

Union Calendar No. 275

107TH CONGRESS
2^D SESSION

H. R. 4090

[Report No. 107-460, Part I]

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2002

Mr. HERGER (for himself, Mr. SHAW, Mr. WATKINS of Oklahoma, Mr. MCCREERY, Mr. ENGLISH, Mr. LEWIS of Kentucky, Ms. DUNN of Washington, Mr. PORTMAN, Mr. BRADY of Texas, Mr. CAMP, Mr. MCINNIS, and Mrs. JOHNSON of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means

MAY 14, 2002

Additional sponsors: Mr. BARR of Georgia, Mr. HAYWORTH, Mr. WILSON of South Carolina, Mr. SHAYS, Mr. GREEN of Wisconsin, Ms. HART, and Mr. PITTS

MAY 14, 2002

Reported with an amendment and referred to the Committee on Education and the Workforce for a period ending not later than May 14, 2002, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e), rule X

[Strike out all after the enacting clause and insert the part printed in *italic*]

MAY 14, 2002

Committee on Education and the Workforce discharged; committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Personal Responsibility,*
 5 *Work, and Family Promotion Act of 2002”.*

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

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

- Sec. 1. Short title.*
- Sec. 2. Table of contents.*
- Sec. 3. References.*
- Sec. 4. Findings.*

TITLE I—TANF

- Sec. 101. Purposes.*
- Sec. 102. Family assistance grants.*
- Sec. 103. Promotion of family formation and healthy marriage.*
- Sec. 104. Supplemental grant for population increases in certain States.*
- Sec. 105. Bonus to reward employment achievement.*
- Sec. 106. Contingency fund.*
- Sec. 107. Use of funds.*
- Sec. 108. Repeal of Federal loan for State welfare programs.*
- Sec. 109. Universal engagement and family self-sufficiency plan requirements.*
- Sec. 110. Work participation requirements.*
- Sec. 111. Maintenance of effort.*
- Sec. 112. Performance improvement.*
- Sec. 113. Data collection and reporting.*
- Sec. 114. Direct funding and administration by Indian tribes.*
- Sec. 115. Research, evaluations, and national studies.*
- Sec. 116. Study by the Census Bureau.*
- Sec. 117. Definition of assistance.*
- Sec. 118. Technical corrections.*
- Sec. 119. Fatherhood program.*

TITLE II—CHILD CARE

Sec. 201. Entitlement funding.

TITLE III—CHILD SUPPORT

Sec. 301. Federal matching funds for limited pass through of child support payments to families receiving TANF.

Sec. 302. State option to pass through all child support payments to families that formerly received TANF.

Sec. 303. Mandatory review and adjustment of child support orders for families receiving TANF.

Sec. 304. Mandatory fee for successful child support collection for family that has never received TANF.

Sec. 305. Report on undistributed child support payments.

Sec. 306. Use of new hire information to assist in administration of unemployment compensation programs.

Sec. 307. Decrease in amount of child support arrearage triggering passport denial.

Sec. 308. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.

Sec. 309. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

Sec. 310. Improving Federal debt collection practices.

Sec. 311. Maintenance of technical assistance funding.

Sec. 312. Maintenance of Federal Parent Locator Service funding.

TITLE IV—CHILD WELFARE

Sec. 401. Extension of authority to approve demonstration projects.

Sec. 402. Elimination of limitation on number of waivers.

Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.

Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.

Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.

Sec. 406. Availability of reports.

Sec. 407. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—BROADENED WAIVER AUTHORITY

Sec. 601. Program integration demonstration projects.

TITLE VII—EFFECTIVE DATE

Sec. 701. Effective date.

1 SEC. 3. REFERENCES.

2 *Except as otherwise expressly provided, wherever in*
 3 *this Act an amendment or repeal is expressed in terms of*

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

4 **SEC. 4. FINDINGS.**

5 *The Congress makes the following findings:*

6 *(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in*
7 *moving families from welfare to work and reducing*
8 *child poverty.*

9 *(A) There has been a dramatic increase in*
10 *the employment of current and former welfare*
11 *recipients. The percentage of working recipients*
12 *reached an all-time high in fiscal years 1999*
13 *and 2000. In fiscal year 1999, 33 percent of*
14 *adult recipients were working, compared to less*
15 *than 7 percent in fiscal year 1992, and 11 per-*
16 *cent in fiscal year 1996. All States met the over-*
17 *all participation rate standard in fiscal year*
18 *2000, as did the District of Columbia and Puerto*
19 *Rico.*

20 *(B) Earnings for welfare recipients remain-*
21 *ing on the rolls have also increased significantly,*
22 *as have earnings for female-headed households.*

1 *The increases have been particularly large for the*
2 *bottom 2 income quintiles, that is, those women*
3 *who are most likely to be former or present wel-*
4 *fare recipients.*

5 *(C) Welfare dependency has plummeted. As*
6 *of September 2001, 2,103,000 families and*
7 *5,333,000 individuals were receiving assistance.*
8 *Accordingly, the number of families in the wel-*
9 *fare caseload and the number of individuals re-*
10 *ceiving cash assistance declined 52 percent and*
11 *56 percent, respectively, since the enactment of*
12 *TANF. These declines have persisted even as un-*
13 *employment rates have increased: unemployment*
14 *rates nationwide rose 25 percent, from 3.9 per-*
15 *cent in September 2000 to 4.9 percent in Sep-*
16 *tember 2001, while welfare caseloads continued*
17 *to drop by 7 percent.*

18 *(D) The child poverty rate continued to de-*
19 *cline between 1996 and 2000, falling 21 percent*
20 *from 20.5 to 16.2 percent. The 2000 child pov-*
21 *erty rate is the lowest since 1979. Child poverty*
22 *rates for African-American and Hispanic chil-*
23 *dren have also fallen dramatically during the*
24 *past 6 years. African-American child poverty is*
25 *at the lowest rate on record and Hispanic child*

1 *poverty has had the largest 4-year decrease on*
2 *record.*

3 *(E) Despite these gains, States have had*
4 *mixed success in fully engaging welfare recipi-*
5 *ents in work activities. While all States have met*
6 *the overall work participation rates required by*
7 *law, in 2000, in an average month, only about*
8 *1/3 of all families with an adult participated in*
9 *work activities that were countable toward the*
10 *State's participation rate. Eight jurisdictions*
11 *failed to meet the more rigorous 2-parent work*
12 *requirements, and about 20 States are not sub-*
13 *ject to the 2-parent requirements, most because*
14 *they moved their 2-parent cases to separate State*
15 *programs where they are not subject to a penalty*
16 *for failing the 2-parent rates.*

17 *(2) As a Nation, we have made substantial*
18 *progress in reducing teen pregnancies and births,*
19 *slowing increases in nonmarital childbearing, and*
20 *improving child support collections and paternity es-*
21 *tablishment.*

22 *(A) The teen birth rate has fallen continu-*
23 *ously since 1991, down a dramatic 22 percent by*
24 *2000. During the period of 1991–2000, teenage*
25 *birth rates fell in all States and the District of*

1 *Columbia, Puerto Rico, and the Virgin Islands.*
2 *Declines also have spanned age, racial, and eth-*
3 *nic groups. There has been success in lowering*
4 *the birth rate for both younger and older teens.*
5 *The birth rate for those 15–17 years of age is*
6 *down 29 percent since 1991, and the rate for*
7 *those 18 and 19 is down 16 percent. Between*
8 *1991 and 2000, teen birth rates declined for all*
9 *women ages 15–19—white, African American,*
10 *American Indian, Asian or Pacific Islander, and*
11 *Hispanic women ages 15–19. The rate for Afri-*
12 *can American teens—until recently the highest—*
13 *experienced the largest decline, down 31 percent*
14 *from 1991 to 2000, to reach the lowest rate ever*
15 *reported for this group. Most births to teens are*
16 *nonmarital; in 2000, about 73 percent of the*
17 *births to teens aged 15–19 occurred outside of*
18 *marriage.*

19 *(B) Nonmarital childbearing continued to*
20 *increase slightly in 2000, however not at the*
21 *sharp rates of increase seen in recent decades.*
22 *The birth rate among unmarried women in 2000*
23 *was 3.5 percent lower than its peak reached in*
24 *1994, while the proportion of births occurring*

1 *outside of marriage has remained at approxi-*
2 *mately 33 percent since 1998.*

3 *(C) The negative consequences of out-of-wed-*
4 *lock birth on the mother, the child, the family,*
5 *and society are well documented. These include*
6 *increased likelihood of welfare dependency, in-*
7 *creased risks of low birth weight, poor cognitive*
8 *development, child abuse and neglect, and teen*
9 *parenthood, and decreased likelihood of having*
10 *an intact marriage during adulthood.*

11 *(D) An estimated 23,900,000 children do*
12 *not live with their biological father. 16,000,000*
13 *children live with their mother only. These facts*
14 *are attributable largely to declining marriage*
15 *rates, increasing divorce rates, and increasing*
16 *rates of nonmarital births during the latter part*
17 *of the 20th century.*

18 *(E) There has been a dramatic rise in co-*
19 *habitation as marriages have declined. Only 40*
20 *percent of children of cohabiting couples will see*
21 *their parents marry. Those who do marry expe-*
22 *rience a 50 percent higher divorce rate. Children*
23 *in single-parent households and cohabiting*
24 *households are at much higher risk of child abuse*

1 *than children in intact married and stepparent*
2 *families.*

3 *(F) Children who live apart from their bio-*
4 *logical fathers, on average, are more likely to be*
5 *poor, experience educational, health, emotional,*
6 *and psychological problems, be victims of child*
7 *abuse, engage in criminal behavior, and become*
8 *involved with the juvenile justice system than*
9 *their peers who live with their married, biologi-*
10 *cal mother and father. A child living in a single-*
11 *parent family is nearly 5 times as likely to be*
12 *poor as a child living in a married-couple fam-*
13 *ily. In married-couple families, the child poverty*
14 *rate is 8.1 percent, in households headed by a*
15 *single mother, the poverty rate is 39.7 percent.*

16 *(G) Since the enactment of the Personal Re-*
17 *sponsibility and Work Opportunity Reconcili-*
18 *ation Act of 1996, child support collections with-*
19 *in the child support enforcement system have*
20 *grown every year, increasing from*
21 *\$12,000,000,000 in fiscal year 1996 to nearly*
22 *\$19,000,000,000 in fiscal year 2001. The number*
23 *of paternities established or acknowledged in fis-*
24 *cal year 2002 reached an historic high of over*
25 *1,500,000—which includes a nearly 100 percent*

1 *increase through in-hospital acknowledgement*
2 *programs to 688,510 in 2000 from 349,356 in*
3 *1996. Child support collections were made in*
4 *over 7,000,000 cases in fiscal year 2000, signifi-*
5 *cantly more than the almost 4,000,000 cases hav-*
6 *ing a collection in 1996.*

7 *(3) The Personal Responsibility and Work Op-*
8 *portunity Reconciliation Act of 1996 gave States*
9 *great flexibility in the use of Federal funds to develop*
10 *innovative programs to help families leave welfare*
11 *and begin employment and to encourage the forma-*
12 *tion of 2-parent families.*

13 *(A) Total Federal and State TANF expendi-*
14 *tures in fiscal year 2000 were \$24,000,000,000,*
15 *up from \$22,600,000,000 for the previous year.*
16 *This increased spending is attributable to sig-*
17 *nificant new investments in supportive services*
18 *in the TANF program, such as child care and*
19 *activities to support work.*

20 *(B) Since the welfare reform effort began*
21 *there has been a dramatic increase in work par-*
22 *ticipation (including employment, community*
23 *service, and work experience) among welfare re-*
24 *cipients, as well as an unprecedented reduction*

1 *in the caseload because recipients have left wel-*
2 *fare for work.*

3 *(C) States are making policy choices and*
4 *investment decisions best suited to the needs of*
5 *their citizens.*

6 *(i) To expand aid to working families,*
7 *all States disregard a portion of a family's*
8 *earned income when determining benefit*
9 *levels.*

10 *(ii) Most States increased the limits on*
11 *countable assets above the former Aid to*
12 *Families with Dependent Children (AFDC)*
13 *program. Every State has increased the ve-*
14 *hicle asset level above the prior AFDC limit*
15 *for a family's primary automobile.*

16 *(iii) States are experimenting with*
17 *programs to promote marriage and father*
18 *involvement. Over half the States have*
19 *eliminated restrictions on 2-parent families.*
20 *Many States use TANF, child support, or*
21 *State funds to support community-based ac-*
22 *tivities to help fathers become more involved*
23 *in their children's lives or strengthen rela-*
24 *tionships between mothers and fathers.*

1 (4) Therefore, it is the sense of the Congress that
 2 increasing success in moving families from welfare to
 3 work, as well as in promoting healthy marriage and
 4 other means of improving child well-being, are very
 5 important Government interests and the policy con-
 6 tained in part A of title IV of the Social Security Act
 7 (as amended by this Act) is intended to serve these
 8 ends.

9 **TITLE I—TANF**

10 **SEC. 101. PURPOSES.**

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

12 (1) in the matter preceding paragraph (1), by
 13 striking “increase” and inserting “improve child well-
 14 being by increasing”;

15 (2) in paragraph (1), by inserting “and serv-
 16 ices” after “assistance”;

17 (3) in paragraph (2), by striking “parents on
 18 government benefits” and inserting “families on gov-
 19 ernment benefits and reduce poverty”; and

20 (4) in paragraph (4), by striking “two-parent
 21 families” and inserting “healthy, 2-parent married
 22 families, and encourage responsible fatherhood”.

