

107TH CONGRESS
2D SESSION

S. 2524

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 15 (legislative day, MAY 9), 2002

Mr. BAYH (for himself, Mr. CARPER, Mr. GRAHAM, Mrs. CLINTON, Mr. LIEBERMAN, Mr. MILLER, Mrs. CARNAHAN, Mr. NELSON of Nebraska, and Mr. NELSON of Florida) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

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; TABLE OF CONTENTS; AMEND-**
4 **MENTS TO SOCIAL SECURITY ACT.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Work and Family Act of 2002”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents; amendments to Social Security Act.

Sec. 2. Findings.

TITLE I—REQUIRING WORK

- Sec. 101. Increase in work participation rates.
 Sec. 102. Elimination of separate work participation rate for 2-parent families.
 Sec. 103. Credits for purposes of determining monthly work participation rates.
 Sec. 104. Child support collection credit.
 Sec. 105. Phaseout of caseload reduction credit.
 Sec. 106. Removal of recipients who qualify for supplemental security income benefits from work participation rate calculation for entire year.
 Sec. 107. 40-hour work week.
 Sec. 108. Increase in mandatory funding for child care.
 Sec. 109. State option for participation requirement exemption for individuals overcoming barriers to work.
 Sec. 110. Competitive grants for public-private partnerships for educational opportunities for career advancement; State option to establish parents as scholars program.
 Sec. 111. Transitional jobs programs.
 Sec. 112. Ensuring TANF funds are not used to displace public employees; application of workplace laws to welfare recipients.

TITLE II—STRENGTHENING FAMILIES

Subtitle A—Responsible Fatherhood

- Sec. 201. Block grants to States to encourage media campaigns.
 Sec. 202. Responsible fatherhood block grant.
 Sec. 203. National clearinghouse for responsible fatherhood programs.
 Sec. 204. Policy reviews and demonstration projects to coordinate services for low-income, noncustodial parents.

Subtitle B—Additional Provisions To Strengthen Families

- Sec. 211. Ban on imposition of stricter eligibility criteria for 2-parent families.
 Sec. 212. Noncustodial parent employment grant program.

Subtitle C—Teen Pregnancy Prevention Grants

- Sec. 221. Teen pregnancy prevention grants.
 Sec. 222. Teen pregnancy prevention resource center.
 Sec. 223. Establishing national goals to prevent teen pregnancy.

Subtitle D—Child Support Distribution to Families First

CHAPTER 1—DISTRIBUTION OF CHILD SUPPORT

- Sec. 231. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

CHAPTER 2—DEMONSTRATIONS OF EXPANDED INFORMATION AND ENFORCEMENT

- Sec. 241. Guidelines for involvement of public non-IV-D child support enforcement agencies in child support enforcement.

- Sec. 242. Demonstrations involving establishment and enforcement of child support obligations by public non-IV-D child support enforcement agencies.
- Sec. 243. GAO report to Congress on private child support enforcement agencies.
- Sec. 244. Effective date.

CHAPTER 3—EXPANDED ENFORCEMENT

- Sec. 251. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 252. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 253. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

CHAPTER 4—MISCELLANEOUS

- Sec. 261. Report on undistributed child support payments.
- Sec. 262. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 263. Immigration provisions.
- Sec. 264. Increase in payment rate to States for expenditures for short-term training of staff of certain child welfare agencies.
- Sec. 265. Correction of errors in conforming amendments in the welfare-to-work and child support amendments of 1999.
- Sec. 266. Technical correction to changed dates for abstinence evaluation.

TITLE III—PROVIDING FLEXIBILITY AND RESOURCES

Subtitle A—Resources Under TANF

- Sec. 301. Reauthorization of State family assistance grants.
- Sec. 302. Contingency fund.
- Sec. 303. Reauthorization of supplemental grants for population increases.
- Sec. 304. Grants to States for administrative costs of implementing increased work requirements and to enhance State capabilities and case-worker training.
- Sec. 305. Credit for State expenditures to carry out the purposes of TANF.
- Sec. 306. Reauthorization of grants for Indian tribes and penalty for failure to maintain historic State effort.
- Sec. 307. Clarification of authority of States to use TANF funds carried over from prior years to provide TANF benefits and services.
- Sec. 308. Promoting work and responsibility among all families with children.
- Sec. 309. Data collection and reporting.
- Sec. 310. Definition of assistance.
- Sec. 311. Authority to use TANF funds for housing benefits.

Subtitle B—Resources Under Other Programs

- Sec. 321. Restoration of funding for the Social Services Block Grant.
- Sec. 322. One-year extension and revision and simplification of the transitional medical assistance program (TMA).
- Sec. 323. Optional coverage of legal immigrants under the medicaid program and title XXI.
- Sec. 324. Pathway to self-sufficiency grants to improve coordination of assistance for low-income families.

Sec. 325. GAO study on impact of ban on SSI benefits for legal immigrants.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

1 (c) AMENDMENTS TO SOCIAL SECURITY ACT.—EX-
2 cept as otherwise specifically provided, whenever in this
3 Act an amendment is expressed in terms of an amendment
4 to or repeal of a section or other provision, the reference
5 shall be considered to be made to that section or other
6 provision of the Social Security Act (42 U.S.C. 301 et
7 seq.).

8 **SEC. 2. FINDINGS.**

9 (a) IN GENERAL.—Congress makes the following
10 findings regarding the reauthorization of the temporary
11 assistance to needy families program under part A of title
12 IV of the Social Security Act (42 U.S.C. 601 et seq.):

13 (1) The Personal Responsibility and Work Op-
14 portunity Reconciliation Act of 1996 (Public Law
15 104–193; 110 Stat. 2105) was a fundamental
16 change to reform the Federal welfare system to shift
17 it from an entitlement program into a transition
18 program to help families move from welfare to work
19 and personal responsibility.

20 (2) Since enactment of the 1996 welfare reform
21 law, welfare cash assistance caseloads have dropped
22 dramatically, by more than 50 percent, and approxi-

1 mately $\frac{2}{3}$ of welfare recipients who have left the
2 cash assistance rolls have left for work.

3 (3) More investments in quality child care will
4 allow parents to enter and continue in the workforce
5 knowing that their children have access to safe,
6 meaningful child care, hopefully with emphasis on
7 child development and preparation to ensure that
8 each child gains the skills needed to enter school
9 ready to learn.

10 (4) Child poverty rates are improving, but more
11 must be done to reduce poverty in the 2,000,000
12 families who are still struggling.

13 (5) Children deserve to be raised in supportive
14 homes, preferably with 2 loving parents. It is crucial
15 to end policies that discriminate against serving 2-
16 parent families within the welfare system. It is also
17 important to support innovative programs to encour-
18 age full participation in child support and child
19 rearing by noncustodial parents.

20 (b) RESPONSIBLE FATHERHOOD.—Congress makes
21 the following findings regarding responsible fatherhood:

22 (1) Nearly 24,000,000 children in the United
23 States, or 36 percent of all such children, live apart
24 from their biological father.

1 (2) Sixty percent of couples who divorce have at
2 least 1 child.

3 (3) The number of children living with only a
4 mother increased from just over 5,000,000 in 1960,
5 to 20,000,000 in 2001, and between 1981 and 1991
6 the percentage of children living with only 1 parent
7 increased from 19 percent to 27 percent.

8 (4) Forty percent of children who live in house-
9 holds without a father have not seen their father in
10 at least 1 year and 50 percent of such children have
11 never visited their father's home.

12 (5) The most important factor in a child's up-
13 bringing is whether the child is brought up in a lov-
14 ing, healthy, supportive environment.

15 (6) Children who live without contact with their
16 biological father are, in comparison to children who
17 have such contact—

18 (A) 5 times more likely to live in poverty;

19 (B) more likely to bring weapons and
20 drugs into the classroom;

21 (C) twice as likely to commit crime;

22 (D) twice as likely to drop out of school;

23 (E) twice as likely to be abused;

24 (F) more likely to commit suicide;

1 (G) more than twice as likely to abuse al-
2cohol or drugs; and

3 (H) more likely to become pregnant as
4teenagers.

5 (7) Violent criminals are overwhelmingly males
6who grew up without fathers.

7 (8) Between 20 and 30 percent of families in
8poverty are headed by women who have suffered do-
9mestic violence during the past year and between 40
10and 60 percent of women with children receiving
11welfare were abused sometime during their life.

12 (9) Responsible fatherhood includes active par-
13ticipation in financial support and child care, as well
14as the formation and maintenance of a positive,
15healthy, and nonviolent relationship between father
16and child and a cooperative relationship between
17parents.

18 (10) States should be encouraged to implement
19programs that provide support for responsible fa-
20therhood, promote marriage, and increase the inci-
21dence of marriage, and should not be restricted from
22implementing such programs.

23 (11) Fatherhood programs should promote and
24provide support services for—

1 (A) loving and healthy relationships be-
2 tween parents and children; and

3 (B) cooperative parenting.

4 (12) There is a social need to reconnect chil-
5 dren and fathers.

6 (13) The promotion of responsible fatherhood
7 and encouragement of married 2-parent families
8 should not—

9 (A) denigrate the standing or parenting ef-
10 forts of single mothers or other caregivers;

11 (B) lessen the protection of children from
12 abusive parents; or

13 (C) compromise the safety or health of the
14 custodial parent;

15 but should increase the chance that children will
16 have 2 caring parents to help them grow up healthy
17 and secure.

18 (14) The promotion of responsible fatherhood
19 must always recognize and promote the values of
20 nonviolence.

21 (15) For the future of the United States and
22 the future of our children, Congress, States, and
23 local communities should assist parents to become
24 more actively involved in their children's lives.

1 (16) Child support is an important means by
2 which a parent can take financial responsibility for
3 a child and emotional support is an important
4 means by which a parent can take social responsi-
5 bility for a child.

6 (c) TEEN PREGNANCY PREVENTION.—Congress
7 makes the following findings regarding the prevention of
8 teen pregnancy:

9 (1) The United States is making significant
10 progress in reducing teen births, with national teen
11 birth rates declining 22 percent since 1991.

12 (2) Despite declining national rates, teen birth
13 rates went up in 11 States between 1999 and 2000,
14 and the national teen birth rate for Hispanic teens
15 who are 15 to 19 years old also increased between
16 1999 and 2000.

17 (3) In the United States 4 out of 10 girls get
18 pregnant at least once by age 20, nearly 1,000,000
19 girls each year. There are nearly 500,000 teen births
20 each year.

21 (4) Although teen pregnancy and birth rates
22 are declining, the United States still has the highest
23 rates of teen pregnancy and birth in the industri-
24 alized world, nearly twice as high as the next highest
25 nation, Great Britain.

1 (5) Some 52 percent of all mothers on welfare
2 had their first child as a teenager, according to the
3 most recent data available. Almost $\frac{1}{2}$ of all teen
4 mothers and over $\frac{3}{4}$ of unmarried teen mothers
5 began receiving welfare within 5 years of the birth
6 of their first child.

