(1) personnel security and access control;

(2) information systems security and information assurance;

(3) physical security and technical surveillance countermeasures;

(4) operational, program, and industrial security; and

(5) information security and classification management.

SEC. 206. CAREER DEVELOPMENT.

(a) CAREER PATHS.—The Director shall ensure that appropriate career paths for personnel who wish to pursue careers in security are identified in terms of the education, training, experience, and assignments necessary for career progression to the most senior security positions and shall make available published information on those career paths.

(b) LIMITATION ON PREFERENCE FOR SPECIAL AGENTS.—

(1) IN GENERAL.—Except as provided in the policy established under paragraph (2), the Attorney General shall ensure that no requirement or preference for a Special Agent of the Federal Bureau of Investigation (referred to in this title as a ''Special Agent'') is used in the consideration of persons for security positions.

(2) POLICY.—The Attorney General shall establish a policy that permits a particular security position to be specified as available only to Special Agents, if a determination is made, under criteria specified in the policy, that a Special Agent—

(A) is required for that position by law;

(B) is essential for performance of the duties of the position; or

(C) is necessary for another compelling reason.

(3) REPORT.—Not later than December 15 of each year, the Director shall submit to the Attorney General a report that lists—

(A) each security position that is restricted to Special Agents under the policy established under paragraph (2); and

(B) the recommendation of the Director as to whether each restricted security position should remain restricted.

(c) OPPORTUNITIES TO QUALIFY.—The Attorney General shall ensure that all personnel, including Special Agents, are provided the opportunity to acquire the education, training, and experience necessary to qualify for senior security positions.

(d) BEST QUALIFIED.—The Attorney General shall ensure that the policies established under this Act are designed to provide for the selection of the best qualified individual for a position, consistent with other applicable law.

(e) ASSIGNMENTS POLICY.—The Attorney General shall establish a policy for assigning Special Agents to security positions that provides for a balance between—

(1) the need for personnel to serve in career enhancing positions; and

(2) the need for requiring service in each such position for sufficient time to provide the stability necessary to carry out effectively the duties of the position and to allow for the establishment of responsibility and accountability for actions taken in the position.

(f) LENGTH OF ASSIGNMENT.—In implementing the policy established under subsection (b)(2), the Director shall provide, as appropriate, for longer lengths of assignments to security positions than assignments to other positions.

(g) PERFORMANCE APPRAISALS.—The Director shall provide an opportunity for review and inclusion of any comments on any appraisal of the performance of a person serving in a security position by a person serving in a security position in the same security career field.

(h) BALANCED WORKFORCE POLICY.—In the development of security workforce policies under this Act with respect to any employees or applicants for employment, the Attorney General shall, consistent with the merit system principles set out in paragraphs (1) and (2) of section 2301(b) of title 5, United States Code, take into consideration the need to maintain a balanced workforce in which women and members of racial and ethnic minority groups are appropriately represented in Government service.

SEC. 207. GENERAL EDUCATION, TRAINING, AND EXPERIENCE REQUIREMENTS.

(a) IN GENERAL.—The Director shall establish education, training, and experience requirements for each security position, based on the level of complexity of duties carried out in the position.

(b) QUALIFICATION REQUIREMENTS.—Before being assigned to a position as a program manager or deputy program manager of a significant security program, a person—

(1) must have completed a security program management course that is accredited by the Intelligence Community-Department of Defense Joint Security Training Consortium or is determined to be comparable by the Director; and

(2) must have not less than 6 years experience in security, of which not less than 2 years were performed in a similar program office or organization.

SEC. 208. EDUCATION AND TRAINING PROGRAMS.

(a) IN GENERAL.—The Director, in consultation with the Director of Central Intelligence and the Secretary of Defense, shall establish and implement education and training programs for persons serving in security positions in the Federal Bureau of Investigation.

(b) OTHER PROGRAMS.—The Director shall ensure that programs established under subsection (a) are established and implemented, to the maximum extent practicable, uniformly with the programs of the Intelligence Community and the Department of Defense.

SEC. 209. OFFICE OF PERSONNEL MANAGEMENT APPROVAL.

(a) IN GENERAL.—The Attorney General shall submit any requirement that is established under section 207 to the Director of the Office of Personnel Management for approval.

(b) FINAL APPROVAL.—If the Director does not disapprove the requirements established under section 207 within 30 days after the date on which the Director receives the requirement, the requirement is deemed to be approved by the Director of the Office of Personnel Management.

TITLE III—FBI COUNTERINTELLIGENCE POLYGRAPH PROGRAM

SEC. 301. DEFINITIONS.

In this title:

(1) POLYGRAPH PROGRAM.—The term ''polygraph program'' means the counterintelligence screening polygraph program established under section 302.

(2) POLYGRAPH REVIEW.—The term ''Polygraph Review'' means the review of the scientific validity of the polygraph for counterintelligence screening purposes conducted by the Committee to Review the Scientific Evidence on the Polygraph of the National Academy of Sciences.

SEC. 302. ESTABLISHMENT OF PROGRAM.

Not later than 6 months after the date of enactment of this Act, the Attorney General, in consultation with the Director of the Federal Bureau of Investigation and the Director of Security of the Federal Bureau of Investigation, shall establish a counterintelligence screening polygraph program for the Federal Bureau of Investigation that consists of periodic polygraph examinations of employees, or contractor employees of the Federal Bureau of Investigation who are in positions specified by the Director of the Federal Bureau of Investigation as exceptionally sensitive in order to minimize the potential for unauthorized release or disclosure of exceptionally sensitive information.

SEC. 303. REGULATIONS.

(a) IN GENERAL.—The Attorney General shall prescribe regulations for the polygraph program in accordance with subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the Administrative Procedures Act).

(b) CONSIDERATIONS.—In prescribing regulations under subsection (a), the Attorney General shall—

(1) take into account the results of the Polygraph Review; and

(2) include procedures for—

(A) identifying and addressing false positive results of polygraph examinations;

(B) ensuring that adverse personnel actions are not taken against an individual solely by reason of the physiological reaction of the individual to a question in a polygraph examination, unless—

(i) reasonable efforts are first made independently to determine through alternative means, the veracity of the response of the individual to the question; and

(ii) the Director of the Federal Bureau of Investigation determines personally that the personnel action is justified;

(C) ensuring quality assurance and quality control in accordance with any guidance provided by the Department of Defense Polygraph Institute and the Director of Central Intelligence; and

(D) allowing any employee or contractor who is the subject of a counterintelligence screening polygraph examination under the polygraph program, upon written request, to have prompt access to any unclassified reports regarding an examination that relates to any adverse personnel action taken with respect to the individual.

SEC. 304. REPORT ON FURTHER ENHANCEMENT OF FBI PERSONNEL SECURITY PROGRAM.

(a) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Director of the Federal Bureau of Investigation shall submit to Congress a report setting forth recommendations for any legislative action that the Director considers appropriate in order to enhance the personnel security program of the Federal Bureau of Investigation.

(b) POLYGRAPH REVIEW RESULTS.—Any recommendation under subsection (a) regarding the use of polygraphs shall take into account the results of the Polygraph Review.

TITLE IV—REPORTS

SEC. 401. REPORT ON LEGAL AUTHORITY FOR FBI PROGRAMS AND ACTIVITIES.

(a) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Attorney General shall submit to Congress a report describing the statutory and other legal authority for all programs and activities of the Federal Bureau of Investigation.

(b) CONTENTS.—The report submitted under subsection (a) shall describe—

(1) the titles within the United States Code and the statutes for which the Federal Bureau of Investigation exercises investigative responsibility;

(2) each program or activity of the Federal Bureau of Investigation that has express statutory authority and the statute which provides that authority; and

(3) each program or activity of the Federal Bureau of Investigation that does not have express statutory authority, and the source of the legal authority for that program or activity.

(c) RECOMMENDATIONS.—The report submitted under subsection (a) shall recommend whether—

(1) the Federal Bureau of Investigation should continue to have investigative responsibility for each statute for which the Federal Bureau of Investigation currently has investigative responsibility;

(2) the legal authority for any program or activity of the Federal Bureau of Investigation should be modified or repealed;

(3) the Federal Bureau of Investigation should have express statutory authority for any program or activity of the Federal Bureau of Investigation for which the Federal Bureau of Investigation does not currently have express statutory authority; and

(4) the Federal Bureau of Investigation should—

(A) have authority for any new program or activity; and

(B) express statutory authority with respect to any new programs or activities.

TITLE V—ENDING THE DOUBLE STANDARD

SEC. 501. ALLOWING DISCIPLINARY SUSPENSIONS OF MEMBERS OF THE SENIOR EXECUTIVE SERVICE FOR 14 DAYS OR LESS.

Section 7542 of title 5, United States Code, is amended by striking ''for more than 14 days''.

SEC. 502. SUBMITTING OFFICE OF PROFESSIONAL RESPONSIBILITY REPORTS TO CONGRESSIONAL COMMITTEES.

(a) IN GENERAL.—For each of the 5 years following the date of enactment of this Act, the Office of the Inspector General shall submit to the chairperson and ranking member of the Committees on the Judiciary of the Senate and the House of Representatives an annual report to be completed by the Federal Bureau of Investigation, Office of Professional Responsibility and provided to the Inspector General, which sets forth—

(1) basic information on each investigation completed by that Office;

(2) the findings and recommendations of that Office for disciplinary action; and

(3) what, if any, action was taken by the Director of the Federal Bureau of Investigation or the designee of the Director based on any such recommendation.

(b) CONTENTS.—In addition to all matters already included in the annual report described in subsection (a), the report shall also include an analysis of—

(1) whether senior Federal Bureau of Investigation employees and lower level Federal Bureau of Investigation personnel are being disciplined and investigated similarly; and

(2) whether any double standard is being employed to more senior employees with respect to allegations of misconduct.

TITLE VI—ENHANCING SECURITY AT THE DEPARTMENT OF JUSTICE

SEC. 601. REPORT ON THE PROTECTION OF SECURITY AND INFORMATION AT THE DEPARTMENT OF JUSTICE.

Not later than 9 months after the date of enactment of this Act, the Attorney General shall submit to Congress a report on the manner in which the Security and Emergency Planning Staff, the Office of Intelligence Policy and Review, and the Chief Information Officer of the Department of Justice plan to improve the protection of security and information at the Department of Justice, including a plan to establish secure electronic communications between the Federal Bureau of Investigation and the Office of Intelligence Policy and Review for processing information related to the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).

SEC. 602. AUTHORIZATION FOR INCREASED RESOURCES TO PROTECT SECURITY AND INFORMATION.

There are authorized to be appropriated to the Department of Justice for the activities of the Security and Emergency Planning Staff to meet the increased demands to provide personnel, physical, information, technical, and litigation security for the Department of Justice, to prepare for terrorist threats and other emergencies, and to review security compliance by components of the Department of Justice—

(1) $13,000,000 for fiscal years 2004 and 2005;

(2) $17,000,000 for fiscal year 2006; and

(3) $22,000,000 for fiscal year 2007.

SEC. 603. AUTHORIZATION FOR INCREASED RESOURCES TO FULFILL NATIONAL SECURITY MISSION OF THE DEPARTMENT OF JUSTICE.

There are authorized to be appropriated to the Department of Justice for the activities of the Office of Intelligence Policy and Review to help meet the increased personnel demands to combat terrorism, process applications to the Foreign Intelligence Surveillance Court, participate effectively in counterespionage investigations, provide policy analysis and oversight on national security matters, and enhance secure computer and telecommunications facilities—

(1) $7,000,000 for fiscal years 2004 and 2005;

(2) $7,500,000 for fiscal year 2006; and

(3) $8,000,000 for fiscal year 2007.

Mr. LEAHY. Mr. President, I am pleased to introduce today, with my friend the senior Senator from Iowa, the FBI Reform Act of 2003.

This legislation stems from the lessons learned during a series of Judiciary Committee hearings on oversight of the FBI that I chaired beginning in June 2001. The important changes which are being made under the FBI's leadership after the September 11 attacks and the new powers granted the FBI by the USA PATRIOT Act have resulted in FBI reform becoming a pressing matter of national importance.

Since 9/11 and the anthrax attacks later that fall, we have relied on the FBI to detect and prevent acts of catastrophic terrorism that endanger the lives of the American people and the institutions of our country. The men and women of the FBI are performing this task with great professionalism at home and abroad. We have all felt safer as a result of the full mobilization of the FBI's dedicated Special Agents, its expert support personnel, and its exceptional technical capabilities. We owe the men and women of the FBI our thanks.

For decades the FBI has been an outstanding law enforcement agency and a vital member of the United States intelligence community. As our hearings and recent events have shown, however, there is room for improvement at the FBI. To fully rise to its current challenges, the FBI must face and understand the mistakes of the past and make the changes needed to ensure that they are not repeated. In meeting the international terrorist challenge, the Congress has an opportunity and obligation to strengthen the institutional fiber of the FBI based on lessons learned from recent problems the Bureau has experienced.

This view is not mine alone. When FBI Director Mueller testified at his confirmation hearings in July 2001, he forthrightly acknowledged ''that the Bureau's remarkable legacy of service and accomplishment has been tarnished by some serious and highly publicized problems in recent years. Waco, Ruby Ridge, the FBI lab, Wen Ho Lee, Robert Hanssen and the McVeigh documents—these familiar names and events remind us all that the FBI is far from perfect and that the next director faces significant management and administrative challenges.'' Since then, the Judiciary Committee has forged a constructive partnership with Director Mueller to get the FBI back on track.

Congress sometimes has followed a hands-off approach about the FBI. But with the FBI's new increased powers, with our increased reliance on the Bureau to prevent terrorism, and with the increased funding provided by the Congress should come increased scrutiny and accountability. Until the Bureau's problems are resolved and new challenges overcome, we should be taking a hands-on approach.

Indeed our hearings and other oversight activities have highlighted tangible steps the Congress should take in an FBI Reform bill as part of this hands-on approach. Among other things, these hearings demonstrated the need to extend whistleblower protection, end the double standard for discipline of senior FBI executives, and enhance the FBI's internal security program to protect against espionage as occurred in the Hanssen case.

Director Mueller once said it is ''critically important'' that he ''hears criticisms of the organization . . . in order to improve the organization.'' I could not agree more. More than ever, the FBI must be open to new ideas, to criticism from within and without, and to facing up to and learning from past mistakes.

During the last Congress, the Judiciary Committee unanimously approved the Leahy-Grassley FBI Reform Act of 2001. Unfortunately, our bipartisan efforts were stymied by an anonymous Republican hold, which prevented the bill from being considered on the floor. While we did eventually succeed in passing three of the bill's important reform provisions as part of the Department of Justice authorization act, other needed reforms were senselessly blocked. These reforms, which remain as important and urgent as ever, are included in the bill we introduce today.

There are five key elements of our bill.

First, it strengthens whistleblower protection for FBI employees and protects them from retaliation for reporting wrongdoing.

Second, it addresses the issue of a double standard for discipline of senior executives by eliminating the disparity in authorized punishments between Senior Executive Service members and other Federal employees.

Third, it establishes an FBI Counterintelligence Polygraph Program for screening personnel in exceptionally sensitive positions with specific safeguards.

Fourth, it establishes an FBI Career Security Program, which would bring the FBI into line with other U.S. intelligence agencies that have strong career security professional cadres whose skills and leadership are dedicated to the protection of agency information, personnel, and facilities.

And fifth, it requires a set of reports that would enable Congress to engage the Executive branch in a constructive dialogue building a more effective FBI for the future.

The FBI Reform Act is designed to strengthen the FBI as an institution that has a unique role as both a law enforcement agency and a member of the intelligence community. As the Judiciary Committee continues its oversight work and more is learned about recent FBI performance, additional reforms may prove necessary. Especially important will be the lessons learned from the attacks of September 11, the anthrax attacks, and implementation of the USA PATRIOT Act and other counterterrorism measures.

We need to help the FBI become as effective, as accountable and as agile as the American people need it to be to counter the threat of terrorism on our shores.

Strengthening the FBI cannot be accomplished overnight, but with this legislation, we take an important step into the FBI's future.

By Mr. BIDEN:

S. 1441. A bill to amend title 18, United States Code, with respect to false information regarding certain

criminal violations concerning hoax reports of biological, chemical, and nuclear weapons; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce ''The Protection Against Terrorist Hoaxes Act of 2003.'' This bill would amend Title 18 of the United States Code to, make it a Federal crime to knowingly make a hoax report, involving a biological, chemical, nuclear weapon, or other weapon of mass destruction. Likewise, this bill would make it a criminal offense to knowingly send such a hoax weapon to another.

Since the terrorist attacks of September 11, our Nation has witnessed a number of terror hoax reports. This in turn has triggered an equally large number of reports of suspected biological agents. No part of the Nation has been spared, and my home State of Delaware has had several hundred reports of possible biological agents. The FBI has reported to Congress the staggering statistics involving these bioterrorism hoaxes and other reports of suspected biological agents. Prior to September 11, the FBI had responded to about 100 cases involving potential use of ''weapons of mass destruction,'' 67 of which involved alleged biological weapons. Since mid-September 2001, however, that number has increased by 3,000 percent.

The good news is that most of these reports were either hoaxes or reports made by well-meaning people whose suspicions were raised. The bad news is that any hoax reports were made in the first place, triggering panic on the part of the public, and often forcing the Federal, State, and local governments to waste valuable time and resources responding to them. In one particularly egregious case, it has been reported that an employee of the Connecticut Department of Environmental Protection falsely reported to security that he had found a yellowish-white powder on his desk with the misspelled label ''ANTHAX.'' The employee, a 48-year-old solid waste management analyst, knew the material was not toxic, it was determined to be coffee creamer, but persisted in the false account. Eight hundred State employees were evacuated from the building for 2 days while law enforcement officials tested the building, at a cost of $1.5 million in lost worker's time, another $40,000 in decontamination costs, and an undisclosed amount of money spent on rescue and law enforcement. The employee is being charged in Federal court—not for the hoax report, but for lying to Federal officials after the fact.

Indeed, the Justice Department reported to Congress that there is a gap in the existing Federal law regarding the prosecution of bioterrorism hoaxes. That is, while it is a crime to threaten to use, for example, anthrax as a weapon against another person, it is not a crime to make a hoax anthrax report. Accordingly, the Justice Department has repeatedly asked Congress to enact legislation which specifically addresses hoaxes which involve purported biological substances, as well as chemical, nuclear and other weapons of mass destruction. Just this month, the Justice Department stated in testimony, ''changes in title 18 to expand the reach of the law to prohibit conduct resulting in such hoaxes would provide prosecutors with an appropriate tool to respond to these situations.''

We should answer the call and act now to give law enforcement the tools they need to combat these despicable crimes. The Federal interest is indisputable, as States and localities are simply not equipped with the expertise or resources to evaluate and respond to these hoaxes. A comprehensive prohibition on such false reports is necessary to preserve scarce and vital Federal resources.

Accordingly, as Ranking Member of the Judiciary Subcommittee on Crime, Corrections and Victims' Rights, I introduce a bill today which contains both criminal provisions and civil penalties for the hoax reporting of bioterrorism incidents. My bill simply says that if you knowingly engage in conduct—such as deliberately sending baking powder through the mail to your congressman or calling 911 to falsely report the presence of anthrax in a public building—that is likely to create the false impression concerning the presence of anthrax, or other similar things, that you have committed A Federal offense, punishable by up to 5 years in jail. Moreover, such a person may be fined the greater of either $10,000 or the amount of money expended by the government to respond to the false information. Finally, such a person may also be ordered to reimburse the government if costs were incurred in responding to the false hoax. Let me be clear—this bill will not target innocent mistakes or people who make a report concerning a suspected substance; it is aimed, rather, at deliberate hoax reports by those who know they are spreading false information.

