

ity (under the laws of the State) for the measures to be tested, as well as the period of time during which such demonstration project would be conducted;

(2) if a waiver under subsection (c) is requested, a statement describing the specific aspects of the project to which the waiver would apply and the reasons why such waiver is needed;

(3) a description of the goals and the expected programmatic outcomes of the demonstration project, including how the project would contribute to the objective described in subsection (a)(1), subsection (a)(2), or both;

(4) assurances (accompanied by supporting analysis) that the demonstration project would operate for a period of at least 1 calendar year and not result in any increased net costs to the State's account in the Unemployment Trust Fund;

(5) a description of the manner in which the State—

(A) will conduct an impact evaluation, using a methodology appropriate to determine the effects of the demonstration project, including on individual skill levels, earnings, and employment retention; and

(B) will determine the extent to which the goals and outcomes described in paragraph (3) were achieved;

(6) assurances that the State will provide any reports relating to the demonstration project, after its approval, as the Secretary of Labor may require; and

(7) assurances that employment meets the State's suitable work requirement and the requirements of section 3304(a)(5) of the Internal Revenue Code of 1986.

#### **(c) Waiver of certain requirements allowed**

The Secretary of Labor may waive any of the requirements of section 3304(a)(4) of the Internal Revenue Code of 1986 or of paragraph (1) or (5) of section 503(a) of this title, to the extent and for the period the Secretary of Labor considers necessary to enable the State to carry out a demonstration project under this section.

#### **(d) Time for demonstration project**

A demonstration project under this section—

(1) may be commenced any time after February 22, 2012;

(2) may not be approved for a period of time greater than 3 years; and

(3) must be completed by not later than December 31, 2015.

#### **(e) Limitations on activities**

Activities that may be pursued under a demonstration project under this section are limited to—

(1) subsidies for employer-provided training, such as wage subsidies; and

(2) direct disbursements to employers who hire individuals receiving unemployment compensation, not to exceed the weekly benefit amount for each such individual, to pay part of the cost of wages that exceed the unemployed individual's prior benefit level.

#### **(f) Notification of approval or denial of application**

The Secretary of Labor shall, in the case of any State for which an application is submitted under subsection (b)—

(1) notify the State as to whether such application has been approved or denied within 30 days after receipt of a complete application; and

(2) provide public notice of the decision within 10 days after providing notification to the State in accordance with paragraph (1).

Public notice under paragraph (2) may be provided through the Internet or other appropriate means. Any application under this section that has not been denied within the 30-day period described in paragraph (1) shall be deemed approved, and public notice of any approval under this sentence shall be provided within 10 days thereafter.

#### **(g) Termination of demonstration project**

The Secretary of Labor may terminate a demonstration project under this section if the Secretary determines that the State has violated the substantive terms or conditions of the project.

#### **(h) Funding**

Funding certified under section 502(a) of this title may be used for an approved demonstration project.

(Aug. 14, 1935, ch. 531, title III, §305, as added Pub. L. 112-96, title II, §2102, Feb. 22, 2012, 126 Stat. 159.)

#### **Editorial Notes**

##### REFERENCES IN TEXT

The Internal Revenue Code of 1986, referred to in subssecs. (b)(7) and (c), is classified generally to Title 26, Internal Revenue Code.

#### **§ 506. Grants to States for reemployment services and eligibility assessments**

##### **(a) In general**

The Secretary of Labor (in this section referred to as the "Secretary") shall award grants under this section for a fiscal year to eligible States to conduct a program of reemployment services and eligibility assessments for claimants for regular compensation, including claimants referred to reemployment services as described in section 503(j) of this title, for weeks in such fiscal year for which such claimants receive unemployment compensation.

##### **(b) Purposes**

The purposes of this section are to accomplish the following goals:

(1) To improve employment outcomes of individuals that receive unemployment compensation and to reduce the average duration of receipt of such compensation through employment.

(2) To strengthen program integrity and reduce improper payments of unemployment compensation by States through the detection and prevention of such payments to individuals who are not eligible for such compensation.

(3) To promote alignment with the broader vision of the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.) of increased program integration and service delivery for job seekers, including claimants for unemployment compensation.

(4) To establish reemployment services and eligibility assessments as an entry point for individuals receiving unemployment compensation into other workforce system partner programs.