7 (6) At present, 79 percent of births to teen
8 mothers are out-of-wedlock and nearly $\frac{1}{2}$ of all non-
9 marital first births occur to teens.

10 (7) Children of teen mothers are more likely to
11 be born prematurely and at low birth weight, to per-
12 form poorly in school, and to suffer abuse and ne-
13 glect than children born to older women. Girls born
14 to teen mothers are 22 percent more likely to be-
15 come teen mothers, and sons of teen mothers are
16 more likely to end up in jail.

17 (8) Teen mothers are likely to have a second
18 birth relatively soon, about $\frac{1}{4}$ of teenage mothers
19 have a second child within 24 months of the first
20 birth, which can further impede the teen mother's
21 ability to finish school or keep a job and to escape
22 poverty.

23 (9) Teen pregnancy and childbearing costs
24 United States taxpayers at least \$7,000,000,000 per
25 year.

1 (10) Teen marriages are twice as likely to fail
2 as marriages where the woman is at least 25 years
3 old.

4 (11) Many of the fathers of children born to
5 teen mothers are older. Half of those young men
6 who impregnate a minor teen (under age 18) are 3
7 or more years older than the young woman. Eight
8 of 10 teen fathers do not marry the mothers of their
9 first children and these absent fathers pay less than
10 \$800 annually in child support, often because they
11 are quite poor themselves.

12 (12) Over 90 percent of both adults and teens
13 believe it is important that teens be given a strong
14 message from society that they should abstain from
15 sex until they are at least out of high school. A sub-
16 stantial majority of both adults and teens also be-
17 lieve that, while teens should not be sexually active,
18 those that are should have access to contraception.

19 (13) A synthesis of research on the effective-
20 ness of media campaigns in the United States sug-
21 gests that these campaigns may reduce risky health
22 behaviors by as much as 5 to 10 percent at a very
23 low cost.

24 (14) There is rigorous evaluation research
25 about a variety of programs that are effective in de-

1 laying the onset of sex, improving contraceptive use,
2 or preventing pregnancy among adolescents.

3 (15) Between 1995 and 2010, the number of
4 girls who are 15 to 19 years old is estimated to in-
5 crease by 2,200,000. If current fertility rates remain
6 the same, there would be a 26 percent increase in
7 the number of pregnancies and births among teen-
8 agers between 1995 and 2010.

9 **TITLE I—REQUIRING WORK**

10 **SEC. 101. INCREASE IN WORK PARTICIPATION RATES.**

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

12 (1) by striking “A State” and inserting “Sub-
13 ject to paragraphs (2) and (3), a State”;

14 (2) in the table set forth in paragraph (1)—

15 (A) in the item relating to fiscal year
16 2002—

17 (i) by striking “or thereafter” and in-
18 serting “or 2003”; and

19 (ii) by striking the period; and

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

“2004	55
2005	60
2006	65
2007 or thereafter	70.”;

21 and

22 (3) by striking paragraph (2) and inserting the
23 following:

1 “(2) CAP ON ANNUAL INCREASE OF MINIMUM
2 PARTICIPATION RATE FOR CERTAIN STATES.—In the
3 case of a State for which the minimum participation
4 rate otherwise required by this section for fiscal year
5 2002 was reduced, as of the date of enactment of
6 the Work and Family Act of 2002, by regulations or
7 otherwise, paragraph (3) shall not apply and the
8 minimum participation rate for such State with re-
9 spect to fiscal year 2003 or any fiscal year there-
10 after shall equal the lessor of—

11 “(A) the rate specified in the table set
12 forth in paragraph (1) for such fiscal year; or

13 “(B) the minimum participation rate appli-
14 cable to the State under this section for the
15 preceding fiscal year increased by 20 percentage
16 points.

17 “(3) MORATORIUM ON INCREASES IN PARTICI-
18 PATION RATES IF REDUCTION IN MANDATORY FUND-
19 ING FOR CHILD CARE.—In the case of a State to
20 which paragraph (2) does not apply, with respect to
21 fiscal year 2003 or any fiscal year thereafter, if the
22 amount appropriated for that fiscal year under sub-
23 section (a)(3) of section 418 for making grants
24 under that section to provide child care assistance is
25 less than the amount required to be appropriated for

1 such fiscal year as of the date of enactment of the
2 Work and Family Act of 2002—

3 “(A) the minimum participation rate oth-
4 erwise applicable under this section for the pre-
5 ceding fiscal year shall continue to apply to
6 such State for that fiscal year and any suc-
7 ceeding fiscal year until the amount appro-
8 priated for the fiscal year under subsection
9 (a)(3) of section 418 is at least equal to the
10 amount required to be so appropriated for that
11 fiscal year (as of such date of enactment); and

12 “(B) the minimum participation rate for
13 any fiscal year described in subparagraph (A)
14 for which the amount appropriated under sub-
15 section (a)(3) of section 418 is restored to an
16 amount that is at least equal to the amount re-
17 quired to be so appropriated for such fiscal year
18 (as of such date of enactment) shall, notwith-
19 standing the rate that would otherwise apply to
20 the State under this section (after the applica-
21 tion of such paragraphs), be the minimum par-
22 ticipation rate for the preceding fiscal year in-
23 creased by 5 percentage points.”.

1 **SEC. 102. ELIMINATION OF SEPARATE WORK PARTICIPA-**
 2 **TION RATE FOR 2-PARENT FAMILIES.**

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

4 (1) in paragraph (1)(A), by striking “subsection
 5 (a)(1)” and inserting “subsection (a)”;

6 (2) by striking paragraph (2);

7 (3) in paragraph (4), by striking “paragraphs
 8 (1)(B) and (2)(B)” and inserting “paragraph
 9 (1)(B)”;

10 (4) in paragraph (5), by striking “rates” and
 11 inserting “rate”; and

12 (5) by redesignating paragraphs (3), (4), and
 13 (5) as paragraphs (2), (3), and (4), respectively.

14 **SEC. 103. CREDITS FOR PURPOSES OF DETERMINING**
 15 **MONTHLY WORK PARTICIPATION RATES.**

16 (a) CREDIT FOR EMPLOYMENT OF FORMER RECIPI-
 17 ENTS.—Section 407(b)(1) (42 U.S.C. 607(b)(1)) is
 18 amended by adding at the end the following:

19 “(C) CREDIT FOR EMPLOYMENT OF
 20 FORMER RECIPIENTS.—

21 “(i) IN GENERAL.—Subject to clause
 22 (ii), for purposes of subparagraph (B)(i), a
 23 State may count an individual who has
 24 ceased to receive assistance under the
 25 State program funded under this part and
 26 who has earnings from employment with

1 respect to a month as a family engaged in
2 work for that month, not to exceed 12 con-
3 secutive months from the date that the in-
4 dividual first received such earnings.

5 “(ii) LIMITATION.—A State may not
6 count an individual described in clause (i)
7 as engaged in work for a month under this
8 subparagraph if the State counts that indi-
9 vidual under subparagraph (E) as being
10 engaged in work for such month.

11 “(iii) DATA COLLECTION.—The State
12 agency responsible for administering the
13 State Directory of New Hires established
14 under section 453A, shall provide the State
15 agency responsible for administering the
16 State program funded under this part with
17 access to such directory for purposes of
18 collecting information necessary for the
19 State to obtain credit for the employment
20 of individuals under clause (i).”

21 (b) CREDIT FOR BOTH PARENTS MEETING WORK
22 REQUIREMENTS.—Section 407(b)(1) (42 U.S.C.
23 607(b)(1)), as amended by subsection (a), is amended by
24 adding at the end the following:

1 “(D) CREDIT FOR BOTH PARENTS MEET-
2 ING WORK REQUIREMENTS.—For purposes of
3 subparagraph (B)(i), a State may count a fam-
4 ily that includes 2 parents that each are en-
5 gaged in work for the month as 2 separate fam-
6 ilies.”.

7 (c) CREDIT FOR FORMER RECIPIENTS WITH HIGHER
8 EARNINGS.—Section 407(b)(1) (42 U.S.C. 607(b)(1)), as
9 amended by subsections (a) and (b), is amended by adding
10 at the end the following:

11 “(E) CREDIT FOR FORMER RECIPIENTS
12 WITH HIGHER EARNINGS.—

13 “(i) IN GENERAL.—Subject to clause
14 (ii), for purposes of subparagraph (B)(i), a
15 State may count a family that includes an
16 individual who has ceased to receive assist-
17 ance under the State program funded
18 under this part and who has earnings from
19 employment with respect to a month that
20 are equal to at least 50 percent of the av-
21 erage wage in the State (determined on the
22 basis of State unemployment data) as 1½
23 families.

24 “(ii) LIMITATIONS.—A State may not
25 count an individual described in clause (i)

1 as engaged in work for a month under this
2 subparagraph—

3 “(I) if the State counts that indi-
4 vidual under subparagraph (C) as
5 being engaged in work for such
6 month; or

7 “(II) for more than 12 consecu-
8 tive months from the date that the in-
9 dividual first received earnings de-
10 scribed in clause (i).”.

11 (d) PARTIAL CREDIT FOR CERTAIN INDIVIDUALS.—
12 Section 407(b)(1) (42 U.S.C. 607(b)(1)), as amended by
13 subsections (a), (b), and (c), is amended by adding at the
14 end the following:

15 “(G) PARTIAL CREDIT FOR CERTAIN RE-
16 CIPIENTS.—

17 “(i) IN GENERAL.—Subject to clause
18 (ii), for purposes of subparagraph (B)(i),
19 with respect to a month, a State may in-
20 clude a family that includes an individual
21 described in any of the following categories
22 as ½ of a family engaged in work for that
23 month:

24 “(I) NONCUSTODIAL PARENTS
25 RECEIVING EMPLOYMENT SERV-

1 ICES.—A noncustodial parent who re-
2 ceives employment services under any
3 State program, who has a child who
4 receives assistance under the State
5 program funded under this part (or
6 who received such assistance not more
7 than 2 years earlier), and who has an
8 agreement to comply with such par-
9 ent’s child support obligations upon
10 receiving such services, not to exceed
11 12 consecutive months from the date
12 that the individual first receives such
13 services.

14 “(II) RECIPIENTS WORKING
15 PART-TIME AND ADDRESSING BAR-
16 RIERS TO WORK.—A recipient who is
17 engaged for a month in a core work
18 activity described in subsection
19 (c)(1)(C)(i) for at least 15 hours per
20 week and engaged for such month in
21 a self-sufficiency work activity de-
22 scribed in subsection (c)(1)(C)(ii) for
23 at least an additional 15 hours per
24 week.