I have said many times on the floor of this body that the terrorist win if they succeed in sowing seeds of panic into our daily lives. We cannot and will not let that happen. Similarly, we will not let these hoaxers get away with words and deeds which have the same effect. I urge my colleagues to support the Protection Against Terrorist Hoaxes Act of 2003.

By Ms. LANDRIEU:

S. 1442. A bill to preserve the political independence of the National Women's Business Council; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, the National Women's Business Council provides Congress, the Small Business Administration, and the Interagency Committee on Women's Business Enterprise with independent advice and policy recommendations to foster women's business ownership. Now many of my colleagues may not know a great deal about the Council, its members, and what they do. But I can tell you that as a member of the Senate Committee on Small Business and Entrepreneurship, the Council's advice is very helpful as we develop legislation that affects small businesses throughout the country.

The Council has broad latitude to address nearly any issue that it considers to be important for women in business. Whether it relates to health insurance, the economy, or fiscal policies, the Council brings a unique and valuable perspective. Women make up 46 percent of the Nation's executive, administrative and managerial occupations and head up 7.1 million sole proprietorships. The National Women's Business Council is their voice.

The Council's independent voice is the key to its success and influence. The structure of the Council helps to maintain that independence. The Council has 15 members. The Chair is appointed by the President and must be a prominent businesswoman. Six members come from women's business organizations, including representatives of women's business center sites. The remaining eight members are political appointees, split evenly between Democrats and Republicans. These political slots are appointed by the SBA Administrator based upon the recommendations of the Chair and Ranking Members of the Senate Business and Entrepreneurship Committee and the House Small Business Committee. All of these ''party-affiliated'' members must be small business owners.

This bipartisan balance in the Council's membership helps to ensure that any policy recommendations or positions the Council takes will reflect the needs of women in business and not the political agenda of one political party over another. Certainly, the political balance is not completely even because the Chair is appointed by the President, but the Democrats have a strong voice with four members on the Council. That will only be true, however, as long as the Democratic seats are filled.

Unfortunately, this has not always been the case. Vacancies on the Council are supposed to be filled no later than 30 days after a seat becomes open. However, over the past two years, the SBA has routinely failed to meet this 30-day statutory deadline. The Council Chair was vacant from May 29, 2001 to May 21, 2002, a period of 11 months and 22 days. As a result, the Council could not even meet.

Vacancies in the party-affiliated seats hurt the Council's independence. Of the party-affiliated seats reserved for the President's party, one seat was vacant for three months; two were vacant for a period of seven months; and another went vacant for 21 months. Two of the seats reserved for Democrats remained vacant for nearly two years, another seat was vacant for seven months, and the fourth seat remains vacant today. In the past, these

vacancies have not been filled in a manner consistent with maintaining a bipartisan balance and the independence of the Council. Let me give you an example.

In February of this year the Council announced its support for Association Health Plans. This is an important issue for many small businesses and for the economy on the whole. At the time, the Council had three Republican members and no Democrats. Regardless of what opinion you may have of the Association Health Plans issue, the Council's position can be dismissed by some as being political because of the partisan imbalance on the Council at the time it made its endorsement. Instead of being an unquestioned resource for Congress and policy makers to rely on, the Council faces potential criticism that it is nothing more than a mouthpiece for one party over another.

Today, I am introducing legislation to protect the independence of the Council. The National Women's Business Council Independence Preservation Act of 2003 will ensure that the Council maintains its value as an advisor to Congress and the Administration. This measure simply requires that vacancies in the party-affiliated seats be filled evenly so that the Council maintains a bipartisan balance. This will help to ensure that the Council's policy advice is free from any partisan taint.

My legislation also ensures accountability by requiring the SBA Administrator to report to Congress on vacancies that remain unfilled for more than 30 days. The report must cite the reasons for the vacancies, what is causing any delays in filling the positions, whether nominees were available for consideration, at what stage in the vetting process nominees are, whether there are any objections to the nominees and what those objections are, an estimate for when the vacancies will be filled, and any other relevant information relating to the vacancies.

I urge my colleagues to support this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Women's Business Council Independence Preservation Act of 2003''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The National Women's Business Council provides an independent source of advice and policy recommendations regarding women's business development and the needs of women entrepreneurs in the United States to—

(A) the President;

(B) Congress;

(C) the Interagency Committee on Women's Business Enterprise; and

(D) the Administrator of the Small Business Administration.

(2) The members of the National Women's Business Council are small business owners, representatives of business organizations, and representatives of women's business centers.

(3) The chair and ranking member of the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives make recommendations to the Administrator to fill 8 of the positions on the National Women's Business Council. Four of the positions are reserved for small business owners who are affiliated with the political party of the President and four of the positions are reserved for small business owners who are not affiliated with the political party of the President. This method of appointment ensures that the National Women's Business Council will provide Congress with non-partisan, balanced, and independent advice.

(4) In order to maintain the independence of the National Women's Business Council and to ensure that the Council continues to provide Congress with advice on a non-partisan basis, it is essential that the Council maintain the bipartisan balance established under section 407 of the Women's Business Ownership Act of 1988 (15 U.S.C. 7107).

SEC. 3. MAINTAINING THE POLITICAL INDEPENDENCE OF THE NATIONAL WOMEN'S BUSINESS COUNCIL.

Section 407(f) of the Women's Business Ownership Act of 1988 (15 U.S.C. 7107(f)) is amended—

(1) by striking ''A vacancy'' and inserting the following:

''(1) IN GENERAL.—A vacancy''; and

(2) by adding at the end the following:

''(2) PARTISAN BALANCE.—When filling vacancies under paragraph (1), the Administrator shall, to the extent practicable, ensure that there are an equal number of members on the Council from each of the 2 major political parties.''

''(3) ACCOUNTABILITY.—If a vacancy is not filled within the 30-day period required under paragraph (1) or if there exists an imbalance of party-affiliated members on the Council for a period exceeding 30 days, the Administrator shall submit a report, not later than 10 days after the respective 30-day deadline, to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, that explains why the respective deadline was not met and provides an estimated date on which any vacancies will be filled.''.

By Mr. CARPER (for himself, Mr. NELSON of Nebraska, and Ms. COLLINS):

S. 1443. A bill to amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes; to the Committee on Finance.

Mr. CARPER. Mr. President, I come to the floor to take this time to talk about the reauthorization of welfare reform, the reform launched a half dozen years ago. The authorization for those reforms has expired once, has been renewed for a year, and will expire again at the end of this year.

When Bill Clinton ran for President in 1992, he said a number of things for which he is remembered. He said: It is the economy, stupid. And it is always the economy, stupid, as far as I am concerned. But he also said we ought to change welfare as we know it. And we have.

Welfare reform was very much needed in the mid-1990s. A lot of people who ended up on welfare stayed there for long periods of time. And one of the reasons why they stayed there for so long was because they and their families were better off being on welfare than not. If people on welfare went to work, they lost some things. They lost maybe health care for their kids, eligibility for food stamps, nutritional support for their families, affordable housing. They certainly had to pay more for affordable housing.

And what would they gain by going to work and getting off welfare? The right to pay taxes: State income taxes, Federal income taxes, Social Security taxes, Medicare taxes, and others. After losing those certain things and gaining the right to pay those taxes, they would have to deal with the costs included in childcare. Who is going to take care of my kids? How will I pay for it? How will I get to work? Is there transportation? Is there transit? Do I have a car? Is it a working car? If I don't, how do I get one or pay for it or maintain it?

The reforms adopted in 1996 were actually endorsed by the National Governors Association which served as a catalyst for the adoption of Federal law. There were a number of principles that underscored or underwrote that welfare reform initiative of the mid-1990s. The first was work first. We should not place emphasis on finding people for jobs that may not exist. We ought to help people to go to work first.

The second principle was, work ought to pay more than welfare. People actually ought to be better off because somebody in that family is going to work every day.

The third principle was really a tough love principle. There ought to be limits on the amount of time that people could be on welfare. States could make it more stringent but a 5-year cap on the amount of time people spent on welfare should be the law of the land. We should have a tough love approach. There ought to be a certain toughness in what we are doing.

People should show up for job interviews. They should take the jobs offered. They should not be able to walk away from the jobs. If they do those kinds of things, they would face, in a number of States, the likelihood of being sanctioned for their refusal or inability to go to work and continue to work.

We also said that we realize there are some people on welfare who will never come off. For reasons physiological, they are going to be dependent forever. We allowed the States to recognize some percentage—I think 20 percent—of the caseload of people who will not go to work.

We said that it might be a smart idea to have a rainy day fund, in case the economy falls off a cliff or we have a lot more people who show up and need a welfare payment. So we provided for a rainy day fund.

Finally, we said there are really four critical elements that need to be addressed in order for people to get off welfare and stay off welfare for an extended period of time. No. 1, there had to be a job to go to. No. 2, they have to have a way to get to the job. No. 3, there has to be health care for the kids. If the kids get sick, parents are not going to go to work. There has to be minimal health care for the family. People will not go to work if there is nobody to take care of their kids. So there needs to be some assistance given for childcare.

By most standards, the welfare reforms we began a half dozen years ago are regarded as a success. The rolls are down by roughly half across the country, including Delaware. Many families who used to be on welfare are now working and those families are, for the most part, better off. In those families where somebody is going to work every day, that parent sets an example for their children that there is an expectation to go to work, that there is dignity with work, and we are expected to be self-aligned and self-sufficient, if we are psychologically able to do that.

I have heard the old adage, ''If it ain't broke, don't fix it.'' Some people said that about the welfare reforms to be adopted in 1996—that they were not broke and we ought not to fix them. Other people said we ought to change it substantially, which is what we did in 1996. Some would like to go back to a situation that existed prior to that time. Others would like to go to an even tougher love arrangement, with the emphasis on toughness and not a whole lot of love involved.

Rather than saying if it ain't broke, don't fix it, I think the better approach is to say this: If it is not perfect, make it better. The reforms we adopted 6 years ago can be improved upon and we can make it better.

I want to talk about a proposal Senator NELSON and I will be offering. As former Governors of our States, we believe it will build on the changes adopted in 1996. It would make the system better and make it one that is more likely to help people get off welfare and stay off for an extended period of time, and hopefully forever.

When we adopted the welfare reforms of 1996, we decided to take welfare, which had been an entitlement program, and make it a block grant program. I believe it provided that $16.5 million would be distributed to States in block grants and States could apportion that money out, to be used for a variety of things, including cash welfare payments, childcare assistance, health care, and other things. They could also use the money for transportation assistance. We put a 5-year limit on the amount of time people, under Federal law, could be eligible for welfare benefits. We also said in that law that we want States to eventually increase their work participation rates.

If you look at the welfare caseload, the percentage of people doing work or work-like activities, we wanted that to increase so by 2002 the work participation would have gone up 50 percent from wherever it started. That is where it is today; the work participation rate is 50 percent.

We give a credit to States that moved people off of welfare since the mid to late 1990s. So if they have moved people off welfare, States can get a credit toward the work participation rate, with the 50-percent mandate.

As it turned out, when they moved half of the people off of the welfare rolls and the work participation rate is 50 percent effectively by moving people off welfare to work, in most of the States we have eliminated de facto the work participation rate. Most States have a zero work participation rate as a result.

Our bill changes that in a couple of ways. It gradually raises from 50 percent to 70 percent, in 5-percent increments each year, the work participation rate, so that by 2008, today's rate would go up to 70 percent.

We provide for something called an employment credit. The employment credit provides a credit to States against its work participation rate for doing a couple of things. One, for moving people to work. Two, they get bonus credit for moving people to work at better paying jobs. Also, States can earn partial credit against the work participation rate if people are doing at least 16 hours of core work activities.

Under the current Federal law, a workweek for people who have kids over the age of 6 is 30 hours in order to count toward the work participation rate. Under current law, if a person has a child under 6, they need to be working 20 hours in order to count toward the States' work participation requirement.

Senator NELSON and I would change that a little bit. We say that—there is one thing we don't change. If you have a child under the age of 6, it is still 20 hours. If they are over the age of 6, we expect them to be working 32 hours, 8 of which can be activities other than core work activities. An example would be assistance for substance abuse, or anything that is deemed to be eliminating the barrier toward employment. If a person doesn't have a high school degree, they can be working toward their GED, and that counts as part of that 8 hours. But 24 hours of the 32 would have to be a core work activity. I will give you some examples: private sector work, public sector work, community service, and vocational education.

Senator NELSON and I also made a modification with respect to education and training. Under current law, vocational education counts up to—I believe you count it toward your work participation rate for 12 months. We make that 24 months. We put in a cap. If you had 100 people on your caseload, no more than 30 percent of that 100 people who are involved in vocational education training or postsecondary can be counted toward a State's work participation rate. We extend from 12 months to 24 months those who are participating in vocational credit.

If you want people to go to work, you have to make sure there is help on the childcare side. If we are going to raise the hours, we expect the people to do work or work-like activities. If we are going to raise the work participation rate, we have to provide additional assistance. There is an extra $6 billion that we provide for childcare over the 5-year period.

In addition, we raise the social service block grant to a fully authorized level over a 5-year period of time. On the transportation side, as I mentioned earlier, unless people can get to work—we can have all the caps and participation rates we want but unless people can get to work, they are not going to be able to get off welfare and stay off of welfare.

In our legislation, we provide under current law where States can use the TANF block grant for transportation assistance. We provide authorizing language for another $15 million in authorization for transportation. If you live in a rural area and there is no transportation, States can help people buy cheaper but working cars to get where they need to go.

We make a change with respect to transitional health care. Under current law, if I am on welfare and then I go to work, I lose my health care. I can get 12 months of transitional assistance from Medicaid. We raise that. We give States the discretion to raise that to 24 months.

I see Senator GRASSLEY has risen to speak. I will finish my remarks. I say this to him. I appreciate very much his effort in leading the Finance Committee. Senator NELSON and I have actually been privileged to be Governors of our States—8 years apiece—at the time we launched welfare reform. We learned a lot from those experiences. We think it is germane to the debate that is coming soon in the next steps in welfare reform. We hope to be part of the debate—maybe not in your committee but certainly when we get the bill to the floor. As much as I understand what is taking shape here, I think there are common elements in what Senator GRASSLEY is seeking to do and what Senator NELSON and I propose to do. We look very much forward to engaging with the chairman in the work he is doing now and with that which is going to be brought to the floor later this year.

Mr. President, I ask unanimous consent that the text of this bill that Senator NELSON and I are introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Building on Welfare Success Act of 2003''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 4. FINDINGS.

Congress makes the following findings:

(1) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) was a fundamental change to reform the Federal welfare system to shift it from an entitlement program into a transition program to help families move from welfare to work and personal responsibility.

(2) Since enactment of the 1996 welfare reform law, welfare cash assistance caseloads have dropped dramatically, by approximately 50 percent, and approximately ⅔ of welfare recipients who have left the cash assistance rolls have left for work.

(3) Another sign of reform and progress is that funding has shifted from providing monthly cash assistance for parents to stay at home to over ½ of the funding targeted to pay for work supports, such as child care, transportation, job placement, limited job training, or other priorities.

(4) Investments in child care and transportation, and health care access will help continue this success and move more people from welfare to work.

(5) While many families have moved from welfare to work, many families struggle in low-wage jobs and have trouble getting promised supports such as medicaid, child care, food stamps, and other supports available under programs intended to help families.

(6) Child poverty rates in the United States have improved but they could be lower and they remain high when compared to the rates of other developed countries. More must be done to reduce child poverty in our Nation.

(7) State flexibility has been critical to the success of the 1996 welfare reform law and will be important for States to provide a broad range of services to address parents on welfare with barriers to employment. State flexibility also is important for States to continue successful welfare programs that have cut the caseload in half since 1996.

(8) Children deserve to be raised in supportive homes, preferably with 2 loving parents. It is crucial to end policies that discriminate against serving 2-parent families within the welfare system. It is also important to support innovative programs to encourage full participation in child support and child rearing by noncustodial parents.

(9) Despite declining national and State rates, 35 percent of 10 girls in the United States get pregnant at least once by age 20, nearly 900,000 girls get pregnant each year, and there are nearly 500,000 teen births each year. The national teen birth rate for Hispanic teen girls - the fastest growing group - is declining the slowest.

(10) If teen birth rates had stayed at the 1991 peak level, there would have been at least 800,000 additional babies born to teenagers.

TITLE I—WORK

SEC. 101. INCREASE IN MINIMUM PARTICIPATION RATES.

The table set forth in section 407(a)(1) (42 U.S.C. 607(a)(1)) is amended—

(1) in the item relating to fiscal year 2002—

(A) by striking ''or thereafter'' and inserting ''2003, or 2004''; and

(B) by striking the period; and

(2) by adding at the end the following:

''2005	55
2006	60
2007	65
2008 or thereafter	70.''.

SEC. 102. INCREASE IN NUMBER OF HOURS REQUIRED FOR WORK AND WORK-RELATED ACTIVITIES.

Section 407(c)(1) (42 U.S.C. 607(c)(1)), as amended by section 107(3), is amended—

(1) in the matter preceding the table set forth in that paragraph, by striking ''20 hours'' and inserting ''24 hours''; and

(2) in the table—

(A) in the item relating to fiscal year 2000, by striking ''or thereafter'' and inserting '', 2001, 2002, or 2003'';

(B) by striking the period at the end; and

(C) by adding at the end the following:

2004 or thereafter	32.''.

SEC. 103. TREATMENT OF REHABILITATIVE SERVICES AS AN ADDITIONAL WORK ACTIVITY.

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

(1) in paragraph (11), by striking ''and'' at the end;

(2) in paragraph (12), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(13)(A) rehabilitative services, such as adult basic education, participation in a program designed to increase proficiency in the English language, or, in the case of an individual determined by a qualified medical, mental health, or social services professional as having a physical or mental disability, substance abuse problem, or other problem that requires rehabilitative services, substance abuse treatment, mental health treatment, or other rehabilitative services, provided that the provision of such services is a requirement of the individual's individual responsibility plan under section 408(b) (not to exceed 3 months out of any 24-month period, or, if such services for a longer period of time is a requirement of the individual's plan under section 408(b), up to 6 months, but only if, during the last 3 months of such 6 months, such services are combined with work or job-readiness activities); and

''(B) for purposes of counting toward the minimum average number of hours per week specified in subsection (c)(1), services described in subparagraph (A), the provision of which is a requirement of the individual's individual responsibility plan under section 408(b), until an individual successfully completes such services (and without regard to the time limits for the receipt of such services for purposes of subparagraph (A).''.

(b) CONFORMING AMENDMENTS.—Section 407(c)(1) (42 U.S.C. 607(c)(1)), as amended by sections 102 and 107(3), is amended by striking ''or (12)'' and inserting ''(12), or (13)(A)''.

SEC. 104. EDUCATION AND TRAINING.

(a) INCREASE IN MONTHS FOR VOCATIONAL EDUCATIONAL TRAINING TO COUNT AS A WORK ACTIVITY.—Section 407(d)(8) is amended to read as follows:

''(8) vocational educational training (not to exceed 24 months with respect to any individual);''.

(b) STATE OPTION TO TREAT PARTICIPANTS IN POSTSECONDARY EDUCATION PROGRAM ESTABLISHED BY THE STATE AS ENGAGED IN WORK.—Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at the end the following:

''(E) STATE OPTION TO TREAT PARTICIPANTS IN POSTSECONDARY EDUCATION PROGRAM ESTABLISHED BY THE STATE AS ENGAGED IN WORK.—In the case of a State that elects to establish a postsecondary education program under section 404(l), the State may include, for purposes of determining monthly participation rates under subsection (b)(1)(B)(i), all families that include an individual participating in such program during the month as being engaged in work for the month, so long as each such individual is in compliance with the requirements of that program.''.