**(c) Evidence-based standards**

**(1) In general**

In carrying out a State program of reemployment services and eligibility assessments using grant funds awarded to the State under this section, a State shall use such funds only for interventions demonstrated to reduce the number of weeks for which program participants receive unemployment compensation by improving employment outcomes for program participants.

**(2) Expanding evidence-based interventions**

In addition to the requirement imposed by paragraph (1), a State shall—

(A) for fiscal years 2023 and 2024, use no less than 25 percent of the grant funds awarded to the State under this section for interventions with a high or moderate causal evidence rating that show a demonstrated capacity to improve employment and earnings outcomes for program participants;

(B) for fiscal years 2025 and 2026, use no less than 40 percent of such grant funds for interventions described in subparagraph (A); and

(C) for fiscal years beginning after fiscal year 2026, use no less than 50 percent of such grant funds for interventions described in subparagraph (A).

**(d) Evaluations**

**(1) Required evaluations**

Any intervention without a high or moderate causal evidence rating used by a State in carrying out a State program of reemployment services and eligibility assessments under this section shall be under evaluation at the time of use.

**(2) Funding limitation**

A State shall use not more than 10 percent of grant funds awarded to the State under this section to conduct or cause to be conducted evaluations of interventions used in carrying out a program under this section (including evaluations conducted pursuant to paragraph (1)).

**(e) State plan**

**(1) In general**

As a condition of eligibility to receive a grant under this section for a fiscal year, a State shall submit to the Secretary, at such time and in such manner as the Secretary may require, a State plan that outlines how the State intends to conduct a program of reemployment services and eligibility assessments under this section, including—

(A) assurances that, and a description of how, the program will provide—

(i) proper notification to participating individuals of the program's eligibility conditions, requirements, and benefits, including the issuance of warnings and simple, clear notifications to ensure that participating individuals are fully aware of the consequences of failing to adhere to such requirements, including policies related to non-attendance or non-fulfillment of work search requirements; and

(ii) reasonable scheduling accommodations to maximize participation for eligible individuals;

(B) assurances that, and a description of how, the program will conform with the purposes outlined in subsection (b) and satisfy the requirement to use evidence-based standards under subsection (c), including—

(i) a description of the evidence-based interventions the State plans to use to speed reemployment;

(ii) an explanation of how such interventions are appropriate to the population served; and

(iii) if applicable, a description of the evaluation structure the State plans to use for interventions without at least a moderate or high causal evidence rating, which may include national evaluations conducted by the Department of Labor or by other entities; and

(C) a description of any reemployment activities and evaluations conducted in the prior fiscal year, and any data collected on—

(i) characteristics of program participants;

(ii) the number of weeks for which program participants receive unemployment compensation; and

(iii) employment and other outcomes for program participants consistent with State performance accountability measures provided by the State unemployment compensation program and in section 116(b) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)).

**(2) Approval**

The Secretary shall approve any State plan, that is timely submitted to the Secretary, in such manner as the Secretary may require, that satisfies the conditions described in paragraph (1).

**(3) Disapproval and revision**

If the Secretary determines that a State plan submitted pursuant to this subsection fails to satisfy the conditions described in paragraph (1), the Secretary shall—

(A) disapprove such plan;

(B) provide to the State, not later than 30 days after the date of receipt of the State plan, a written notice of such disapproval that includes a description of any portion of the plan that was not approved and the reason for the disapproval of each such portion; and

(C) provide the State with an opportunity to correct any such failure and submit a revised State plan.

**(f) Allocation of funds****(1) Base funding****(A) In general**

For each fiscal year after fiscal year 2020, the Secretary shall allocate a percentage equal to the base funding percentage for such fiscal year of the funds made available for grants under this section among the States awarded such a grant for such fiscal year using a formula prescribed by the Secretary based on the rate of insured unemployment (as defined in section 203(e)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note)) in the State for a period to be determined by the Secretary. In developing such formula with respect to a State, the Secretary shall consider the importance of avoiding sharp reductions in grant funding to a State over time.

**(B) Base funding percentage**

For purposes of subparagraph (A), the term “base funding percentage” means—

- (i) for fiscal years 2021 through 2026, 89 percent; and
- (ii) for fiscal years after 2026, 84 percent.