1 “(III) RECIPIENTS OF SUBSTAN-
2 TIAL CHILD CARE OR TRANSPOR-
3 TATION ASSISTANCE.—A recipient of
4 substantial child care or transpor-
5 tation assistance (as defined by the
6 Secretary, in consultation with direc-
7 tors of State programs funded under
8 this part, which definition shall speci-
9 fy for each type of assistance a
10 threshold which is a dollar value or
11 length of time over which the assist-
12 ance is received, and shall take ac-
13 count of large one-time transition pay-
14 ments).

15 “(IV) RECIPIENTS ENGAGED IN
16 HIGHER EDUCATION.—A recipient
17 who is engaged for a month in higher
18 education activities for at least 20
19 hours per week.

20 “(ii) LIMITATION.—Not more than 30
21 percent of the number of individuals in all
22 families in a State who are subject to work
23 requirements under the State program
24 may consist of families described and
25 counted under clause (i).

1 “(iii) RULE OF CONSTRUCTION.—
2 Nothing in clause (i)(III) shall be con-
3 strued as making a recipient described in
4 that clause subject to any work require-
5 ments imposed under the State program
6 funded under this part.”.

7 **SEC. 104. CHILD SUPPORT COLLECTION CREDIT.**

8 Section 407(a) (42 U.S.C. 607(a)), as amended by
9 section 101, is amended by adding at the end the fol-
10 lowing:

11 “(3) CHILD SUPPORT COLLECTION CREDIT.—
12 Beginning with fiscal year 2003, the minimum par-
13 ticipation rate otherwise applicable to a State under
14 this subsection for a fiscal year shall be reduced by
15 the number of percentage points by which the per-
16 centage of cases with child support collections for
17 children in families receiving assistance or formerly
18 received assistance under the State program funded
19 under this part for the preceding fiscal year in-
20 creased over the percentage of such cases with child
21 support collections for the second preceding fiscal
22 year.”.

1 **SEC. 105. PHASEOUT OF CASELOAD REDUCTION CREDIT.**

2 Section 407(b)(3) (42 U.S.C. 607(b)(3)), as redesignig-
 3 nated by section 102(5), is amended by adding at the end
 4 the following:

5 “(C) **ELIMINATION OF CREDIT BEGINNING**
 6 **WITH FISCAL YEAR 2006.**—The minimum par-
 7 ticipation rate required under this section shall
 8 not be reduced due to caseload reductions (in-
 9 cluding under the regulations required by sub-
 10 paragraph (A)) by more than—

11 “(i) 50 percent, in the case of fiscal
 12 year 2004;

13 “(ii) 25 percent, in the case of fiscal
 14 year 2005; and

15 “(iii) 0 percent in the case of fiscal
 16 year 2006 and each fiscal year there-
 17 after.”.

18 **SEC. 106. REMOVAL OF RECIPIENTS WHO QUALIFY FOR**
 19 **SUPPLEMENTAL SECURITY INCOME BENE-**
 20 **FITS FROM WORK PARTICIPATION RATE CAL-**
 21 **CULATION FOR ENTIRE YEAR.**

22 Section 407(b)(1)(B)(ii) (42 U.S.C. 607(b)(1)(B)(ii))
 23 is amended—

24 (1) in subclause (I), by inserting “who has not
 25 become eligible for supplemental security income

1 benefits under title XVI during the fiscal year” be-
 2 fore the semicolon; and

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

8 **SEC. 107. 40-HOUR WORK WEEK.**

9 (a) CORE AND SELF-SUFFICIENCY HOURS.—Section
 10 407(c)(1) (42 U.S.C. 607(c)(1)) is amended to read as
 11 follows:

12 “(1) CORE AND SELF-SUFFICIENCY HOURS.—

13 “(A) MINIMUM REQUIREMENTS APPLICA-
 14 BLE TO ALL RECIPIENTS.—Subject to subpara-
 15 graph (D), for purposes of subsection
 16 (b)(1)(B)(i), a recipient is engaged in work for
 17 a month in a fiscal year if the recipient is par-
 18 ticipating in core work activities for at least 20
 19 hours per week and in self-sufficiency activities
 20 for at least an additional 20 hours per week (as
 21 administered and certified by the State).

22 “(B) CREDIT FOR RECIPIENTS EXCEEDING
 23 CORE WORK ACTIVITIES REQUIREMENTS BUT
 24 NOT MEETING SELF-SUFFICIENCY ACTIVITIES
 25 REQUIREMENTS.—Subject to subparagraph (D),

1 for purposes of subsection (b)(1)(B)(i), with re-
2 spect to a month—

3 “(i) if a family includes a recipient
4 who is engaged in core work activities for
5 at least 24 hours per week for the month
6 but not engaged in self-sufficiency activi-
7 ties for the month, the State shall count
8 the family as 60 percent of a family being
9 engaged in work for the month;

10 “(ii) if a family includes a recipient
11 who is engaged in core work activities for
12 at least 24 hours per week and in self-suf-
13 ficiency activities for at least 1 but less
14 than 5 hours per week for the month, the
15 State shall count the family as 70 percent
16 of a family being engaged in work for the
17 month;

18 “(iii) if a family includes a recipient
19 who is engaged in core work activities for
20 at least 24 hours per week and in self-suf-
21 ficiency activities for at least 5 but less
22 than 9 hours per week for the month, the
23 State shall count the family as 80 percent
24 of a family being engaged in work for the
25 month;

1 “(iv) if a family includes a recipient
2 who is engaged in core work activities for
3 at least 24 hours per week and in self-suf-
4 ficiency activities for at least 9 but less
5 than 13 hours per week for the month, the
6 State shall count the family as 90 percent
7 of a family being engaged in work for the
8 month;

9 “(v) if a family includes a recipient
10 who is engaged in core work activities for
11 at least 24 hours per week and in self-suf-
12 ficiency activities for at least 13 but less
13 than 16 hours per week for the month, the
14 State shall count the family as a family
15 being engaged in work for the month; and

16 “(vi) if a family includes a recipient
17 who is engaged in core work activities for
18 at least 24 hours per week and in self-suf-
19 ficiency activities for at least 16 hours per
20 week for the month, the State shall count
21 the family as 1¼ families being engaged in
22 work for the month.

23 “(C) DEFINITIONS.—In this section:

24 “(i) CORE WORK ACTIVITIES.—The
25 term ‘core work activities’ means 1 or

1 more activities described in paragraphs (1)
2 through (9) of subsection (d).

3 “(ii) SELF-SUFFICIENCY ACTIVITIES.—The term ‘self-sufficiency activities’
4 means 1 or more activities described in
5 paragraphs (1) through (13) of subsection
6 (d).
7

8 “(D) LIMITATION ON APPLICABILITY.—
9 With respect to fiscal year 2003 or any fiscal
10 year thereafter, if the amount appropriated for
11 that fiscal year under subsection (a)(3) of sec-
12 tion 418 for making grants under that section
13 to provide child care assistance is less than the
14 amount required to be appropriated for such
15 fiscal year as of the date of enactment of the
16 Work and Family Act of 2002, this paragraph
17 shall be applied without regard to the amend-
18 ments made by section 107(a) of the Work and
19 Family Act of 2002, and shall continue to be so
20 applied until the amount appropriated for the
21 fiscal year under subsection (a)(3) of section
22 418 is at least equal to the amount required to
23 be so appropriated for that fiscal year, as of
24 such date of enactment.”.

25 (b) WORK ACTIVITIES.—

1 (1) MODIFICATIONS OF LIMITATIONS ON AC-
2 TIVITIES.—Section 407(d) (42 U.S.C. 607(d)) is
3 amended—

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

6 (B) in paragraph (12), by striking the pe-
7 riod and inserting “; and”; and

8 (C) by adding at the end the following:

9 “(13) any activity that the State—

10 “(A) determines is reasonably related to—

11 “(i) providing assistance to needy
12 families so that children may be cared for
13 in their own homes or in the homes of rel-
14 atives;

15 “(ii) ending the dependence of needy
16 parents on government benefits by pro-
17 moting job preparation, work, and mar-
18 riage;

19 “(iii) preventing and reducing the in-
20 cidence of out-of-wedlock pregnancies and
21 establishing annual numerical goals for
22 preventing and reducing the incidence of
23 these pregnancies; or

24 “(iv) encouraging the formation and
25 maintenance of 2-parent families; or

1 “(B) certifies as achieving 1 or more pur-
2 poses described in subparagraph (A), such as
3 (but not limited to) language acquisition skills,
4 including participation in an English as a sec-
5 ond language program, education and training
6 (including postsecondary education), substance
7 abuse treatment, the receipt of mental health
8 services, or the acquisition of child development
9 and parenting skills.”.

10 (2) RECIPIENTS CONSIDERED TO BE FULL-TIME
11 EMPLOYEES BY THEIR EMPLOYER.—Section
12 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by add-
13 ing at the end the following:

14 “(E) RECIPIENTS CONSIDERED TO BE
15 FULL-TIME EMPLOYEES BY THEIR EM-
16 PLOYER.—For purposes of determining monthly
17 participation rates under subsection
18 (b)(1)(B)(i), a recipient whose private sector
19 employer certifies that the recipient’s hours of
20 work satisfy the employer’s requirements appli-
21 cable to the employer’s other employees for
22 being a full-time employee, and that the recipi-
23 ent is considered to be a full-time employee of
24 the employer, is deemed to be engaged in work
25 for a month.”.

1 (3) SINGLE PARENT OR RELATIVE WITH CHILD
2 UNDER AGE 6.—Section 407(c)(2)(B) (42 U.S.C.
3 607(c)(2)(B)) is amended—

4 (A) in the subparagraph heading, by strik-
5 ing “IN WORK” each place it appears and in-
6 serting “IN CORE WORK ACTIVITIES”; and

7 (B) by striking “in work” and inserting
8 “in core work activities”.

9 (4) ELIMINATION OF RECIPIENTS COMPLETING
10 SECONDARY SCHOOL FROM LIMIT ON NUMBER OF
11 TANF RECIPIENTS PARTICIPATING IN VOCATIONAL
12 EDUCATIONAL TRAINING; OPTION TO PERMIT UP TO
13 HALF OF VOCATIONAL EDUCATIONAL TRAINING
14 CASELOAD TO CONTINUE FOR UP TO 24 MONTHS.—

15 (A) IN GENERAL.—Section 407(c)(2)(D)
16 (42 U.S.C. 607(c)(2)(D)) is amended to read as
17 follows:

18 “(D) LIMITATION ON NUMBER OF PER-
19 SONS WHO MAY BE TREATED AS ENGAGED IN
20 WORK BY REASON OF PARTICIPATION IN VOCA-
21 TIONAL EDUCATIONAL ACTIVITIES.—

22 “(i) IN GENERAL.—For purposes of
23 determining monthly participation rates
24 under subsection (b)(1)(B)(i), not more
25 than 30 percent of the number of individ-

1 uals in all families in a State who are
2 treated as engaged in work for a month
3 may consist of individuals who are deter-
4 mined to be engaged in work for the
5 month by reason of participation in voca-
6 tional educational training.