(c) ELIMINATION OF RECIPIENTS COMPLETING SECONDARY SCHOOL FROM LIMIT ON NUMBER OF TANF RECIPIENTS PARTICIPATING IN VOCATIONAL EDUCATIONAL TRAINING.—

(1) IN GENERAL.—Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended to read as follows:

''(D) LIMITATION ON NUMBER OF PERSONS WHO MAY BE TREATED AS ENGAGED IN WORK BY REASON OF PARTICIPATION IN VOCATIONAL EDUCATIONAL TRAINING.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), not more than 30 percent of the number of individuals in all families in a State who are treated as engaged in work for a month may consist of individuals who are determined to be engaged in work for the month by reason of participation in vocational educational training (determined without regard to individuals described in subparagraph (C) or participating in a program referred to in subparagraph (E)).''.

(2) CONFORMING AMENDMENT.—Section 407(c)(2)(C)(ii) (42 U.S.C. 607(c)(2)(C)(ii) is amended by inserting ''including vocational educational training'' after ''employment''.

SEC. 105. AUTHORITY TO ESTABLISH PARENTS AS SCHOLARS PROGRAMS.

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

''(l) AUTHORITY TO ESTABLISH PARENTS AS SCHOLARS PROGRAMS.—

''(1) IN GENERAL.—A State to which a grant is made under section 403 may use the grant to establish a parents as scholars program under which an eligible participant may be provided support services described in paragraph (4) based on the participant's need in order to complete the program.

''(2) DEFINITION OF ELIGIBLE PARTICIPANT.—

''(A) IN GENERAL.—In this subsection, the term 'eligible participant' means an individual who receives assistance under the State program funded under this part and satisfies the following requirements:

''(i) The individual is enrolled as a full-time student in a postsecondary 2- or 4-year degree program.

''(ii) The individual does not have a marketable bachelor's degree.

''(iii) The individual does not have the skills necessary to earn at least 85 percent of the median wage for the State or locality in which the individual resides.

''(iv) The individual is—

''(I) pursuing a degree that will improve the individual's ability to support the individual's family, considering the local labor market and employment opportunities; and

''(II) demonstrating an ability to succeed in the educational program that has been chosen.

''(v) The individual participates in a combination of education, training, study or worksite experience for an average of not less than 20 hours per week (including time spent studying at 150 percent of time spent in class).

''(vi) After the first 24 months of participation in the program, the individual—

''(I) works not less than 15 hours per week (in addition to school and study time); or

''(II) engages in a combination of class hours, study hours (including time spent studying at 150 percent of time spent in class) and work for a total of not less than 32 hours per week.

''(vii) During the period the individual participates in the program, the individual—

''(I) maintains not less than a 2.0 grade point average;

''(II) attends classes as scheduled;

''(III) reports to the individual's caseworker for the program any changes that might affect the individual's participation;

''(IV) provides the individual's caseworker with a copy of any financial aid award letters; and

''(V) provides the individual's caseworker with the individual's semester grades as requested.

''(B) DEFINITION OF FULL-TIME STUDENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i), an individual shall be considered a full-time student if such individual is taking courses having the number of hours needed under the requirements of the educational institution in which the individual is enrolled, to complete the requirements of a degree within the usual timeframe of 2 or 4 years, as applicable.

''(ii) EXCEPTION.—The State may, for good cause, modify the number of hours required under clause (i) to allow additional time, not to exceed 150 percent of the usual timeframe required for completion of a 2- or 4-year degree, for an individual to complete a degree and be considered a full-time student under a program established under this subsection.

''(3) MODIFICATION OF ELIGIBLE PARTICIPANT REQUIREMENTS.—A State may, for good cause, modify the requirements for an eligible participant set forth in paragraph (2)(A).

''(4) SUPPORT SERVICES DESCRIBED.—For purposes of paragraph (1), the support services described in this paragraph include 1 or more of the following during the period the eligible participant is in the program established under this subsection:

''(A) Child care for children under age 13 or for children who are physically or mentally incapable of caring for themselves.

''(B) Transportation services, including—

''(i) mileage at a set rate per mile or reimbursement for public or private transportation;

''(ii) payment for automotive repairs, not to exceed $500 per academic year on a vehicle registered to the eligible participant; and

''(iii) reimbursement for vehicle liability insurance, not to exceed $300, for the eligible participant's vehicle.

''(C) Payment for books and supplies to the extent that such items are not covered by grants and loans, not to exceed $750 per academic year.

''(D) Such other expenses, not to exceed $500, that the State determines are necessary for the eligible participant to complete the program established under this subsection and that are not covered by any other available support services program.''.

SEC. 106. REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT.

(a) EMPLOYMENT CREDIT TO REWARD STATES IN WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDITIONAL CREDIT FOR FAMILIES WITH HIGHER EARNINGS.—

(1) IN GENERAL.—Section 407(b) (42 U.S.C. 607(b)), as amended by section 107(2)(A), is amended by inserting after paragraph (1) the following:

''(2) EMPLOYMENT CREDIT.—

''(A) IN GENERAL.—The participation rate determined under paragraph (1) of a State for a fiscal year shall be increased by the lesser of—

''(i) the number of percentage points (if any) of the employment credit for the State for the fiscal year; or

''(ii) the number of percentage points (if any) by which the participation rate, so determined, is less than 100 percent.

''(B) CALCULATION OF CREDIT.—

''(i) IN GENERAL.—The employment credit for a State for a fiscal year is an amount equal to—

''(I) twice the average quarterly number of families with an adult that ceased to receive assistance under the State program funded under this part during the preceding fiscal year (but only if the adult did not receive such assistance for at least 2 months after the cessation) and that was employed during the calendar quarter immediately succeeding the quarter in which the payments ceased; divided by

''(II) the average monthly number of families that include an adult who received cash payments under the State program funded under this part during the preceding fiscal year.

''(ii) SPECIAL RULE FOR FORMER RECIPIENTS WITH HIGHER EARNINGS.—In calculating the employment credit for a State for a fiscal year, a family that,in the quarter in which the wage was examined, earned at least 50 percent of the average quarterly wage in the State (determined on the basis of State unemployment data) shall be considered to be 1.5 families.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out this paragraph.

''(D) REPORTS ON AMOUNT OF CREDIT.—Not later than 6 months after the end of each calendar quarter, the Secretary shall report to Congress and each State the amount of the employment credit for the State for the quarter. The Secretary may carry out this

subparagraph using funds made available under this part for research.''.

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

''(5) CALCULATION OF EMPLOYMENT CREDIT FOR PURPOSES OF DETERMINING STATE WORK PARTICIPATION RATES UNDER TANF.—The Secretary may use the information in the National Directory of New Hires for purposes of calculating State employment credits pursuant to section 407(b)(2).''.

(3) ELIMINATION OF CASELOAD REDUCTION CREDIT.—Section 407(b), as amended by paragraph (1) and section 107(2)(A), is amended by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) STATES TO RECEIVE PARTIAL CREDIT TOWARD WORK PARTICIPATION RATE FOR RECIPIENTS ENGAGED IN PART-TIME WORK.—Section 407(c)(1) (42 U.S.C. 607(c)(1)), as amended by section 107(3), is amended by adding at the end the following flush sentence: ''For purposes of subsection (b)(1)(B)(i), a family that does not include a recipient who is participating in work activities for an average of 32 hours per week during a month but includes a recipient who is participating in such activities during the month for an average of at least 50 percent of the minimum average number of hours per week specified for the month in the table set forth in this subparagraph shall be counted as a percentage of a family that includes an adult or minor child head of household who is engaged in work for the month, which percentage shall be the number of hours for which the recipient participated in such activities during the month divided by the number of hours of such participation required of the recipient under this section for the month.''.

(c) TANF RECIPIENTS WHO QUALIFY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS REMOVED FROM WORK PARTICIPATION RATE CALCULATION FOR ENTIRE YEAR.—Section 407(b)(1)(B)(ii) (42 U.S.C. 607(b)(1)(B)(ii)) is amended—

(1) in subclause (I), by inserting ''who has not become eligible for supplemental security income benefits under title XVI during the fiscal year'' before the semicolon; and

(2) in subclause (II), by inserting '', and that do not include an adult or minor child head of household who has become eligible for supplemental security income benefits under title XVI during the fiscal year'' before the period.

(d) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2005.

SEC. 107. ELIMINATION OF SEPARATE WORK PARTICIPATION RATE FOR 2-PARENT FAMILIES.

Section 407 (42 U.S.C. 607) is amended—

(1) in subsection (a)—

(A) in the heading of paragraph (1), by striking ''ALL FAMILIES'' and inserting ''IN GENERAL''; and

(B) by striking paragraph (2);

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (4), by striking ''paragraphs (1)(B) and (2)(B)'' and inserting ''paragraph (1)(B)''; and

(C) in paragraph (5), by striking ''rates'' and inserting ''rate''; and

(3) in subsection (c)(1)—

(A) by striking ''GENERAL RULES.—'' and all that follows through ''For purposes'' in subparagraph (A) and inserting ''GENERAL RULE.—For purposes''; and

(B) by striking subparagraph (B).

SEC. 108. STATE OPTION TO COUNT A CAREGIVER OF A FAMILY MEMBER WITH A DISABILITY OR CHRONIC ILLNESS AS ENGAGED IN WORK.

Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at the end the following:

''(E) STATE OPTION TO COUNT A CAREGIVER OF A FAMILY MEMBER WITH A DISABILITY OR CHRONIC ILLNESS AS ENGAGED IN WORK.—

''(i) IN GENERAL.—If a State determines that a recipient is needed to provide care for a child with a physical or mental disability or chronic illness (as defined by the State), or an adult relative with a physical or mental disability or chronic illness (as so defined), the State may deem the recipient to be engaged in work for purposes of determining the monthly participation rate under subsection (b)(1)(B)(i).

''(ii) INCLUSION IN INDIVIDUAL RESPONSIBILITY PLAN; ANNUAL REVIEW.—The need to provide care described in clause (i) shall be specified in the recipient's individual responsibility plan established under section 408(b) and reviewed not less than annually.

''(iii) ENGAGEMENT IN OTHER ACTIVITY.—Nothing in clause (i) or (ii) shall be construed as prohibiting a State from determining that, taking into consideration the needs of the child or adult relative with a physical or mental disability or chronic illness, an adult recipient who provides care for such child or adult relative can engage in some other additional work activity, or another activity that may lead to work, for all or a portion of the time required to meet the work requirement under the State program funded under this part.''.

TITLE II—FAMILY PROMOTION AND SUPPORT

Subtitle A—Family Formation Fund and Teen Pregnancy Prevention Grants

SEC. 201. PROMOTION OF FAMILY FORMATION.

Section 403(a) (42 U.S.C. 603(a)) is amended by adding at the end the following:

''(6) FAMILY FORMATION GRANTS.—

''(A) AUTHORITY.—

''(i) IN GENERAL.—The Secretary shall award competitive grants to States, Indian tribes, nonprofit entities, and charitable or religious organizations for the cost of developing and implementing healthy marriage promotion programs.

''(ii) APPLICATION.—A State, Indian tribe, nonprofit entity, or a charitable or religious organization desiring a grant under this paragraph shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) PERMISSIBLE ACTIVITIES.—Funds provided under a grant awarded under this paragraph may be used for programs or activities that are designed to promote healthy and stable marriage, including the following:

''(i) Voluntary marriage and relationship skills education programs for nonmarried pregnant women and nonmarried expectant fathers.

''(ii) Voluntary premarital education and marriage and relationship skills education for engaged couples and for couples interested in marriage.

''(iii) Voluntary marriage enhancement and marriage and relationship skills education programs for married couples including mediation services and couples counseling.

''(iv) Teen pregnancy prevention programs, including the prevention of repeat pregnancies.

''(v) Domestic violence prevention programs for training and technical assistance activities to be provided to other entities funded under this subparagraph.

''(C) GRANTS SELECTION CRITERIA.—

''(i) IN GENERAL.—The Secretary shall promulgate for public comment criteria for selecting grant proposals to be funded under subparagraph (B). Such criteria shall—

''(I) set forth a grant review process that includes independent experts, including individuals with expertise in programs for low-income families, programs addressing teen pregnancy prevention, programs addressing teen parenting or youth development, programs addressing domestic violence, program research, and program administration, and shall be designed to ensure that an individual shall not be involved in the grant selection process if such involvement would pose a conflict of interest for the individual;

''(II) specify grantee qualifications and requirements, including a requirement that grant applications provide financial information, including a copy of the applicant's most recent audit report, and shall require grantees to agree to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures;

''(III) require grant proposals to identify community support and include a plan to collaborate with appropriate public and community-based organizations and service providers; and

''(IV) require grant proposals to describe the methods the applicant plans to use to recruit project participants and the applicant's plan to evaluate project implementation, operation, and outcomes, and to demonstrate that there is a sufficient number of potential participants to conduct the evaluation.

''(ii) OVERSIGHT OF EVALUATIONS.—The Secretary shall ensure that there is an appropriate evaluation for all grant proposals funded under subparagraph (B), including use of random assignment in appropriate instances.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there is appropriated for making grants under this paragraph—

''(i) for fiscal year 2004, $75,000,000;

''(ii) for fiscal year 2005, $100,000,000;

''(iii) for fiscal year 2006, $150,000,000;

''(iv) for fiscal year 2007, $175,000,000; and

''(v) for fiscal year 2008, $200,000,000.''.

SEC. 202. BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.

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

''(12) BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—In determining the eligibility of a 2-parent family for assistance under a State program funded under this part, the State shall not impose a requirement that does not apply in determining the eligibility of a 1-parent family for such assistance.''.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) PENALTY FOR IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(12) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.''.

SEC. 203. TEEN PREGNANCY PREVENTION GRANTS.

Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) GRANTS TO PREVENT TEEN PREGNANCY.—

''(A) SUBMISSION OF PLAN.—

''(i) IN GENERAL.—Each State that submits a plan that meets the requirements of clause (ii) shall be entitled to receive from the Secretary a teen pregnancy prevention grant in the amount determined under subparagraph (B) for each of fiscal years 2004 through 2008.

''(ii) PLAN REQUIREMENTS.—A plan meets the requirements of this clause if the plan—

''(I) describes the State's numerical goal for reducing teen pregnancy and teen births;

''(II) identifies the strategies to be used to achieve such goal; and

''(III) describes the efforts the State will make to involve young men, as well as young women, in delaying pregnancy and parenting.

''(iii) SET-ASIDE FOR GRANTS TO INDIAN TRIBES.—Not less than an amount equal to 1.5 percent of the amount appropriated under subparagraph (G) for a fiscal year shall be used for the purpose of awarding grants to Indian tribes under this paragraph in such manner, and subject to such requirements, as the Secretary, in consultation with such tribes, determines appropriate.

''(B) GRANT AMOUNT.—

''(i) IN GENERAL.—The Secretary shall allot to each State with a plan approved under subparagraph (A) an amount equal to—

''(I) with respect to fiscal year 2004, the amount that bears the same ratio to the amount of funds appropriated under subparagraph (G) for such fiscal year as the proportion of births in the State to teens under age 20 bears to the number of such births in all States; and

''(II) with respect to each of fiscal years 2005 through 2008, the amount that bears the same ratio to 50 percent of the amount of funds appropriated under subparagraph (G) for each such fiscal year as the proportion of births in the State to teens under age 20 bears to the number of such births in all States.

''(ii) INCENTIVE FUNDS.—In addition to the amount determined for a State under clause (i)(II), in the case of a State that is a high achieving State (as defined in clause (iii)), the Secretary shall allot to such high achieving State with respect to each of fiscal years 2005 through 2008, the amount that bears the same ratio to 50 percent of the amount of funds appropriated under subparagraph (G) for each such fiscal year as the proportion of teens under age 20 in the high achieving State bears to the number of such teens in all such high achieving States.

''(iii) DEFINITION OF HIGH ACHIEVING STATE.—In this paragraph, the term 'high achieving State' means a State that has achieved an annual decline in the teen birth rate for the State as compared to the preceding year (or the most recent year for which data is available) of at least 2.5 percent.

''(iv) DETERMINATION OF TEEN BIRTH RATES.—For purposes of this subparagraph, the teen birth rate for a State shall be determined on the basis of the birth rate per 1,000 women, ages 15 through 19, who reside in the State.

''(C) USE OF FUNDS.—

''(i) IN GENERAL.—A State shall use funds provided under a grant made under this paragraph to implement teen pregnancy prevention strategies that—

''(I) are abstinence-first, as defined in clause (ii)(I);

''(II) replicate or substantially incorporate the elements of 1 or more teen pregnancy prevention programs, including certain youth development programs and service learning programs, that have been proven effective (on the basis of rigorous scientific research as defined in clause (ii)(III));

''(III) delay or decrease sexual activity, increase contraceptive use among sexually active teens, or reduce teenage pregnancies without increasing risky behaviors; and

''(IV) incorporate outreach or media programs.

''(ii) DESIGN AND IMPLEMENTATION FLEXIBILITY.—States and Indian tribes receiving a grant under this paragraph shall have flexibility to determine how to use funds made available under the grant to design and implement the teen pregnancy prevention strategies described in clause (i).

''(iii) DEFINITIONS.—In this paragraph:

''(I) ABSTINENCE-FIRST.—The term 'abstinence-first' means a strategy that strongly emphasizes abstinence as the best and only certain way to avoid pregnancy and sexually transmitted infections and that discusses the scientifically proven effectiveness, benefits, and limitations of contraception and other approaches in a manner that is medically accurate, as defined in subclause (II).

''(II) MEDICALLY ACCURATE.—The term 'medically accurate' means information that is supported by research recognized as accurate and objective by leading medical, psychological, psychiatric, or public health organizations and agencies and, where relevant, is published in a peer-reviewed journal (as defined by the American Medical Association).

''(III) RIGOROUS SCIENTIFIC RESEARCH.—The term 'rigorous scientific research' means research that typically uses randomized control trials and other similar strong experimental designs.

''(D) SUBGRANT OR CONTRACT RECIPIENTS.—A State to which a grant is made under this paragraph for a fiscal year may award subgrants or contracts to—

''(i) State or local nonprofit coalitions working to prevent teenage pregnancy;

''(ii) State, local, or tribal agencies;

''(iii) schools;

''(iv) entities that provide after school programs;

''(v) nonprofit community or faith-based organizations; or

''(vi) other organizations designated by the State.

''(E) SUPPLEMENTATION OF FUNDS.—A State to which a grant is made under this paragraph for a fiscal year shall use funds provided under the grant to supplement and not supplant funds that would otherwise be available to the State for preventing teen pregnancy.

''(F) DATA REPORTING.—A State to which a grant is made under this paragraph for a fiscal year shall cooperate with the Secretary to collect information and report on outcomes of programs funded under the grant, as specified by the Secretary.

''(G) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for making grants under this paragraph—

''(i) for fiscal year 2004, $50,000,000; and

''(ii) for each of fiscal years 2005 through 2008, $100,000,000.''.

SEC. 204. TEEN PREGNANCY PREVENTION RESOURCE CENTER.

(a) AUTHORITY TO ESTABLISH.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall make a grant to a nationally recognized, nonpartisan, nonprofit organization that meets the requirements described in paragraph (2) to establish and operate a national teen pregnancy prevention resource center (in this section referred to as the ''Resource Center'') to carry out the purposes and activities described in subsection (b).

(2) CONTRACTOR REQUIREMENTS.—The requirements described in this paragraph are the following:

(A) The organization has at least 7 years of experience in working with diverse sectors of society to reduce teen pregnancy.

(B) The organization has a demonstrated ability to work with and provide assistance to a broad range of individuals and entities, including teens, parents, the entertainment and news media, State, tribal, and local organizations, networks of teen pregnancy prevention practitioners, businesses, faith and community leaders, and researchers.

(C) The organization is research-based and has capabilities in scientific analysis and evaluation.

(D) The organization has comprehensive knowledge and data about teen pregnancy prevention strategies.

(E) The organization has experience carrying out activities similar to the activities described in subsection (b)(2).