23 **SEC. 102. FAMILY ASSISTANCE GRANTS.**

24 (a) **EXTENSION OF AUTHORITY.**—Section 403(a)(1)(A)
 25 (42 U.S.C. 603(a)(1)(A)) is amended—

1 (1) *by striking “1996, 1997, 1998, 1999, 2000,*
2 *2001, and 2002” and inserting “2003 through 2007”;*
3 *and*

4 (2) *by inserting “payable to the State for the fis-*
5 *cal year” before the period.*

6 (b) *STATE FAMILY ASSISTANCE GRANT.—Section*
7 *403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking sub-*
8 *paragraphs (B) through (E) and inserting the following:*

9 “(B) *STATE FAMILY ASSISTANCE GRANT.—*
10 *The State family assistance grant payable to a*
11 *State for a fiscal year shall be the amount that*
12 *bears the same ratio to the amount specified in*
13 *subparagraph (C) of this paragraph as the*
14 *amount required to be paid to the State under*
15 *this paragraph for fiscal year 2002 (determined*
16 *without regard to any reduction pursuant to sec-*
17 *tion 412(a)(1)) bears to the total amount re-*
18 *quired to be paid under this paragraph for fiscal*
19 *year 2002.*

20 “(C) *APPROPRIATION.—Out of any money*
21 *in the Treasury of the United States not other-*
22 *wise appropriated, there are appropriated for*
23 *each of fiscal years 2003 through 2007*
24 *\$16,566,542,000 for grants under this para-*
25 *graph.”.*

1 (c) *MATCHING GRANTS FOR THE TERRITORIES.*—Section
 2 tion 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by strik-
 3 ing “1997 through 2002” and inserting “2003 through
 4 2007”.

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

7 (a) *STATE PLANS.*—Section 402(a)(1)(A) (42 U.S.C.
 8 602(a)(1)(A)) is amended by adding at the end the fol-
 9 lowing:

10 “(vii) Encourage equitable treatment of
 11 married, 2-parent families under the pro-
 12 gram referred to in clause (i).”.

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

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

19 “(A) *AUTHORITY.*—The Secretary shall
 20 award competitive grants to States, territories,
 21 and tribal organizations for not more than 50
 22 percent of the cost of developing and imple-
 23 menting innovative programs to promote and
 24 support healthy, married, 2-parent families.

1 “(B) *HEALTHY MARRIAGE PROMOTION AC-*
2 *TIVITIES.—Funds provided under subparagraph*
3 *(A) shall be used to support any of the following*
4 *programs or activities:*

5 “(i) *Public advertising campaigns on*
6 *the value of marriage and the skills needed*
7 *to increase marital stability and health.*

8 “(ii) *Education in high schools on the*
9 *value of marriage, relationship skills, and*
10 *budgeting.*

11 “(iii) *Marriage education, marriage*
12 *skills, and relationship skills programs, in-*
13 *cluding parenting skills, financial manage-*
14 *ment, conflict resolution, and job and career*
15 *advancement, for non-married pregnant*
16 *women and non-married expectant fathers.*

17 “(iv) *Pre-marital education and mar-*
18 *riage skills training for engaged couples and*
19 *for couples interested in marriage.*

20 “(v) *Marriage enhancement and mar-*
21 *riage skills training programs for married*
22 *couples.*

23 “(vi) *Divorce reduction programs that*
24 *teach relationship skills.*

1 “(vii) *Marriage mentoring programs*
2 *which use married couples as role models*
3 *and mentors in at-risk communities.*

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

9 “(C) *APPROPRIATION.—Out of any money*
10 *in the Treasury of the United States not other-*
11 *wise appropriated, there are appropriated for*
12 *each of fiscal years 2003 through 2007*
13 *\$100,000,000 for grants under this paragraph.”.*

14 *(c) COUNTING OF SPENDING ON NON-ELIGIBLE FAMI-*
15 *LIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-*
16 *WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR*
17 *ENCOURAGE RESPONSIBLE FATHERHOOD.—Section*
18 *409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by*
19 *adding at the end the following:*
20 *adding at the end the following:*

21 “(V) *COUNTING OF SPENDING ON*
22 *NON-ELIGIBLE FAMILIES TO PREVENT*
23 *AND REDUCE INCIDENCE OF OUT-OF-*
24 *WEDLOCK BIRTHS, ENCOURAGE FORMA-*
25 *TION AND MAINTENANCE OF HEALTHY,*

1 2-PARENT MARRIED FAMILIES, OR EN-
 2 COURAGE RESPONSIBLE FATHER-
 3 HOOD.—The term ‘qualified State ex-
 4 penditures’ includes the total expendi-
 5 tures by the State during the fiscal
 6 year under all State programs for a
 7 purpose described in paragraph (3) or
 8 (4) of section 401(a).”.

9 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**
 10 **CREASES IN CERTAIN STATES.**

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

13 (1) in the subparagraph heading, by striking
 14 “OF GRANTS FOR FISCAL YEAR 2002”;

15 (2) in clause (i), by striking “fiscal year 2002”
 16 and inserting “each of fiscal years 2002 through
 17 2006”;

18 (3) in clause (ii), by striking “2002” and insert-
 19 ing “2006”; and

20 (4) in clause (iii), by striking “fiscal year 2002”
 21 and inserting “each of fiscal years 2002 through
 22 2006”.

23 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.**

24 (a) *REALLOCATION OF FUNDING.*—Section 403(a)(4)
 25 (42 U.S.C. 603(a)(4)) is amended—

1 (1) *in the paragraph heading, by striking “HIGH*
 2 *PERFORMANCE STATES” and inserting “EMPLOYMENT*
 3 *ACHIEVEMENT”;*

4 (2) *in subparagraph (D)(ii)—*

5 (A) *in subclause (I), by striking “equals*
 6 *\$200,000,000” and inserting “(other than 2003)*
 7 *equals \$200,000,000, and for bonus year 2003*
 8 *equals \$100,000,000”;* *and*

9 (B) *in subclause (II), by striking*
 10 *“\$1,000,000,000” and inserting “\$900,000,000”;*
 11 *and*

12 (3) *in subparagraph (F), by striking*
 13 *“\$1,000,000,000” and inserting “\$900,000,000”.*

14 (b) *BONUS TO REWARD EMPLOYMENT ACHIEVE-*
 15 *MENT.—*

16 (1) *IN GENERAL.—Section 403(a)(4) (42 U.S.C.*
 17 *603(a)(4)) is amended by striking subparagraphs (A)*
 18 *through (F) and inserting the following:*

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

23 “(B) *AMOUNT OF GRANT.—*

24 “(i) *IN GENERAL.—Subject to clause*
 25 *(ii) of this subparagraph, the Secretary*

1 *shall determine the amount of the grant*
2 *payable under this paragraph to an em-*
3 *ployment achievement State for a bonus*
4 *year, which shall be based on the perform-*
5 *ance of the State as determined under sub-*
6 *paragraph (D)(i) for the fiscal year that*
7 *immediately precedes the bonus year.*

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

12 “(C) *FORMULA FOR MEASURING STATE PER-*
13 *FORMANCE.—*

14 “(i) *IN GENERAL.—Subject to clause*
15 *(ii), not later than October 1, 2003, the Sec-*
16 *retary, in consultation with the National*
17 *Governors Association, the American Public*
18 *Human Services Association, and the Na-*
19 *tional Conference of State Legislatures,*
20 *shall develop a formula for measuring State*
21 *performance in operating the State program*
22 *funded under this part so as to achieve the*
23 *goals of employment entry, job retention,*
24 *and increased earnings from employment*
25 *for families receiving assistance under the*

1 *program, as measured on an absolute basis*
2 *and on the basis of improvement in State*
3 *performance.*

4 *“(ii) SPECIAL RULE FOR BONUS YEAR*
5 *2004.—For the purposes of awarding a*
6 *bonus under this paragraph for bonus year*
7 *2004, the Secretary may measure the per-*
8 *formance of a State in fiscal year 2003*
9 *using the job entry rate, job retention rate,*
10 *and earnings gain rate components of the*
11 *formula developed under section*
12 *403(a)(4)(C) as in effect immediately before*
13 *the effective date of this paragraph.*

14 *“(D) DETERMINATION OF STATE PERFORM-*
15 *ANCE.—For each bonus year, the Secretary*
16 *shall—*

17 *“(i) use the formula developed under*
18 *subparagraph (C) to determine the perform-*
19 *ance of each eligible State for the fiscal year*
20 *that precedes the bonus year; and*

21 *“(ii) prescribe performance standards*
22 *in such a manner so as to ensure that—*

23 *“(I) the average annual total*
24 *amount of grants to be made under*

1 *this paragraph for each bonus year*
2 *equals \$100,000,000; and*

3 *“(II) the total amount of grants to*
4 *be made under this paragraph for all*
5 *bonus years equals \$500,000,000.*

6 *“(E) DEFINITIONS.—In this paragraph:*

7 *“(i) BONUS YEAR.—The term ‘bonus*
8 *year’ means each of fiscal years 2004*
9 *through 2008.*

10 *“(ii) EMPLOYMENT ACHIEVEMENT*
11 *STATE.—The term ‘employment achievement*
12 *State’ means, with respect to a bonus year,*
13 *an eligible State whose performance deter-*
14 *mined pursuant to subparagraph (D)(i) for*
15 *the fiscal year preceding the bonus year*
16 *equals or exceeds the performance standards*
17 *prescribed under subparagraph (D)(ii) for*
18 *such preceding fiscal year.*

19 *“(F) APPROPRIATION.—Out of any money*
20 *in the Treasury of the United States not other-*
21 *wise appropriated, there are appropriated for*
22 *fiscal years 2004 through 2008 \$500,000,000 for*
23 *grants under this paragraph.*

24 *“(G) GRANTS FOR TRIBAL ORGANIZA-*
25 *TIONS.—This paragraph shall apply with respect*

1 to tribal organizations in the same manner in
2 which this paragraph applies with respect to
3 States. In determining the criteria under which
4 to make grants to tribal organizations under this
5 paragraph, the Secretary shall consult with trib-
6 al organizations.”.

7 (2) *EFFECTIVE DATE.*—The amendment made by
8 paragraph (1) shall take effect on October 1, 2003.

9 **SEC. 106. CONTINGENCY FUND.**

10 (a) *DEPOSITS INTO FUND.*—Section 403(b)(2) (42
11 U.S.C. 603(b)(2)) is amended—

12 (1) by striking “1997, 1998, 1999, 2000, 2001,
13 and 2002” and inserting “2003 through 2007”; and

14 (2) by striking all that follows “\$2,000,000,000”
15 and inserting a period.

16 (b) *GRANTS.*—Section 403(b)(3)(C)(i) (42 U.S.C.
17 603(b)(3)(C)(i)) is amended by striking “fiscal years 1997
18 through 2002” and inserting “fiscal years 2003 through
19 2007”.

20 (c) *DEFINITION OF NEEDY STATE.*—Clauses (i) and
21 (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are
22 amended by inserting after “1996” the following: “, and
23 the Food Stamp Act of 1977 as in effect during the cor-
24 responding 3-month period in the fiscal year preceding such
25 most recently concluded 3-month period.”.

1 (d) *ANNUAL RECONCILIATION: FEDERAL MATCHING*
2 *OF STATE EXPENDITURES ABOVE “MAINTENANCE OF EF-*
3 *FORT” LEVEL.*—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is
4 *amended—*

5 (1) *in subparagraph (A)(ii)—*

6 (A) *by adding “and” at the end of subclause*

7 (I);

8 (B) *by striking “; and” at the end of sub-*
9 *clause (II) and inserting a period; and*

10 (C) *by striking subclause (III);*

11 (2) *in subparagraph (B)(i)(II), by striking all*
12 *that follows “section 409(a)(7)(B)(iii)” and inserting*
13 *a period;*

14 (3) *by amending subparagraph (B)(ii)(I) to read*
15 *as follows:*

16 “(I) *the qualified State expendi-*
17 *tures (as defined in section*
18 *409(a)(7)(B)(i)) for the fiscal year;*
19 *plus”;* and

20 (4) *by striking subparagraph (C).*

21 (e) *CONSIDERATION OF CERTAIN CHILD CARE EX-*
22 *PENDITURES IN DETERMINING STATE COMPLIANCE WITH*
23 *CONTINGENCY FUND MAINTENANCE OF EFFORT REQUIRE-*
24 *MENT.*—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is
25 *amended—*

1 (1) by striking “(other than the expenditures de-
2 scribed in subclause (I)(bb) of that paragraph)) under
3 the State program funded under this part” and in-
4 serting a close parenthesis; and

5 (2) by striking “excluding any amount expended
6 by the State for child care under subsection (g) or (i)
7 of section 402 (as in effect during fiscal year 1994)
8 for fiscal year 1994,”.

9 **SEC. 107. USE OF FUNDS.**

10 (a) *GENERAL RULES.*—Section 404(a)(2) (42 U.S.C.
11 604(a)(2)) is amended by striking “in any manner that”
12 and inserting “for any purposes or activities for which”.

13 (b) *TREATMENT OF INTERSTATE IMMIGRANTS.*—

14 (1) *STATE PLAN PROVISION.*—Section
15 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by
16 striking clause (i) and redesignating clauses (ii)
17 through (iv) as clauses (i) through (iii), respectively.

18 (2) *USE OF FUNDS.*—Section 404 (42 U.S.C.
19 604) is amended by striking subsection (c).

20 (c) *INCREASE IN AMOUNT TRANSFERABLE TO CHILD*
21 *CARE.*—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amend-
22 ed by striking “30” and inserting “50”.

23 (d) *INCREASE IN AMOUNT TRANSFERABLE TO TITLE*
24 *XX PROGRAMS.*—Section 404(d)(2)(B) (42 U.S.C.
25 604(d)(2)(B)) is amended to read as follows:

1 “(B) *APPLICABLE PERCENT.*—For purposes
2 of subparagraph (A), the applicable percent is 10
3 percent for fiscal year 2003 and each succeeding
4 fiscal year.”.

5 (e) *CLARIFICATION OF AUTHORITY OF STATES TO USE*
6 *TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PRO-*
7 *VIDE TANF BENEFITS AND SERVICES.*—Section 404(e) (42
8 *U.S.C. 604(e)) is amended to read as follows:*

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

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

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

1 *the State shall, on an annual basis, include in its re-*
2 *port under section 411(a) the amount so designated.”.*

3 **SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE**
4 **PROGRAMS.**

5 (a) *REPEAL.*—Section 406 (42 U.S.C. 606) is repealed.