7 “(ii) OPTION TO PERMIT $\frac{1}{2}$ OF CER-
8 TAIN INDIVIDUALS PARTICIPATING IN VO-
9 CATIONAL EDUCATIONAL ACTIVITIES TO
10 CONTINUE TRAINING FOR UP TO 24
11 MONTHS.—Notwithstanding subsection
12 (d)(8), a State may—

13 “(I) permit not more than $\frac{1}{2}$ of
14 the number of individuals in all fami-
15 lies in a State who are treated as en-
16 gaged in work for the month under
17 clause (i) by reason of participation in
18 vocational educational training to par-
19 ticipate in such training for up to 24
20 months if the State certifies that each
21 such individual is pursuing a certifi-
22 cate or degree that is likely to result
23 if the individual is allowed to partici-
24 pate in such training; and

1 “(II) treat such individuals as
2 being engaged in work for a month
3 for purposes of subsection
4 (b)(1)(B)(i).”.

5 (B) CONFORMING AMENDMENTS.—

6 (i) Section 407(c)(2)(C)(ii) (42 U.S.C.
7 607(c)(2)(C)(ii) is amended by inserting
8 “including vocational educational training”
9 after “employment”.

10 (ii) Section 407(d)(8) (42 U.S.C.
11 607(d)(8)) is amended by striking “not”
12 and inserting “subject to subsection
13 (c)(2)(D)(ii), not”.

14 **SEC. 108. INCREASE IN MANDATORY FUNDING FOR CHILD**
15 **CARE.**

16 Section 418(a)(3) (42 U.S.C. 618(a)(3)) is
17 amended—

18 (1) by striking “and” at the end of subpara-
19 graph (E);

20 (2) by striking the period at the end of sub-
21 paragraph (F) and inserting a semicolon; and

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

23 “(G) \$3,717,000,000 for fiscal year 2003;

24 “(H) \$4,117,000,000 for fiscal year 2004;

25 “(I) \$4,417,000,000 for fiscal year 2005;

1 “(J) \$4,617,000,000 for fiscal year 2006;

2 and

3 “(K) \$4,717,000,000 for fiscal year

4 2007.”.

5 **SEC. 109. STATE OPTION FOR PARTICIPATION REQUIRE-**
 6 **MENT EXEMPTION FOR INDIVIDUALS OVER-**
 7 **COMING BARRIERS TO WORK.**

8 (a) **IN GENERAL.**—Section 407(b) (42 U.S.C.
 9 607(b)), as amended by section 102, is amended by adding
 10 at the end the following:

11 “(5) **STATE OPTION FOR PARTICIPATION RE-**
 12 **QUIREMENT EXEMPTION FOR INDIVIDUALS OVER-**
 13 **COMING BARRIERS TO WORK.**—A State may, at its
 14 option, not require an individual who is addressing
 15 a barrier to work such as substance abuse, a mental
 16 health disorder, depression, having experienced do-
 17 mestic violence (as defined in section 402(a)(7)(B)),
 18 or being in need of significant job training, to en-
 19 gage in work, and may disregard such an individual
 20 in determining the participation rate under sub-
 21 section (a), for not more than 3 months during any
 22 24-month period.”.

23 (b) **CONFORMING AMENDMENT.**—Paragraph (4) of
 24 section 407(b) (42 U.S.C. 607(b)), as redesignated by sec-
 25 tion 102(5), is amended in the paragraph heading by

1 striking “EXEMPTIONS” and inserting “EXEMPTION FOR
2 SINGLE CUSTODIAL PARENT WITH AN INFANT”.

3 **SEC. 110. COMPETITIVE GRANTS FOR PUBLIC-PRIVATE**
4 **PARTNERSHIPS FOR EDUCATIONAL OPPOR-**
5 **TUNITIES FOR CAREER ADVANCEMENT;**
6 **STATE OPTION TO ESTABLISH PARENTS AS**
7 **SCHOLARS PROGRAM.**

8 (a) COMPETITIVE GRANTS FOR PUBLIC-PRIVATE
9 PARTNERSHIPS FOR EDUCATIONAL OPPORTUNITIES FOR
10 CAREER ADVANCEMENT.—

11 (1) AUTHORITY TO AWARD GRANTS.—

12 (A) IN GENERAL.—The Secretary of
13 Health and Human Services and the Secretary
14 of Labor (in this subsection referred to as the
15 “Secretaries”) jointly shall award grants in ac-
16 cordance with the requirements of this sub-
17 section for each fiscal year for which an amount
18 is appropriated to carry out this subsection for
19 projects proposed by eligible applicants to en-
20 courage the formation of public-private partner-
21 ships to provide educational opportunities for
22 individuals who receive assistance under the
23 temporary assistance to needy families program
24 funded under part A of title IV of the Social
25 Security Act (42 U.S.C. 601 et seq.) and for in-

1 dividuals who have ceased to receive assistance
2 under that program.

3 (B) CRITERIA.—The Secretaries shall
4 award grants under this subsection based on
5 the following:

6 (i) The potential effectiveness of the
7 proposed project in carrying out the activi-
8 ties described in paragraph (5).

9 (ii) Evidence of the ability of the eligi-
10 ble applicant to leverage private, State,
11 and local resources to carry out such ac-
12 tivities.

13 (iii) Evidence of the ability of the eli-
14 gible applicant to coordinate with other or-
15 ganizations at the State and local level in
16 carrying out such activities.

17 (2) DEFINITION OF ELIGIBLE APPLICANT.—In
18 this subsection, the term “eligible applicant”
19 means—

20 (A) a public educational institution;

21 (B) an employer; or

22 (C) a local or regional consortium that in-
23 cludes employers or employer associations, edu-
24 cation and training providers, local chambers of
25 commerce, or providers of social services.

1 (3) APPLICATION.—Each eligible applicant de-
2 siring a grant under this subsection shall submit an
3 application to the Secretaries at such time, in such
4 manner, and that includes—

5 (A) evidence, including letters of support,
6 demonstrating that the applicant will work with
7 the State in carrying out the activities described
8 in paragraph (5); and

9 (B) such other information as the Secre-
10 taries may reasonably require.

11 (4) DETERMINATION OF AMOUNT OF GRANTS;
12 AVAILABILITY OF FUNDS.—

13 (A) IN GENERAL.—In determining the ap-
14 propriate amount of a grant to be awarded
15 under this subsection, the Secretaries shall pro-
16 vide an eligible applicant with an approved ap-
17 plication an amount sufficient to ensure that
18 the project has a reasonable opportunity to be
19 successful, taking into account—

20 (i) the number and characteristics of
21 the individuals to be served by the project;

22 (ii) the job opportunities and job
23 growth in the area to be served by the
24 project;

1 (iii) the poverty rate for such area;

2 and

3 (iv) such other factors as the Secre-
4 taries deem appropriate.

5 (B) MAXIMUM AMOUNT.—No eligible appli-
6 cant shall receive a grant of more than
7 \$5,000,000 per year.

8 (C) AVAILABILITY OF FUNDS.—Funds pro-
9 vided under a grant awarded under this sub-
10 section for a fiscal year shall remain available
11 for use by the eligible applicant through the end
12 of the succeeding fiscal year.

13 (5) USE OF FUNDS.—An eligible applicant
14 awarded a grant under this subsection shall enter
15 into an agreement with the State or local agency re-
16 sponsible for administering the temporary assistance
17 to needy families program in the area where the eli-
18 gible applicant is located to provide individuals de-
19 scribed in paragraph (1) with—

20 (A) educational credits or opportunities
21 based upon the length of the individual's em-
22 ployment;

23 (B) educational credits or opportunities
24 based upon the individual's commitment to be-
25 coming employed; or

1 (C) education and training opportunities
2 for career advancement.

3 (6) REPORTS.—

4 (A) PROJECT REPORTS.—Each eligible ap-
5 plicant awarded a grant under this subsection
6 shall submit to the Secretaries such information
7 and data regarding the recipients participating
8 in the project funded under such grant and out-
9 comes for such recipients as the Secretaries
10 may require.

11 (B) REPORT TO CONGRESS.—The Secre-
12 taries shall submit annual reports to Congress
13 on the information and data submitted under
14 subparagraph (A).

15 (b) GRANTS TO ESTABLISH PARENTS AS SCHOLARS
16 PROGRAMS.—

17 (1) IN GENERAL.—The Secretary of Health and
18 Human Services may award grants to States to es-
19 tablish a parents as scholars program under which
20 an eligible participant may be provided support serv-
21 ices described in paragraph (4) based on the partici-
22 pant's need in order to complete the program.

23 (2) DEFINITION OF ELIGIBLE PARTICIPANT.—

24 (A) IN GENERAL.—In this subsection, the
25 term “eligible participant” means an individual

1 who receives assistance under the State pro-
2 gram funded under part A of title IV of the So-
3 cial Security Act (42 U.S.C. 601 et seq.) and
4 satisfies the following requirements:

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

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

10 (iii) The individual does not have the
11 skills necessary to earn at least 85 percent
12 of the median wage for the State or local-
13 ity in which the individual resides.

14 (iv) The individual is—

15 (I) pursuing a degree that will
16 improve the individual's ability to sup-
17 port the individual's family, consid-
18 ering the local labor market and em-
19 ployment opportunities; and

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

23 (v) The individual participates in a
24 combination of education, training, study
25 or worksite experience for an average of

1 not less than 20 hours per week (including
2 time spent studying at 150 percent of time
3 spent in class).

4 (vi) After the first 24 months of par-
5 ticipation in the program, the individual—

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

9 (II) engages in a combination of
10 class hours, study hours (including
11 time spent studying at 150 percent of
12 time spent in class) and work for a
13 total of not less than 40 hours per
14 week.

15 (vii) During the period the individual
16 participates in the program, the
17 individual—

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

20 (II) attends classes as scheduled;

21 (III) reports to the individual's
22 caseworker for the program any
23 changes that might affect the individ-
24 ual's participation;

1 (IV) provides the individual's
2 caseworker with a copy of any finan-
3 cial aid award letters; and

4 (V) provides the individual's
5 caseworker with the individual's se-
6 mester grades as requested.

7 (B) DEFINITION OF FULL-TIME STU-
8 DENT.—

9 (i) IN GENERAL.—For purposes of
10 subparagraph (A)(i), an individual shall be
11 considered a full-time student if such indi-
12 vidual is taking courses having the number
13 of hours needed under the requirements of
14 the educational institution in which the in-
15 dividual is enrolled, to complete the re-
16 quirements of a degree within the usual
17 timeframe of 2 or 4 years, as applicable.