(b) PURPOSES AND ACTIVITIES.—

(1) PURPOSES.—The purposes of the Resource Center are to—

(A) provide information and technical assistance to States, Indian tribes, local communities, and other public or private organizations seeking to reduce rates of teen pregnancy;

(B) support parents in their essential role in preventing teen pregnancy by equipping parents with information and resources to promote and strengthen communication with their children; and

(C) assist the entertainment media industry by providing information and helping that industry develop content and messages for teens and adults that can help prevent teen pregnancy.

(2) ACTIVITIES.—The Resource Center shall carry out the purposes described in paragraph (1) through the following activities:

(A) Synthesizing and disseminating research and information regarding effective and promising practices to prevent teen pregnancy.

(B) Developing and providing information on how to design and implement effective programs to prevent teen pregnancy.

(C) Helping States, local communities, and other organizations increase their knowledge of existing resources that can be used to advance teen pregnancy prevention efforts, build their capacity to access such resources, and develop partnerships with other programs and funding streams.

(D) Linking organizations working to reduce teen pregnancy with experts and peer groups, including the creation of technical assistance networks.

(E) Providing consultation and resources on how to reduce teen pregnancy through a broad array of strategies, including enlisting the help of various sectors of society such as parents, other adults (such as coaches, teachers, and mentors), community or faith-based groups, the entertainment and news media, business, and teens themselves.

(F) Assisting organizations seeking to reduce teen pregnancy in their efforts to work with all forms of media and to reach a variety of audiences (such as teens, parents, and ethnically diverse groups) to communicate effective messages about preventing teen pregnancy, including messages that focus on abstinence, responsible behavior, family communication, relationships, and values.

(G) Providing resources for parents and other adults that help to foster strong connections with children, which has been proven effective in reducing sexual activity and teen pregnancy, including online access to research, parent guides, tips, and alerts

about upcoming opportunities to use the entertainment media as a discussion starter.

(H) Working directly with individuals and organizations in the entertainment industry to provide consultation and serve as a source of factual information on issues related to teen pregnancy prevention.

(c) MEDIA CAMPAIGNS.—

(1) IN GENERAL.—The organization operating the Resource Center may use a portion of the funds appropriated to carry out this section to develop and implement media campaigns directly or through grants, contracts, or cooperative agreements with other entities. Such campaigns may include the production and distribution of printed materials and messages for print media, television and radio broadcast media, the Internet, or such other media as may be appropriate for reaching large numbers of young people, parents, and community leaders.

(2) MATCHING.—To the extent possible, funds used to develop and implement media campaigns under this subsection should be matched with non-Federal resources, including in-kind contributions, from public and private entities.

(d) COLLABORATION WITH OTHER ORGANIZATIONS.—The organization operating the Resource Center shall collaborate with other organizations that have expertise and interest in teen pregnancy prevention and that can help to reach out to diverse audiences.

(e) EVALUATION.—

(1) RESERVATION AND AVAILABILITY OF FUNDS.—Of the amount appropriated under subsection (f) for fiscal year 2004, $5,000,000 shall be reserved for use by the Secretary of Health and Human Services to prepare an interim and final report summarizing and synthesizing outcomes and lessons learned from the activities funded under this section. Funds reserved under the preceding sentence shall remain available for expenditure through fiscal year 2008.

(2) REQUIRED INFORMATION.—Each report required under paragraph (1) shall include—

(A) a rigorous scientific evaluation of at least 3 such activities that are selected to represent a diversity of strategies; and

(B) an assessment of the ability to replicate and expand activities that have proven effective on a smaller scale.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Health and Human Services to carry out this section, $10,000,000 for each of fiscal years 2004 through 2008.

SEC. 205. ESTABLISHING NATIONAL GOALS TO PREVENT TEEN PREGNANCY.

Section 905 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 710 note) is amended to read as follows:

"SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT TEEN PREGNANCY.

''(a) IN GENERAL.—Not later than January 1, 2004, the Secretary of Health and Human Services shall establish a national goal of reducing teen pregnancy by at least 25 percent by January 1, 2014.

''(b) REPORT.—Not later than June 30, 2004, and annually thereafter, the Secretary of Health and Human Services shall report to Congress with respect to the progress that has been made in meeting the national goal established under subsection (a).''.

Subtitle B—Child Support Distribution to Families First

CHAPTER 1—DISTRIBUTION OF CHILD SUPPORT

SEC. 211. DISTRIBUTION OF CHILD SUPPORT COLLECTED BY STATES ON BEHALF OF CHILDREN RECEIVING CERTAIN WELFARE BENEFITS.

(a) MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

''(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of paying assistance to a family under the State program funded under this part, that a member of the family assign to the State any right the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so paid to the family, which accrues during the period that the family receives assistance under the program.''.

(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—

(1) DISTRIBUTION RULES.—

(A) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended to read as follows:

''(a) IN GENERAL.—Subject to subsections (e) and (f), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

''(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

''(C) pay to the family any remaining amount.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

''(B) ARREARAGES.—Except as otherwise provided in an election made under 434(34), to the extent that the amount collected exceeds the current support amount, the State—

''(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3);

''(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

''(I) pay to the Federal Government, the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

''(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

''(iii) shall pay to the family any remaining amount.

''(3) LIMITATIONS.—

''(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall pay the amount collected to the family.

''(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (3), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.

''(6) STATE FINANCING OPTIONS.—To the extent that the State's share of the amount payable to a family pursuant to paragraph (2)(B) of this subsection exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family pursuant to former section 457(a)(2)(B) (as in effect for the State immediately before the date this subsection first applies to the State) if such former section had remained in effect, the State may elect to use the grant made to the State under section 403(a) to pay the amount, or to have the payment considered a qualified State expenditure for purposes of section 409(a)(7), but not both.

''(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

''(A) IN GENERAL.—Notwithstanding paragraphs (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is not a recipient of assistance under the State program funded under part A, to the extent that the State pays the amount to the family.

''(B) RECIPIENTS OF TANF FOR LESS THAN 5 YEARS.—

''(i) IN GENERAL.—Notwithstanding paragraphs (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is a recipient of assistance under the State program funded under part A and, if the family includes an adult, that has received the assistance for not more than 5 years after the date of enactment of this paragraph, to the extent that—

''(I) the State pays the amount to the family; and

''(II) subject to clause (ii), the amount is disregarded in determining the amount and type of the assistance provided to the family.

''(ii) LIMITATION.—Of the amount disregarded as described in clause (i)(II), the maximum amount that may be taken into account for purposes of clause (i) shall not exceed $400 per month, except that, in the case of a family that includes 2 or more children, the State may elect to increase the maximum amount to not more than $600 per month.

''(8) STATES WITH DEMONSTRATION WAIVERS.—Notwithstanding the preceding paragraphs, a State with a waiver under section 1115, effective on or before October 1, 1997, the terms of which allow pass-through of child support payments, may pass through payments in accordance with such terms with respect to families subject to the waiver.''.

(B) STATE PLAN TO INCLUDE ELECTION AS TO WHICH RULES TO APPLY IN DISTRIBUTING CHILD SUPPORT ARREARAGES COLLECTED ON BEHALF OF FAMILIES FORMERLY RECEIVING ASSISTANCE.—Section 454 (42 U.S.C. 654) is amended—

(i) by striking ''and'' at the end of paragraph (32);

(ii) by striking the period at the end of paragraph (33) and inserting ''; and''; and

(iii) by inserting after paragraph (33) the following:

''(34) include an election by the State to apply section 457(a)(2)(B) of this Act or former section 457(a)(2)(B) of this Act (as in effect for the State immediately before the date this paragraph first applies to the State) to the distribution of the amounts

which are the subject of such sections, and for so long as the State elects to so apply such former section, the amendments made by subsection (b)(1)(A) of section 211 of the Building on Welfare Success Act of 2003 shall not apply with respect to the State, notwithstanding subsection (f)(1) of such section 211.''.

(C) APPROVAL OF ESTIMATION PROCEDURES.—Not later than the date that is 6 months after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with the States (as defined for purposes of part D of title IV of the Social Security Act), shall establish the procedures to be used to make the estimate described in section 457(a)(6) of such Act.

(2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:

''(5) CURRENT SUPPORT AMOUNT.—The term 'current support amount' means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support.''.

(c) BAN ON RECOVERY OF MEDICAID COSTS FOR CERTAIN BIRTHS.—Section 454 (42 U.S.C. 654), as amended by subsection (b)(1)(B), is amended—

(1) by striking ''and'' at the end of paragraph (33);

(2) by striking the period at the end of paragraph (34) and inserting ''; and''; and

(3) by inserting after paragraph (34) the following:

''(35) provide that the State shall not use the State program operated under this part to collect any amount owed to the State by reason of costs incurred under the State plan approved under title XIX for the birth of a child for whom support rights have been assigned pursuant to section 408(a)(3), 471(a)(17), or 1912.''.

(d) STATE OPTION TO DISCONTINUE PRE-1997 SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended to read as follows:

''(b) CONTINUATION OF ASSIGNMENTS.—

''(1) STATE OPTION TO DISCONTINUE PRE-1997 SUPPORT ASSIGNMENTS.—

''(A) IN GENERAL.—Any rights to support obligations assigned to a State as a condition of receiving assistance from the State under part A and in effect on September 30, 1997 (or such earlier date on or after August 22, 1996, as the State may choose), may remain assigned after such date.

''(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to such assignment as if such amounts had never been assigned and may distribute such amounts to the family in accordance with subsection (a)(4).

''(2) STATE OPTION TO DISCONTINUE POST-1997 ASSIGNMENTS.—

''(A) IN GENERAL.—Any rights to support obligations accruing before the date on which a family first receives assistance that are assigned to a State under part A and in effect before the implementation date of this section may remain assigned after such date.

''(B) DISTRIBUTION OF AMOUNTS AFTER ASSIGNMENT DISCONTINUATION.—If a State chooses to discontinue the assignment of a support obligation described in subparagraph (A), the State may treat amounts collected pursuant to such assignment as if such amounts had never been assigned and may distribute such amounts to the family in accordance with subsection (a)(4).''.

(e) CONFORMING AMENDMENTS.—

(1) Section 404(a) (42 U.S.C. 604(a)) is amended—

(A) by striking ''or'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; or''; and

(C) by adding at the end the following:

''(3) to fund payment of an amount pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to use the grant to fund the payment.''.

(2) Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended—

(A) in subclause (I)(aa), by striking ''457(a)(1)(B)'' and inserting ''457(a)(1)''; and

(B) by adding at the end the following:

''(V) PORTIONS OF CERTAIN CHILD SUPPORT PAYMENTS COLLECTED ON BEHALF OF AND DISTRIBUTED TO FAMILIES NO LONGER RECEIVING ASSISTANCE.—Any amount paid by a State pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to have the payment considered a qualified State expenditure.''.

(3) TAX OFFSET AUTHORITY.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended—

(A) in the first sentence, by striking ''the Social Security Act'' the second place it appears and inserting ''such Act''; and

(B) by striking the third sentence and inserting the following: ''The Secretary shall apply a reduction under this subsection first to an amount certified by the State as past due support under section 464 before any other reductions allowed by law.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 2004, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, and without regard to whether regulations to implement such amendments (in the case of State programs operated under such part D) are promulgated by such date.

(2) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—In addition, a State may elect to have the amendments made by this section apply to the State and to amounts collected by the State, on and after such date as the State may select that is after the date of enactment of this Act and before October 1, 2004.

CHAPTER 2—EXPANDED ENFORCEMENT

SEC. 221. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

Section 452(k) (42 U.S.C. 652(k)) is amended by striking ''$5,000'' and inserting ''$2,500''.

SEC. 222. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

Section 464 (42 U.S.C. 664) is amended—

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

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2), as used in'' and inserting ''In''; and

(ii) by inserting ''(whether or not a minor)'' after ''a child'' each place it appears; and

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

SEC. 223. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.

Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(ii)—

(A) in subclause (IV), by striking ''or'' after the semicolon;

(B) in subclause (V), by inserting ''or'' after the semicolon; and

(C) by adding at the end the following:

''(VI) subject to paragraph (3), other than periodic benefits or payments described in subclause (V), by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces;'';

(2) in paragraph (1)(B)(iii), by striking ''subparagraph (A)(ii)(V)'' and inserting ''subclauses (V) and (VI) of subparagraph (A)(ii)''; and

(3) by adding at the end the following:

''(3) LIMITATIONS WITH RESPECT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.—

''(A) ALIMONY AND CHILD SUPPORT.—Compensation described in paragraph (1)(A)(ii)(VI) shall not be subject to withholding pursuant to this section—

''(i) for payment of alimony; or

''(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

''(B) LIMITATION.—Not more than 50 percent of any payment of compensation described in subparagraph (A) may be withheld pursuant to this section.''.

SEC. 224. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended in the matter preceding subclause (I)—

(1) by striking ''parent, or,'' and inserting ''parent or''; and

(2) by striking ''upon the request of the State agency under the State plan or of either parent,''.

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

SEC. 225. IMPROVED INTERSTATE ENFORCEMENT.

(a) ADOPTION OF UNIFORM STATE LAWS.—Section 466(f) (42 U.S.C. 666(f)) is amended—

(1) by striking ''January 1, 1998'' and inserting ''October 1, 2004''; and

(2) by striking ''August 22, 1996'' and inserting ''January 1, 2002''.

(b) FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.—Section 1738B of title 28, United States Code, is amended—

(1) by striking subsection (d) and inserting the following:

''(d) CONTINUING EXCLUSIVE JURISDICTION.—

''(1) IN GENERAL.—Subject to paragraph (2), a court of a State that has made a child support order consistently with this section has continuing, exclusive jurisdiction to modify its order if the order is the controlling order and—

''(A) the State is the child's State or the residence of any individual contestant; or

''(B) if the State is not the residence of the child or an individual contestant, the contestants consent in a record or in open court that the court may continue to exercise jurisdiction to modify its order.

''(2) REQUIREMENT.—A court may not exercise its continuing, exclusive jurisdiction to modify the order if the court of another State, acting in accordance with subsections (e) and (f), has made a modification of the order.'';

(2) in subsection (e)(2)—

(A) in subparagraph (A), by striking ''because'' and all that follows through the semicolon and inserting ''pursuant to paragraph (1) or (2) of subsection (d);'' and

(B) in subparagraph (B), by inserting ''with jurisdiction over at least 1 of the individual contestants or that is located in the child's State'' after ''another State'';

(3) in subsection (f)—

(A) in the subsection heading, by striking ''RECOGNITION OF CHILD SUPPORT ORDERS''

and inserting ''DETERMINATION OF CONTROLLING CHILD SUPPORT ORDER'';

(B) in the matter preceding paragraph (1), by striking ''shall apply'' and all that follows through the colon and inserting ''having personal jurisdiction over both individual contestants shall apply the following rules and by order shall determine which order controls:''

(C) in paragraph (1), by striking ''must be'' and inserting ''controls and must be so'';

(D) in paragraph (2), by striking ''must be recognized'' and inserting ''controls'';

(E) in paragraph (3), by striking ''must be recognized'' each place it appears and inserting ''controls'';

(F) in paragraph (4)—

(i) by striking ''may'' and inserting ''shall''; and

(ii) by striking ''must be recognized'' and inserting ''controls''; and

(G) by striking paragraph (5);

(4) by striking subsection (g) and inserting the following:

''(g) ENFORCEMENT OF MODIFIED ORDERS.—If a child support order issued by a court of a State is modified by a court of another State which properly assumed jurisdiction, the issuing court—

''(1) may enforce its order that was modified only as to arrears and interest accruing before the modification;

''(2) may provide appropriate relief for violations of its order which occurred before the effective date of the modification; and

''(3) shall recognize the modifying order of the other State for the purpose of enforcement.'';

(5) in subsection (h)—

(A) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)'';

(B) in paragraph (2), by inserting ''the computation and payment of arrearages, and the accrual of interest on the arrearages,'' after ''obligations of support,''; and

(C) by adding at the end the following:

''(4) PROSPECTIVE APPLICATION.—After a court determines which is the controlling order and issues an order consolidating arrears, if any, a court shall prospectively apply the law of the State issuing the controlling order, including that State's law with respect to interest on arrears, current and future support, and consolidated arrears.''; and

(6) in subsection (i), by inserting ''and subsection (d)(2) does not apply'' after ''issuing State''.

CHAPTER 3—MISCELLANEOUS

SEC. 231. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed due to a change in address. The report shall include an estimate of the total amount of such undistributed child support and the average length of time it takes for such child support to be distributed. The Secretary shall include in the report recommendations as to whether additional procedures should be established at the Federal or State level to expedite the payment of undistributed child support.

SEC. 232. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

Section 453(j) (42 U.S.C. 653(j)) is amended by adding at the end the following:

''(7) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

''(A) IN GENERAL.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name, address, and employer identification number of any putative employer of the individual, subject to this paragraph.

''(B) CONDITION ON DISCLOSURE.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

''(C) USE OF INFORMATION.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).''.

SEC. 233. IMMIGRATION PROVISIONS.

(a) NONIMMIGRANT ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION FOR NONPAYMENT OF CHILD SUPPORT.—

(1) IN GENERAL.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

''(F) NONPAYMENT OF CHILD SUPPORT.—

''(i) IN GENERAL.—Any nonimmigrant alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i)(2) of the Social Security Act), and whose failure to pay such child support has resulted in an arrearage exceeding $2,500, until child support payments under the judgment, decree, or order are satisfied or the nonimmigrant alien is in compliance with an approved payment agreement.

''(ii) WAIVER AUTHORIZED.—The Secretary of Homeland Security may waive the application of clause (i) in the case of an alien, if the Secretary—

''(I) has received a request for the waiver from the court or administrative agency having jurisdiction over the judgment, decree, or order obligating the alien to pay child support that is referred to in such clause; or

''(II) determines that there are prevailing humanitarian or public interest concerns.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect 180 days after the date of enactment of this Act.

(b) AUTHORIZATION TO SERVE LEGAL PROCESS IN CHILD SUPPORT CASES ON CERTAIN ARRIVING ALIENS.—

(1) IN GENERAL.—Section 235(d) of the Immigration and Nationality Act (8 U.S.C. 1225(d)) is amended by adding at the end the following:

''(5) AUTHORITY TO SERVE PROCESS IN CHILD SUPPORT CASES.—

''(A) IN GENERAL.—To the extent consistent with State law, immigration officers are authorized to serve on any alien who is an applicant for admission to the United States legal process with respect to any action to enforce or establish a legal obligation of an individual to pay child support (as defined in section 459(i)(2) of the Social Security Act).

''(B) DEFINITION.—For purposes of subparagraph (A), the term 'legal process' means any writ, order, summons, or other similar process, which is issued by—

''(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States; or

''(ii) an authorized official pursuant to an order of such a court or agency or pursuant to State or local law.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to aliens applying for admission to the United States on or after 180 days after the date of enactment of this Act.

(c) AUTHORIZATION TO SHARE CHILD SUPPORT ENFORCEMENT INFORMATION TO ENFORCE IMMIGRATION AND NATURALIZATION LAW.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

''(m) If the Secretary receives a certification by a State agency, in accordance with section 454(36), that an individual who is a nonimmigrant alien (as defined in section 101(a)(15) of the Immigration and Nationality Act) owes arrearages of child support in an amount exceeding $2,500, the Secretary may, at the request of the State agency, the Secretary of State, or the Secretary of Homeland Security, or on the Secretary's own initiative, provide the certification to the Secretary of State and the Secretary of Homeland Security in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of such Act.''.

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by section 211(c), is amended—

(A) by striking ''and'' at the end of paragraph (34);

(B) by striking the period at the end of paragraph (35) and inserting ''; and''; and

(C) by inserting after paragraph (35) the following:

''(36) provide that the State agency will have in effect a procedure for certifying to the Secretary, in such format and accompanied by such supporting documentation as the Secretary may require, determinations that nonimmigrant aliens owe arrearages of child support in an amount exceeding $2,500.''.