6 (b) *CONFORMING AMENDMENTS.*—

7 (1) Section 409(a) (42 U.S.C. 609(a)) is amend-
8 *ed by striking paragraph (6).*

9 (2) Section 412 (42 U.S.C. 612) is amended by
10 *striking subsection (f) and redesignating subsections*
11 *(g) through (i) as subsections (f) through (h), respec-*
12 *tively.*

13 (3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is
14 *amended by striking “406.”.*

15 **SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUF-**
16 **FICIENCY PLAN REQUIREMENTS.**

17 (a) *MODIFICATION OF STATE PLAN REQUIREMENTS.*—
18 *Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended*
19 *by striking clauses (ii) and (iii) and inserting the following:*

20 *“(ii) Require a parent or caretaker re-*
21 *ceiving assistance under the program to en-*
22 *gage in work or alternative self-sufficiency*
23 *activities (as defined by the State), con-*
24 *sistent with section 407(e)(2).*

1 “(iii) Require families receiving assist-
2 ance under the program to engage in activi-
3 ties in accordance with family self-suffi-
4 ciency plans developed pursuant to section
5 408(b).”.

6 (b) *ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY*
7 *PLANS.—*

8 (1) *IN GENERAL.—Section 408(b) (42 U.S.C.*
9 *608(b)) is amended to read as follows:*

10 “(b) *FAMILY SELF-SUFFICIENCY PLANS.—*

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

13 “(A) *make an initial assessment, in the*
14 *manner deemed appropriate by the State, of the*
15 *skills, prior work experience, and employability*
16 *of each recipient of assistance under the pro-*
17 *gram;*

18 “(B) *establish for each family that includes*
19 *a work-eligible individual receiving assistance*
20 *under the State program funded under this part*
21 *a self-sufficiency plan that specifies appropriate*
22 *activities described in the State plan submitted*
23 *pursuant to section 402, including direct work*
24 *activities as appropriate designed to assist the*
25 *family in achieving their maximum degree of*

1 *self-sufficiency, and that provides for the ongoing*
2 *participation of the individual in the activities;*

3 “(C) *require, at a minimum, each member*
4 *of the family who is a work-eligible individual*
5 *(as defined in section 407(b)(2)(C)) to partici-*
6 *pate in activities in accordance with the self-suf-*
7 *ficiency plan;*

8 “(D) *monitor the participation of such fam-*
9 *ily members in the activities and the progress of*
10 *the family toward self-sufficiency;*

11 “(E) *regularly review the self-sufficiency*
12 *plan; and*

13 “(F) *revise the self-sufficiency plan as ap-*
14 *propriate.*

15 “(2) *TIMING.—The State shall comply with*
16 *paragraph (1) with respect to a family—*

17 “(A) *in the case of a family that, as of Oc-*
18 *tober 1, 2002, is not receiving assistance from*
19 *the State program funded under this part, not*
20 *later than 60 days after the family first receives*
21 *assistance on the basis of the most recent appli-*
22 *cation for the assistance; or*

23 “(B) *in the case of a family that, as of such*
24 *date, is receiving the assistance, not later than*

1 12 months after the date of the enactment of this
2 subsection.”.

3 (2) *PENALTY FOR FAILURE TO ESTABLISH FAM-*
4 *ILY SELF-SUFFICIENCY PLAN.*—Section 409(a)(3) (42
5 U.S.C. 609(a)(3)) is amended—

6 (A) in the paragraph heading, by inserting
7 “OR ESTABLISH FAMILY SELF-SUFFICIENCY
8 PLAN” after “RATES”; and

9 (B) in subparagraph (A), by inserting “or
10 408(b)” after “407(a)”.

11 **SEC. 110. WORK PARTICIPATION REQUIREMENTS.**

12 (a) *IN GENERAL.*—Section 407 (42 U.S.C. 607) is
13 amended by striking all that precedes subsection (b)(3) and
14 inserting the following:

15 **“SEC. 407. WORK PARTICIPATION REQUIREMENTS.**

16 “(a) *PARTICIPATION RATE REQUIREMENTS.*—A State
17 to which a grant is made under section 403 for a fiscal
18 year shall achieve a minimum participation rate equal to
19 not less than—

20 “(1) 50 percent for fiscal year 2003;

21 “(2) 55 percent for fiscal year 2004;

22 “(3) 60 percent for fiscal year 2005;

23 “(4) 65 percent for fiscal year 2006; and

24 “(5) 70 percent for fiscal year 2007 and each
25 succeeding fiscal year.

1 “(b) *CALCULATION OF PARTICIPATION RATES.*—

2 “(1) *AVERAGE MONTHLY RATE.*—For purposes of
3 *subsection (a), the participation rate of a State for a*
4 *fiscal year is the average of the participation rates of*
5 *the State for each month in the fiscal year.*

6 “(2) *MONTHLY PARTICIPATION RATES; INCORPO-*
7 *RATION OF 40-HOUR WORK WEEK STANDARD.*—

8 “(A) *IN GENERAL.*—For purposes of para-
9 *graph (1), the participation rate of a State for*
10 *a month is—*

11 “(i) *the total number of countable*
12 *hours (as defined in subsection (c)) with re-*
13 *spect to the counted families for the State*
14 *for the month; divided by*

15 “(ii) *160 multiplied by the number of*
16 *counted families for the State for the month.*

17 “(B) *COUNTED FAMILIES DEFINED.*—

18 “(i) *IN GENERAL.*—In subparagraph
19 *(A), the term ‘counted family’ means, with*
20 *respect to a State and a month, a family*
21 *that includes a work-eligible individual and*
22 *that receives assistance in the month under*
23 *the State program funded under this part,*
24 *subject to clause (ii).*

1 “(ii) *STATE OPTION TO EXCLUDE CER-*
2 *TAIN FAMILIES.—At the option of a State,*
3 *the term ‘counted family’ shall not*
4 *include—*

5 “(I) *a family in the first month*
6 *for which the family receives assistance*
7 *from a State program funded under*
8 *this part on the basis of the most re-*
9 *cent application for such assistance; or*

10 “(II) *on a case-by-case basis, a*
11 *family in which the youngest child has*
12 *not attained 12 months of age.*

13 “(iii) *STATE OPTION TO INCLUDE INDI-*
14 *VIDUALS RECEIVING ASSISTANCE UNDER A*
15 *TRIBAL FAMILY ASSISTANCE PLAN OR TRIB-*
16 *AL WORK PROGRAM.—At the option of a*
17 *State, the term ‘counted family’ may in-*
18 *clude families in the State that are receiv-*
19 *ing assistance under a tribal family assist-*
20 *ance plan approved under section 412 or*
21 *under a tribal work program to which*
22 *funds are provided under this part.*

23 “(C) *WORK-ELIGIBLE INDIVIDUAL DE-*
24 *FINED.—In this section, the term ‘work-eligible*
25 *individual’ means an individual—*

1 “(i) who is married or a single head of
2 household; and

3 “(ii) whose needs are (or, but for sanc-
4 tions under this part that have been in ef-
5 fect for more than 3 months (whether or not
6 consecutive) in the preceding 12 months or
7 under part D, would be) included in deter-
8 mining the amount of cash assistance to be
9 provided to the family under the State pro-
10 gram funded under this part.”.

11 (b) *RECALIBRATION OF CASELOAD REDUCTION CRED-*
12 *IT.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii))*
13 *is amended to read as follows:*

14 “(ii) the average monthly number of
15 families that received assistance under the
16 State program funded under this part
17 during—

18 “(I) if the fiscal year is fiscal
19 year 2003, fiscal year 1996;

20 “(II) if the fiscal year is fiscal
21 year 2004, fiscal year 1998;

22 “(III) if the fiscal year is fiscal
23 year 2005, fiscal year 2001;

24 “(IV) if the fiscal year is fiscal
25 year 2006, fiscal year 2002; or

1 “(V) if the fiscal year is fiscal
2 year 2007, fiscal year 2003.”.

3 (c) *SUPERACHIEVER CREDIT.*—Section 407(b) (42
4 *U.S.C. 607(b)*) is amended by striking paragraphs (4) and
5 (5) and inserting the following:

6 “(4) *SUPERACHIEVER CREDIT.*—

7 “(A) *IN GENERAL.*—The participation rate,
8 determined under paragraphs (1) and (2) of this
9 subsection, of a superachiever State for a fiscal
10 year shall be increased by the lesser of—

11 “(i) the amount (if any) of the super-
12 achiever credit applicable to the State; or

13 “(ii) the number of percentage points
14 (if any) by which the minimum participa-
15 tion rate required by subsection (a) for the
16 fiscal year exceeds 50 percent.

17 “(B) *SUPERACHIEVER STATE.*—For pur-
18 poses of subparagraph (A), a State is a super-
19 achiever State if the State caseload for fiscal
20 year 2001 has declined by at least 60 percent
21 from the State caseload for fiscal year 1995.

22 “(C) *AMOUNT OF CREDIT.*—The super-
23 achiever credit applicable to a State is the num-
24 ber of percentage points (if any) by which the de-

1 *cline referred to in subparagraph (B) exceeds 60*
2 *percent.*

3 “(D) *DEFINITIONS.*—*In this paragraph:*

4 “(i) *STATE CASELOAD FOR FISCAL*
5 *YEAR 2001.*—*The term ‘State caseload for*
6 *fiscal year 2001’ means the average monthly*
7 *number of families that received assistance*
8 *during fiscal year 2001 under the State*
9 *program funded under this part.*

10 “(ii) *STATE CASELOAD FOR FISCAL*
11 *YEAR 1995.*—*The term ‘State caseload for*
12 *fiscal year 1995’ means the average monthly*
13 *number of families that received aid under*
14 *the State plan approved under part A (as*
15 *in effect on September 30, 1995) during fis-*
16 *cal year 1995.’.*

17 “(d) *COUNTABLE HOURS.*—*Section 407 of such Act (42*
18 *U.S.C. 607) is amended by striking subsections (c) and (d)*
19 *and inserting the following:*

20 “(c) *COUNTABLE HOURS.*—

21 “(1) *DEFINITION.*—*In subsection (b)(2), the term*
22 *‘countable hours’ means, with respect to a family for*
23 *a month, the total number of hours in the month in*
24 *which any member of the family who is a work-eligi-*
25 *ble individual is engaged in a direct work activity or*

1 *other activities specified by the State (excluding an*
2 *activity that does not address a purpose specified in*
3 *section 401(a)), subject to the other provisions of this*
4 *subsection.*

5 *“(2) LIMITATIONS.—Subject to such regulations*
6 *as the Secretary may prescribe:*

7 *“(A) MINIMUM WEEKLY AVERAGE OF 24*
8 *HOURS OF DIRECT WORK ACTIVITIES RE-*
9 *QUIRED.—If the work-eligible individuals in a*
10 *family are engaged in a direct work activity for*
11 *an average total of fewer than 24 hours per week*
12 *in a month, then the number of countable hours*
13 *with respect to the family for the month shall be*
14 *zero.*

15 *“(B) MAXIMUM WEEKLY AVERAGE OF 16*
16 *HOURS OF OTHER ACTIVITIES.—An average of*
17 *not more than 16 hours per week of activities*
18 *specified by the State (subject to the exclusion de-*
19 *scribed in paragraph (1)) may be considered*
20 *countable hours in a month with respect to a*
21 *family.*

22 *“(3) SPECIAL RULES.—For purposes of para-*
23 *graph (1):*

24 *“(A) PARTICIPATION IN QUALIFIED ACTIVI-*
25 *TIES.—*

1 “(i) *IN GENERAL.*—*If, with the ap-*
2 *proval of the State, the work-eligible indi-*
3 *viduals in a family are engaged in 1 or*
4 *more qualified activities for an average*
5 *total of at least 24 hours per week in a*
6 *month, then all such engagement in the*
7 *month shall be considered engagement in a*
8 *direct work activity, subject to clause (iii).*

9 “(ii) *QUALIFIED ACTIVITY DEFINED.*—
10 *The term ‘qualified activity’ means an ac-*
11 *tivity specified by the State (subject to the*
12 *exclusion described in paragraph (1)) that*
13 *meets such standards and criteria as the*
14 *State may specify, including—*

15 “(I) *substance abuse counseling or*
16 *treatment;*

17 “(II) *rehabilitation treatment and*
18 *services;*

19 “(III) *work-related education or*
20 *training directed effectively at enabling*
21 *the family member to work; or*

22 “(IV) *job search or job readiness*
23 *assistance.*

24 “(iii) *LIMITATION.*—

1 “(I) *IN GENERAL.*—*Except as pro-*
2 *vided in subclause (II), clause (i) shall*
3 *not apply to a family for more than 3*
4 *months in any period of 24 consecutive*
5 *months.*

6 “(II) *SPECIAL RULE APPLICABLE*
7 *TO EDUCATION AND TRAINING.*—*A*
8 *State may, on a case-by-case basis,*
9 *apply clause (i) to a work-eligible indi-*
10 *vidual so that participation by the in-*
11 *dividual in education or training, if*
12 *needed to permit the individual to*
13 *complete a certificate program or other*
14 *specific course of education in prepara-*
15 *tion for specific employment to fill a*
16 *known job need in a local area, may be*
17 *considered countable hours with respect*
18 *to the family of the individual for not*
19 *more than 4 months.*

20 “(B) *SCHOOL ATTENDANCE BY TEEN HEAD*
21 *OF HOUSEHOLD.*—*The work-eligible members of*
22 *a family shall be considered to be engaged in a*
23 *direct work activity for an average of 40 hours*
24 *per week in a month if the family includes an*
25 *individual who is married, or is a single head*

1 *of household, who has not attained 20 years of*
2 *age, and the individual—*

3 “(i) *maintains satisfactory attendance*
4 *at secondary school or the equivalent in the*
5 *month; or*

6 “(ii) *participates in education directly*
7 *related to employment for an average of at*
8 *least 20 hours per week in the month.*

9 “(d) *DIRECT WORK ACTIVITY.—In this section, the*
10 *term ‘direct work activity’ means—*

11 “(1) *unsubsidized employment;*

12 “(2) *subsidized private sector employment;*

13 “(3) *subsidized public sector employment;*

14 “(4) *on-the-job training;*

15 “(5) *supervised work experience; or*

16 “(6) *supervised community service.”*

17 “(e) *PENALTIES AGAINST INDIVIDUALS.—Section*
18 *407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as fol-*
19 *lows:*

20 “(1) *REDUCTION OR TERMINATION OF ASSIST-*
21 *ANCE.—*

22 “(A) *IN GENERAL.—Except as provided in*
23 *paragraph (2), if an individual in a family re-*
24 *ceiving assistance under a State program funded*
25 *under this part fails to engage in activities re-*

1 *quired in accordance with this section, or other*
2 *activities required by the State under the pro-*
3 *gram, and the family does not otherwise engage*
4 *in activities in accordance with the self-suffi-*
5 *ciency plan established for the family pursuant*
6 *to section 408(b), the State shall—*

7 *“(i) if the failure is partial or persists*
8 *for not more than 1 month—*

9 *“(I) reduce the amount of assist-*
10 *ance otherwise payable to the family*
11 *pro rata (or more, at the option of the*
12 *State) with respect to any period dur-*
13 *ing a month in which the failure oc-*
14 *curs; or*

15 *“(II) terminate all assistance to*
16 *the family, subject to such good cause*
17 *exceptions as the State may establish;*
18 *or*

19 *“(ii) if the failure is total and persists*
20 *for at least 2 consecutive months, terminate*
21 *all cash payments to the family including*
22 *qualified State expenditures (as defined in*
23 *section 409(a)(7)(B)(i)) for at least 1 month*
24 *and thereafter until the individual resumes*
25 *full participation in the activities, subject*

1 to such good cause exceptions as the State
2 may establish.