**(2) Reservation for outcome payments****(A) In general**

Of the amounts made available for grants under this section for each fiscal year after 2020, the Secretary shall reserve a percentage equal to the outcome reservation percentage for such fiscal year for outcome payments to increase the amount otherwise awarded to a State under paragraph (1). Such outcome payments shall be paid to States conducting reemployment services and eligibility assessments under this section that, during the previous fiscal year, met or exceeded the outcome goals provided in subsection (b)(1) related to reducing the average duration of receipt of unemployment compensation by improving employment outcomes.

**(B) Outcome reservation percentage**

For purposes of subparagraph (A), the term “outcome reservation percentage” means—

- (i) for fiscal years 2021 through 2026, 10 percent; and
- (ii) for fiscal years after 2026, 15 percent.

**(3) Reservation for research and technical assistance**

Of the amounts made available for grants under this section for each fiscal year after 2020, the Secretary may reserve not more than 1 percent to conduct research and provide technical assistance to States.

**(4) Consultation and public comment**

Not later than September 30, 2019, the Secretary shall—

(A) consult with the States and seek public comment in developing the allocation formula under paragraph (1) and the criteria for carrying out the reservations under paragraph (2); and

(B) make publicly available the allocation formula and criteria developed pursuant to subclause (A).

**(g) Notification to Congress**

Not later than 90 days prior to making any changes to the allocation formula or the criteria developed pursuant to subsection (f)(5)(A), the Secretary shall submit to Congress, including to the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives and the Committee on Finance and the Committee on Appropriations of the Senate, a notification of any such change.

**(h) Supplement not supplant**

Funds made available to carry out this section shall be used to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would be expended to provide reemployment services and eligibility assessments to individuals receiving unemployment compensation, and in no case to supplant such Federal, State, or local public funds.

**(i) Definitions**

In this section:

**(1) Causal evidence rating**

The terms “high causal evidence rating” and “moderate causal evidence rating” shall have the meaning given such terms by the Secretary of Labor.

**(2) Eligible state**

The term “eligible State” means a State that has in effect a State plan approved by the Secretary in accordance with subsection (e).

**(3) Intervention**

The term “intervention” means a service delivery strategy for the provision of State reemployment services and eligibility assessment activities under this section.

**(4) State**

The term “State” has the meaning given the term in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

**(5) Unemployment compensation**

The term unemployment compensation means “regular compensation”, “extended compensation”, and “additional compensation” (as such terms are defined by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note)).

(Aug. 14, 1935, ch. 531, title III, §306, as added Pub. L. 115–123, div. C, title II, §30206(a), Feb. 9, 2018, 132 Stat. 127; amended Pub. L. 118–120, §2(a), Nov. 25, 2024, 138 Stat. 1626.)

**Editorial Notes**

## REFERENCES IN TEXT

The Workforce Innovation and Opportunity Act, referred to in subsec. (b)(3), is Pub. L. 113–128, July 22, 2014, 128 Stat. 1425, which enacted chapter 32 (§3101 et seq.) of Title 29, Labor, repealed chapter 30 (§2801 et seq.) of Title 29 and chapter 73 (§9201 et seq.) of Title 20, Education, and made amendments to numerous other sections and notes in the Code. For complete classification of this Act to the Code, see section 1(a) of Pub. L. 113–128, set out as a Short Title note under section 3101 of Title 29 and Tables.

The Federal-State Extended Unemployment Compensation Act of 1970, referred to in subsecs. (f)(1)(A)

and (i)(4), (5), is title II of Pub. L. 91-373, Aug. 10, 1970, 84 Stat. 708, which is classified generally as a note under section 3304 of Title 26, Internal Revenue Code. For complete classification of this Act to the Code, see Tables.

#### AMENDMENTS

2024—Subsec. (a). Pub. L. 118-120 substituted “claimants for regular compensation, including claimants referred to reemployment services as described in section 503(j) of this title,” for “individuals referred to reemployment services as described in section 503(j) of this title” and “such claimants” for “such individuals”.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2024 AMENDMENT

Pub. L. 118-120, §2(b), Nov. 25, 2024, 138 Stat. 1626, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on the date of enactment of this Act [Nov. 25, 2024].”

#### SUBCHAPTER IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES

#### Editorial Notes

##### CODIFICATION

Pub. L. 90-248, title II, §240(a), Jan. 2, 1968, 81 Stat. 911, inserted “AND FOR CHILD-WELFARE SERVICES” at end of subchapter heading.