SEC. 234. INCREASE IN PAYMENT RATE TO STATES FOR EXPENDITURES FOR SHORT-TERM TRAINING OF STAFF OF CERTAIN CHILD WELFARE AGENCIES.

Section 474(a)(3)(B) of the Social Security Act (42 U.S.C. 674(a)(3)(B)) is amended by inserting '', or State-licensed or State-approved child welfare agencies providing services,'' after ''child care institutions''.

Subtitle C—Responsible Fatherhood

SEC. 241. RESPONSIBLE FATHERHOOD GRANTS.

Part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) is amended by adding at the end the following:

''SEC. 469C. RESPONSIBLE FATHERHOOD GRANTS.

''(a) GRANTS TO STATES TO CONDUCT DEMONSTRATION PROGRAMS.—

''(1) AUTHORITY TO AWARD GRANTS.—

''(A) IN GENERAL.—The Secretary shall award grants to up to 10 eligible States to conduct demonstration programs to carry out the purposes described in paragraph (2).

''(B) ELIGIBLE STATE.—For purposes of this subsection, an eligible State is a State that submits to the Secretary the following:

''(i) APPLICATION.—An application for a grant under this subsection, at such time, in such manner, and containing such information as the Secretary may require.

''(ii) STATE PLAN.—A State plan that includes the following:

''(I) PROJECT DESCRIPTION.—A description of the types of projects the State will fund under the grant, including a good faith estimate of the number and characteristics of clients to be served under such projects and how the State intends to achieve at least 2 of the purposes described in paragraph (2).

''(II) COORDINATION EFFORTS.—A description of how the State will coordinate and cooperate with State and local entities responsible for carrying out other programs that

relate to the purposes intended to be achieved under the demonstration program, including as appropriate, entities responsible for carrying out jobs programs and programs serving children and families.

''(III) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, submit such reports, and cooperate with such reviews and audits as the Secretary finds necessary for purposes of oversight of the demonstration program.

''(iii) CERTIFICATIONS.—The following certifications from the chief executive officer of the State:

''(I) A certification that the State will use funds provided under the grant to promote at least 2 of the purposes described in paragraph (2).

''(II) A certification that the State will return any unused funds to the Secretary in accordance with the reconciliation process under paragraph (4).

''(III) A certification that the funds provided under the grant will be used for programs and activities that target low-income participants and that not less than 50 percent of the participants in each program or activity funded under the grant shall be—

''(aa) parents of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part and is described in section 454(4)(A)(i); or

''(bb) parents, including an expectant parent or a married parent, whose income (after adjustment for court-ordered child support paid or received) does not exceed 150 percent of the poverty line.

''(IV) A certification that programs or activities funded under the grant will be provided with information regarding the prevention of domestic violence and that the State will consult with representatives of State and local domestic violence centers.

''(V) A certification that funds provided to a State under this subsection shall not be used to supplement or supplant other Federal, State, or local funds that are used to support programs or activities that are related to the purposes described in paragraph (2).

''(C) PREFERENCES AND FACTORS OF CONSIDERATION.—In awarding grants under this subsection, the Secretary shall take into consideration the following:

''(i) DIVERSITY OF ENTITIES USED TO CONDUCT PROGRAMS AND ACTIVITIES.—The Secretary shall, to the extent practicable, achieve a balance among the eligible States awarded grants under this subsection with respect to the size, urban or rural location, and employment of differing or unique methods of the entities that the States intend to use to conduct the programs and activities funded under the grants.

''(ii) PRIORITY FOR CERTAIN STATES.—The Secretary shall give priority to awarding grants to eligible States that have—

''(I) demonstrated progress in achieving at least 1 of the purposes described in paragraph (2) through previous State initiatives; or

''(II) demonstrated need with respect to reducing the incidence of out-of-wedlock births or absent fathers in the State.

''(2) PURPOSES.—The purposes described in this paragraph are the following:

''(A) PROMOTING RESPONSIBLE FATHERHOOD THROUGH MARRIAGE PROMOTION.—To promote marriage or sustain marriage through such activities as counseling, mentoring, disseminating information about the benefits of marriage and 2-parent involvement for children, enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving a family's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

''(B) PROMOTING RESPONSIBLE FATHERHOOD THROUGH PARENTING PROMOTION.—To promote responsible parenting through such activities as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.

''(C) PROMOTING RESPONSIBLE FATHERHOOD THROUGH FOSTERING ECONOMIC STABILITY OF FATHERS.—To foster economic stability by helping fathers improve their economic status by providing such activities as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing education, dissemination of employment materials, coordination with existing employment services such as welfare-to-work programs, referrals to local employment training initiatives, and other methods.

''(3) RESTRICTION ON USE OF FUNDS.—No funds provided under this subsection may be used for costs attributable to court proceedings regarding matters of child visitation or custody, or for legislative advocacy.

''(4) RECONCILIATION PROCESS.—

''(A) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each eligible State that receives a grant under this subsection for a fiscal year shall return to the Secretary any unused portion of the grant for such fiscal year not later than the last day of the second succeeding fiscal year, together with any earnings on such unused portion.

''(B) PROCEDURE FOR REDISTRIBUTION.—The Secretary shall establish an appropriate procedure for redistributing to eligible entities that have expended the entire amount of a grant made under this subsection for a fiscal year any amount that is returned to the Secretary by eligible States under subparagraph (A).

''(5) AMOUNT OF GRANTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the amount of each grant awarded under this subsection shall be an amount sufficient to implement the State plan submitted under paragraph (1)(B)(ii).

''(B) MINIMUM AMOUNTS.—No eligible State shall—

''(i) in the case of the District of Columbia or a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, receive a grant for a fiscal year in an amount that is less than $1,000,000; and

''(ii) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, receive a grant for a fiscal year in an amount that is less than $500,000.

''(6) DEFINITION OF STATE.—In this subsection the term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 for purposes of making grants to States under this subsection.

''(b) GRANTS TO ELIGIBLE ENTITIES TO CONDUCT DEMONSTRATION PROGRAMS.—

''(1) AUTHORITY TO AWARD GRANTS.—

''(A) IN GENERAL.—The Secretary shall award grants to eligible entities to conduct demonstration programs to carry out the purposes described in (a)(2).

''(B) ELIGIBLE ENTITY.—For purposes of this subsection, an eligible entity is a local government, local public agency, community-based or nonprofit organization, or private entity, including any charitable or faith-based organization that submits to the Secretary the following:

''(i) APPLICATION.—An application for a grant under this subsection, at such time, in such manner, and containing such information as the Secretary may require.

''(ii) PROJECT DESCRIPTION.—A description of the programs or activities the entity intends to carry out with funds provided under the grant, including a good faith estimate of the number and characteristics of clients to be served under such programs or activities and how the entity intends to achieve at least 2 of the purposes described in subsection (a)(2).

''(iii) COORDINATION EFFORTS.—A description of how the entity will coordinate and cooperate with State and local entities responsible for carrying out other programs that relate to the purposes intended to be achieved under the demonstration program, including as appropriate, entities responsible for carrying out jobs programs and programs serving children and families.

''(iv) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, submit such reports, and cooperate with such reviews and audits as the Secretary finds necessary for purposes of oversight of the demonstration program.

''(v) CERTIFICATIONS.—The following certifications:

''(I) A certification that the entity will use funds provided under the grant to promote at least 2 of the purposes described in subsection (a)(2).

''(II) A certification that the entity will return any unused funds to the Secretary in accordance with the reconciliation process under paragraph (3).

''(III) A certification that the funds provided under the grant will be used for programs and activities that target low-income participants and that not less than 50 percent of the participants in each program or activity funded under the grant shall be—

''(aa) parents of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part and is described in section 454(4)(A)(i); or

''(bb) parents, including an expectant parent or a married parent, whose income (after adjustment for court-ordered child support paid or received) does not exceed 150 percent of the poverty line.

''(IV) A certification that the entity will consult with representatives of State and local domestic violence centers.

''(V) A certification that funds provided to an entity under this subsection shall not be used to supplement or supplant other Federal, State, or local funds provided to the entity that are used to support programs or activities that are related to the purposes described in subsection (a)(2).

''(C) PREFERENCES AND FACTORS OF CONSIDERATION.—In awarding grants under this subsection, the Secretary shall, to the extent practicable, achieve a balance among the eligible entities awarded grants under this subsection with respect to the size, urban or rural location, and employment of differing or unique methods of the entities.

''(2) RESTRICTION ON USE OF FUNDS.—No funds provided under this subsection may be

used for costs attributable to court proceedings regarding matters of child visitation or custody, or for legislative advocacy.

''(3) RECONCILIATION PROCESS.—

''(A) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each eligible entity that receives a grant under this subsection for a fiscal year shall return to the Secretary any unused portion of the grant for such fiscal year not later than the last day of the second succeeding fiscal year, together with any earnings on such unused portion.

''(B) PROCEDURE FOR REDISTRIBUTION.—The Secretary shall establish an appropriate procedure for redistributing to eligible entities that have expended the entire amount of a grant made under this subsection for a fiscal year any amount that is returned to the Secretary by eligible entities under subparagraph (A).

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $30,000,000 for each of fiscal years 2004 through 2008 for purposes of making grants to eligible entities under this subsection.''.

SEC. 242. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE FATHERHOOD PROGRAMS.

Section 469C of the Social Security Act, as added by section 241, is amended by adding at the end the following:

''(c) MEDIA CAMPAIGN NATIONAL CLEARINGHOUSE FOR RESPONSIBLE FATHERHOOD.—

''(1) MEDIA CAMPAIGN AND NATIONAL CLEARINGHOUSE.—

''(A) IN GENERAL.—From any funds appropriated under paragraph (3), the Secretary shall contract with a nationally recognized, nonprofit fatherhood promotion organization described in paragraph (2) to—

''(i) develop, promote, and distribute to interested States, local governments, public agencies, and private entities a media campaign that encourages the appropriate involvement of both parents in the life of any child of the parents, with a priority for programs that specifically address the issue of responsible fatherhood; and

''(ii) develop a national clearinghouse to assist States and communities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to other States information regarding the media campaigns established under subsection (d).

''(B) COORDINATION WITH DOMESTIC VIOLENCE PROGRAMS.—The Secretary shall ensure that the nationally recognized nonprofit fatherhood promotion organization with a contract under subparagraph (A) coordinates the media campaign developed under clause (i) of such paragraph and the national clearinghouse developed under clause (ii) of such paragraph with a national, State, or local domestic violence program.

''(2) NATIONALLY RECOGNIZED, NONPROFIT FATHERHOOD PROMOTION ORGANIZATION DESCRIBED.—The nationally recognized, nonprofit fatherhood promotion organization described in this paragraph is an organization that has at least 4 years of experience in—

''(A) designing and disseminating a national public education campaign, as evidenced by the production and successful placement of television, radio, and print public service announcements that promote the importance of responsible fatherhood, a track record of service to Spanish-speaking populations and historically underserved or minority populations, the capacity to fulfill requests for information and a proven history of fulfilling such requests, and a mechanism through which the public can request additional information about the campaign; and

''(B) providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $5,000,000 for each of fiscal years 2004 through 2008 to carry out this subsection.''.

SEC. 243. BLOCK GRANTS TO STATES TO ENCOURAGE MEDIA CAMPAIGNS.

(a) IN GENERAL.—Section 469C of the Social Security Act, as added by section 241 and amended by section 242, is amended by adding at the end the following:

''(d) BLOCK GRANTS TO STATES FOR MEDIA CAMPAIGNS PROMOTING RESPONSIBLE FATHERHOOD.—

''(1) DEFINITIONS.—In this subsection:

''(A) BROADCAST ADVERTISEMENT.—The term 'broadcast advertisement' means a communication intended to be aired by a television or radio broadcast station, including a communication intended to be transmitted through a cable channel.

''(B) CHILD AT RISK.—The term 'child at risk' means each young child whose family income does not exceed the poverty line.

''(C) POVERTY LINE.—The term 'poverty line' has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (including any revision required by such section) that is applicable to a family of the size involved.

''(D) PRINTED OR OTHER ADVERTISEMENT.—The term 'printed or other advertisement' includes any communication intended to be distributed through a newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public advertising, but does not include any broadcast advertisement.

''(E) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(F) YOUNG CHILD.—The term 'young child' means an individual under age 5.

''(2) STATE CERTIFICATIONS.—Not later than October 1 of each of fiscal year for which a State desires to receive an allotment under this subsection, the chief executive officer of the State shall submit to the Secretary a certification that the State shall—

''(A) use such funds to promote the formation and maintenance of married 2-parent families, strengthen fragile families, and promote responsible fatherhood through media campaigns conducted in accordance with the requirements of paragraph (4);

''(B) return any unused funds to the Secretary in accordance with the reconciliation process under paragraph (5); and

''(C) comply with the reporting requirements under paragraph (6).

''(3) PAYMENTS TO STATES.—For each of fiscal years 2004 through 2008, the Secretary shall pay to each State that submits a certification under paragraph (2), from any funds appropriated under paragraph (8), for the fiscal year an amount equal to the amount of the allotment determined for the fiscal year under paragraph (7).

''(4) ESTABLISHMENT OF MEDIA CAMPAIGNS.—Each State receiving an allotment under this subsection for a fiscal year shall use the allotment to conduct media campaigns as follows:

''(A) CONDUCT OF MEDIA CAMPAIGNS.—

''(i) RADIO AND TELEVISION MEDIA CAMPAIGNS.—

''(I) PRODUCTION OF BROADCAST ADVERTISEMENTS.—At the option of the State, to produce broadcast advertisements that promote the formation and maintenance of married 2-parent families, strengthen fragile families, and promote responsible fatherhood.

''(II) AIR-TIME CHALLENGE PROGRAM.—At the option of the State, to establish an air-time challenge program under which the State may spend amounts allotted under this section to purchase time from a broadcast station to air a broadcast advertisement produced under clause (i), but only if the State obtains an amount of time of the same class and during a comparable period to air the advertisement using non-Federal contributions.

''(ii) OTHER MEDIA CAMPAIGNS.—At the option of the state, to conduct a media campaign that consists of the production and distribution of printed or other advertisements that promote the formation and maintenance of married 2-parent families, strengthen fragile families, and promote responsible fatherhood.

''(B) ADMINISTRATION OF MEDIA CAMPAIGNS.—A State may administer media campaigns funded under this subsection directly or through grants, contracts, or cooperative agreements with public agencies, local governments, or private entities, including charitable and faith-based organizations.

''(C) CONSULTATION WITH DOMESTIC VIOLENCE ASSISTANCE CENTERS.—In developing broadcast and printed advertisements to be used in the media campaigns conducted under subparagraph (A), the State or other entity administering the campaign shall consult with representatives of State and local domestic violence centers.

''(D) NON-FEDERAL CONTRIBUTIONS.—In this subsection, the term 'non-Federal contributions' includes contributions by the State and by public and private entities. Such contributions may be in cash or in kind. Such term does not include any amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, or any amount expended by a State before October 1, 2003.

''(5) RECONCILIATION PROCESS.—

''(A) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each State that receives an allotment under this subsection shall return to the Secretary any unused portion of the amount allotted to a State for a fiscal year not later than the last day of the second succeeding fiscal year together with any earnings on such unused portion.

''(B) PROCEDURE FOR REDISTRIBUTION OF UNUSED ALLOTMENTS.—The Secretary shall establish an appropriate procedure for redistributing to States that have expended the entire amount allotted under this subsection any amount that is—

''(i) returned to the Secretary by States under subparagraph (A); or

''(ii) not allotted to a State under this section because the State did not submit a certification under paragraph (2) by October 1 of a fiscal year.

''(6) REPORTING REQUIREMENTS.—

''(A) MONITORING AND EVALUATION.—Each State receiving an allotment under this subsection for a fiscal year shall monitor and evaluate the media campaigns conducted using funds made available under this subsection in such manner as the Secretary, in consultation with the States, determines appropriate.

''(B) ANNUAL REPORTS.—Not less frequently than annually, each State receiving an allotment under this subsection for a fiscal year shall submit to the Secretary reports on the media campaigns conducted under this subsection at such time, in such manner, and containing such information as the Secretary may require.

''(7) AMOUNT OF ALLOTMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), of the amount appropriated for the purpose of making allotments under this subsection for a fiscal year, the Secretary shall allot to each State that submits a certification under paragraph (2) for the fiscal year an amount equal to the sum of—

''(i) the amount that bears the same ratio to 50 percent of such funds as the number of young children in the State (as determined by the Secretary based on the most recent March supplement to the Current Population Survey of the Bureau of the Census before the beginning of the calendar year in which such fiscal year begins) as bears to the number of such children in all States; and

''(ii) the amount that bears the same ratio to 50 percent of such funds as the number of children at risk in the State (as determined by the Secretary based on the most recent March supplement to the Current Population Survey of the Bureau of the Census before the beginning of the calendar year in which such fiscal year begins) bears to the number of such children in all States.

''(B) MINIMUM ALLOTMENTS.—No allotment for a fiscal year under this subsection shall be less than—

''(i) in the case of the District of Columbia or a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 1 percent of the amount appropriated for the fiscal year under paragraph (8); and

''(ii) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, 0.5 percent of such amount.

''(C) PRO RATA REDUCTIONS.—The Secretary shall make such pro rata reductions to the allotments determined under subparagraph (A) as are necessary to comply with the requirements of subparagraph (B).

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 for purposes of making allotments to States under this subsection.''.

(b) EVALUATION.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall conduct an evaluation of the impact of the media campaigns funded under section 469C(d) of the Social Security Act, as added by subsection (a).

(2) REPORT.—Not later than December 31, 2006, the Secretary of Health and Human Services shall report to Congress the results of the evaluation under paragraph (1).

(3) FUNDING.—Of the amount appropriated in accordance with section 469C(d)(8) of the Social Security Act (as added by subsection (a)) for fiscal year 2004, $1,000,000 of such amount shall be transferred and made available for purposes of conducting the evaluation required under this subsection, and shall remain available until expended.

TITLE III—STATE FLEXIBILITY

SEC. 301. STATE OPTION TO ASSIST LEGAL IMMIGRANT FAMILIES.

(a) STATE OPTION.—

(1) IN GENERAL.—Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(M) At State option, assistance, benefits, or services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

(2) CONFORMING AMENDMENT.—Section 408(e) (42 U.S.C. 608(e)) is amended to read as follows:

''(e) ELIGIBILITY OF CERTAIN ALIENS.—Except as provided in subsection (f), at State option, a State may provide assistance, benefits, or services to a qualified alien (as defined in subsections (b) and (c) of section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641)) under the State program funded under this part in the same manner and to the same extent as a citizen of the United States would be provided such assistance, benefits, or services.''.

(b) ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIENS.—

(1) IN GENERAL.—Section 408(f) (42 U.S.C. 608(f)) is amended—

(A) in the heading, by striking ''NON-213A'' and inserting ''SPONSORED'';

(B) by striking ''The following'' and all that follows through the colon and inserting ''The following rules shall apply in determining whether an alien sponsored under section 213A of the Immigration and Nationality Act (and, at the option of the State, a non-213A alien) is eligible for cash assistance under the State program funded under this part, or in determining the amount of such assistance to be provided to a sponsored alien:'';

(C) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''non-213A'' and inserting ''sponsored'';

(ii) in subparagraph (B), by inserting ''(or, a greater amount as determined by the State)'' before the period; and

(iii) in the heading of subparagraph (C), by striking ''NON-213A'' and inserting ''SPONSORED'';

(D) by striking paragraph (5) and inserting the following:

''(5) EXCEPTIONS.—This subsection shall not apply to an alien who is—

''(A) a minor child if the sponsor of the alien or any spouse of the sponsor is a parent of the alien child; or

''(B) described in subsection (e) or (f) of section 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631).''; and

(E) by adding at the end the following:

''(7) INAPPLICABILITY TO FAMILY MEMBERS WHO ARE NOT SPONSORED ALIENS.—Income and resources of a sponsor which are deemed under this subsection to be the income and resources of any alien individual in a family shall not be considered in determining the need of other family members except to the extent such income or resources are actually available to such other family members.