3 “(B) *SPECIAL RULE.*—In the event of a con-
4 flict between a requirement of clause (i)(II) or
5 (ii) of subparagraph (A) and a requirement of a
6 State constitution to provide assistance to needy
7 parents and children, the State constitutional re-
8 quirement shall control.”.

9 (f) *CONFORMING AMENDMENTS.*—

10 (1) Section 404(k)(1)(D) (42 U.S.C.
11 604(k)(1)(D)) is amended by striking “work activities
12 (as defined in section 407(d))” and inserting “direct
13 work activities”.

14 (2) Section 407(f) (42 U.S.C. 607(f)) is amended
15 in each of paragraphs (1) and (2) by striking “work
16 activity described in subsection (d))” and inserting
17 “direct work activity”.

18 (3) The heading of section 409(a)(14) (42 U.S.C.
19 609(a)(14)) is amended by inserting “OR REFUSING
20 TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-
21 SUFFICIENCY PLAN” after “WORK”.

22 **SEC. 111. MAINTENANCE OF EFFORT.**

23 (a) *IN GENERAL.*—Section 409(a)(7) (42 U.S.C.
24 609(a)(7)) is amended—

1 (1) *in subparagraph (A) by striking “fiscal year*
2 *1998, 1999, 2000, 2001, 2002, or 2003” and inserting*
3 *“fiscal year 2003, 2004, 2005, 2006, 2007 or 2008”;*
4 *and*

5 (2) *in subparagraph (B)(ii)—*

6 (A) *by inserting “preceding” before “fiscal*
7 *year”;* *and*

8 (B) *by striking “for fiscal years 1997*
9 *through 2002,”.*

10 (b) *STATE SPENDING ON PROMOTING HEALTHY MAR-*
11 *RIAGE.—*

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

14 “(l) *MARRIAGE PROMOTION.—A State, territory, or*
15 *tribal organization to which a grant is made under section*
16 *403(a)(2) may use a grant made to the State, territory, or*
17 *tribal organization under any other provision of section 403*
18 *for marriage promotion activities, and the amount of any*
19 *such grant so used shall be considered State funds for pur-*
20 *poses of section 403(a)(2).”.*

21 (2) *FEDERAL TANF FUNDS USED FOR MARRIAGE*
22 *PROMOTION DISREGARDED FOR PURPOSES OF MAIN-*
23 *TENANCE OF EFFORT REQUIREMENT.—Section*
24 *409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as*

1 *amended by section 103(c) of this Act, is amended by*
2 *adding at the end the following:*

3 *“(VI) EXCLUSION OF FEDERAL*
4 *TANF FUNDS USED FOR MARRIAGE*
5 *PROMOTION ACTIVITIES.—Such term*
6 *does not include the amount of any*
7 *grant made to the State under section*
8 *403 that is expended for a marriage*
9 *promotion activity.”.*

10 **SEC. 112. PERFORMANCE IMPROVEMENT.**

11 *(a) STATE PLANS.—Section 402(a) (42 U.S.C. 602(a))*
12 *is amended—*

13 *(1) in paragraph (1)—*

14 *(A) in subparagraph (A)—*

15 *(i) by redesignating clauses (vi) and*
16 *(vii) (as added by section 103(a) of this*
17 *Act) as clauses (vii) and (viii); and*

18 *(ii) by striking clause (v) and insert-*
19 *ing the following:*

20 *“(v) Establish annual, specific numer-*
21 *ical performance goals, measures, measure-*
22 *ment methodology, and plans to improve*
23 *outcomes with respect to each of the 4 pro-*
24 *gram purposes described in section 401(a).*

1 “(vi) Describe any strategies the State
2 may be undertaking to address—

3 “(I) employment retention and
4 advancement for recipients of assist-
5 ance under the program, including
6 placement into high-demand jobs, con-
7 sistent with the criteria used by the
8 Secretary in establishing performance
9 targets in regulations prescribed under
10 section 403(a)(4)(B);

11 “(II) efforts to reduce teen preg-
12 nancy;

13 “(III) services for struggling and
14 noncompliant families, and for clients
15 with special problems; and

16 “(IV) program integration, in-
17 cluding the extent to which employ-
18 ment and training services under the
19 program are provided through the One-
20 Stop Career Center System created
21 under the Workforce Investment Act of
22 1998, and the extent to which former
23 recipients of such assistance have ac-
24 cess to additional core, intensive, or

1 *training services funded through such*
2 *Act.”; and*

3 *(B) in subparagraph (B), by striking clause*
4 *(iii) (as so redesignated by section 107(b)(1) of*
5 *this Act) and inserting the following:*

6 *“(iii) The document shall describe*
7 *strategies and programs the State is under-*
8 *taking to engage religious organizations in*
9 *the provision of services funded under this*
10 *part and efforts related to section 104 of the*
11 *Personal Responsibility and Work Oppor-*
12 *tunity Reconciliation Act of 1996.*

13 *“(iv) The document shall describe*
14 *strategies to improve program management*
15 *and performance.”; and*

16 *(2) in paragraph (4), by inserting “and tribal”*
17 *after “that local”.*

18 *(b) CONSULTATION WITH STATE REGARDING PLAN*
19 *AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1)*
20 *(42 U.S.C. 612(b)(1)) is amended—*

21 *(1) by striking “and” at the end of subpara-*
22 *graph (E);*

23 *(2) by striking the period at the end of subpara-*
24 *graph (F) and inserting “; and”; and*

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

1 “(G) provides an assurance that the State
2 in which the tribe is located has been consulted
3 regarding the plan and its design.”.

4 (c) *PERFORMANCE MEASURES*.—Section 413 (42
5 U.S.C. 613) is amended by adding at the end the following:

6 “(k) *PERFORMANCE IMPROVEMENT*.—The Secretary,
7 in consultation with the National Governors’ Association,
8 the National Conference of State Legislatures, and the
9 American Public Human Services Association, shall de-
10 velop uniform performance measures designed to assess the
11 degree of effectiveness, and the degree of improvement, of
12 State programs funded under this part in accomplishing
13 the purposes of this part.”.

14 (d) *ANNUAL RANKING OF STATES*.—Section 413(d)(1)
15 (42 U.S.C. 613(d)(1)) is amended by striking “long-term
16 private sector jobs” and inserting “private sector jobs, the
17 success of the recipients in retaining employment, the abil-
18 ity of the recipients to increase their wages”.

19 **SEC. 113. DATA COLLECTION AND REPORTING.**

20 (a) *CONTENTS OF REPORT*.— Section 411(a)(1)(A)
21 (42 U.S.C. 611(a)(1)(A)) is amended—

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

24 (2) in clause (viii), by striking “and educational
25 level”;

1 (3) in clause (ix), by striking “, and if the latter
2 2, the amount received”;

3 (4) in clause (x)—

4 (A) by striking “each type of”; and

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

8 (5) in clause (xi), by striking the subclauses and
9 inserting the following:

10 “(I) Subsidized private sector em-
11 ployment.

12 “(II) Unsubsidized employment.

13 “(III) Public sector employment,
14 supervised work experience, or super-
15 vised community service.

16 “(IV) On-the-job training.

17 “(V) Job search and placement.

18 “(VI) Training.

19 “(VII) Education.

20 “(VIII) Other activities directed
21 at the purposes of this part, as speci-
22 fied in the State plan submitted pursu-
23 ant to section 402.”;

1 (6) *in clause (xii), by inserting “and progress to-*
2 *ward universal engagement” after “participation*
3 *rates”;*

4 (7) *in clause (xiii), by striking “type and” before*
5 *“amount of assistance”;*

6 (8) *in clause (xvi), by striking subclause (II)*
7 *and redesignating subclauses (III) through (V) as sub-*
8 *clauses (II) through (IV), respectively; and*

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

10 *“(xviii) The date the family first re-*
11 *ceived assistance from the State program on*
12 *the basis of the most recent application for*
13 *such assistance.*

14 *“(xix) Whether a self-sufficiency plan*
15 *is established for the family in accordance*
16 *with section 408(b).*

17 *“(xx) With respect to any child in the*
18 *family, the marital status of the parents at*
19 *the birth of the child, and if the parents*
20 *were not then married, whether the pater-*
21 *ernity of the child has been established.”.*

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

24 (1) *in clause (i)—*

1 (A) by striking “a sample” and inserting
2 “samples”; and

3 (B) by inserting before the period “, except
4 that the Secretary may designate core data ele-
5 ments that must be reported on all families”;
6 and

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

9 (c) *REPORT ON FAMILIES THAT BECOME INELIGIBLE*
10 *TO RECEIVE ASSISTANCE.*—Section 411(a) (42 U.S.C.
11 *611(a)) is amended—*

12 (1) by striking paragraph (5);

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

15 (3) by inserting after paragraph (5) (as so redес-
16 ignated) the following:

17 “(6) *REPORT ON FAMILIES THAT BECOME INELI-*
18 *GIBLE TO RECEIVE ASSISTANCE.*—*The report required*
19 *by paragraph (1) for a fiscal quarter shall include for*
20 *each month in the quarter the number of families and*
21 *total number of individuals that, during the month,*
22 *became ineligible to receive assistance under the State*
23 *program funded under this part (broken down by the*
24 *number of families that become so ineligible due to*
25 *earnings, changes in family composition that result*

1 *in increased earnings, sanctions, time limits, or other*
2 *specified reasons).”.*

3 (d) *REGULATIONS.—Section 411(a)(7) (42 U.S.C.*
4 *611(a)(7)) is amended—*

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

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

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

15 (e) *ADDITIONAL REPORTS BY STATES.—Section 411*
16 *(42 U.S.C. 611) is amended—*

17 (1) *by redesignating subsection (b) as subsection*
18 *(e); and*

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

21 “(b) *ANNUAL REPORTS ON PROGRAM CHARACTERIS-*
22 *TICS.—Not later than 90 days after the end of fiscal year*
23 *2004 and each succeeding fiscal year, each eligible State*
24 *shall submit to the Secretary a report on the characteristics*
25 *of the State program funded under this part and other State*

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

8 “(c) *MONTHLY REPORTS ON CASELOAD.*—Not later
9 *than 3 months after the end of a calendar month that begins*
10 *1 year or more after the enactment of this subsection, each*
11 *eligible State shall submit to the Secretary report on the*
12 *number of families and total number of individuals receiv-*
13 *ing assistance in the calendar month under the State pro-*
14 *gram funded under this part.*

15 “(d) *ANNUAL REPORT ON PERFORMANCE IMPROVE-*
16 *MENT.*—Beginning with fiscal year 2004, not later than
17 *January 1 of each fiscal year, each eligible State shall sub-*
18 *mit to the Secretary a report on achievement and improve-*
19 *ment during the preceding fiscal year under the numerical*
20 *performance goals and measures under the State program*
21 *funded under this part with respect to each of the matters*
22 *described in section 402(a)(1)(A)(v).”.*

23 “(f) *ANNUAL REPORTS TO CONGRESS BY THE SEC-*
24 *RETARY.*—Section 411(e), as so redesignated by subsection
25 *(e) of this section, is amended—*

1 (1) *in the matter preceding paragraph (1), by*
2 *striking “and each fiscal year thereafter” and insert-*
3 *ing “and by July 1 of each fiscal year thereafter”;*

4 (2) *in paragraph (2), by striking “families ap-*
5 *plying for assistance,” and by striking the last*
6 *comma; and*

7 (3) *in paragraph (3), by inserting “and other*
8 *programs funded with qualified State expenditures*
9 *(as defined in section 409(a)(7)(B)(i))” before the*
10 *semicolon.*

11 (g) *INCREASED ANALYSIS OF STATE SINGLE AUDIT*
12 *REPORTS.—Section 411 (42 U.S.C. 611) is amended by*
13 *adding at the end the following:*

14 “(f) *INCREASED ANALYSIS OF STATE SINGLE AUDIT*
15 *REPORTS.—*

16 “(1) *IN GENERAL.—Within 3 months after a*
17 *State submits to the Secretary a report pursuant to*
18 *section 7502(a)(1)(A) of title 31, United States Code,*
19 *the Secretary shall analyze the report for the purpose*
20 *of identifying the extent and nature of problems re-*
21 *lated to the oversight by the State of nongovernmental*
22 *entities with respect to contracts entered into by such*
23 *entities with the State program funded under this*
24 *part, and determining what additional actions may*

1 *be appropriate to help prevent and correct the prob-*
2 *lems.*

3 *“(2) INCLUSION OF PROGRAM OVERSIGHT SEC-*
4 *TION IN ANNUAL REPORT TO THE CONGRESS.—The*
5 *Secretary shall include in each report under sub-*
6 *section (a) a section on oversight of State programs*
7 *funded under this part, including findings on the ex-*
8 *tent and nature of the problems referred to in para-*
9 *graph (1), actions taken to resolve the problems, and*
10 *to the extent the Secretary deems appropriate make*
11 *recommendations on changes needed to resolve the*
12 *problems.”.*

13 **SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY IN-**
14 **DIAN TRIBES.**

15 *(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section*
16 *412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by strik-*
17 *ing “1997, 1998, 1999, 2000, 2001, and 2002” and insert-*
18 *ing “2003 through 2007”.*

19 *(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED*
20 *JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C.*
21 *612(a)(2)(A)) is amended by striking “1997, 1998, 1999,*
22 *2000, 2001, and 2002” and inserting “2003 through 2007”.*

1 **SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

3 (a) *SECRETARY'S FUND FOR RESEARCH, DEMONSTRA-*
4 *TIONS, AND TECHNICAL ASSISTANCE.*—Section 413 (42
5 U.S.C. 613), as amended by section 112(c) of this Act, is
6 further amended by adding at the end the following:

7 “(l) *FUNDING FOR RESEARCH, DEMONSTRATIONS, AND*
8 *TECHNICAL ASSISTANCE.*—

9 “(1) *IN GENERAL.*—Out of any money in the
10 Treasury of the United States not otherwise appro-
11 priated, there are appropriated \$102,000,000 for each
12 of fiscal years 2003 through 2007, which shall be
13 available to the Secretary for the purpose of con-
14 ducting and supporting research and demonstration
15 projects by public or private entities, and providing
16 technical assistance to States, Indian tribal organiza-
17 tions, and such other entities as the Secretary may
18 specify that are receiving a grant under this part,
19 which shall be expended primarily on activities de-
20 scribed in section 403(a)(2)(B), and which shall be in
21 addition to any other funds made available under
22 this part.