18 (ii) EXCEPTION.—The State may, for
19 good cause, modify the number of hours
20 required under clause (i) to allow addi-
21 tional time, not to exceed 150 percent of
22 the usual timeframe required for comple-
23 tion of a 2- or 4-year degree, for an indi-
24 vidual to complete a degree and be consid-
25 ered a full-time student under a program

1 established with a grant made under this
2 subsection.

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

7 (4) SUPPORT SERVICES DESCRIBED.—For pur-
8 poses of paragraph (1), the support services de-
9 scribed in this paragraph include 1 or more of the
10 following during the period the eligible participant is
11 in the program established with a grant made under
12 this subsection:

13 (A) Child care for children under age 13 or
14 for children who are physically or mentally in-
15 capable of caring for themselves.

16 (B) Transportation services, including—

17 (i) mileage at a set rate per mile or
18 reimbursement for public or private trans-
19 portation;

20 (ii) payment for automotive repairs,
21 not to exceed \$500 per academic year on
22 a vehicle registered to the eligible partici-
23 pant; and

1 (iii) reimbursement for vehicle liability
2 insurance, not to exceed \$300, for the eli-
3 gible participant's vehicle.

4 (C) Payment for books and supplies to the
5 extent that such items are not covered by
6 grants and loans, not to exceed \$750 per aca-
7 demic year.

8 (D) Such other expenses, not to exceed
9 \$500, that the State determines are necessary
10 for the eligible participant to complete the pro-
11 gram established under this subsection and that
12 are not covered by any other available support
13 services program.

14 (c) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this
16 section—

17 (1) \$25,000,000 for each of fiscal years 2003
18 through 2007, to carry out the grant program estab-
19 lished under subsection (a); and

20 (2) \$25,000,000 for each of fiscal years 2003
21 through 2007, to carry out the grant program estab-
22 lished under subsection (b).

23 **SEC. 111. TRANSITIONAL JOBS PROGRAMS.**

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

1 “(6) TRANSITIONAL JOBS GRANTS.—

2 “(A) PURPOSE.—The purpose of this para-
3 graph is to provide funding so that States and
4 localities can create and expand transitional
5 jobs programs that—

6 “(i) combine time-limited employment
7 that is subsidized with public funds, with
8 skill development and barrier removal ac-
9 tivities, pursuant to an individualized plan;

10 “(ii) provide job development and
11 placement assistance to individual program
12 participants to help them move from sub-
13 sidized employment in transitional jobs
14 into unsubsidized employment, as well as
15 retention services after the transition to
16 unsubsidized employment; and

17 “(iii) serve recipients of assistance
18 under the State program funded under this
19 part and other low-income individuals who
20 have been unable to secure employment
21 through job search or other employment-
22 related services because of limited skills,
23 experience, or other barriers to employ-
24 ment.

25 “(B) LIMITATIONS ON USE OF FUNDS.—

1 “(i) ALLOWABLE ACTIVITIES.—An en-
2 tity to which funds are provided under this
3 paragraph shall use the funds to operate
4 transitional jobs programs consistent with
5 the following:

6 “(I) An entity which secures a
7 grant to operate a transitional jobs
8 program (in this subparagraph re-
9 ferred to as a ‘program operator’),
10 under this paragraph shall place eligi-
11 ble individuals in temporary, publicly
12 subsidized jobs. Individuals placed in
13 such jobs shall perform work directly
14 for the program operator, or at other
15 public and nonprofit organizations (in
16 this subparagraph referred to as
17 ‘worksite employers’) within the com-
18 munity. Funds provided under this
19 paragraph shall be used to subsidize
20 100 percent of the wages paid to pro-
21 gram participants as well as employer-
22 paid payroll costs for such partici-
23 pants.

24 “(II) Transitional jobs programs
25 shall provide paid employment for not

1 less than 30, nor more than 40 hours
2 per week, except that a parent with a
3 child under the age of 6, a child who
4 is disabled, or a child with other spe-
5 cial needs, or an individual who for
6 other reasons cannot successfully par-
7 ticipate for 30 to 40 hours per week,
8 may, at State discretion, be allowed to
9 participate for more limited hours, but
10 not less than 20 hours per week.

11 “(III) Program operators shall
12 provide case management services and
13 ensure that appropriate education,
14 training, and other services are avail-
15 able to program participants con-
16 sistent with an individual plan devel-
17 oped for each such participant.

18 “(IV) Program operators shall
19 provide job placement assistance to
20 help program participants obtain un-
21 subsidized employment, and shall pro-
22 vide retention services for 12 months
23 after entry into unsubsidized employ-
24 ment.

1 “(V) In any work week in which
2 a program participant is employed at
3 least 30 hours, not less than 20 per-
4 cent, nor more than 50 percent of
5 scheduled hours shall involve partici-
6 pation in education or training activi-
7 ties designed to improve the partici-
8 pant’s employability and potential
9 earnings, or other services designed to
10 reduce or eliminate any barriers that
11 may impede the participant’s ability
12 to secure unsubsidized employment.

13 “(VI) The maximum duration of
14 any placement in a transitional jobs
15 program shall not be less than 6
16 months, nor more than 24 months.
17 Nothing in this subclause shall be
18 construed to bar a program partici-
19 pant from moving into unsubsidized
20 employment at a point prior to the
21 maximum duration of the program.
22 States may approve programs of vary-
23 ing durations consistent with this sub-
24 clause.

1 “(VII) Program participants
2 shall be paid at the rate paid to un-
3 subsidized employees of the worksite
4 employer (or program operator where
5 work is performed directly for the pro-
6 gram operator) who perform com-
7 parable work at the worksite where
8 the individual is placed. If no other
9 employees perform the same or com-
10 parable work then wages shall be set,
11 at a minimum, at 50 percent of the
12 Lower Living Standard Income Level
13 (in this subparagraph referred to as
14 the ‘LLSIL’), as specified in section
15 101(24) of the Workforce Investment
16 Act of 1998, for a family of 3 based
17 on 35 hours per week.

18 “(VIII) Program participants
19 shall receive supervision from the
20 worksite employer or program oper-
21 ator consistent with the goal of ad-
22 dressing the limited work experience
23 and skills of program participants.

24 “(ii) CONSULTATION.—An application
25 submitted by an entity seeking to become

1 a program operator shall include an assur-
2 ance by the applicant that the transitional
3 jobs program carried out by the applicant
4 shall—

5 “(I) provide in the design, re-
6 cruitment, and operation of the pro-
7 gram for broad-based input from the
8 community served and potential par-
9 ticipants in the program and commu-
10 nity-based agencies with a dem-
11 onstrated record of experience in pro-
12 viding services, prospective worksite
13 employers, local labor organizations
14 representing employees of prospective
15 worksite employers, if these entities
16 exist in the area to be served by the
17 program, and employers, and member-
18 ship-based groups that represent low-
19 income individuals; and

20 “(II) prior to the placement of
21 program participants, consult with the
22 appropriate local labor organization, if
23 any, representing employees in the
24 area who are engaged in the same or

1 similar work as that proposed to be
2 carried out by such program.

3 “(iii) ELIGIBILITY FOR OTHER WORK
4 SUPPORTS.—Program participants shall be
5 eligible for subsidized child care, transpor-
6 tation assistance, and other needed support
7 services on the same basis as other recipi-
8 ents of cash assistance under the State
9 program funded under this part.

10 “(iv) WAGES NOT CONSIDERED AS-
11 SISTANCE.—Wages paid to program par-
12 ticipants shall not be considered to be as-
13 sistance for purposes of section 408(a)(7).

14 “(v) PRIVATE SECTOR PLACE-
15 MENTS.—Not more than 50 percent of the
16 total number of such participants in tran-
17 sitional jobs in a State at any time may be
18 placed at worksite employers which are pri-
19 vate, for-profit entities.

20 “(C) GENERAL ELIGIBILITY.—

21 “(i) IN GENERAL.—Not less than $\frac{2}{3}$
22 of the participants in a transitional jobs
23 program funded under a grant made under
24 this paragraph during a fiscal year shall be

1 individuals who are, at the time they enter
2 the program—

3 “(I) receiving assistance under
4 the State program funded under this
5 part;

6 “(II) not receiving assistance
7 under the State program funded
8 under this part, but who are unem-
9 ployed, and who were recipients of
10 such assistance within the imme-
11 diately preceding 12-month period;

12 “(III) custodial parents of a
13 minor child who meet the financial eli-
14 gibility criteria for assistance under
15 the State program funded under this
16 part; or

17 “(IV) noncustodial parents with
18 income below 150 percent of the pov-
19 erty line (as defined in section 673(2)
20 of the Omnibus Budget Reconciliation
21 Act of 1981, including any revision re-
22 quired by such section, applicable to a
23 family of the size involved).

24 “(ii) LIMITATION.—Not more than $\frac{1}{3}$
25 of all participants in a transitional jobs

1 program funded under this paragraph dur-
2 ing a fiscal year shall be individuals who
3 have attained at least age 18 with an in-
4 come below 150 percent of the poverty line
5 (as defined in section 673(2) of the Omni-
6 bus Budget Reconciliation Act of 1981, in-
7 cluding any revision required by such sec-
8 tion, applicable to a family of the size in-
9 volved) who are not eligible under clause
10 (i). An individual who is an ex-offender
11 shall be eligible to participate in a transi-
12 tional jobs program funded under this
13 paragraph.

14 “(iii) METHODOLOGY.—The Secretary
15 may use any reasonable methodology in
16 calculating whether program participants
17 satisfying the requirements of clause (i),
18 constitute $\frac{2}{3}$ or more of all participants,
19 and whether program participants satis-
20 fying the requirements of clause (ii) con-
21 stitute not more than $\frac{1}{3}$ of all such par-
22 ticipants in a fiscal year.

23 “(iv) AUTHORITY TO PROVIDE WORK-
24 RELATED SERVICES TO INDIVIDUALS WHO
25 HAVE REACHED THE 5-YEAR LIMIT.—A

1 program operator under this paragraph
2 may use the funds to provide transitional
3 job program participation to individuals
4 who, but for section 408(a)(7), would be
5 eligible for assistance under the program
6 funded under this part of the State in
7 which the program operator is located.

8 “(D) RELATIONSHIP TO OTHER PROVI-
9 SIONS OF THIS PART.—

10 “(i) RULES GOVERNING USE OF
11 FUNDS.—The provisions of section 404
12 (other than subsection (f) thereof) shall
13 not apply to a grant made under this para-
14 graph.

15 “(ii) ADMINISTRATION.—Section 416
16 shall not apply to the programs under this
17 paragraph.

18 “(iii) PROHIBITION AGAINST USE OF
19 GRANT FUNDS FOR ANY OTHER FUND
20 MATCHING REQUIREMENT.—An entity to
21 which funds are provided under this para-
22 graph shall not use any part of the funds
23 to fulfill any obligation of any State or po-
24 litical subdivision under subsection (b) or

1 section 418 or any other provision of this
2 Act or other Federal law.