''(8) RULE OF CONSTRUCTION.—For purposes of section 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631), the State program funded under this part is not a Federal means-tested public benefits program.''.

(2) CONFORMING AMENDMENTS.—Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note) is amended by adding at the end the following:

''(12) Assistance, benefits, or services under part A of title IV of the Social Security Act except for cash assistance provided to a sponsored alien who is subject to deeming pursuant to section 408(f) of that Act.''.

(c) STATE AUTHORITY TO PROVIDE STATE AND LOCAL PUBLIC BENEFITS FOR CERTAIN ALIENS.—Section 411(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(d)) is amended—

(1) in the heading, by inserting ''AND OTHER'' before ''ALIENS''; and

(2) by inserting ''or who otherwise is not a qualified alien (as defined in subsections (b) and (c) of section 431)'' after ''United States''.

SEC. 302. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND TITLE XXI.

(a) MEDICAID PROGRAM.—Section 1903(v) (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following:

''(4)(A) A State may elect (in a plan amendment under this title) to provide medical assistance under this title for aliens who are lawfully residing in the United States (including battered aliens described in section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) and who are otherwise eligible for such assistance, within any of the following eligibility categories:

''(i) PREGNANT WOMEN.—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

''(ii) CHILDREN.—Children (as defined under such plan), including optional targeted low-income children described in section 1905(u)(2)(B).

''(B)(i) In the case of a State that has elected to provide medical assistance to a category of aliens under subparagraph (A), no debt shall accrue under an affidavit of support against any sponsor of such an alien on the basis of provision of assistance to such category and the cost of such assistance shall not be considered as an unreimbursed cost.

''(ii) The provisions of sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not apply to a State that makes an election under subparagraph (A).''.

(b) TITLE XXI.—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)) is amended by adding at the end the following:

''(E) Section 1903(v)(4) (relating to optional coverage of permanent resident alien children), but only if the State has elected to apply such section to that category of children under title XIX.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2003, and apply to medical assistance and child health assistance furnished on or after such date.

SEC. 303. 5-YEAR EXTENSION AND SIMPLIFICATION OF THE TRANSITIONAL MEDICAL ASSISTANCE PROGRAM (TMA).

(a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO AN ADDITIONAL YEAR.—

(1) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS BY MAKING REPORTING REQUIREMENTS OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r–6(b)) is amended—

(A) in paragraph (1), by inserting '', at the option of a State,'' after ''and which'';

(B) in paragraph (2)(A), by inserting ''Subject to subparagraph (C):'' after ''(A) NOTICES.—'';

(C) in paragraph (2)(B), by inserting ''Subject to subparagraph (C):'' after ''(B) REPORTING REQUIREMENTS.—'';

(D) by adding at the end the following new subparagraph:

''(C) STATE OPTION TO WAIVE NOTICE AND REPORTING REQUIREMENTS.—A State may waive some or all of the reporting requirements under clauses (i) and (ii) of subparagraph (B). Insofar as it waives such a reporting requirement, the State need not provide for a notice under subparagraph (A) relating to such requirement.''; and

(E) in paragraph (3)(A)(iii), by inserting ''the State has not waived under paragraph (2)(C) the reporting requirement with respect to such month under paragraph (2)(B) and if'' after ''6-month period if''.

(2) STATE OPTION TO EXTEND ELIGIBILITY FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r–6) is further amended—

(A) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(B) by inserting after subsection (b) the following new subsection:

''(c) STATE OPTION OF UP TO 12 MONTHS OF ADDITIONAL ELIGIBILITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which received assistance during the entire 6-month period under subsection (b) and which meets the applicable requirement of paragraph (2), in the last month of the period the option of extending coverage under this subsection for the succeeding period not to exceed 12 months.

''(2) INCOME RESTRICTION.—The option under paragraph (1) shall not be made available to a family for a succeeding period unless the State determines that the family's average gross monthly earnings (less such costs for such child care as is necessary for the employment of the caretaker relative) as of the end of the 6-month period under subsection (b) does not exceed 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''(3) APPLICATION OF EXTENSION RULES.—The provisions of paragraphs (2), (3), (4), and (5) of subsection (b) shall apply to the extension provided under this subsection in the same manner as they apply to the extension provided under subsection (b)(1), except that for purposes of this subsection—

''(A) any reference to a 6-month period under subsection (b)(1) is deemed a reference to the extension period provided under paragraph (1) and any deadlines for any notices or reporting and the premium payment periods shall be modified to correspond to the appropriate calendar quarters of coverage provided under this subsection; and

''(B) any reference to a provision of subsection (a) or (b) is deemed a reference to the corresponding provision of subsection (b) or of this subsection, respectively.''.

(b) STATE OPTION TO WAIVE RECEIPT OF MEDICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.—Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is amended by adding at the end the following: ''A State may, at its option, also apply the previous sentence in the case of a family that was receiving such aid for fewer than 3 months, or that had applied for and was eligible for such aid for fewer than 3 months, during the 6 immediately preceding months described in such sentence.''.

(c) 5-YEAR EXTENSION OF SUNSET FOR TMA.—

(1) IN GENERAL.—Subsection (g) of section 1925 (42 U.S.C. 1396r–6), as redesignated under subsection (a)(2)(A), and as amended by section 7 of the Welfare Reform Extension Act of 2003 (Public Law 108–040), is amended by striking ''2003'' and inserting ''2008''.

(2) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)), as so amended, is amended by striking ''2003'' and inserting ''2008''.

(d) CMS REPORT ON ENROLLMENT AND PARTICIPATION RATES UNDER TMA.—Section 1925 (42 U.S.C. 1396r–6), as amended by subsections (a)(2)(A) and (c), is amended by inserting after subsection (f) the following:

''(g) ADDITIONAL PROVISIONS.—

''(1) COLLECTION AND REPORTING OF PARTICIPATION INFORMATION.—Each State shall—

''(A) collect and submit to the Secretary, in a format specified by the Secretary, information on average monthly enrollment and average monthly participation rates for adults and children under this section; and

''(B) make such information publicly available.

Such information shall be submitted under subparagraph (A) at the same time and frequency in which other enrollment information under this title is submitted to the Secretary. Using such information, the Secretary shall submit to Congress annual reports concerning such rates.''.

(e) COORDINATION OF WORK.—Section 1925(g) (42 U.S.C. 1396r–6(g)), as added by subsection (d), is amended by adding at the end the following new paragraph:

''(2) COORDINATION WITH ADMINISTRATION FOR CHILDREN AND FAMILIES.—The Administrator of the Centers for Medicare & Medicaid Services, in carrying out this section, shall work with the Assistant Secretary for the Administration for Children and Families to develop guidance or other technical assistance for States regarding best practices in guaranteeing access to transitional medical assistance under this section.''.

(f) ELIMINATION OF TMA REQUIREMENT FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—

(1) IN GENERAL.—Section 1925 (42 U.S.C. 1396r–6) is further amended by inserting after subsection (g), as added by subsection (d), the following:

''(h) PROVISIONS OPTIONAL FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—A State may meet (but is not required to meet) the requirements of subsections (a) and (b) if it provides for medical assistance under section 1931 to families (including both children and caretaker relatives) the average gross monthly earning of which (less such costs for such child care as is necessary for the employment of a caretaker relative) is at or below a level that is at least 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.''.

(2) CONFORMING AMENDMENTS.—Section 1925 (42 U.S.C. 1396r–6) is further amended, in subsections (a)(1) and (b)(1), by inserting '', but subject to subsection (h),'' after ''Notwithstanding any other provision of this title,'' each place it appears.

(g) REQUIREMENT OF NOTICE FOR ALL FAMILIES LOSING TANF.—Subsection (a)(2) of section 1925 (42 U.S.C. 1396r–6) is amended by adding at the end the following flush sentences:

''Each State shall provide, to families whose aid under part A or E of title IV has terminated but whose eligibility for medical assistance under this title continues, written notice of their ongoing eligibility for such medical assistance. If a State makes a determination that any member of a family whose aid under part A or E of title IV is being terminated is also no longer eligible for medical assistance under this title, the notice of such determination shall be supplemented by a 1-page notification form describing the different ways in which individuals and families may qualify for such medical assistance and explaining that individuals and families do not have to be receiving aid under part A or E of title IV in order to qualify for such medical assistance. Such notice shall further be supplemented by information on how to apply for child health assistance under the State children's health insurance program under title XXI and how to apply for medical assistance under this title.''.

(h) EXTENDING USE OF OUTSTATIONED WORKERS TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE.—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55)) is amended by inserting ''and under section 1931'' after ''(a)(10)(A)(ii)(IX)''.

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 2003.

(2) NOTICE.—The amendment made by subsection (g) shall take effect 6 months after the date of enactment of this Act.

(3) DELAY PERMITTED FOR STATE PLAN AMENDMENT.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 304. DEFINITION OF ASSISTANCE.

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

''(6) ASSISTANCE.—

''(A) IN GENERAL.—The term 'assistance' means cash benefits and does not include child care or other support services.

''(B) EXCEPTION.—The term 'assistance' does not include a payment to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary) or any other benefit or service excluded from the definition of assistance under section 260.31 of title 45 of the Code of Federal Regulations (as in effect on June 1, 2002).''.

SEC. 305. CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.

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

''(e) AUTHORITY TO CARRY OVER CERTAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE CONTINGENCIES.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.''.

SEC. 306. AUTHORITY TO USE TANF FUNDS FOR HOUSING BENEFITS.

(a) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by inserting at the end the following:

''(l) USE OF FUNDS FOR SUPPLEMENTAL HOUSING BENEFITS.—

''(1) IN GENERAL.—The provision by a State of supplemental housing benefits to or on behalf of an individual eligible for assistance under the State program funded under this part, using funds from a grant made under section 403(a) of this title, shall not be considered to be the provision of assistance to the individual under the State program funded under this part for any purpose except in determining the allowability of the expenditure under section 401(a)(1).

''(2) PERMITTED USE OF FUNDS.—A State may not use any part of the funds from a

grant made under section 403 to supplant rather than supplement State expenditures on housing-related programs.

''(3) DEFINITION OF SUPPLEMENTAL HOUSING BENEFITS.—In this subsection, the term 'supplemental housing benefits' means payments made to or on behalf of an individual to reduce or reimburse the costs incurred by the individual for housing accommodations, and the receipt of which does not reduce the amount of assistance, benefits, or services an individual would otherwise receive under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).''.

(b) STATE PLAN.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by adding at the end the following:

''(v) The document shall describe—

''(I) the primary problems that families receiving assistance and families who have recently stopped receiving assistance under the State program funded under this part experience in securing and retaining adequate, affordable housing and the estimated extent of each such problem, including the price of such housing in various areas of the State that include a large proportion of recipients of assistance under the State program;

''(II) the steps that have been and will be taken by the State and other public or private entities that administer housing programs in the State to address the problems described in subclause (I);

''(III) the methods the State has adopted to identify barriers to work posed by the living arrangement, housing cost, and housing location of families eligible for the State program funded under this part; and

''(IV) the services and benefits that have been or will be provided by the State or other public or private entities to help families overcome the barriers so identified.''.

TITLE IV—RESOURCES AND ACCOUNTABILITY

SEC. 401. REAUTHORIZATION OF STATE FAMILY ASSISTANCE GRANTS.

(a) IN GENERAL.—Section 403(a)(1) (42 U.S.C. 603(a)(1)), as amended by section 3(a) of the Welfare Reform Extension Act of 2003 (Public Law 108–040), is amended—

(1) in subparagraph (A), by striking ''1996'' and all that follows through ''2003'' and inserting ''2004 through 2008''; and

(2) in subparagraph (C), by striking ''for fiscal year 2003'' and inserting ''for each of fiscal years 2004 through 2008''.

(b) DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.—

(1) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)), as amended by section 3(h) of the Welfare Reform Extension Act of 2003 (Public Law 108–040), is amended by striking ''1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2004 through 2008''.

(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)), as so amended, is amended by striking ''1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2004 through 2008''.

(c) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)), as so amended, is amended by striking ''1997 through 2003'' and inserting ''2004 through 2008''.

(d) MAINTENANCE OF EFFORT PENALTY.—Section 409(a)(7) (42 U.S.C. 609(a)(7)), as amended by section 3(g) of the Welfare Reform Extension Act of 2003 (Public Law 108–040) is amended—

(1) in subparagraph (A) by striking ''fiscal year 1998, 1999, 2000, 2001, 2002, 2003, or 2004'' and inserting ''fiscal year 2004, 2005, 2006, 2007, 2008, or 2009''; and

(2) in subparagraph (B)(ii), by striking ''1997 through 2003'' and inserting ''2004 through 2008''.

(e) FEDERAL LOANS FOR STATE WELFARE PROGRAMS.—Section 406(d) (42 U.S.C. 606(d), as amended by section 3(f) of the Welfare Reform Extension Act of 2003 (Public Law 108–040) is amended by striking ''1997 through 2003'' and inserting ''2004 through 2008''.

SEC. 402. REAUTHORIZATION OF SUPPLEMENTAL GRANTS FOR POPULATION INCREASES.

Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)), as amended by section 3(d) of the Welfare Reform Extension Act of 2003 (Public Law 108–040), is amended—

(1) in clause (i), by striking ''2002 and 2003'' is amended—

(1) in the subparagraph heading, by striking ''OF GRANTS FOR FISCAL YEAR 2002'';

(2) in clause (i), by striking ''2002 and 2003'' and inserting ''2004 through 2008'';

(3) in clause (ii), by striking ''2003'' and inserting ''2008''; and

(4) in clause (iii), by striking ''2002 and 2003'' and inserting ''2004 through 2008''.

SEC. 403. CONTINGENCY FUND.

(a) CONTINGENCY FUNDING AVAILABLE TO NEEDY STATES.—Section 403(b) (42 U.S.C. 603(b)) is amended—

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

''(1) CONTINGENCY FUND GRANTS.—

''(A) PAYMENTS.—Subject to subparagraph (C), each State shall receive a contingency fund grant for each eligible month in which the State is a needy State under paragraph (3).

''(B) MONTHLY CONTINGENCY FUND GRANT AMOUNT.—For each eligible month in which a State is a needy State, the State shall receive a contingency fund grant equal to the higher of $0 and the applicable percentage (as defined in subparagraph (D)(i)) of the product of—

''(i) the estimated cost of an additional recipient family (as defined in subparagraph (D)(ii)); and

''(ii) the increase in the number of families receiving assistance under the State program funded under this part or a program funded with qualified State expenditures (as defined in subparagraph (D)(iv)).

''(C) LIMITATION.—The total amount paid to a single State under subparagraph (A) during a fiscal year shall not exceed the amount equal to 15 percent of the State family assistance grant (as defined under subparagraph (B) of subsection (a)(1) and increased under subparagraph (E) of that subsection).

''(D) DEFINITIONS.—In this paragraph:

''(i) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the higher of—

''(I) 75 percent; and

''(II) the sum of the Federal medical assistance percentage for the State (as defined in section 1905(b)) plus 8 percentage points.

''(ii) ESTIMATED COST OF AN ADDITIONAL RECIPIENT FAMILY.—The term 'estimated cost of an additional recipient family' means the amount equal to 120 percent of the basic assistance cost (as defined under clause (iii)) for families receiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

''(iii) BASIC ASSISTANCE COST.—

''(I) IN GENERAL.—The term 'basic assistance cost' means the amount equal to the maximum cash assistance grant for a family consisting of 3 individuals under the State program funded under this part.

''(II) RULE FOR STATES WITH MORE THAN 1 MAXIMUM LEVEL.—In the case of a State that has more than 1 maximum cash assistance grant level for families consisting of 3 individuals, the basic assistance cost shall be the amount equal to the maximum cash assistance grant level applicable to the largest number of families consisting of 3 individuals receiving assistance under the State program funded under this part or a State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

''(iv) INCREASE IN THE NUMBER OF FAMILIES RECEIVING ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER THIS PART OR A PROGRAM FUNDED WITH QUALIFIED STATE EXPENDITURES.—The term 'increase in the number of families receiving assistance under the State program funded under this part or a program funded with qualified State expenditures' means the increase in—

''(I) the number of families receiving assistance under the State program funded under this part and under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) in the most recent month for which data from the State are available; as compared to

''(II) the lower of the average monthly number of families receiving such assistance in either of the 2 completed fiscal years immediately preceding the fiscal year in which the State qualifies as a needy State.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for the period of fiscal years 2004 through 2008, such sums as are necessary for making contingency fund grants under this subsection in a total amount not to exceed $2,000,000,000.'';

(2) by redesignating paragraph (4) as paragraph (2); and

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

(A) by striking ''(3)(A)'' and inserting ''(1)''; and

(B) by striking ''2-month'' and inserting ''3-month''.

(b) MODIFICATION OF DEFINITION OF NEEDY STATE.—Section 403(b) (42 U.S.C. 603(b)) is further amended—

(1) by striking paragraphs (5) through (7);

(2) by redesignating paragraph (8) as paragraph (5); and

(3) by inserting after paragraph (2) (as redesignated by subsection (a)(2)) the following:

''(3) INITIAL DETERMINATION OF WHETHER A STATE QUALIFIES AS A NEEDY STATE.—

''(A) IN GENERAL.—For purposes of paragraph (1), a State will be initially determined to be a needy State for a month if the State satisfies at least 2 of the following:

''(i) The—

''(I) average rate of total unemployment in the State for the period consisting of the most recent 3 months for which data are available has increased by the lesser of 1.5 percentage points or by 50 percent over the corresponding 3-month period in either of the 2 most recent preceding fiscal years; or

''(II) average insured unemployment rate for the most recent 3 months for which data are available has increased by 1 percentage point over the corresponding 3-month period in either of the 2 most recent preceding fiscal years.

''(ii) As determined by the Secretary of Agriculture, the monthly average number of households (as of the last day of each month) that participated in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by at least 10 percent the monthly average number of households (as of the last day of each month) in the State that participated in the food stamp program in the corresponding 3-month period in either of the 2 most recent preceding fiscal years, provided that the Secretary makes a determination that the State's increase in the

number of such households was due, in large measure, to economic conditions rather than an expansion of program eligibility requirements.

''(iii) As determined by the Secretary, the monthly average number of families that received assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) in the most recently concluded 3-month period for which data are available from the State increased by at least 10 percent over the number of such families that received such benefits in the corresponding 3-month period in either of the 2 most recent preceding fiscal years, provided that the Secretary makes a determination that the State's increased caseload was due, in large measure, to economic conditions rather than an expansion of program eligibility requirements.

''(B) DURATION.—

''(i) IN GENERAL.—A State that qualifies as a needy State—

''(I) under subparagraph (A)(i), shall be considered a needy State until the factor which was used to meet the definition of needy State under that subparagraph for the most recently concluded 3-month period for which data are available, falls below the level attained for such factor in the 3-month period in which the State first qualified as a needy State under that subparagraph;

''(II) under subparagraph (A)(ii), shall be considered a needy State until the average monthly number of households participating in the food stamp program for the most recently concluded 3-month period for which data are available nationally falls below the food stamp base period level; and

''(III) under subparagraph (A)(iii), shall be considered a needy State until the number of families receiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the most recently concluded 3-month period for which data are available falls below the TANF base period level.