23 “(2) *SET ASIDE FOR DEMONSTRATION PROJECTS*
24 *FOR COORDINATION OF PROVISION OF CHILD WEL-*
25 *FARE AND TANF SERVICES TO TRIBAL FAMILIES AT*
26 *RISK OF CHILD ABUSE OR NEGLECT.*—

1 “(A) *IN GENERAL.*—Of the amounts made
2 available under paragraph (1) for a fiscal year,
3 \$2,000,000 shall be awarded on a competitive
4 basis to fund demonstration projects designed to
5 test the effectiveness of tribal governments or
6 tribal consortia in coordinating the provision to
7 tribal families at risk of child abuse or neglect
8 of child welfare services and services under tribal
9 programs funded under this part.

10 “(B) *USE OF FUNDS.*—A grant made to
11 such a project shall be used—

12 “(i) to improve case management for
13 families eligible for assistance from such a
14 tribal program;

15 “(ii) for supportive services and assist-
16 ance to tribal children in out-of-home place-
17 ments and the tribal families caring for
18 such children, including families who adopt
19 such children; and

20 “(iii) for prevention services and as-
21 sistance to tribal families at risk of child
22 abuse and neglect.

23 “(C) *REPORTS.*—The Secretary may require
24 a recipient of funds awarded under this para-
25 graph to provide the Secretary with such infor-

1 *mation as the Secretary deems relevant to enable*
2 *the Secretary to facilitate and oversee the admin-*
3 *istration of any project for which funds are pro-*
4 *vided under this paragraph.”.*

5 *(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—*
6 *Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the*
7 *matter preceding subparagraph (A) by striking “1997*
8 *through 2002” and inserting “2003 through 2007”.*

9 *(c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDA-*
10 *VITS OF SUPPORT AND SPONSOR DEEMING.—Not later than*
11 *March 31, 2004, the Secretary of Health and Human Serv-*
12 *ices, in consultation with the Attorney General, shall sub-*
13 *mit to the Congress a report on the enforcement of affidavits*
14 *of support and sponsor deeming as required by section 421,*
15 *422, and 432 of the Personal Responsibility and Work Op-*
16 *portunity Reconciliation Act of 1996.*

17 **SEC. 116. STUDY BY THE CENSUS BUREAU.**

18 *(a) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a))*
19 *is amended to read as follows:*

20 *“(a) IN GENERAL.—The Bureau of the Census shall*
21 *implement a new longitudinal survey of program dynam-*
22 *ics, developed in consultation with the Secretary and made*
23 *available to interested parties, to allow for the assessment*
24 *of the outcomes of continued welfare reform on the economic*
25 *and child well-being of low-income families with children,*

1 *including those who received assistance or services from a*
 2 *State program funded under this part, and, to the extent*
 3 *possible, shall provide State representative samples. The*
 4 *content of the survey should include such information as*
 5 *may be necessary to examine the issues of out-of-wedlock*
 6 *childbearing, marriage, welfare dependency, the beginning*
 7 *and ending of spells of assistance, work, earnings and em-*
 8 *ployment stability, and the well-being of children.”.*

9 (b) *APPROPRIATION.—Section 414(b) (42 U.S.C.*
 10 *614(b)) is amended by striking “1996,” and all that follows*
 11 *through “2002” and inserting “2003 through 2007”.*

12 **SEC. 117. DEFINITION OF ASSISTANCE.**

13 (a) *IN GENERAL.—Section 419 (42 U.S.C. 619) is*
 14 *amended by adding at the end the following:*

15 “(6) *ASSISTANCE.—*

16 “(A) *IN GENERAL.—The term ‘assistance’*
 17 *means payment, by cash, voucher, or other*
 18 *means, to or for an individual or family for the*
 19 *purpose of meeting a subsistence need of the in-*
 20 *dividual or family (including food, clothing,*
 21 *shelter, and related items, but not including costs*
 22 *of transportation or child care).*

23 “(B) *EXCEPTION.—The term ‘assistance’*
 24 *does not include a payment described in sub-*
 25 *paragraph (A) to or for an individual or family*

1 *on a short-term, nonrecurring basis (as defined*
2 *by the State in accordance with regulations pre-*
3 *scribed by the Secretary).”.*

4 ***(b) CONFORMING AMENDMENTS.—***

5 *(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is*
6 *amended by striking “assistance” and inserting*
7 *“aid”.*

8 *(2) Section 404(f) (42 U.S.C. 604(f)) is amended*
9 *by striking “assistance” and inserting “benefits or*
10 *services”.*

11 *(3) Section 408(a)(5)(B)(i) (42 U.S.C.*
12 *608(a)(5)(B)(i)) is amended in the heading by strik-*
13 *ing “ASSISTANCE” and inserting “AID”.*

14 *(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is*
15 *amended by striking “assistance” and inserting*
16 *“aid”.*

17 ***SEC. 118. TECHNICAL CORRECTIONS.***

18 *(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended*
19 *by inserting a comma after “appropriate”.*

20 *(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.*
21 *611(a)(1)(A)(ii)(III)) is amended by striking the last close*
22 *parenthesis.*

23 *(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is*
24 *amended by striking “section” and inserting “sections”.*

1 (d)(1) *Section 413 (42 U.S.C. 613) is amended by*
2 *striking subsection (g) and redesignating subsections (h)*
3 *through (j) and subsections (k) and (l) (as added by sections*
4 *112(c) and 115(a) of this Act, respectively) as subsections*
5 *(g) through (k), respectively.*

6 (2) *Each of the following provisions is amended by*
7 *striking “413(j)” and inserting “413(i)”:*

8 (A) *Section 403(a)(5)(A)(ii)(III) (42 U.S.C.*
9 *603(a)(5)(A)(ii)(III)).*

10 (B) *Section 403(a)(5)(F) (42 U.S.C.*
11 *603(a)(5)(F)).*

12 (C) *Section 403(a)(5)(G)(ii) (42 U.S.C.*
13 *603(a)(5)(G)(ii)).*

14 (D) *Section 412(a)(3)(B)(iv) (42 U.S.C.*
15 *612(a)(3)(B)(iv)).*

16 **SEC. 119. FATHERHOOD PROGRAM.**

17 (a) *SHORT TITLE.—This section may be cited as the*
18 *“Promotion and Support of Responsible Fatherhood and*
19 *Healthy Marriage Act of 2002”.*

20 (b) *FATHERHOOD PROGRAM.—*

21 (1) *IN GENERAL.—Title I of the Personal Re-*
22 *sponsibility and Work Opportunity Reconciliation*
23 *Act of 1996 (Public Law 104–193) is amended by*
24 *adding at the end the following:*

1 **“SEC. 117. FATHERHOOD PROGRAM.**

2 “(a) *IN GENERAL.*—Title IV (42 U.S.C. 601–679b) is
3 amended by inserting after part B the following:

4 **‘PART C—FATHERHOOD PROGRAM**

5 **‘SEC. 441. FINDINGS AND PURPOSES.**

6 ‘(a) *FINDINGS.*—The Congress finds that there is sub-
7 stantial evidence strongly indicating the urgent need to pro-
8 mote and support involved, committed, and responsible fa-
9 therhood, and to encourage and support healthy marriages
10 between parents raising children, including data dem-
11 onstrating the following:

12 ‘(1) *In approximately 90 percent of cases where*
13 *a parent is absent, that parent is the father.*

14 ‘(2) *By some estimates, 60 percent of children*
15 *born in the 1990’s will spend a significant portion of*
16 *their childhood in a home without a father.*

17 ‘(3) *Nearly 75 percent of children in single-par-*
18 *ent homes will experience poverty before they are 11*
19 *years old, compared with only 20 percent of children*
20 *in 2-parent families.*

21 ‘(4) *Low income is positively correlated with*
22 *children’s difficulties with education, social adjust-*
23 *ment, and delinquency, and single-parent households*
24 *constitute a disproportionate share of low-income*
25 *households.*

1 ‘(5) *Where families (whether intact or with a*
2 *parent absent) are living in poverty, a significant*
3 *factor is the father’s lack of job skills.*

4 ‘(6) *Children raised in 2-parent married fami-*
5 *lies, on average, fare better as a group in key areas,*
6 *including better school performance, reduced rates of*
7 *substance abuse, crime, and delinquency, fewer health,*
8 *emotional, and behavioral problems, lower rates of*
9 *teenage sexual activity, less risk of abuse or neglect,*
10 *and lower risk of teen suicide.*

11 ‘(7) *Committed and responsible fathering during*
12 *infancy and early childhood contributes to the devel-*
13 *opment of emotional security, curiosity, and math*
14 *and verbal skills.*

15 ‘(8) *An estimated 24,000,000 children (33.5 per-*
16 *cent) live apart from their biological father.*

17 ‘(9) *A recent national survey indicates that of all*
18 *children under age 18 not living with their biological*
19 *father, 29 percent had not seen their father even once*
20 *in the last 12 months.*

21 ‘(b) *PURPOSES.—The purposes of this part are:*

22 ‘(1) *To provide for projects and activities by*
23 *public entities and by nonprofit community entities,*
24 *including religious organizations, designed to test*

1 *promising approaches to accomplishing the following*
2 *objectives:*

3 *‘(A) Promoting responsible, caring, and ef-*
4 *fective parenting through counseling, mentoring,*
5 *and parenting education, dissemination of edu-*
6 *cational materials and information on parenting*
7 *skills, encouragement of positive father involve-*
8 *ment, including the positive involvement of non-*
9 *resident fathers, and other methods.*

10 *‘(B) Enhancing the abilities and commit-*
11 *ment of unemployed or low-income fathers to*
12 *provide material support for their families and*
13 *to avoid or leave welfare programs by assisting*
14 *them to take full advantage of education, job*
15 *training, and job search programs, to improve*
16 *work habits and work skills, to secure career ad-*
17 *vancement by activities such as outreach and in-*
18 *formation dissemination, coordination, as appro-*
19 *priate, with employment services and job train-*
20 *ing programs, including the One-Stop delivery*
21 *system established under title I of the Workforce*
22 *Investment Act of 1998, encouragement and sup-*
23 *port of timely payment of current child support*
24 *and regular payment toward past due child sup-*

1 *port obligations in appropriate cases, and other*
2 *methods.*

3 *‘(C) Improving fathers’ ability to effectively*
4 *manage family business affairs by means such as*
5 *education, counseling, and mentoring in matters*
6 *including household management, budgeting,*
7 *banking, and handling of financial transactions,*
8 *time management, and home maintenance.*

9 *‘(D) Encouraging and supporting healthy*
10 *marriages and married fatherhood through such*
11 *activities as premarital education, including the*
12 *use of premarital inventories, marriage prepara-*
13 *tion programs, skills-based marriage education*
14 *programs, marital therapy, couples counseling,*
15 *divorce education and reduction programs, di-*
16 *vorce mediation and counseling, relationship*
17 *skills enhancement programs, including those de-*
18 *signed to reduce child abuse and domestic vio-*
19 *lence, and dissemination of information about*
20 *the benefits of marriage for both parents and*
21 *children.*

22 *‘(2) Through the projects and activities described*
23 *in paragraph (1), to improve outcomes for children*
24 *with respect to measures such as increased family in-*
25 *come and economic security, improved school per-*

1 *formance, better health, improved emotional and be-*
2 *havioral stability and social adjustment, and reduced*
3 *risk of delinquency, crime, substance abuse, child*
4 *abuse and neglect, teen sexual activity, and teen sui-*
5 *cide.*

6 *‘(3) To evaluate the effectiveness of various ap-*
7 *proaches and to disseminate findings concerning out-*
8 *comes and other information in order to encourage*
9 *and facilitate the replication of effective approaches to*
10 *accomplishing these objectives.*

11 **‘SEC. 442. DEFINITIONS.**

12 *‘In this part, the terms “Indian tribe” and “tribal or-*
13 *ganization” have the meanings given them in subsections*
14 *(e) and (l), respectively, of section 4 of the Indian Self-De-*
15 *termination and Education Assistance Act.*

16 **‘SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.**

17 *‘(a) IN GENERAL.—The Secretary may make grants*
18 *for fiscal years 2003 through 2007 to public and nonprofit*
19 *community entities, including religious organizations, and*
20 *to Indian tribes and tribal organizations, for demonstration*
21 *service projects and activities designed to test the effective-*
22 *ness of various approaches to accomplish the objectives spec-*
23 *ified in section 441(b)(1).*

24 *‘(b) ELIGIBILITY CRITERIA FOR FULL SERVICE*
25 *GRANTS.—In order to be eligible for a grant under this sec-*

1 *tion, except as specified in subsection (c), an entity shall*
2 *submit an application to the Secretary containing the fol-*
3 *lowing:*

4 ‘(1) *PROJECT DESCRIPTION.—A statement*
5 *including—*

6 ‘(A) *a description of the project and how it*
7 *will be carried out, including the geographical*
8 *area to be covered and the number and charac-*
9 *teristics of clients to be served, and how it will*
10 *address each of the 4 objectives specified in sec-*
11 *tion 441(b)(1); and*

12 ‘(B) *a description of the methods to be used*
13 *by the entity or its contractor to assess the extent*
14 *to which the project was successful in accom-*
15 *plishing its specific objectives and the general ob-*
16 *jectives specified in section 441(b)(1).*

17 ‘(2) *EXPERIENCE AND QUALIFICATIONS.—A dem-*
18 *onstration of ability to carry out the project, by*
19 *means such as demonstration of experience in success-*
20 *fully carrying out projects of similar design and*
21 *scope, and such other information as the Secretary*
22 *may find necessary to demonstrate the entity’s capac-*
23 *ity to carry out the project, including the entity’s*
24 *ability to provide the non-Federal share of project re-*
25 *sources.*

1 ‘(3) ADDRESSING CHILD ABUSE AND NEGLECT
2 AND DOMESTIC VIOLENCE.—A description of how the
3 entity will assess for the presence of, and intervene to
4 resolve, domestic violence and child abuse and neglect,
5 including how the entity will coordinate with State
6 and local child protective service and domestic vio-
7 lence programs.