Pub. L. 87-543, title I, §104(a)(1), July 25, 1962, 76 Stat. 185, substituted “AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN” for “AID TO DEPENDENT CHILDREN” in subchapter heading.

#### PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

#### Editorial Notes

##### PRIOR PROVISIONS

A prior part A relating to aid to families with dependent children and consisting of sections 601 to 618 of this title was repealed, except for section 618, by Pub. L. 104-193, title I, §103(a)(1), Aug. 22, 1996, 110 Stat. 2112.

### § 601. Purpose

#### (a) In general

The purpose of this part is to increase the flexibility of States in operating a program designed to—

- (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- (4) encourage the formation and maintenance of two-parent families.

#### (b) No individual entitlement

This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

(Aug. 14, 1935, ch. 531, title IV, §401, as added Pub. L. 104-193, title I, §103(a)(1), Aug. 22, 1996, 110 Stat. 2112; amended Pub. L. 105-33, title V, §5514(c), Aug. 5, 1997, 111 Stat. 620.)

#### Editorial Notes

##### PRIOR PROVISIONS

A prior section 601, acts Aug. 14, 1935, ch. 531, title IV, §401, 49 Stat. 627; 1946 Reorg. Plan No. 2, §4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095; 1953 Reorg. Plan No. 1, §§5, 8, eff. Apr. 11, 1953, 18 F.R. 2053, 67 Stat. 631; Aug. 1, 1956, ch. 836, title III, §312(a), 70 Stat. 848; July 25, 1962, Pub. L. 87-543, title I, §104(a)(4), (c)(2), 76 Stat. 185, 186; Jan. 2, 1968, Pub. L. 90-248, title II, §241(b)(1), 81 Stat. 916, related to authorization of appropriations for Aid to Families With Dependent Children program prior to repeal by Pub. L. 104-193, §103(a)(1), as amended by Pub. L. 105-33, title V, §5514(c), Aug. 5, 1997, 111 Stat. 620.

##### AMENDMENTS

1997—Pub. L. 105-33 made technical amendment to directory language of Pub. L. 104-193, §103(a)(1), which enacted this section.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-33 effective as if included in the provision of Pub. L. 104-193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105-33, set out as a note under section 862a of Title 21, Food and Drugs.

##### EFFECTIVE DATE

Pub. L. 104-193, title I, §116, Aug. 22, 1996, 110 Stat. 2181, as amended by Pub. L. 104-327, §1(a), (c), Oct. 19, 1996, 110 Stat. 4002, 4003; Pub. L. 105-33, title V, §§5516(b), 5517, Aug. 5, 1997, 111 Stat. 620, 621, provided that:

“(a) EFFECTIVE DATES.—

“(1) IN GENERAL.—Except as otherwise provided in this title [see Tables for classification], this title and the amendments made by this title shall take effect on July 1, 1997.

“(2) DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.—Notwithstanding any other provision of this section (but subject to subsection (b)(1)(A)(ii)), paragraphs (2), (3), (4), (5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act [42 U.S.C. 609(a), 611(a)] (as added by the amendments made by section 103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of—

“(A) July 1, 1997; or

“(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act [42 U.S.C. 602(a)] (as added by such amendment).

“(3) GRANTS TO OUTLYING AREAS.—The amendments made by section 103(b) [amending section 1308 of this title] shall take effect on October 1, 1996.

“(4) ELIMINATION OF CHILD CARE PROGRAMS.—The amendments made by section 103(c) [amending sections 602 and 603 of this title] shall take effect on October 1, 1996.

“(5) DEFINITIONS APPLICABLE TO NEW CHILD CARE ENTITLEMENT.—Sections 403(a)(1)(C), 403(a)(1)(D), and 419(4) of the Social Security Act [42 U.S.C. 603(a)(1)(C), (D), 619(4)], as added by the amendments made by section 103(a) of this Act, shall take effect on October 1, 1996.

“(6) RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.—Section 413 of the Social Security Act [42 U.S.C. 613], as added by the amendment made by section 103(a) of this Act, shall take effect on the date of the enactment of this Act [Aug. 22, 1996].

“(b) TRANSITION RULES.—Effective on the date of the enactment of this Act [Aug. 22, 1996]:

“(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE; LIMITATION ON FISCAL YEARS 1996 AND 1997 PAYMENTS.—