''(ii) SEASONAL VARIATIONS.—Notwithstanding subclauses (II) and (III) of clause (i), a State shall be considered a needy State—

''(I) under subparagraph (A)(ii), if with respect to the State, the monthly average number of households participating in the food stamp program for the most recent 3-month period for which data are available nationally falls below the food stamp base period level and the Secretary determines that this is due to expected seasonal variations in food stamp receipt in the State; and

''(II) under subparagraph (A)(iii), if, with respect to a State, the monthly average number of families receiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the most recently concluded 3-month period for which data are available nationally falls below the TANF base period level and the Secretary determines that this is due to expected seasonal variations in assistance receipt in the State.

''(iii) FOOD STAMP BASE PERIOD LEVEL.—In this subparagraph, the term 'food stamp base period level' means the monthly average number of households participating in the food stamp program that corresponds to the most recent 3-month period for which data are available at the time when the State first was determined to be a needy State under this paragraph.

''(iv) TANF BASE PERIOD LEVEL.—In this subparagraph, the term 'TANF base period level' means the monthly average number of families receiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) that corresponds to the most recent 3 months for which data are available at the time when the State first was determined to be a needy State under this paragraph.

''(4) EXCEPTION.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), a State that has unobligated TANF reserves from prior fiscal years that equal more than 25 percent of the total amount of grants received by the State under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 1999) but not yet obligated as of the end of the preceding fiscal year shall not be a needy State under this subsection.

''(B) DEFINITION OF UNOBLIGATED TANF RESERVES.—In subparagraph (A), the term 'unobligated TANF reserves' means the lessor of—

''(i) the total amount of grants made to the State (regardless of the fiscal year in which such funds were awarded) under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 1999) but not yet obligated as of the end of the preceding fiscal year; and

''(ii) the total amount of grants made to the State under subsection (a) (other than welfare-to-work grants made under paragraph (5) of that subsection prior to fiscal year 1999) but not yet obligated as of the end of the preceding fiscal year, plus the difference between—

''(I) the pro rata share of the fiscal year grants to be made under subsection (a) to the State (other than such welfare-to-work grants); and

''(II) current year obligations of the total amount of grants made to all States under subsection (a) (regardless of the fiscal year in which such funds were awarded) (other than such welfare-to-work grants) through the end of the most recent calendar quarter.''.

(c) CLARIFICATION OF REPORTING REQUIREMENTS.—Paragraph (5) of section 403(b) (42 U.S.C. 603(b)), as redesignated by subsection (b)(2), is amended by striking ''on the status of the Fund'' and inserting ''on the States that qualified for contingency funds and the amount of funding awarded under this subsection''.

SEC. 404. CHILD CARE.

Section 418(a) (42 U.S.C. 618(a)), as amended by section 4 of the Welfare Reform Extension Act of 2003, is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''and remaining after the reservation described in paragraph (4),'' after ''paragraph (3)'';

(2) in paragraph (3)—

(A) by striking ''and'' at the end of subparagraph (E);

(B) in subparagraph (F), by striking ''2002 and 2003'' and inserting ''2002 through 2006;''; and

(C) by adding at the end the following:

''(G) $3,217,000,000 for fiscal year 2007;

''(H) $3,717,000,000 and 2008.'';

(3) by redesignating paragraph (5) as paragraph (7); and

(4) by inserting after paragraph (4) the following:

''(5) ADDITIONAL GENERAL ENTITLEMENT GRANTS.—

''(A) APPROPRIATION.—

''(i) IN GENERAL.—For additional grants under paragraph (1), there is appropriated—

''(I) $750,000,000 for each of fiscal years 2004 and 2005; and

''(II) $1,000,000,000 for each of fiscal years 2006 through 2008.

''(ii) AMOUNTS IN ADDITION TO OTHER AMOUNTS APPROPRIATED; AVAILABILITY.—Amounts appropriated under this subparagraph for a fiscal year shall be in addition to amounts appropriated under paragraph (3) for such fiscal year and shall remain available without fiscal year limitation.

''(B) ADDITIONAL GRANT.—In addition to the grant paid to a State under paragraph (1) for each of fiscal years 2004 through 2008, the Secretary, after reserving the amount described in paragraph (4) and subject to the requirement described in paragraph (6), shall pay each State an amount equal to the same proportion of such amount as the proportion of the State's grant under paragraph (1) to the total amount appropriated for State grants under paragraph (1) for such fiscal year.

''(6) REQUIREMENT FOR GRANT INCREASE.—Notwithstanding paragraphs (1), (2), or (5), the aggregate amount paid to a State under this section for each of fiscal years 2004 through 2008 may not exceed the aggregate amount paid to the State under this section for fiscal year 2003 unless the State ensures that the level of State expenditures for child care for such fiscal year is not less than the sum of the level of State expenditures for child care that were matched under a grant made to the State under paragraph (2) and that the State expended to meet its maintenance of effort obligation under paragraph (2) for fiscal year 2003.''.

SEC. 405. RESTORATION OF FUNDING FOR THE SOCIAL SERVICES BLOCK GRANT.

(a) RESTORATION OF FUNDS FOR THE SOCIAL SERVICES BLOCK GRANT.—Section 2003(c) (42 U.S.C. 1379b(c)) is amended—

(1) in paragraph (10), by striking ''and'';

(2) in paragraph (11), by striking ''and each fiscal year thereafter.'' and inserting ''; and''; and

(3) by adding at the end the following:

''(12) $1,750,000,000 for fiscal year 2004;

''(13) $1,800,000,000 for fiscal year 2005;

''(14) $1,900,000,000 for fiscal year 2006;

''(15) $2,100,000,000 for fiscal year 2007; and

''(16) $2,800,000,000 for fiscal year 2008 and each fiscal year thereafter.''.

(b) RESTORATION OF AUTHORITY TO TRANSFER UP TO 10 PERCENT OF TANF FUNDS.—Section 404(d)(2) (42 U.S.C. 604(d)(2)) is amended to read as follows:

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

SEC. 406. COMPETITIVE GRANTS FOR PUBLIC-PRIVATE PARTNERSHIPS FOR EDUCATIONAL OPPORTUNITIES FOR CAREER ADVANCEMENT.

(a) AUTHORITY TO AWARD GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor (in this section referred to as the ''Secretaries'') jointly shall award grants in accordance with the requirements of this section for each fiscal year for which an amount is appropriated to carry out this section for projects proposed by eligible applicants to encourage the formation of public-private partnerships to provide educational opportunities for individuals who receive assistance under the temporary assistance to needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and for individuals who have ceased to receive assistance under that program.

(2) CRITERIA.—The Secretaries shall award grants under this section based on the following:

(A) The potential effectiveness of the proposed project in carrying out the activities described in subsection (e).

(B) Evidence of the ability of the eligible applicant to leverage private, State, and local resources to carry out such activities.

(C) Evidence of the ability of the eligible applicant to coordinate with other organizations at the State and local level in carrying out such activities.

(b) DEFINITION OF ELIGIBLE APPLICANT.—In this section, the term ''eligible applicant'' means—

(1) a public educational institution;

(2) an employer; or

(3) a local or regional consortium that includes employers or employer associations, education and training providers, local chambers of commerce, or providers of social services.

(c) APPLICATION.—Each eligible applicant desiring a grant under this section shall submit an application to the Secretaries at such time, in such manner, and that includes—

(1) evidence, including letters of support, demonstrating that the applicant will work with the State in carrying out the activities described in subsection (e); and

(2) such other information as the Secretaries may reasonably require.

(d) DETERMINATION OF AMOUNT OF GRANTS; AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—In determining the appropriate amount of a grant to be awarded under this section, the Secretaries shall provide an eligible applicant with an approved application an amount sufficient to ensure that the project has a reasonable opportunity to be successful, taking into account—

(A) the number and characteristics of the individuals to be served by the project;

(B) the job opportunities and job growth in the area to be served by the project;

(C) the poverty rate for such area; and

(D) such other factors as the Secretaries deem appropriate.

(2) MAXIMUM AMOUNT.—No eligible applicant shall receive a grant of more than $5,000,000 per year.

(3) AVAILABILITY OF FUNDS.—Funds provided under a grant awarded under this section for a fiscal year shall remain available for use by the eligible applicant through the end of the succeeding fiscal year.

(e) USE OF FUNDS.—An eligible applicant awarded a grant under this section shall enter into an agreement with the State or local agency responsible for administering the temporary assistance to needy families program in the area where the eligible applicant is located to provide individuals described in subsection (a) with—

(1) educational credits or opportunities based upon the length of the individual's employment;

(2) educational credits or opportunities based upon the individual's commitment to becoming employed; or

(3) education and training opportunities for career advancement.

(f) REPORTS.—

(1) PROJECT REPORTS.—Each eligible applicant awarded a grant under this section shall submit to the Secretaries such information and data regarding the recipients participating in the project funded under such grant and outcomes for such recipients as the Secretaries may require.

(2) REPORT TO CONGRESS.—The Secretaries shall submit annual reports to Congress on the information and data submitted under paragraph (1).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $25,000,000 for each of fiscal years 2004 through 2008.

SEC. 407. GRANTS TO IMPROVE ACCESS TO TRANSPORTATION.

(a) IN GENERAL.—Section 403(a) (42 U.S.C. 603(a)), as amended by section 201, is amended by adding at the end the following:

''(7) GRANT TO IMPROVE ACCESS TO TRANSPORTATION.—

''(A) PURPOSES.—The purposes of this paragraph are to—

''(i) assist low-income families with children obtain dependable, affordable automobiles to improve their employment opportunities and access to training; and

''(ii) provide incentives to States, Indian tribes, local governments, and nonprofit entities to develop and administer programs that provide assistance with automobile ownership for low-income families.

''(B) DEFINITIONS.—In this paragraph:

''(i) LOCALITY.—The term 'locality' means a municipality that does not administer a State program funded under this part.

''(ii) LOW-INCOME FAMILY WITH CHILDREN.—The term 'low-income family with children' means a household that is eligible for benefits or services funded under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

''(iii) NONPROFIT ENTITY.—The term 'nonprofit entity' means a school, local agency, organization, or institution owned and operated by 1 or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(C) AUTHORITY TO AWARD GRANTS.—The Secretary may award grants to States, Indian tribes, counties, localities, and nonprofit entities to promote improving access to dependable, affordable automobiles by low-income families with children.

''(D) GRANT APPROVAL CRITERIA.—The Secretary shall establish criteria for approval of an application for a grant under this paragraph that include consideration of—

''(i) the extent to which the proposal, if funded, is likely to improve access to training and employment opportunities and child care services by low-income families with children by means of car ownership;

''(ii) the level of innovation in the applicant's grant proposal; and

''(iii) any partnerships between the public and private sector in the applicant's grant proposal.

''(E) USE OF FUNDS.—

''(i) IN GENERAL.—A grant awarded under this paragraph shall be used to administer programs that assist low-income families with children with dependable automobile ownership, and maintenance of, or insurance for, the purchased automobile.

''(ii) SUPPLEMENT NOT SUPPLANT.—Funds provided to a State, Indian tribe, county, or locality under a grant awarded under this paragraph shall be used to supplement and not supplant other State, county, or local public funds expended for car ownership programs.

''(iii) GENERAL RULES GOVERNING USE OF FUNDS.—The rules of section 404, other than subsection (b) of that section, shall not apply to a grant made under this paragraph.

''(F) APPLICATION.—Each applicant desiring a grant under this paragraph shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(G) REVERSION OF FUNDS.—Any funds not expended by a grantee within 3 years after the date the grant is awarded under this paragraph shall be available for redistribution among other grantees in such manner and amount as the Secretary may determine, unless the Secretary extends by regulation the time period to expend such funds.

''(H) LIMITATION ON ADMINISTRATIVE COSTS OF THE SECRETARY.—Not more than an amount equal to 5 percent of the funds appropriated to make grants under this paragraph for a fiscal year shall be expended for administrative costs of the Secretary in carrying out this paragraph.

''(I) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement, conduct an evaluation of the programs administered with grants awarded under this paragraph.

''(J) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to make grants under this paragraph, $20,000,000 for each of fiscal years 2004 through 2008.''.

(b) IMPROVING USE OF TANF FUNDS FOR CAR OWNERSHIP MATCHING FUNDS.—Section 404(h)(2)(B) of the Social Security Act (42 U.S.C. 608(h)(2)(B)) is amended by adding at the end the following:

''(iv) AUTOMOBILE PURCHASE OR MAINTENANCE.—At the option of the State, costs with respect to the purchase or maintenance of an automobile.''.

SEC. 408. PATHWAY TO SELF-SUFFICIENCY GRANTS TO IMPROVE COORDINATION OF ASSISTANCE FOR LOW-INCOME FAMILIES.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE APPLICANT.—The term ''eligible applicant'' means a State or local government agency or a nonprofit entity.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(3) STATE.—The term ''State'' means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the United States Virgin Islands.

(4) SUPPORT PROGRAM FOR LOW-INCOME FAMILIES.—The term ''support program for low-income families'' means a program designed to provide low-income families and noncustodial parents who need help with obtaining employment and fulfilling child support obligations to children receiving assistance under the temporary assistance to needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) with assistance or benefits to enable the family or noncustodial parent to become self-sufficient and includes—

(A) the temporary assistance to needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(B) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(C) the medicaid program funded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(D) the State children's health insurance program (SCHIP) funded under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

(E) the child care program funded under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

(F) the child support program funded under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

(G) the earned income tax credit under section 32 of the Internal Revenue Code of 1986;

(H) the low-income home energy assistance program (LIHEAP) established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);

(I) the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(J) programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

(K) programs supporting low-income housing assistance programs; and

(L) any other Federal, State, or locally funded program designed to provide family and work support to low-income families.

(b) AUTHORITY TO AWARD GRANTS.—

(1) IN GENERAL.—The Secretary may award grants to eligible applicants to—

(A) improve the coordination of support programs for low-income families and noncustodial parents described in subsection (a)(4); and

(B) conduct outreach to such families and noncustodial parents to promote enrollment in such programs.

(2) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to eligible applicants that include in the application submitted under subsection (c) documentation demonstrating that the eligible applicant will collaborate with other Federal, State, or local agencies or nonprofit entities in carrying out activities under the grant.

(c) APPLICATION.—Each eligible applicant desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

(d) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary shall submit an interim and final report to Congress describing the uses of grant funds awarded under this section.

(2) DATES FOR SUBMISSION.—With respect to the reports required under paragraph (1), the Secretary shall submit—

(A) the interim report, not later than December 31, 2006; and

(B) the final report, not later than December 31, 2009.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for the period of fiscal years 2004 through 2008.

(f) ANNUAL ASSESSMENT OF REGIONAL LABOR MARKETS TO TARGET HIGHER ENTRY LEVEL WAGE OPPORTUNITIES IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

(1) IN GENERAL.—An State to which a grant is made under this section annually shall conduct an assessment of its regional labor markets that includes the following:

(A) LABOR MARKET.—The assessment shall—

(i) identify industries or occupations that have or expect growth, the loss of skilled workers, or that have a demand for a subset of workers;

(ii) identify the entry-level education and skills requirements for the industries or occupations that have or anticipate a need for workers; and

(iii) analyze the entry-level wages and benefits in identified industries or occupations.

(B) JOB SEEKERS.—The assessment shall create a profile of the characteristics of the unemployed and underemployed residents of the State, including educational attainment, barriers to employment, geographic concentrations, and access to needed support services.

(C) EDUCATION AND TRAINING INFRASTRUCTURE.—The assessment shall create a profile of the State's available education, training, and support services to prepare workers for the identified industries or occupations.

(D) ALIGNING INDUSTRIES AND JOB SEEKER NEEDS.—The assessment shall compare the characteristics of the identified industries or occupations to the profiles created under subparagraphs (B) and (C).

(2) PROVISION OF INFORMATION TO LOCALITIES.—The State shall share with local political subdivisions of the State—

(A) information regarding the existence of higher entry-wage job opportunities in industries experiencing labor shortages; and

(B) opportunities for collaboration with institutions of higher education, community-based organizations, and economic development and welfare agencies.

(3) DATA.—A State may use data available as of the date the State begins an assessment under paragraph (1) to conduct such assessment if such data provides the information necessary to conduct the assessment described in that paragraph.

(4) REPORTS.—

(A) STATE REPORTS.—Each State to which a grant is made under this section annually shall submit a report to the Secretary that contains the assessment required under paragraph (1).

(B) REPORT TO CONGRESS.—The Secretary annually shall submit a report to Congress compiling the State reports submitted under subparagraph (A).

SEC. 409. TRANSITIONAL JOBS PROGRAMS.

Section 403(a) (42 U.S.C. 603(a)), as amended by section 407(a), is amended by adding at the end the following:

''(8) TRANSITIONAL JOBS GRANTS.—

''(A) PURPOSE.—The purpose of this paragraph is to provide funding so that States and localities can create and expand transitional jobs programs that—

''(i) combine time-limited employment that is subsidized with public funds, with skill development and barrier removal activities, pursuant to an individualized plan;

''(ii) provide job development and placement assistance to individual program participants to help them move from subsidized employment in transitional jobs into unsubsidized employment, as well as retention services after the transition to unsubsidized employment; and

''(iii) serve recipients of assistance under the State program funded under this part and other low-income individuals who have been unable to secure employment through job search or other employment-related services because of limited skills, experience, or other barriers to employment.

''(B) LIMITATIONS ON USE OF FUNDS.—

''(i) ALLOWABLE ACTIVITIES.—An entity to which funds are provided under this paragraph shall use the funds to operate transitional jobs programs consistent with the following:

''(I) An entity which secures a grant to operate a transitional jobs program (in this subparagraph referred to as a 'program operator'), under this paragraph shall place eligible individuals in temporary, publicly subsidized jobs. Individuals placed in such jobs shall perform work directly for the program operator, or at other public and nonprofit organizations (in this subparagraph referred to as 'worksite employers') within the community. Funds provided under this paragraph shall be used to subsidize 100 percent of the wages paid to program participants as well as employer-paid payroll costs for such participants.

''(II) Transitional jobs programs shall provide paid employment for not less than 30, nor more than 40 hours per week, except that a parent with a child under the age of 6, a child who is disabled, or a child with other special needs, or an individual who for other reasons cannot successfully participate for 30 to 40 hours per week, may, at State discretion, be allowed to participate for more limited hours, but not less than 20 hours per week.

''(III) Program operators shall provide case management services and ensure that appropriate education, training, and other services are available to program participants consistent with an individual plan developed for each such participant.

''(IV) Program operators shall provide job placement assistance to help program participants obtain unsubsidized employment, and shall provide retention services for 12 months after entry into unsubsidized employment.

''(V) In any work week in which a program participant is employed at least 30 hours, not less than 20 percent, nor more than 50 percent of scheduled hours shall involve participation in education or training activities designed to improve the participant's employability and potential earnings, or other services designed to reduce or eliminate any barriers that may impede the participant's ability to secure unsubsidized employment.

''(VI) The maximum duration of any placement in a transitional jobs program shall not be less than 6 months, nor more than 24 months. Nothing in this subclause shall be construed to bar a program participant from moving into unsubsidized employment at a point prior to the maximum duration of the program. States may approve programs of varying durations consistent with this subclause.

''(VII) Program participants shall be paid at the rate paid to unsubsidized employees of the worksite employer (or program operator where work is performed directly for the program operator) who perform comparable work at the worksite where the individual is placed. If no other employees perform the same or comparable work then wages shall be set, at a minimum, at 50 percent of the Lower Living Standard Income Level (in this subparagraph referred to as the 'LLSIL'), as specified in section 101(24) of the Workforce Investment Act of 1998, for a family of 3 based on 35 hours per week.

''(VIII) Program participants shall receive supervision from the worksite employer or program operator consistent with the goal of addressing the limited work experience and skills of program participants.

''(ii) CONSULTATION.—An application submitted by an entity seeking to become a program operator shall include an assurance by the applicant that the transitional jobs program carried out by the applicant shall—

''(I) provide in the design, recruitment, and operation of the program for broad-based input from the community served and potential participants in the program and community-based agencies with a demonstrated record of experience in providing services, prospective worksite employers, local labor organizations representing employees of prospective worksite employers, if these entities exist in the area to be served by the program, and employers, and membership-based groups that represent low-income individuals; and

''(II) prior to the placement of program participants, consult with the appropriate local labor organization, if any, representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program.