8 ‘(4) ADDRESSING CONCERNS RELATING TO SUB-
9 STANCE ABUSE AND SEXUAL ACTIVITY.—A commit-
10 ment to make available to each individual partici-
11 pating in the project education about alcohol, tobacco,
12 and other drugs, and about the health risks associated
13 with abusing such substances, and information about
14 diseases and conditions transmitted through substance
15 abuse and sexual contact, including HIV/AIDS, and
16 to coordinate with providers of services addressing
17 such problems, as appropriate.

18 ‘(5) COORDINATION WITH SPECIFIED PRO-
19 GRAMS.—An undertaking to coordinate, as appro-
20 priate, with State and local entities responsible for
21 the programs under parts A, B, and D of this title,
22 including programs under title I of the Workforce In-
23 vestment Act of 1998 (including the One-Stop delivery
24 system), and such other programs as the Secretary
25 may require.

1 ‘(6) *RECORDS, REPORTS, AND AUDITS.*—An
2 *agreement to maintain such records, make such re-*
3 *ports, and cooperate with such reviews or audits as*
4 *the Secretary may find necessary for purposes of over-*
5 *sight of project activities and expenditures.*

6 ‘(7) *SELF-INITIATED EVALUATION.*—*If the entity*
7 *elects to contract for independent evaluation of the*
8 *project (part or all of the cost of which may be paid*
9 *for using grant funds), a commitment to submit to*
10 *the Secretary a copy of the evaluation report within*
11 *30 days after completion of the report and not more*
12 *than 1 year after completion of the project.*

13 ‘(8) *COOPERATION WITH SECRETARY’S OVER-*
14 *SIGHT AND EVALUATION.*—*An agreement to cooperate*
15 *with the Secretary’s evaluation of projects assisted*
16 *under this section, by means including random as-*
17 *signment of clients to service recipient and control*
18 *groups, if determined by the Secretary to be appro-*
19 *priate, and affording the Secretary access to the*
20 *project and to project-related records and documents,*
21 *staff, and clients.*

22 ‘(c) *ELIGIBILITY CRITERIA FOR LIMITED PURPOSE*
23 *GRANTS.*—*In order to be eligible for a grant under this sec-*
24 *tion in an amount under \$25,000 per fiscal year, an entity*

1 *shall submit an application to the Secretary containing the*
2 *following:*

3 ‘(1) *PROJECT DESCRIPTION.—A description of*
4 *the project and how it will be carried out, including*
5 *the number and characteristics of clients to be served,*
6 *the proposed duration of the project, and how it will*
7 *address at least 1 of the 4 objectives specified in sec-*
8 *tion 441(b)(1).*

9 ‘(2) *QUALIFICATIONS.—Such information as the*
10 *Secretary may require as to the capacity of the entity*
11 *to carry out the project, including any previous expe-*
12 *rience with similar activities.*

13 ‘(3) *COORDINATION WITH RELATED PRO-*
14 *GRAMS.—As required by the Secretary in appropriate*
15 *cases, an undertaking to coordinate and cooperate*
16 *with State and local entities responsible for specific*
17 *programs relating to the objectives of the project in-*
18 *cluding, as appropriate, jobs programs and programs*
19 *servng children and families.*

20 ‘(4) *RECORDS, REPORTS, AND AUDITS.—An*
21 *agreement to maintain such records, make such re-*
22 *ports, and cooperate with such reviews or audits as*
23 *the Secretary may find necessary for purposes of over-*
24 *sight of project activities and expenditures.*

1 ‘(5) *COOPERATION WITH SECRETARY’S OVER-*
2 *SIGHT AND EVALUATION.*—*An agreement to cooperate*
3 *with the Secretary’s evaluation of projects assisted*
4 *under this section, by means including affording the*
5 *Secretary access to the project and to project-related*
6 *records and documents, staff, and clients.*

7 ‘(d) *CONSIDERATIONS IN AWARDING GRANTS.*—

8 ‘(1) *DIVERSITY OF PROJECTS.*—*In awarding*
9 *grants under this section, the Secretary shall seek to*
10 *achieve a balance among entities of differing sizes, en-*
11 *tities in differing geographic areas, entities in urban*
12 *and in rural areas, and entities employing differing*
13 *methods of achieving the purposes of this section, in-*
14 *cluding working with the State agency responsible for*
15 *the administration of part D to help fathers satisfy*
16 *child support arrearage obligations.*

17 ‘(2) *PREFERENCE FOR PROJECTS SERVING LOW-*
18 *INCOME FATHERS.*—*In awarding grants under this*
19 *section, the Secretary may give preference to applica-*
20 *tions for projects in which a majority of the clients*
21 *to be served are low-income fathers.*

22 ‘(e) *FEDERAL SHARE.*—

23 ‘(1) *IN GENERAL.*—*Grants for a project under*
24 *this section for a fiscal year shall be available for a*

1 *share of the cost of such project in such fiscal year*
2 *equal to—*

3 *‘(A) up to 80 percent (or up to 90 percent,*
4 *if the entity demonstrates to the Secretary’s sat-*
5 *isfaction circumstances limiting the entity’s abil-*
6 *ity to secure non-Federal resources) in the case*
7 *of a project under subsection (b); and*

8 *‘(B) up to 100 percent, in the case of a*
9 *project under subsection (c).*

10 *‘(2) NON-FEDERAL SHARE.—The non-Federal*
11 *share may be in cash or in kind. In determining the*
12 *amount of the non-Federal share, the Secretary may*
13 *attribute fair market value to goods, services, and fa-*
14 *cilities contributed from non-Federal sources.*

15 **‘SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION**
16 **PROJECTS.**

17 *‘(a) IN GENERAL.—The Secretary may make grants*
18 *under this section for fiscal years 2003 through 2007 to eli-*
19 *gible entities (as specified in subsection (b)) for 2 multicity,*
20 *multistate projects demonstrating approaches to achieving*
21 *the objectives specified in section 441(b)(1). One of the*
22 *projects shall test the use of married couples to deliver pro-*
23 *gram services.*

24 *‘(b) ELIGIBLE ENTITIES.—An entity eligible for a*
25 *grant under this section must be a national nonprofit fa-*

1 *therhood promotion organization that meets the following*
2 *requirements:*

3 ‘(1) *EXPERIENCE WITH FATHERHOOD PRO-*
4 *GRAMS.—The organization must have substantial ex-*
5 *perience in designing and successfully conducting*
6 *programs that meet the purposes described in section*
7 *441.*

8 ‘(2) *EXPERIENCE WITH MULTICITY, MULTISTATE*
9 *PROGRAMS AND GOVERNMENT COORDINATION.—The*
10 *organization must have experience in simultaneously*
11 *conducting such programs in more than 1 major met-*
12 *ropolitan area in more than 1 State and in coordi-*
13 *nating such programs, where appropriate, with State*
14 *and local government agencies and private, nonprofit*
15 *agencies (including community-based and religious*
16 *organizations), including State or local agencies re-*
17 *sponsible for child support enforcement and workforce*
18 *development.*

19 ‘(c) *APPLICATION REQUIREMENTS.—In order to be eli-*
20 *gible for a grant under this section, an entity must submit*
21 *to the Secretary an application that includes the following:*

22 ‘(1) *QUALIFICATIONS.—*

23 ‘(A) *ELIGIBLE ENTITY.—A demonstration*
24 *that the entity meets the requirements of sub-*
25 *section (b).*

1 ‘(B) *OTHER.*—*Such other information as*
2 *the Secretary may find necessary to demonstrate*
3 *the entity’s capacity to carry out the project, in-*
4 *cluding the entity’s ability to provide the non-*
5 *Federal share of project resources.*

6 ‘(2) *PROJECT DESCRIPTION.*—*A description of*
7 *and commitments concerning the project design, in-*
8 *cluding the following:*

9 ‘(A) *IN GENERAL.*—*A detailed description of*
10 *the proposed project design and how it will be*
11 *carried out, which shall—*

12 ‘(i) *provide for the project to be con-*
13 *ducted in at least 3 major metropolitan*
14 *areas;*

15 ‘(ii) *state how it will address each of*
16 *the 4 objectives specified in section*
17 *441(b)(1);*

18 ‘(iii) *demonstrate that there is a suffi-*
19 *cient number of potential clients to allow*
20 *for the random selection of individuals to*
21 *participate in the project and for compari-*
22 *sons with appropriate control groups com-*
23 *posed of individuals who have not partici-*
24 *pated in such projects; and*

1 *(iv) demonstrate that the project is de-*
2 *signed to direct a majority of project re-*
3 *sources to activities serving low-income fa-*
4 *thers (but the project need not make services*
5 *available on a means-tested basis).*

6 *(B) OVERSIGHT, EVALUATION, AND AD-*
7 *JUSTMENT COMPONENT.—An agreement that the*
8 *entity—*

9 *(i) in consultation with the evaluator*
10 *selected pursuant to section 445, and as re-*
11 *quired by the Secretary, will modify the*
12 *project design, initially and (if necessary)*
13 *subsequently throughout the duration of the*
14 *project, in order to facilitate ongoing and*
15 *final oversight and evaluation of project op-*
16 *eration and outcomes (by means including,*
17 *to the maximum extent feasible, random as-*
18 *signment of clients to service recipient and*
19 *control groups), and to provide for mid-*
20 *course adjustments in project design indi-*
21 *cated by interim evaluations;*

22 *(ii) will submit to the Secretary re-*
23 *vised descriptions of the project design as*
24 *modified in accordance with clause (i); and*

1 *‘(iii) will cooperate fully with the Sec-*
2 *retary’s ongoing oversight and ongoing and*
3 *final evaluation of the project, by means in-*
4 *cluding affording the Secretary access to the*
5 *project and to project-related records and*
6 *documents, staff, and clients.*

7 *‘(3) ADDRESSING CHILD ABUSE AND NEGLECT*
8 *AND DOMESTIC VIOLENCE.—A description of how the*
9 *entity will assess for the presence of, and intervene to*
10 *resolve, domestic violence and child abuse and neglect,*
11 *including how the entity will coordinate with State*
12 *and local child protective service and domestic vio-*
13 *lence programs.*

14 *‘(4) ADDRESSING CONCERNS RELATING TO SUB-*
15 *STANCE ABUSE AND SEXUAL ACTIVITY.—A commit-*
16 *ment to make available to each individual partici-*
17 *pating in the project education about alcohol, tobacco,*
18 *and other drugs, and about the health risks associated*
19 *with abusing such substances, and information about*
20 *diseases and conditions transmitted through substance*
21 *abuse and sexual contact, including HIV/AIDS, and*
22 *to coordinate with providers of services addressing*
23 *such problems, as appropriate.*

24 *‘(5) COORDINATION WITH SPECIFIED PRO-*
25 *GRAMS.—An undertaking to coordinate, as appro-*

1 *appropriate, with State and local entities responsible for*
2 *the programs funded under parts A, B, and D of this*
3 *title, programs under title I of the Workforce Invest-*
4 *ment Act of 1998 (including the One-Stop delivery*
5 *system), and such other programs as the Secretary*
6 *may require.*

7 ‘(6) *RECORDS, REPORTS, AND AUDITS.—An*
8 *agreement to maintain such records, make such re-*
9 *ports, and cooperate with such reviews or audits (in*
10 *addition to those required under the preceding provi-*
11 *sions of paragraph (2)) as the Secretary may find*
12 *necessary for purposes of oversight of project activities*
13 *and expenditures.*

14 ‘(d) *FEDERAL SHARE.—*

15 ‘(1) *IN GENERAL.—Grants for a project under*
16 *this section for a fiscal year shall be available for up*
17 *to 80 percent of the cost of such project in such fiscal*
18 *year.*

19 ‘(2) *NON-FEDERAL SHARE.—The non-Federal*
20 *share may be in cash or in kind. In determining the*
21 *amount of the non-Federal share, the Secretary may*
22 *attribute fair market value to goods, services, and fa-*
23 *cilities contributed from non-Federal sources.*

1 **‘SEC. 445. EVALUATION.**

2 ‘(a) *IN GENERAL.*—*The Secretary, directly or by con-*
3 *tract or cooperative agreement, shall evaluate the effective-*
4 *ness of service projects funded under sections 443 and 444*
5 *from the standpoint of the purposes specified in section*
6 *441(b)(1).*

7 ‘(b) *EVALUATION METHODOLOGY.*—*Evaluations under*
8 *this section shall—*

9 ‘(1) *include, to the maximum extent feasible,*
10 *random assignment of clients to service delivery and*
11 *control groups and other appropriate comparisons of*
12 *groups of individuals receiving and not receiving*
13 *services;*

14 ‘(2) *describe and measure the effectiveness of the*
15 *projects in achieving their specific project goals; and*

16 ‘(3) *describe and assess, as appropriate, the im-*
17 *act of such projects on marriage, parenting, domestic*
18 *violence, child abuse and neglect, money management,*
19 *employment and earnings, payment of child support,*
20 *and child well-being, health, and education.*

21 ‘(c) *EVALUATION REPORTS.*—*The Secretary shall pub-*
22 *lish the following reports on the results of the evaluation:*

23 ‘(1) *An implementation evaluation report cov-*
24 *ering the first 24 months of the activities under this*
25 *part to be completed by 36 months after initiation of*
26 *such activities.*

1 ‘(2) *A final report on the evaluation to be com-*
2 *pleted by September 30, 2010.*

3 **‘SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**

4 ‘*The Secretary is authorized, by grant, contract, or co-*
5 *operative agreement, to carry out projects and activities of*
6 *national significance relating to fatherhood promotion,*
7 *including—*

8 ‘(1) *COLLECTION AND DISSEMINATION OF INFOR-*
9 *MATION.—Assisting States, communities, and private*
10 *entities, including religious organizations, in efforts*
11 *to promote and support marriage and responsible fa-*
12 *therhood by collecting, evaluating, developing, and*
13 *making available (through the Internet and by other*
14 *means) to all interested parties information regarding*
15 *approaches to accomplishing the objectives specified in*
16 *section 441(b)(1).*

17 ‘(2) *MEDIA CAMPAIGN.—Developing, promoting,*
18 *and distributing to interested States, local govern-*
19 *ments, public agencies, and private nonprofit organi-*
20 *zations, including charitable and religious organiza-*
21 *tions, a media campaign that promotes and encour-*
22 *ages involved, committed, and responsible fatherhood*
23 *and married fatherhood.*

24 ‘(3) *TECHNICAL ASSISTANCE.—Providing tech-*
25 *nical assistance, including consultation and training,*

1 “(b) *INAPPLICABILITY OF EFFECTIVE DATE PROVI-*
 2 *SIONS.—Section 116 shall not apply to the amendment*
 3 *made by subsection (a) of this section.*”.