3 “(iv) DEADLINE FOR EXPENDI-
4 TURE.—An entity to which funds are pro-
5 vided under this paragraph shall remit to
6 the Secretary of Labor any part of the
7 funds that are not expended within 3 years
8 after the date on which the funds are so
9 provided.

10 “(v) REGULATIONS.—Within 90 days
11 after the date of enactment of this para-
12 graph, the Secretary of Labor, after con-
13 sultation with the Secretary of Health and
14 Human Services, shall prescribe such regu-
15 lations as may be necessary to implement
16 this paragraph.

17 “(vi) REPORTING REQUIREMENTS.—
18 The Secretary of Labor, in consultation
19 with the Secretary of Health and Human
20 Services, shall establish requirements for
21 the collection and maintenance of financial
22 and program participant information and
23 the reporting of such information by enti-
24 ties carrying out activities under this para-
25 graph. Such reporting requirements shall

1 include, at a minimum, that States report
2 disaggregated data on individual program
3 participants that include the following:

4 “(I) Demographic information
5 about the program participant includ-
6 ing education level, literacy level, and
7 prior work experience.

8 “(II) Identity of the program op-
9 erator that provides or provided serv-
10 ices to the program participant, and
11 the duration of participation.

12 “(III) The nature of education,
13 training or other services received by
14 the program participant.

15 “(IV) Reasons for the program
16 participant’s leaving the program.

17 “(V) Whether the program par-
18 ticipant secured unsubsidized employ-
19 ment during or within 60 days after
20 the employment of the participant in
21 a transitional job, and if so, details
22 about the participant’s unsubsidized
23 employment including industry, occu-
24 pation, starting wages and hours, and
25 availability of employer sponsored

1 health insurance and sick and vaca-
2 tion leave.

3 “(vii) ADDITIONAL REPORTING RE-
4 QUIREMENTS.—States shall collect and re-
5 port followup data for a sampling of pro-
6 gram participants reflecting their employ-
7 ment and earning status 12 months after
8 entering unsubsidized employment.

9 “(E) NATIONAL COMPETITIVE GRANTS.—

10 “(i) IN GENERAL.—The Secretary of
11 Labor shall award grants in accordance
12 with this paragraph, in fiscal years 2003
13 through 2007, for transitional jobs pro-
14 grams proposed by eligible applicants,
15 based on the following:

16 “(I) The extent to which the pro-
17 posal seeks to provide services in mul-
18 tiple sites that include sites in more
19 than 1 State.

20 “(II) The extent to which the
21 proposal seeks to provide services in a
22 labor market area or region that in-
23 cludes portions of more than 1 State.

1 “(III) The extent to which the
2 proposal seeks to provide transitional
3 jobs in a State.

4 “(IV) The extent to which the
5 applicant proposes to provide transi-
6 tional jobs in either rural areas or
7 areas where there are a high con-
8 centration of residents with income
9 that is less than the poverty line.

10 “(V) The effectiveness of the pro-
11 posal in helping individuals who are
12 least job ready move into unsubsidized
13 jobs that provide pathways to stable
14 employment and livable wages.

15 “(ii) ELIGIBLE APPLICANTS.—In this
16 paragraph, the term ‘eligible applicant’
17 means—

18 “(I) a Workforce Investment
19 Board for a local workforce area in a
20 State;

21 “(II) a political subdivision of a
22 State;

23 “(III) a State;

24 “(IV) an Indian tribe; or

25 “(V) a private entity.

1 “(iii) FUNDING.—Subject to subpara-
2 graphs (F) and (G), of the amount appro-
3 priated in subparagraph (H) for a fiscal
4 year, \$25,000,000 of such amount shall be
5 used to make grants under this paragraph
6 for that fiscal year.

7 “(F) FUNDING FOR INDIAN TRIBES.—1.5
8 percent of the amount appropriated in subpara-
9 graph (H) for each fiscal year shall be reserved
10 for grants to Indian tribes.

11 “(G) FUNDING FOR EVALUATIONS OF
12 TRANSITIONAL JOBS PROGRAMS.—1.5 percent
13 of the amount appropriated in subparagraph
14 (H) for each fiscal year shall be reserved for
15 use by the Secretary to carry out subparagraph
16 (I).

17 “(H) APPROPRIATIONS.—

18 “(i) IN GENERAL.—Out of any money
19 in the Treasury of the United States not
20 otherwise appropriated, there are appro-
21 priated for grants under this paragraph,
22 \$25,000,000 for each of fiscal years 2003
23 through 2007.

24 “(ii) AVAILABILITY.—The amounts
25 made available pursuant to clause (i) shall

1 remain available for such period as is nec-
2 essary to make the grants provided for in
3 this paragraph.

4 “(I) EVALUATION OF TRANSITIONAL JOBS
5 PROGRAMS.—The Secretary, in consultation
6 with the Secretary of Labor—

7 “(i) shall develop a plan to evaluate
8 the extent to which transitional jobs pro-
9 grams funded under this paragraph have
10 been effective in promoting sustained, un-
11 subsidized employment for each group of
12 eligible participants;

13 “(ii) may evaluate the use of such
14 grants by such grantees/ as the Secretary
15 deems appropriate, in accordance with an
16 agreement entered into with the grantees
17 after good-faith negotiations; and

18 “(iii) should include the following out-
19 come measures in the plan developed under
20 clause (i):

21 “(I) Placements in unsubsidized
22 employment.

23 “(II) Placements in unsubsidized
24 employment that last for at least 12
25 months, and the extent to which indi-

1 individuals are employed continuously for
2 at least 12 months.

3 “(III) Earnings of individuals
4 who obtain employment at the time of
5 placement.

6 “(IV) Earnings of individuals 1
7 year after placement.

8 “(V) The occupations and indus-
9 tries in which wage growth and reten-
10 tion performance is greatest.

11 “(VI) Average expenditures per
12 participant.”.

13 **SEC. 112. ENSURING TANF FUNDS ARE NOT USED TO DIS-**
14 **PLACE PUBLIC EMPLOYEES; APPLICATION**
15 **OF WORKPLACE LAWS TO WELFARE RECIPI-**
16 **ENTS.**

17 (a) WELFARE-TO-WORK WORKER PROTECTIONS.—

18 (1) IN GENERAL.—Section 403(a)(5)(I) (42
19 U.S.C. 603(a)(5)(I)) is amended—

20 (A) by striking clauses (i) and (iv);

21 (B) by redesignating clauses (v) and (vi)
22 as clauses (iv) and (v), respectively; and

23 (C) by inserting before clause (ii), the fol-
24 lowing:

25 “(i) NONDISPLACEMENT.—

1 “(I) IN GENERAL.—An adult in a
2 family receiving assistance under a
3 State program funded under this part,
4 in order to engage in a work activity,
5 shall not displace any employee or po-
6 sition (including partial displacement,
7 such as a reduction in the hours of
8 nonovertime work, wages, or employ-
9 ment benefits) or fill any unfilled va-
10 cancy.

11 “(II) PROHIBITIONS.—A work
12 activity engaged in under a program
13 operated with funds provided under
14 this paragraph shall not impair any
15 existing contract for services, be in-
16 consistent with any existing law, regu-
17 lation, or collective bargaining agree-
18 ment, or infringe upon the recall
19 rights or promotional opportunities of
20 any worker.

21 “(III) NO SUPPLANTING OF
22 OTHER HIRES.—A work activity en-
23 gaged in under a program operated
24 with funds provided under this para-
25 graph shall be in addition to any ac-

1 tivity that otherwise would be avail-
2 able and shall not supplant the hiring
3 of an employed worker not funded
4 under such program.

5 “(IV) ENFORCING
6 ANTIDISPLACEMENT PROTECTIONS.—

7 “(aa) IN GENERAL.—The
8 State shall establish and main-
9 tain an impartial grievance pro-
10 cedure to resolve any complaints
11 alleging violations of the require-
12 ments of subclause (I), (II), or
13 (III) within 60 days of receipt of
14 the complaint and, if a decision is
15 adverse to the party who filed
16 such grievance or no decision has
17 been reached, provide for the
18 completion of an arbitration pro-
19 cedure within 75 days of receipt
20 of the complaint or the adverse
21 decision or conclusion of the 60-
22 day period, whichever is earlier.

23 “(bb) APPEALS.—Appeals
24 may be made to the Secretary

1 who shall make a decision within
2 75 days.

3 “(cc) REMEDIES.—Remedies
4 for a violation of the require-
5 ments of subclause (I), (II), or
6 (III) shall include termination or
7 suspension of payments, prohibi-
8 tion of the placement of the par-
9 ticipant, reinstatement of an em-
10 ployee, and other relief to make
11 an aggrieved employee whole.

12 “(dd) LIMITATION ON
13 PLACEMENT.—If a grievance is
14 filed regarding a proposed place-
15 ment of a participant, such place-
16 ment shall not be made unless
17 such placement is consistent with
18 the resolution of the grievance
19 pursuant to this subclause.”.

20 (2) STATE PLAN REQUIREMENT.—Section
21 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended
22 by adding at the end the following:

23 “(vii) In the case of a State that re-
24 ceives a welfare-to-work grant under sec-
25 tion 403(a)(5), ensure compliance with the

1 nondisplacement requirements of subpara-
2 graph (I)(i) of that section.”.

3 (b) APPLICATION OF WORKPLACE LAWS TO WEL-
4 FARE RECIPIENTS.—Notwithstanding any other provision
5 of law, workplace laws, including the Fair Labor Stand-
6 ards Act of 1938 (29 U.S.C. 201 et seq.), the Occupa-
7 tional Safety and Health Act of 1970 (29 U.S.C. 651 et
8 seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C.
9 2000e et seq.), and the Americans with Disabilities Act
10 of 1990 (42 U.S.C. 12101 et seq.), shall apply to an indi-
11 vidual who is a recipient of assistance under the temporary
12 assistance to needy families program funded under part
13 A of title IV of the Social Security Act (42 U.S.C. 601
14 et seq.) in the same manner as such laws apply to other
15 workers. The fact that an individual who is a recipient
16 of assistance under the temporary assistance to needy
17 families program is participating in, or seeking to partici-
18 pate in work activities under that program in satisfaction
19 of the work activity requirements of the program, shall
20 not deprive the individual of the protection of any Federal,
21 State, or local workplace law.

1 **TITLE II—STRENGTHENING**
2 **FAMILIES**
3 **Subtitle A—Responsible**
4 **Fatherhood**

5 **SEC. 201. BLOCK GRANTS TO STATES TO ENCOURAGE**
6 **MEDIA CAMPAIGNS.**

7 (a) IN GENERAL.—Part D of title IV (42 U.S.C. 651
8 et seq.) is amended by adding at the end the following:

9 **“SEC. 469C. BLOCK GRANTS TO STATES FOR MEDIA CAM-**
10 **PAIGNS PROMOTING RESPONSIBLE FATHER-**
11 **HOOD.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) BROADCAST ADVERTISEMENT.—The term
14 ‘broadcast advertisement’ means a communication
15 intended to be aired by a television or radio broad-
16 cast station, including a communication intended to
17 be transmitted through a cable channel.