''(iii) ELIGIBILITY FOR OTHER WORK SUPPORTS.—Program participants shall be eligible for subsidized child care, transportation assistance, and other needed support services on the same basis as other recipients of cash assistance under the State program funded under this part.

''(iv) WAGES NOT CONSIDERED ASSISTANCE.—Wages paid to program participants shall not be considered to be assistance for purposes of section 408(a)(7).

''(v) PRIVATE SECTOR PLACEMENTS.—Not more than 50 percent of the total number of such participants in transitional jobs in a State at any time may be placed at worksite employers which are private, for-profit entities.

''(C) GENERAL ELIGIBILITY.—

''(i) IN GENERAL.—Not less than ⅔ of the participants in a transitional jobs program funded under a grant made under this paragraph during a fiscal year shall be individuals who are, at the time they enter the program—

''(I) receiving assistance under the State program funded under this part;

''(II) not receiving assistance under the State program funded under this part, but who are unemployed, and who were recipients of such assistance within the immediately preceding 12-month period;

''(III) custodial parents of a minor child who meet the financial eligibility criteria for assistance under the State program funded under this part; or

''(IV) noncustodial parents with income below 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved).

''(ii) LIMITATION.—Not more than ⅓ of all participants in a transitional jobs program funded under this paragraph during a fiscal year shall be individuals who have attained at least age 18 with an income below 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved) who are not eligible under clause (i). An individual who is an ex-offender shall be eligible to participate in a transitional jobs program funded under this paragraph.

''(iii) METHODOLOGY.—The Secretary may use any reasonable methodology in calculating whether program participants satisfying the requirements of clause (i), constitute ⅔ or more of all participants, and whether program participants satisfying the requirements of clause (ii) constitute not more than ⅓ of all such participants in a fiscal year.

''(iv) AUTHORITY TO PROVIDE WORK-RELATED SERVICES TO INDIVIDUALS WHO HAVE REACHED THE 5-YEAR LIMIT.—A program operator under this paragraph may use the funds to provide transitional job program participation to individuals who, but for section 408(a)(7), would be eligible for assistance under the program funded under this part of the State in which the program operator is located.

''(D) RELATIONSHIP TO OTHER PROVISIONS OF THIS PART.—

''(i) RULES GOVERNING USE OF FUNDS.—The provisions of section 404 (other than subsection (f) thereof) shall not apply to a grant made under this paragraph.

''(ii) ADMINISTRATION.—Section 416 shall not apply to the programs under this paragraph.

''(iii) PROHIBITION AGAINST USE OF GRANT FUNDS FOR ANY OTHER FUND MATCHING REQUIREMENT.—An entity to which funds are provided under this paragraph shall not use any part of the funds to fulfill any obligation of any State or political subdivision under subsection (b) or section 418 or any other provision of this Act or other Federal law.

''(iv) DEADLINE FOR EXPENDITURE.—An entity to which funds are provided under this paragraph shall remit to the Secretary of Labor any part of the funds that are not expended within 3 years after the date on which the funds are so provided.

''(v) REGULATIONS.—Within 90 days after the date of enactment of this paragraph, the Secretary of Labor, after consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to implement this paragraph.

''(vi) REPORTING REQUIREMENTS.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall establish requirements for the collection and maintenance of financial and program participant information and the reporting of such information by entities carrying out activities under this paragraph. Such reporting requirements shall include, at a minimum, that States report disaggregated data on individual program participants that include the following:

''(I) Demographic information about the program participant including education level, literacy level, and prior work experience.

''(II) Identity of the program operator that provides or provided services to the program participant, and the duration of participation.

''(III) The nature of education, training or other services received by the program participant.

''(IV) Reasons for the program participant's leaving the program.

''(V) Whether the program participant secured unsubsidized employment during or within 60 days after the employment of the participant in a transitional job, and if so, details about the participant's unsubsidized employment including industry, occupation, starting wages and hours, and availability of employer sponsored health insurance and sick and vacation leave.

''(vii) ADDITIONAL REPORTING REQUIREMENTS.—States shall collect and report followup data for a sampling of program participants reflecting their employment and earning status 12 months after entering unsubsidized employment.

''(E) NATIONAL COMPETITIVE GRANTS.—

''(i) IN GENERAL.—The Secretary of Labor shall award grants in accordance with this paragraph, in fiscal years 2003 through 2007, for transitional jobs programs proposed by eligible applicants, based on the following:

''(I) The extent to which the proposal seeks to provide services in multiple sites that include sites in more than 1 State.

''(II) The extent to which the proposal seeks to provide services in a labor market area or region that includes portions of more than 1 State.

''(III) The extent to which the proposal seeks to provide transitional jobs in a State.

''(IV) The extent to which the applicant proposes to provide transitional jobs in either rural areas or areas where there are a high concentration of residents with income that is less than the poverty line.

''(V) The effectiveness of the proposal in helping individuals who are least job ready move into unsubsidized jobs that provide pathways to stable employment and livable wages.

''(ii) ELIGIBLE APPLICANTS.—In this paragraph, the term 'eligible applicant' means—

''(I) a Workforce Investment Board for a local workforce area in a State;

''(II) a political subdivision of a State;

''(III) a State;

''(IV) an Indian tribe; or

''(V) a private entity.

''(iii) FUNDING.—Subject to subparagraphs (F) and (G), of the amount appropriated in subparagraph (H) for a fiscal year, $25,000,000 of such amount shall be used to make grants under this paragraph for that fiscal year.

''(F) FUNDING FOR INDIAN TRIBES.—1.5 percent of the amount appropriated in subparagraph (H) for each fiscal year shall be reserved for grants to Indian tribes.

''(G) FUNDING FOR EVALUATIONS OF TRANSITIONAL JOBS PROGRAMS.—1.5 percent of the amount appropriated in subparagraph (H) for each fiscal year shall be reserved for use by the Secretary to carry out subparagraph (I).

''(H) APPROPRIATIONS.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for grants under this paragraph, $25,000,000 for each of fiscal years 2004 through 2008.

''(ii) AVAILABILITY.—The amounts made available pursuant to clause (i) shall remain available for such period as is necessary to make the grants provided for in this paragraph.

''(I) EVALUATION OF TRANSITIONAL JOBS PROGRAMS.—The Secretary, in consultation with the Secretary of Labor—

''(i) shall develop a plan to evaluate the extent to which transitional jobs programs funded under this paragraph have been effective in promoting sustained, unsubsidized employment for each group of eligible participants;

''(ii) may evaluate the use of such grants by such grantees/ as the Secretary deems appropriate, in accordance with an agreement entered into with the grantees after good-faith negotiations; and

''(iii) should include the following outcome measures in the plan developed under clause (i):

''(I) Placements in unsubsidized employment.

''(II) Placements in unsubsidized employment that last for at least 12 months, and the extent to which individuals are employed continuously for at least 12 months.

''(III) Earnings of individuals who obtain employment at the time of placement.

''(IV) Earnings of individuals 1 year after placement.

''(V) The occupations and industries in which wage growth and retention performance is greatest.

''(VI) Average expenditures per participant.''.

SEC. 410. GAO STUDY ON IMPACT OF BAN ON SSI BENEFITS FOR LEGAL IMMIGRANTS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study to determine the impact of the prohibition under section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612) with respect to the eligibility of qualified aliens (as defined in section 431 of such Act (8 U.S.C. 1641)) for benefits under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of such Act (42 U.S.C. 1382e) and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit a report to Congress on the study conducted under subsection (a) that includes such recommendations for legislative action as the Comptroller General determines appropriate.

SEC. 411. ENSURING TANF FUNDS ARE NOT USED TO DISPLACE PUBLIC EMPLOYEES; APPLICATION OF WORKPLACE LAWS TO WELFARE RECIPIENTS.

(a) WELFARE-TO-WORK WORKER PROTECTIONS.—

(1) IN GENERAL.—Section 403(a)(5)(I) (42 U.S.C. 603(a)(5)(I)) is amended—

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

(B) by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively; and

(C) by inserting before clause (ii), the following:

''(i) NONDISPLACEMENT.—

''(I) IN GENERAL.—An adult in a family receiving assistance under a State program funded under this part, in order to engage in a work activity, shall not displace any employee or position (including partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) or fill any unfilled vacancy.

''(II) PROHIBITIONS.—A work activity engaged in under a program operated with funds provided under this paragraph shall not impair any existing contract for services, be inconsistent with any existing law, regulation, or collective bargaining agreement, or infringe upon the recall rights or promotional opportunities of any worker.

''(III) NO SUPPLANTING OF OTHER HIRES.—A work activity engaged in under a program operated with funds provided under this paragraph shall be in addition to any activity that otherwise would be available and shall not supplant the hiring of an employed worker not funded under such program.

''(IV) ENFORCING ANTIDISPLACEMENT PROTECTIONS.—

''(aa) IN GENERAL.—The State shall establish and maintain an impartial grievance procedure to resolve any complaints alleging violations of the requirements of subclause (I), (II), or (III) within 60 days of receipt of the complaint and, if a decision is adverse to the party who filed such grievance or no decision has been reached, provide for the completion of an arbitration procedure within 75 days of receipt of the complaint or the adverse decision or conclusion of the 60-day period, whichever is earlier.

''(bb) APPEALS.—Appeals may be made to the Secretary who shall make a decision within 75 days.

''(cc) REMEDIES.—Remedies for a violation of the requirements of subclause (I), (II), or (III) shall include termination or suspension of payments, prohibition of the placement of the participant, reinstatement of an employee, and other relief to make an aggrieved employee whole.

''(dd) LIMITATION ON PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant, such placement shall not be made unless such placement is consistent with the resolution of the grievance pursuant to this subclause.''.

(2) STATE PLAN REQUIREMENT.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

''(vii) In the case of a State that receives a welfare-to-work grant under section 403(a)(5), ensure compliance with the nondisplacement requirements of subparagraph (I)(i) of that section.''.

(b) APPLICATION OF WORKPLACE LAWS TO WELFARE RECIPIENTS.—Notwithstanding any other provision of law, workplace laws, including the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), shall apply to an individual who is a recipient of assistance under the temporary assistance to needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the same manner as such laws apply to other workers. The fact that an individual who is a recipient of assistance under the temporary assistance to needy families program is participating in, or seeking to participate in work activities under that program in satisfaction of the work activity requirements of the program, shall not deprive the individual of the protection of any Federal, State, or local workplace law.

SEC. 412. DATA COLLECTION AND REPORTING.

Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended in the matter preceding clause (i), by striking ''(except for information relating to activities carried out under section 403(a)(5))'' and inserting '' (and in complying with this requirement, the Secretary shall require not more than 10 States to ensure that the following case record information is reported in a manner that permits analysis of such information by race, ethnicity or national origin, primary language, gender, and educational level, including analysis using a combination of these factors, and shall submit an annual report to Congress containing such data)''.

TITLE V—MISCELLANEOUS

SEC. 501. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of enactment of this Act, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(b) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan under section 402(a) or 454 of the Social Security Act (42 U.S.C. 602(a), 654) which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such section 402(a) or 454 solely on the basis of the failure of the plan to meet such additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

By Mr. HARKIN:

S. 1444. A bill to amend the Head Start Act to increase the reservation of funds for programs for low-income families with very young children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, most Americans are very familiar with Head Start. This popular preschool program was created in 1965 to provide education, health, nutrition and family support services to low-income, 4- and 5-year old children. Head Start enjoys strong bipartisan support and is widely recognized as a success.

In response to the growing body of research about the critical development which occurs during the first 3 years of a child's life, Head Start was expanded in 1995 to serve infants and toddlers. The Early Head Start Program provides comprehensive child development and family support services to infants and toddlers from birth through age 3 and pregnant women. Currently, 10 percent of Head Start funds are set aside for Early Head Start. An estimated 60,000 children currently receive services nationwide. In Iowa, 1,259 children are served by Early Head Start.

Numerous research findings, including a 7-year national evaluation, show that Early Head Start is a success. Early Head Start made positive impacts in children's cognitive, language, and social-emotional development. It was also found that compared to a control group, parents in Early Head Start not only read to their children more often but also provided additional resources to support greater language and literacy development.

These types of outcomes for our Nation's most vulnerable infants and toddlers are tremendous considering how critical the early years are for children's development. Data from the National Academy of Sciences shows that the first 3 years of a child's life are the most important—80 percent of brain development occurs by age 3. Children have unlimited potential to learn many things during this critical time. Research conducted over the last several years shows how important it is for parents to read to their young children, talk with them, and stimulate learning through play. Children who do not have enriched learning experiences during these important years can be stunted for life. Babies and toddlers living in high-risk environments need additional supports to foster necessary intellectual, social, and emotional development that lays the foundation for later success in school and life.

Early Head Start provides this proven effective, targeted care, yet only 3 percent of those eligible are being served. As a result, today I am introducing legislation that would increase the current set-aside to 20 percent in 2008—to double the number of participants.

Investments in early intervention programs must become a national priority. This is the right thing to do for the young children of our Nation, but it is also the most cost-effective thing for us to do. Every dollar invested in quality pre-school programs saves $7 in future costs for special education, welfare or corrections.

In 1991, the Committee for Economic Development, CED, called on the Nation to rethink how we view education. This group of business leaders urged Federal policy makers to view education as a process that begins at birth, with preparations beginning before birth. I strongly support this objective and have always been a strong advocate in early intervention activities such as Head Start, the WIC nutrition program and early intervention programs for infants and toddlers with disabilities.

We must dedicate ourselves to making the CED vision a reality and build a strong foundation for education in this country. That begins with ensuring that all children get off to a good, strong start and enter school ready to learn.

The legislation I am introducing today takes another step toward building this foundation by doubling the set-aside for the Early Head Start Program for children ages zero to three by the year 2008. This action will continue to improve access to education and development services for our youngest children to provide a good start in life. I urge my colleagues to support this legislation.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 198—EXPRESSING SYMPATHY FOR THE VICTIMS OF THE DEVASTATING EARTHQUAKE THAT STRUCK ALGERIA ON MAY 21, 2003

Mr. BROWNBACK (for himself, Mr. BIDEN, and Mr. INHOFE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 198

Whereas on the evening of May 21, 2003, a devastating and deadly earthquake of a magnitude of 6.8 on the Richter scale and with a depth of 6 miles struck northern Algeria, killing more than 2,260 people, injuring more than 10,000 others, and leaving more than 200,000 people homeless;

Whereas the earthquake of May 21, 2003, has left thousands of buildings in ruins and has severely disrupted health services, water supply lines, electricity, and telecommunications in Algeria;

Whereas severe aftershocks with magnitudes greater than 4.0 have continued to terrify the people of Algeria and hamper rescue efforts;

Whereas the strength, courage, and determination of the people and Government of Algeria has been displayed since the earthquake;

Whereas the people of the United States and Algeria share strong friendship and mutual respect;

Whereas the United States airlifted to the earthquake-affected population 174,000 blankets, 1,800 tents, electrical equipment, water purification kits, and 3 medical supply kits sufficient to benefit 10,000 people for at least 3 months;

Whereas the United States has provided $50,000 to the Algerian Red Crescent Society for emergency relief supplies; and

Whereas the United Nations Children's Fund (UNICEF) has launched an emergency appeal for humanitarian and relief assistance to address the devastation in Algeria that was caused by the powerful earthquake: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its deepest sympathies to the people of Algeria and particularly to the families of the victims and the survivors for the tragic losses suffered as a result of the earthquake that struck Algeria on May 21, 2003;

(2) expresses its support for the people and to the Government of Algeria as they continue their efforts to rebuild their cities and their lives;

(3) expresses support for humanitarian assistance provided by the United States Agency for International Development and other American and international relief organizations;

(4) recognizes the important role that is being performed by the United States and the international community in providing assistance to alleviate the suffering of the people of Algeria; and

(5) encourages the continued commitment by the United States and other countries and international organizations to the rebuilding of the earthquake-affected areas in Algeria.

Mr. BROWNBACK. Mr. President, I rise to submit a resolution expressing sympathy for the victims of the devastating earthquake that struck Algeria on May 21, 2003.

Algeria, a North African nation and former colony of France, was rocked by an enormous earthquake registering 6.8 on the Richter scale on May 21 killing more than 2,000 people, injuring 10,000 and leaving hundreds of thousands homeless.

I rise to extend my heartfelt sympathy to the Algerian people and to encourage the United States to commit itself to help Algerians pick up their lives and move past this tragedy.

President Bush committed funds to the Algerian Red Crescent Society, and the U.S. airlifted disaster supplies, including blankets, tents, medical supply kits.

It is important that in Algeria's hour of need that we act as a humane Nation. The kindness of a compassionate America can help heal the wounds of Algeria.

We must define ourselves as a nation by the goodness and compassion we extend to our fellow human beings who inhabit this world with us.

Though it is not simply in our self-interest, we should be careful to view our compassionate acts as instruments of goodwill presenting the case for American leadership to the world. These acts of compassion can serve to further our interests while reinforcing the American ideal as something other nations would want to attain.

Thomas Jefferson stated that America ''should have an Empire for Liberty,'' meeting a moral obligation to defend and promote freedom throughout the world. That remains for any American foreign policy, but is only buttressed by our willingness to serve our fellow man.

It would be a tragedy in this case if we were to wait for our ship to come in; we should swim out to meet it. Algeria can be the mark where America as a leading moral nation can greet his fellow suffering man with open arms and mercy.

Mr. INHOFE. Mr. President, on May 21 of this year a devastating earthquake shook lives in Algeria and across the world. Two thousand two hundred people were killed, 10,000 were injured, and 200,000 more were left homeless. In response, support from the international community has been overwhelming. The United Nations Disaster Assessment and Coordination Team estimates that 85 international flights from 27 different countries landed in Algiers to assist in the emergency relief efforts. Officials in Algeria state that more than 30,000 government workers and 10,000 military personnel were involved in relief activities. The United States alone has given over $1.3 million in assistance, providing blankets, tents, and medical supplies.

Furthermore I am pleased that many businesses from my home State of Oklahoma are now helping in the reconstruction. They will bring to Algeria the best resources and equipment available to help rebuild the fallen cities. LWPB Architects, Atkins-Benham Constructors and Terex Road Building Group are among the participating companies.

I am pleased to cosponsor this resolution by my colleague from Kansas that expresses our deepest sympathies for the victims of this tragedy. It is our hope that through this international partnership, Algeria will arise a stronger nation.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1318. Mr. REID proposed an amendment to the bill H.R. 2555, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes.

SA 1319. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1320. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1321. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1322. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1323. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1324. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1325. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

SA 1326. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 2555, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1318. Mr. REID proposed an amendment to the bill H.R. 2555, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes; as follows:

On page 58, strike line 6 and all that follows through page 59, line 17, and insert the following:

any other provision of law, $2,908,000,000, which shall be allocated as follows:

(1) $1,750,000,000 for grants pursuant to section 1014 of the USA PATRIOT Act of 2001 (42 U.S.C. 3711), of which $500,000,000 shall be available for State and local law enforcement terrorism prevention grants: *Provided,* That no funds shall be made available to any State prior to the submission of an updated state plan to the Office for Domestic Preparedness: *Provided further,* That the application for grants shall be made available to States within 15 days after enactment of this Act; and that States shall submit applications within 30 days after the grant announcement; and that the Office for Domestic Preparedness shall act on each application within 15 days after receipt: *Provided further,* That each State shall obligate not less than 80 percent of the total amount of the grant to local governments within 45 days after the grant award;

(2) $30,000,000 for technical assistance;

(3) $750,000,000 for discretionary grants for use in high-threat urban areas, as determined by the Secretary of Homeland Security: *Provided,* That no less than 80 percent of