4 (2) *CLERICAL AMENDMENT.—Section 2 of such*
 5 *Act is amended in the table of contents by inserting*
 6 *after the item relating to section 116 the following*
 7 *new item:*

“*Sec. 117.Fatherhood program.*”.

8 **TITLE II—CHILD CARE**

9 **SEC. 201. ENTITLEMENT FUNDING.**

10 *Section 418(a)(3)(F) (42 U.S.C. 618(a)(3)(F)) is*
 11 *amended to read as follows:*

12 “(F) \$2,717,000,000 for each of fiscal years
 13 2002 through 2007.”.

14 **TITLE III—CHILD SUPPORT**

15 **SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS** 16 **THROUGH OF CHILD SUPPORT PAYMENTS TO** 17 **FAMILIES RECEIVING TANF.**

18 (i) *IN GENERAL.—Section 457(a) (42 U.S.C. 657(a))*
 19 *is amended—*

20 (1) *in paragraph (1)(A), by inserting “subject to*
 21 *paragraph (7)” before the semicolon; and*

22 (2) *by adding at the end the following:*

23 “(7) *FEDERAL MATCHING FUNDS FOR LIMITED*
 24 *PASS THROUGH OF CHILD SUPPORT PAYMENTS TO*
 25 *FAMILIES RECEIVING TANF.—Notwithstanding para-*

1 *graph (1), a State shall not be required to pay to the*
2 *Federal Government the Federal share of an amount*
3 *collected during a month on behalf of a family that*
4 *is a recipient of assistance under the State program*
5 *funded under part A, to the extent that—*

6 *“(A) the State distributes the amount to the*
7 *family;*

8 *“(B) the total of the amounts so distributed*
9 *to the family during the month—*

10 *“(i) exceeds the amount (if any) that,*
11 *as of December 31, 2001, was required*
12 *under State law to be distributed to a fam-*
13 *ily under paragraph (1)(B); and*

14 *“(ii) does not exceed the greater of—*

15 *“(I) \$100; or*

16 *“(II) \$50 plus the amount de-*
17 *scribed in clause (i); and*

18 *“(C) the amount is disregarded in deter-*
19 *mining the amount and type of assistance pro-*
20 *vided to the family under the State program*
21 *funded under part A.”.*

22 *(b) EFFECTIVE DATE.—The amendments made by sub-*
23 *section (a) shall apply to amounts distributed on or after*
24 *October 1, 2004.*

1 **SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD**
2 **SUPPORT PAYMENTS TO FAMILIES THAT FOR-**
3 **MERLY RECEIVED TANF.**

4 (a) *IN GENERAL.*—Section 457(a) (42 U.S.C. 657(a)),
5 as amended by section 301 of this Act, is amended—

6 (1) in paragraph (2)(B), in the matter preceding
7 clause (i), by inserting “, except as provided in para-
8 graph (8),” after “shall”; and

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

10 “(8) *STATE OPTION TO PASS THROUGH ALL*
11 *CHILD SUPPORT PAYMENTS TO FAMILIES THAT FOR-*
12 *MERLY RECEIVED TANF.*—In lieu of applying para-
13 graph (2) to any family described in paragraph (2),
14 a State may distribute to the family any amount col-
15 lected during a month on behalf of the family.”.

16 (b) *EFFECTIVE DATE.*—The amendments made by sub-
17 section (a) shall apply to amounts distributed on or after
18 October 1, 2004.

19 **SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF**
20 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**
21 **CEIVING TANF.**

22 (a) *IN GENERAL.*—Section 466(a)(10)(A)(i) (42
23 U.S.C. 666(a)(10)(A)(i)) is amended—

24 (1) by striking “parent, or,” and inserting “par-
25 ent or”; and

1 (2) *by striking “upon the request of the State*
2 *agency under the State plan or of either parent,”.*

3 (b) *EFFECTIVE DATE.—The amendment made by sub-*
4 *section (a) shall take effect on October 1, 2004.*

5 **SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**
6 **PORT COLLECTION FOR FAMILY THAT HAS**
7 **NEVER RECEIVED TANF.**

8 (a) *IN GENERAL.—Section 454(6)(B) (42 U.S.C.*
9 *654(6)(B)) is amended—*

10 (1) *by inserting “(i)” after “(B)”;*

11 (2) *by redesignating clauses (i) and (ii) as sub-*
12 *clauses (I) and (II), respectively;*

13 (3) *by adding “and” after the semicolon; and*

14 (4) *by adding after and below the end the fol-*
15 *lowing new clause:*

16 *“(ii) in the case of an individual who has*
17 *never received assistance under a State program*
18 *funded under part A and for whom the State has*
19 *collected at least \$500 of support, the State shall*
20 *impose an annual fee of \$25 for each case in*
21 *which services are furnished, which shall be re-*
22 *tained by the State from support collected on be-*
23 *half of the individual (but not from the 1st \$500*
24 *so collected), paid by the individual applying for*
25 *the services, recovered from the absent parent, or*

1 *paid by the State out of its own funds (the pay-*
2 *ment of which from State funds shall not be con-*
3 *sidered as an administrative cost of the State for*
4 *the operation of the plan, and shall be considered*
5 *income to the program);”.*

6 **(b) CONFORMING AMENDMENT.**—*Section 457(a)(3) (42*
7 *U.S.C. 657(a)(3)) is amended to read as follows:*

8 **“(3) FAMILIES THAT NEVER RECEIVED ASSIST-**
9 **ANCE.**—*In the case of any other family, the State*
10 *shall distribute to the family the portion of the*
11 *amount so collected that remains after withholding*
12 *any fee pursuant to section 454(6)(B)(i).”.*

13 **(c) EFFECTIVE DATE.**—*The amendments made by this*
14 *section shall take effect on October 1, 2003.*

15 **SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT**
16 **PAYMENTS.**

17 *Not later than 6 months after the date of the enactment*
18 *of this Act, the Secretary of Health and Human Services*
19 *shall submit to the Committee on Ways and Means of the*
20 *House of Representatives and the Committee on Finance*
21 *of the Senate a report on the procedures that the States use*
22 *generally to locate custodial parents for whom child support*
23 *has been collected but not yet distributed. The report shall*
24 *include an estimate of the total amount of such undistrib-*
25 *uted child support and the average length of time it takes*

1 *for such child support to be distributed. To the extent the*
2 *Secretary deems appropriate, the Secretary shall include in*
3 *the report recommendations as to whether additional proce-*
4 *dures should be established at the State or Federal level to*
5 *expedite the payment of undistributed child support.*

6 **SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN**
7 **ADMINISTRATION OF UNEMPLOYMENT COM-**
8 **PENSATION PROGRAMS.**

9 *(a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j))*
10 *is amended by adding at the end the following:*

11 *“(7) INFORMATION COMPARISONS AND DISCLO-*
12 *SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-*
13 *MENT COMPENSATION PROGRAMS.—*

14 *“(A) IN GENERAL.—If a State agency re-*
15 *sponsible for the administration of an unemploy-*
16 *ment compensation program under Federal or*
17 *State law transmits to the Secretary the name*
18 *and social security account number of an indi-*
19 *vidual, the Secretary shall, if the information in*
20 *the National Directory of New Hires indicates*
21 *that the individual may be employed, disclose to*
22 *the State agency the name, address, and em-*
23 *ployer identification number of any putative em-*
24 *ployer of the individual, subject to this para-*
25 *graph.*

1 “(B) *CONDITION ON DISCLOSURE.*—The
2 Secretary shall make a disclosure under subpara-
3 graph (A) only to the extent that the Secretary
4 determines that the disclosure would not interfere
5 with the effective operation of the program under
6 this part.

7 “(C) *USE OF INFORMATION.*—A State agen-
8 cy may use information provided under this
9 paragraph only for purposes of administering a
10 program referred to in subparagraph (A).”.

11 (b) *EFFECTIVE DATE.*—The amendment made by sub-
12 section (a) shall take effect on October 1, 2003.

13 **SEC. 307. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**
14 **REARAGE TRIGGERING PASSPORT DENIAL.**

15 (a) *IN GENERAL.*—Section 452(k)(1) (42 U.S.C.
16 652(k)(1)) is amended by striking “\$5,000” and inserting
17 “\$2,500”.

18 (b) *CONFORMING AMENDMENT.*—Section 454(31) (42
19 U.S.C. 654(31)) is amended by striking “\$5,000” and in-
20 serting “\$2,500”.

21 (c) *EFFECTIVE DATE.*—The amendments made by this
22 section shall take effect on October 1, 2003.

1 **SEC. 308. USE OF TAX REFUND INTERCEPT PROGRAM TO**
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 (a) *IN GENERAL.*—Section 464 (42 U.S.C. 664) is
5 amended—

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

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as provided
12 in paragraph (2), as used in” and inserting
13 “In”; and

14 (ii) by inserting “(whether or not a
15 minor)” after “a child” each place it ap-
16 pears; and

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

18 (b) *EFFECTIVE DATE.*—The amendments made by sub-
19 section (a) shall take effect on October 1, 2004.

20 **SEC. 309. GARNISHMENT OF COMPENSATION PAID TO VET-**
21 **ERANS FOR SERVICE-CONNECTED DISABIL-**
22 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
23 **PORT OBLIGATIONS.**

24 (a) *IN GENERAL.*—Section 459(h) (42 U.S.C. 659(h))
25 is amended—

1 (1) in paragraph (1)(A)(ii)(V), by striking all
2 that follows “Armed Forces” and inserting a semi-
3 colon; and

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

5 “(3) *LIMITATIONS WITH RESPECT TO COMPENSA-*
6 *TION PAID TO VETERANS FOR SERVICE-CONNECTED*
7 *DISABILITIES.—Notwithstanding any other provision*
8 *of this section:*

9 “(A) Compensation described in paragraph
10 (1)(A)(ii)(V) shall not be subject to withholding
11 pursuant to this section—

12 “(i) for payment of alimony; or

13 “(ii) for payment of child support if
14 the individual is fewer than 60 days in ar-
15 rears in payment of the support.

16 “(B) Not more than 50 percent of any pay-
17 ment of compensation described in paragraph
18 (1)(A)(ii)(V) may be withheld pursuant to this
19 section.”.

20 (b) *EFFECTIVE DATE.—The amendments made by sub-*
21 *section (a) shall take effect on October 1, 2004.*

22 **SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC-**
23 **TICES.**

24 Section 3716(h)(3) of title 31, United States Code, is
25 amended to read as follows:

1 “(3) *In applying this subsection with respect to any*
2 *debt owed to a State, other than past due support being*
3 *enforced by the State, subsection (c)(3)(A) shall not apply.*
4 *Subsection (c)(3)(A) shall apply with respect to past due*
5 *support being enforced by the State notwithstanding any*
6 *other provision of law, including sections 207 and*
7 *1631(d)(1) of the Social Security Act (42 U.S.C. 407 and*
8 *1383(d)(1)), section 413(b) of Public law 91–173 (30 U.S.C.*
9 *923(b)), and section 14 of the Act of August 29, 1935 (45*
10 *U.S.C. 231m).”.*

11 **SEC. 311. MAINTENANCE OF TECHNICAL ASSISTANCE FUND-**
12 **ING.**

13 *Section 452(j) (42 U.S.C. 652(j)) is amended by insert-*
14 *ing “or the amount appropriated under this paragraph for*
15 *fiscal year 2002, whichever is greater,” before “which shall*
16 *be available”.*

17 **SEC. 312. MAINTENANCE OF FEDERAL PARENT LOCATOR**
18 **SERVICE FUNDING.**

19 *Section 453(o) (42 U.S.C. 653(o)) is amended—*

20 (1) *in the 1st sentence, by inserting “or the*
21 *amount appropriated under this paragraph for fiscal*
22 *year 2002, whichever is greater,” before “which shall*
23 *be available”; and*

24 (2) *in the 2nd sentence, by striking “for each of*
25 *fiscal years 1997 through 2001”.*

1 **TITLE IV—CHILD WELFARE**

2 **SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-**
3 **ONSTRATION PROJECTS.**

4 *Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is*
5 *amended by striking “2002” and inserting “2007”.*

6 **SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF**
7 **WAIVERS.**

8 *Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is*
9 *amended by striking “not more than 10”.*

10 **SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF**
11 **STATES THAT MAY BE GRANTED WAIVERS TO**
12 **CONDUCT DEMONSTRATION PROJECTS ON**
13 **SAME TOPIC.**