18 “(2) CHILD AT RISK.—The term ‘child at risk’
19 means each young child whose family income does
20 not exceed the poverty line.

21 “(3) POVERTY LINE.—The term ‘poverty line’
22 has the meaning given such term in section 673(2)
23 of the Omnibus Budget Reconciliation Act of 1981
24 (including any revision required by such section)
25 that is applicable to a family of the size involved.

1 “(4) PRINTED OR OTHER ADVERTISEMENT.—

2 The term ‘printed or other advertisement’ includes
3 any communication intended to be distributed
4 through a newspaper, magazine, outdoor advertising
5 facility, mailing, or any other type of general public
6 advertising, but does not include any broadcast ad-
7 vertisement.

8 “(5) STATE.—The term ‘State’ means each of
9 the 50 States, the District of Columbia, the Com-
10 monwealth of Puerto Rico, the United States Virgin
11 Islands, Guam, American Samoa, and the Common-
12 wealth of the Northern Mariana Islands.

13 “(6) YOUNG CHILD.—The term ‘young child’
14 means an individual under age 5.

15 “(b) STATE CERTIFICATIONS.—Not later than Octo-
16 ber 1 each fiscal year for which a State desires to receive
17 an allotment under this section, the chief executive officer
18 of the State shall submit to the Secretary a certification
19 that the State will—

20 “(1) use such funds to promote the formation
21 and maintenance of married 2-parent families,
22 strengthen fragile families, and promote responsible
23 fatherhood through media campaigns conducted in
24 accordance with the requirements of subsection (d);

1 “(2) return any unused funds to the Secretary
2 in accordance with the reconciliation process under
3 subsection (e); and

4 “(3) comply with the reporting requirements
5 under subsection (f).

6 “(c) PAYMENTS TO STATES.—For each of fiscal years
7 2003 through 2007, the Secretary shall pay to each State
8 that submits a certification under subsection (b), from any
9 funds appropriated under subsection (h), for the fiscal
10 year an amount equal to the amount of the allotment de-
11 termined for the fiscal year under subsection (g).

12 “(d) ESTABLISHMENT OF MEDIA CAMPAIGNS.—Each
13 State receiving an allotment under this section for a fiscal
14 year shall use the allotment to conduct media campaigns
15 as follows:

16 “(1) CONDUCT OF MEDIA CAMPAIGNS.—

17 “(A) RADIO AND TELEVISION MEDIA CAM-
18 PAIGNS.—

19 “(i) PRODUCTION OF BROADCAST AD-
20 VERTISEMENTS.—At the option of the
21 State, to produce broadcast advertisements
22 that promote the formation and mainte-
23 nance of married 2-parent families,
24 strengthen fragile families, and promote
25 responsible fatherhood.

1 “(ii) AIR TIME CHALLENGE PRO-
2 GRAM.—At the option of the State, to es-
3 tablish an air time challenge program
4 under which the State may spend amounts
5 allotted under this section to purchase time
6 from a broadcast station to air a broadcast
7 advertisement produced under clause (i),
8 but only if the State obtains an amount of
9 time of the same class and during a com-
10 parable period to air the advertisement
11 using non-Federal contributions.

12 “(B) OTHER MEDIA CAMPAIGNS.—At the
13 option of the State, to conduct a media cam-
14 paign that consists of the production and dis-
15 tribution of printed or other advertisements
16 that promote the formation and maintenance of
17 married 2-parent families, strengthen fragile
18 families, and promote responsible fatherhood.

19 “(2) ADMINISTRATION OF MEDIA CAMPAIGNS.—
20 A State may administer media campaigns funded
21 under this section directly or through grants, con-
22 tracts, or cooperative agreements with public agen-
23 cies, local governments, or private entities, including
24 charitable and religious organizations.

1 “(3) CONSULTATION WITH DOMESTIC VIO-
2 LENCE ASSISTANCE CENTERS.—In developing broad-
3 cast and printed advertisements to be used in the
4 media campaigns conducted under paragraph (1),
5 the State or other entity administering the campaign
6 shall consult with representatives of State and local
7 domestic violence centers.

8 “(4) NON-FEDERAL CONTRIBUTIONS.—In this
9 subsection, the term ‘non-Federal contributions’ in-
10 cludes contributions by the State and by public and
11 private entities. Such contributions may be in cash
12 or in kind. Such term does not include any amounts
13 provided by the Federal Government, or services as-
14 sisted or subsidized to any significant extent by the
15 Federal Government, or any amount expended by a
16 State before October 1, 2002.

17 “(e) RECONCILIATION PROCESS.—

18 “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-
19 LOTTED.—Each State that receives an allotment
20 under this section shall return to the Secretary any
21 unused portion of the amount allotted to a State
22 under this section for a fiscal year not later than the
23 last day of the second succeeding fiscal year together
24 with any earnings on such unused portion.

1 “(2) PROCEDURE FOR REDISTRIBUTION OF UN-
2 USED ALLOTMENTS.—The Secretary shall establish
3 an appropriate procedure for redistributing to States
4 that have expended the entire amount allotted under
5 this section any amount that is—

6 “(A) returned to the Secretary by States
7 under paragraph (1); or

8 “(B) not allotted to a State under this sec-
9 tion because the State did not submit a certifi-
10 cation under subsection (b) by October 1 of a
11 fiscal year.

12 “(f) REPORTING REQUIREMENTS.—

13 “(1) MONITORING AND EVALUATION.—Each
14 State receiving an allotment under this section for a
15 fiscal year shall monitor and evaluate the media
16 campaigns conducted using funds made available
17 under this section in such manner as the Secretary,
18 in consultation with the States, determines appro-
19 priate.

20 “(2) ANNUAL REPORTS.—Not less frequently
21 than annually, each State receiving an allotment
22 under this section for a fiscal year shall submit to
23 the Secretary reports on the media campaigns con-
24 ducted under this section at such time, in such man-

1 ner, and containing such information as the Sec-
2 retary may require.

3 “(g) AMOUNT OF ALLOTMENTS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), of the amount appropriated for the pur-
6 pose of making allotments under this section for a
7 fiscal year, the Secretary shall allot to each State
8 that submits a certification under subsection (b) for
9 the fiscal year an amount equal to the sum of—

10 “(A) the amount that bears the same ratio
11 to 50 percent of such funds as the number of
12 young children in the State (as determined by
13 the Secretary based on the most reliable data
14 available) as bears to the number of such chil-
15 dren in all States; and

16 “(B) the amount that bears the same ratio
17 to 50 percent of such funds as the number of
18 children at risk in the State (as so determined)
19 bears to the number of such children in all
20 States.

21 “(2) MINIMUM ALLOTMENTS.—No allotment
22 for a fiscal year under this section shall be less
23 than—

24 “(A) in the case of a State other than the
25 Commonwealth of Puerto Rico, the United

1 States Virgin Islands, Guam, American Samoa,
2 and the Commonwealth of the Northern Mar-
3 iana Islands, 1 percent of the amount appro-
4 priated for the fiscal year under subsection (h);
5 and

6 “(B) in the case of the Commonwealth of
7 Puerto Rico, the United States Virgin Islands,
8 Guam, American Samoa, and the Common-
9 wealth of the Northern Mariana Islands, 0.5
10 percent of such amount.

11 “(3) PRO RATA REDUCTIONS.—The Secretary
12 shall make such pro rata reductions to the allot-
13 ments determined under paragraph (1) as are nec-
14 essary to comply with the requirements of paragraph
15 (2).

16 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
17 is authorized to be appropriated \$25,000,000 for each of
18 fiscal years 2003 through 2007 for purposes of making
19 allotments to States under this section.”.

20 (b) EVALUATION.—

21 (1) IN GENERAL.—The Secretary of Health and
22 Human Services shall conduct an evaluation of the
23 impact of the media campaigns funded under section
24 469C of the Social Security Act, as added by sub-
25 section (a).

1 (2) REPORT.—Not later than December 31,
2 2005, the Secretary of Health and Human Services
3 shall report to Congress the results of the evaluation
4 under paragraph (1).

5 (3) AUTHORIZATION OF APPROPRIATIONS.—
6 There is authorized to be appropriated \$1,000,000
7 for fiscal year 2003 for purposes of conducting the
8 evaluation required under this subsection, to remain
9 available until expended.

10 **SEC. 202. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

11 (a) IN GENERAL.—Part D of title IV (42 U.S.C. 651
12 et seq.), as amended by section 201, is amended by adding
13 at the end the following:

14 **“SEC. 469D. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) CHILD AT RISK.—The term ‘child at risk’
17 has the meaning given such term in section
18 469C(a)(2).

19 “(2) POVERTY LINE.—The term ‘poverty line’
20 has the meaning given such term in section
21 469C(a)(3).

22 “(3) STATE.—The term ‘State’ has the mean-
23 ing given such term in section 469C(a)(5).

1 “(4) YOUNG CHILD.—The term ‘young child’
2 has the meaning given such term in section
3 469C(a)(6).

4 “(b) STATE CERTIFICATIONS.—Not later than Octo-
5 ber 1 of each fiscal year for which a State desires to re-
6 ceive an allotment under this section, the chief executive
7 officer of the State shall submit to the Secretary a certifi-
8 cation that the State will—

9 “(1) comply with the matching requirements
10 under subsection (c)(2);

11 “(2) use such funds—

12 “(A) to promote responsible fatherhood;
13 and

14 “(B) to promote or sustain marriage in ac-
15 cordance with subparagraph (A) or (B), respec-
16 tively, of subsection (d)(2);

17 “(3) return any unused funds to the Secretary
18 in accordance with the reconciliation process under
19 subsection (e); and

20 “(4) comply with the reporting requirements
21 under subsection (f).

22 “(c) PAYMENTS TO STATES.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 for each of fiscal years 2003 through 2007, the Sec-
25 retary shall pay to each State that submits a certifi-

1 cation described in subsection (b), from any funds
2 appropriated under subsection (h), for the fiscal year
3 an amount equal to the amount of the allotment de-
4 termined under subsection (g).

5 “(2) MATCHING REQUIREMENT.—The Sec-
6 retary may not make a payment to a State under
7 paragraph (1) unless the State agrees that, with re-
8 spect to the costs to be incurred by the State in sup-
9 porting the programs described in subsection (d),
10 the State will make available non-Federal contribu-
11 tions in an amount equal to 25 percent of the
12 amount of Federal funds paid to the State under
13 such paragraph.