14 *Section 1130 (42 U.S.C. 1320a-9) is amended by add-*
15 *ing at the end the following:*

16 *“(h) NO LIMIT ON NUMBER OF STATES THAT MAY BE*
17 *GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEM-*
18 *ONSTRATION PROJECTS.—The Secretary shall not refuse to*
19 *grant a waiver to a State under this section on the grounds*
20 *that a purpose of the waiver or of the demonstration project*
21 *for which the waiver is necessary would be the same as or*
22 *similar to a purpose of another waiver or project that is*
23 *or may be conducted under this section.”.*

1 **SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF**
2 **WAIVERS THAT MAY BE GRANTED TO A SIN-**
3 **GLE STATE FOR DEMONSTRATION PROJECTS.**

4 *Section 1130 (42 U.S.C. 1320a–9) is further amended*
5 *by adding at the end the following:*

6 “(i) *NO LIMIT ON NUMBER OF WAIVERS GRANTED TO,*
7 *OR DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED*
8 *BY, A SINGLE STATE.—The Secretary shall not impose any*
9 *limit on the number of waivers that may be granted to a*
10 *State, or the number of demonstration projects that a State*
11 *may be authorized to conduct, under this section.”.*

12 **SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF**
13 **AMENDMENTS TO AND EXTENSIONS OF DEM-**
14 **ONSTRATION PROJECTS REQUIRING WAIV-**
15 **ERS.**

16 *Section 1130 (42 U.S.C. 1320a–9) is further amended*
17 *by adding at the end the following:*

18 “(j) *STREAMLINED PROCESS FOR CONSIDERATION OF*
19 *AMENDMENTS AND EXTENSIONS.—The Secretary shall de-*
20 *velop a streamlined process for consideration of amend-*
21 *ments and extensions proposed by States to demonstration*
22 *projects conducted under this section.”.*

23 **SEC. 406. AVAILABILITY OF REPORTS.**

24 *Section 1130 (42 U.S.C. 1320a–9) is further amended*
25 *by adding at the end the following:*

1 “(k) *AVAILABILITY OF REPORTS.*—*The Secretary shall*
2 *make available to any State or other interested party any*
3 *report provided to the Secretary under subsection (f)(2),*
4 *and any evaluation or report made by the Secretary with*
5 *respect to a demonstration project conducted under this sec-*
6 *tion, with a focus on information that may promote best*
7 *practices and program improvements.*”.

8 **SEC. 407. TECHNICAL CORRECTION.**

9 Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is
10 amended by striking “422(b)(9)” and inserting
11 “422(b)(10)”.

12 **TITLE V—SUPPLEMENTAL**
13 **SECURITY INCOME**

14 **SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**
15 **ABILITY DETERMINATIONS.**

16 Section 1633 (42 U.S.C. 1383b) is amended by adding
17 at the end the following:

18 “(e)(1) *The Commissioner of Social Security shall re-*
19 *view determinations, made by State agencies pursuant to*
20 *subsection (a) in connection with applications for benefits*
21 *under this title on the basis of blindness or disability, that*
22 *individuals who have attained 18 years of age are blind*
23 *or disabled as of a specified onset date. The Commissioner*
24 *of Social Security shall review such a determination before*
25 *any action is taken to implement the determination.*”

1 *proaches to strengthen service systems and provide more co-*
2 *ordinated and effective service delivery.*

3 (b) *DEFINITIONS.—In this section:*

4 (1) *ADMINISTERING SECRETARY.—The term “ad-*
5 *ministering Secretary” means, with respect to a*
6 *qualified program, the head of the Federal agency re-*
7 *sponsible for administering the program.*

8 (2) *QUALIFIED PROGRAM.—The term “qualified*
9 *program” means—*

10 (A) *a program under part A of title IV of*
11 *the Social Security Act; or*

12 (B) *the program under title XX of such Act.*

13 (c) *APPLICATION REQUIREMENTS.—The head of a*
14 *State entity or of a sub-State entity administering 2 or*
15 *more qualified programs proposed to be included in a dem-*
16 *onstration project under this section shall (or, if the project*
17 *is proposed to include qualified programs administered by*
18 *2 or more such entities, the heads of the administering enti-*
19 *ties (each of whom shall be considered an applicant for pur-*
20 *poses of this section) shall jointly) submit to the admin-*
21 *istering Secretary of each such program an application that*
22 *contains the following:*

23 (1) *PROGRAMS INCLUDED.—A statement identi-*
24 *fying each qualified program to be included in the*

1 *project, and describing how the purposes of each such*
2 *program will be achieved by the project.*

3 (2) *POPULATION SERVED.*—*A statement identi-*
4 *fying the population to be served by the project and*
5 *specifying the eligibility criteria to be used.*

6 (3) *DESCRIPTION AND JUSTIFICATION.*—*A de-*
7 *tailed description of the project, including—*

8 (A) *a description of how the project is ex-*
9 *pected to improve or enhance achievement of the*
10 *purposes of the programs to be included in the*
11 *project, from the standpoint of quality, of cost-*
12 *effectiveness, or of both; and*

13 (B) *a description of the performance objec-*
14 *tives for the project, including any proposed*
15 *modifications to the performance measures and*
16 *reporting requirements used in the programs.*

17 (4) *WAIVERS REQUESTED.*—*A description of the*
18 *statutory and regulatory requirements with respect to*
19 *which a waiver is requested in order to carry out the*
20 *project, and a justification of the need for each such*
21 *waiver.*

22 (5) *COST NEUTRALITY.*—*Such information and*
23 *assurances as necessary to establish to the satisfaction*
24 *of the administering Secretary, in consultation with*
25 *the Director of the Office of Management and Budget,*

1 *that the proposed project is reasonably expected to*
2 *meet the applicable cost neutrality requirements of*
3 *subsection (d)(4).*

4 (6) *EVALUATION AND REPORTS.*—*An assurance*
5 *that the applicant will conduct ongoing and final*
6 *evaluations of the project, and make interim and*
7 *final reports to the administering Secretary, at such*
8 *times and in such manner as the administering Sec-*
9 *retary may require.*

10 (7) *OTHER INFORMATION AND ASSURANCES.*—
11 *Such other information and assurances as the admin-*
12 *istering Secretary may require.*

13 (d) *APPROVAL OF APPLICATIONS.*—

14 (1) *IN GENERAL.*—*The administering Secretary*
15 *with respect to a qualified program that is identified*
16 *in an application submitted pursuant to subsection*
17 *(c) may approve the application and, except as pro-*
18 *vided in paragraph (2), waive any requirement ap-*
19 *plicable to the program, to the extent consistent with*
20 *this section and necessary and appropriate for the*
21 *conduct of the demonstration project proposed in the*
22 *application, if the administering Secretary and the*
23 *Director of the Office of Management and Budget de-*
24 *termine that the project—*

1 (A) has a reasonable likelihood of achieving
2 the objectives of the programs to be included in
3 the project;

4 (B) may reasonably be expected to meet the
5 applicable cost neutrality requirements of para-
6 graph (4), as determined by the Director of the
7 Office of Management and Budget; and

8 (C) includes the integration of 2 or more
9 qualified programs.

10 (2) *PROVISIONS EXCLUDED FROM WAIVER AU-*
11 *THORITY.—*

12 (A) *IN GENERAL.—*Except as provided in
13 subparagraph (B), a waiver shall not be granted
14 under paragraph (1) with respect to any provi-
15 sion of law relating to—

16 (i) *civil rights or prohibition of dis-*
17 *crimination;*

18 (ii) *purposes or goals of any program;*

19 (iii) *maintenance of effort require-*
20 *ments;*

21 (iv) *health or safety;*

22 (v) *labor standards under the Fair*
23 *Labor Standards Act of 1938; or*

24 (vi) *environmental protection.*

1 (B) *EXCEPTION FOR CONSOLIDATION AND*
2 *UNIFORMITY OF STATE ADMINISTRATIVE PROCE-*
3 *DURES FOR ADDRESSING CERTAIN COMPLAINTS*
4 *OR GRIEVANCES.—Subparagraph (A) shall not*
5 *be construed to prevent a waiver from being*
6 *granted to enable an applicant that is or in-*
7 *cludes State to consolidate and provide for uni-*
8 *form State administrative procedures for ad-*
9 *dresssing complaints or grievances regarding pub-*
10 *lic health or safety, labor standards, civil rights,*
11 *occupational health or safety, or environmental*
12 *protection.*

13 (3) *AGREEMENT OF EACH ADMINISTERING SEC-*
14 *RETARY REQUIRED.—*

15 (A) *IN GENERAL.—An applicant may not*
16 *conduct a demonstration project under this sec-*
17 *tion unless each administering Secretary with*
18 *respect to any program proposed to be included*
19 *in the project has approved the application to*
20 *conduct the project.*

21 (B) *AGREEMENT WITH RESPECT TO FUND-*
22 *ING AND IMPLEMENTATION.—Before approving*
23 *an application to conduct a demonstration*
24 *project under this section, an administering Sec-*
25 *retary shall have in place an agreement with the*

1 *applicant with respect to the payment of funds*
2 *and responsibilities required of the admin-*
3 *istering Secretary with respect to the project.*

4 (4) *COST-NEUTRALITY REQUIREMENT.—*

5 (A) *GENERAL RULE.—Notwithstanding any*
6 *other provision of law (except subparagraph*
7 *(B)), the total of the amounts that may be paid*
8 *by the Federal Government for a fiscal year with*
9 *respect to the programs in the State in which an*
10 *entity conducting a demonstration project under*
11 *this section is located that are affected by the*
12 *project shall not exceed the estimated total*
13 *amount that the Federal Government would have*
14 *paid for the fiscal year with respect to the pro-*
15 *grams if the project had not been conducted, as*
16 *determined by the Director of the Office of Man-*
17 *agement and Budget.*

18 (B) *SPECIAL RULE.—If an applicant sub-*
19 *mits to the Director of the Office of Management*
20 *and Budget a request to apply the rules of this*
21 *subparagraph to the programs in the State in*
22 *which the applicant is located that are affected*
23 *by a demonstration project proposed in an ap-*
24 *plication submitted by the applicant pursuant to*
25 *this section, during such period of not more than*

1 5 consecutive fiscal years in which the project is
2 in effect, and the Director determines, on the
3 basis of supporting information provided by the
4 applicant, to grant the request, then, notwith-
5 standing any other provision of law, the total of
6 the amounts that may be paid by the Federal
7 Government for the period with respect to the
8 programs shall not exceed the estimated total
9 amount that the Federal Government would have
10 paid for the period with respect to the programs
11 if the project had not been conducted.

12 (5) 90-DAY APPROVAL DEADLINE.—

13 (A) IN GENERAL.—If an administering Sec-
14 retary receives an application to conduct a dem-
15 onstration project under this section and does
16 not disapprove the application within 90 days
17 after the receipt, then—

18 (i) the administering Secretary is
19 deemed to have approved the application for
20 such period as is requested in the applica-
21 tion, except to the extent inconsistent with
22 subsection (e); and

23 (ii) any waiver requested in the appli-
24 cation which applies to a qualified program
25 that is identified in the application and is

1 *administered by the administering Sec-*
2 *retary is deemed to be granted, except to the*
3 *extent inconsistent with paragraph (2) or*
4 *(4) of this subsection.*

5 *(B) DEADLINE EXTENDED IF ADDITIONAL*
6 *INFORMATION IS SOUGHT.—The 90-day period*
7 *referred to in subparagraph (A) shall not include*
8 *any period that begins with the date the Sec-*
9 *retary requests the applicant to provide addi-*
10 *tional information with respect to the applica-*
11 *tion and ends with the date the additional infor-*
12 *mation is provided.*

13 *(e) DURATION OF PROJECTS.—A demonstration*
14 *project under this section may be approved for a term of*
15 *not more than 5 years, and may be renewed for 1 or more*
16 *additional terms of not more than 5 years.*

17 *(f) REPORTS TO CONGRESS.—Each administering*
18 *Secretary shall provide annually to the Congress a report*
19 *concerning demonstration projects approved under this sec-*
20 *tion, including—*

- 21 *(1) the projects approved for each applicant;*
22 *(2) the number of waivers granted under this*
23 *section, and the specific statutory provisions waived;*
24 *(3) how well each project for which a waiver is*
25 *granted is improving or enhancing program achieve-*

1 *ment from the standpoint of quality, cost-effectiveness,*
2 *or both;*

3 *(4) how well each project for which a waiver is*
4 *granted is meeting the performance objectives speci-*
5 *fied in subsection (c)(3)(B);*

6 *(5) how each project for which a waiver is grant-*
7 *ed is conforming with the cost-neutrality requirements*
8 *of subsection (d)(4); and*

9 *(6) to the extent the administering Secretary*
10 *deems appropriate, recommendations for modification*
11 *of programs based on outcomes of the projects.*

12 **TITLE VII—EFFECTIVE DATE**

13 **SEC. 701. EFFECTIVE DATE.**

14 *(a) IN GENERAL.—Except as otherwise provided, the*
15 *amendments made by this Act shall take effect on October*
16 *1, 2002.*

17 *(b) EXCEPTION.—In the case of a State plan under*
18 *part A or D of title IV of the Social Security Act which*
19 *the Secretary determines requires State legislation in order*
20 *for the plan to meet the additional requirements imposed*
21 *by the amendments made by this Act, the effective date of*
22 *the amendments imposing the additional requirements shall*
23 *be 3 months after the first day of the first calendar quarter*
24 *beginning after the close of the first regular session of the*
25 *State legislature that begins after the date of the enactment*

1 *of this Act. For purposes of the preceding sentence, in the*
2 *case of a State that has a 2-year legislative session, each*
3 *year of the session shall be considered to be a separate reg-*
4 *ular session of the State legislature.*

Union Calendar No. 275

107TH CONGRESS
2^D SESSION

H. R. 4090

[Report No. 107-460, Part I]

A BILL

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, and for other purposes.

MAY 14, 2002

Reported with an amendment and referred to the Committee on Education and the Workforce for a period ending not later than May 14, 2002, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e), rule X

MAY 14, 2002

Committee on Education and the Workforce discharged; committed to the Committee of the Whole House on the state of the Union and ordered to be printed