14 “(3) NON-FEDERAL CONTRIBUTIONS.—In this
15 subsection, the term ‘non-Federal contributions’ in-
16 cludes contributions by the State and by public and
17 private entities that may be in cash or in kind, but
18 does not include any amounts provided by the Fed-
19 eral Government, or services assisted or subsidized
20 to any significant extent by the Federal Government
21 or any amount expended by a State before October
22 1, 2002.

23 “(d) RESPONSIBLE FATHERHOOD PROGRAMS.—

24 “(1) SUPPORT OF PROGRAMS.—A State shall
25 use the allotments received under this section to

1 support programs described in paragraph (2) di-
2 rectly or through a grant, contract, or cooperative
3 agreement with any public agency, local government,
4 or private entity (including any charitable or reli-
5 gious organization) with experience in administering
6 such a program.

7 “(2) PROGRAMS DESCRIBED.—Responsible fa-
8 therhood programs include programs that—

9 “(A) promote marriage through such ac-
10 tivities as counseling, mentoring, disseminating
11 information about the benefits of marriage and
12 2-parent involvement for children, enhancing re-
13 lationship skills, teaching on how to control ag-
14 gressive behavior, and disseminating informa-
15 tion on the causes of domestic violence and
16 child abuse;

17 “(B) sustain marriages through marriage
18 preparation programs, premarital counseling,
19 marital inventories, skills-based marriage edu-
20 cation, financial planning seminars, and divorce
21 education and reduction programs, including
22 mediation and counseling;

23 “(C) promote responsible parenting
24 through such activities as counseling, men-
25 toring, disseminating information about good

1 parenting practices, skills-based parenting edu-
2 cation, encouraging child support payments,
3 and other methods; and

4 “(D) help fathers and their families avoid
5 or leave cash welfare and improve their eco-
6 nomic status by providing such activities as
7 work first services, job search, job training,
8 subsidized employment, job retention, job en-
9 hancement, and encouraging education, includ-
10 ing career-advancing education, dissemination
11 of employment materials, coordination with ex-
12 isting employment services such as Welfare to
13 Work and referrals to local employment train-
14 ing initiatives, and other methods.

15 “(3) TARGETED LOW-INCOME PARTICIPANTS.—
16 Not less than 50 percent of the participants in each
17 program supported under paragraph (1) shall be—

18 “(A) parents of a child who is, or within
19 the past 24 months has been, a recipient of as-
20 sistance or services under a State program
21 funded under this part and under a State pro-
22 gram funded under part A; or

23 “(B) parents, including an expectant par-
24 ent or a married parent, whose income (after
25 adjustment for court-ordered child support paid

1 or received) does not exceed 150 percent of the
2 poverty line.

3 “(4) CONSULTATION WITH DOMESTIC VIO-
4 LENCE ASSISTANCE CENTERS.—Each State or entity
5 administering a program supported under paragraph
6 (1) shall consult with representatives of State and
7 local domestic violence centers.

8 “(5) SUPPLEMENT NOT SUPPLANT.—Amounts
9 allotted to a State under this section shall be used
10 to supplement and not supplant other Federal,
11 State, or local funds provided to the State under this
12 part or any other provision of law that are used to
13 support programs and activities similar to the re-
14 sponsible fatherhood program described in para-
15 graph (2).

16 “(6) RESTRICTIONS ON USE.—No amount allot-
17 ted under this section may be used for court pro-
18 ceedings on matters of child visitation or child cus-
19 tody, or for legislative advocacy.

20 “(e) RECONCILIATION PROCESS.—

21 “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-
22 LOTTED.—Each State that receives an allotment
23 under this section shall return to the Secretary any
24 unused portion of the amount allotted to a State
25 under this section for a fiscal year not later than the

1 last day of the second succeeding fiscal year, to-
2 gether with any earnings on such unused portion.

3 “(2) PROCEDURE FOR REDISTRIBUTION OF UN-
4 USED ALLOTMENTS.—The Secretary shall establish
5 an appropriate procedure for redistributing to States
6 that have expended the entire amount allotted under
7 this section any amount that is—

8 “(A) returned to the Secretary by States
9 under paragraph (1); or

10 “(B) not allotted to a State under this sec-
11 tion because the State did not submit a certifi-
12 cation under subsection (b) by October 1 of a
13 fiscal year.

14 “(f) REPORTING REQUIREMENTS.—

15 “(1) MONITORING AND EVALUATION.—Each
16 State receiving an allotment under this section shall
17 monitor and evaluate the programs supported using
18 funds made available under this section in such
19 manner as the Secretary, in consultation with the
20 States, determines appropriate.

21 “(2) ANNUAL REPORTS.—Not less frequently
22 than annually, each State receiving an allotment
23 under this section for a fiscal year shall submit to
24 the Secretary reports on the programs supported
25 under this section at such time, in such manner, and

1 containing such information as the Secretary may
2 reasonably require.

3 “(g) AMOUNT OF ALLOTMENTS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), of the amount appropriated for the pur-
6 pose of making allotments under this section for a
7 fiscal year the Secretary shall allot to each State
8 that submits a certification under subsection (b) for
9 that fiscal year an amount equal to the sum of—

10 “(A) the amount that bears the same ratio
11 to 50 percent of such funds as the number of
12 young children in the State (as determined by
13 the Secretary based on the most reliable data
14 available) as bears to the number of such chil-
15 dren in all States; and

16 “(B) the amount that bears the same ratio
17 to 50 percent of such funds as the number of
18 children at risk in the State (as so determined)
19 bears to the number of such children in all
20 States.

21 “(2) MINIMUM ALLOTMENTS.—No allotment for
22 a fiscal year under this section shall be less than—

23 “(A) in the case of a State other than the
24 Commonwealth of Puerto Rico, the United
25 States Virgin Islands, Guam, American Samoa,

1 and the Commonwealth of the Northern Mar-
2 iana Islands, 1 percent of the amount appro-
3 priated for the fiscal year under subsection (h);
4 and

5 “(B) in the case of the Commonwealth of
6 Puerto Rico, the United States Virgin Islands,
7 Guam, American Samoa, and the Common-
8 wealth of the Northern Mariana Islands, 0.5
9 percent of such amount.

10 “(3) PRO RATA REDUCTIONS.—The Secretary
11 shall make such pro rata reductions to the allot-
12 ments determined under paragraph (1) as are nec-
13 essary to comply with the requirements of paragraph
14 (2).

15 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated \$50,000,000 for each of
17 fiscal years 2003 through 2007 for purposes of making
18 allotments to States under this section.”.

19 (b) EVALUATION AND REPORT.—

20 (1) EVALUATION.—

21 (A) IN GENERAL.—The Secretary of
22 Health and Human Services (in this subsection
23 referred to as the “Secretary”), in consultation
24 with the Secretary of Labor, shall, directly or
25 through a grant, contract, or interagency agree-

1 ment, conduct an evaluation of the projects
2 funded under section 469D of the Social Secu-
3 rity Act (as added by subsection (a)).

4 (B) OUTCOMES ASSESSMENT.—The eval-
5 uation conducted under subparagraph (A) shall
6 assess, among other outcomes selected by the
7 Secretary, effects of the projects on marriage,
8 parenting, employment, earnings, payment of
9 child support, and incidence of domestic vio-
10 lence and child abuse.

11 (C) PROJECT SELECTION.—In selecting
12 projects for the evaluation, the Secretary should
13 include projects that are most likely to further
14 the purposes of this section.

15 (D) RANDOM ASSIGNMENT.—In conducting
16 the evaluation, random assignment should be
17 used wherever possible.

18 (2) REPORT.—Not later than December 31,
19 2005, the Secretary shall submit to Congress a re-
20 port on the results of the evaluation conducted
21 under paragraph (1).

22 (3) AUTHORIZATION OF APPROPRIATIONS.—
23 There is authorized to be appropriated \$1,000,000
24 for each of fiscal years 2003 through 2007 to carry
25 out this subsection.

1 **SEC. 203. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE**
2 **FATHERHOOD PROGRAMS.**

3 Part D of title IV (42 U.S.C. 651), as amended by
4 section 202, is amended by adding at the end the fol-
5 lowing:

6 **“SEC. 469E. MEDIA CAMPAIGN AND NATIONAL CLEARING-**
7 **HOUSE FOR RESPONSIBLE FATHERHOOD.**

8 “(a) MEDIA CAMPAIGN AND NATIONAL CLEARING-
9 HOUSE.—

10 “(1) IN GENERAL.—From any funds appro-
11 priated under subsection (c), the Secretary shall con-
12 tract with a nationally recognized, nonprofit father-
13 hood promotion organization described in subsection
14 (b) to—

15 “(A) develop, promote, and distribute to
16 interested States, local governments, public
17 agencies, and private entities a media campaign
18 that encourages the appropriate involvement of
19 both parents in the life of any child of the par-
20 ents, with a priority for programs that specifi-
21 cally address the issue of responsible father-
22 hood; and

23 “(B) develop a national clearinghouse to
24 assist States and communities in efforts to pro-
25 mote and support marriage and responsible fa-
26 therhood by collecting, evaluating, and making

1 available (through the Internet and by other
2 means) to other States information regarding
3 the media campaigns established under section
4 469C.

5 “(2) COORDINATION WITH DOMESTIC VIOLENCE
6 PROGRAMS.—The Secretary shall ensure that the na-
7 tionally recognized nonprofit fatherhood promotion
8 organization with a contract under paragraph (1)
9 coordinates the media campaign developed under
10 subparagraph (A) of such paragraph and the na-
11 tional clearinghouse developed under subparagraph
12 (B) of such paragraph with a national, State, or
13 local domestic violence program.

14 “(b) NATIONALLY RECOGNIZED, NONPROFIT FA-
15 THERHOOD PROMOTION ORGANIZATION DESCRIBED.—
16 The nationally recognized, nonprofit fatherhood promotion
17 organization described in this subsection is such an orga-
18 nization that has at least 4 years of experience in—

19 “(1) designing and disseminating a national
20 public education campaign, including the production
21 and successful placement of television, radio, and
22 print public service announcements that promote the
23 importance of responsible fatherhood; and

24 “(2) providing consultation and training to
25 community-based organizations interested in imple-

1 menting fatherhood outreach, support, or skill devel-
2 opment programs with an emphasis on promoting
3 married fatherhood as the ideal.

4 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
5 is authorized to be appropriated \$50,000,000 for fiscal
6 year 2003 to carry out this section.”.

7 **SEC. 204. POLICY REVIEWS AND DEMONSTRATION**
8 **PROJECTS TO COORDINATE SERVICES FOR**
9 **LOW-INCOME, NONCUSTODIAL PARENTS.**

10 Part D of title IV (42 U.S.C. 651), as amended by
11 section 203, is amended by adding at the end the fol-
12 lowing:

13 **“SEC. 469F. GRANTS TO CONDUCT POLICY REVIEWS AND**
14 **DEMONSTRATION PROJECTS TO COORDI-**
15 **NATE SERVICES FOR LOW-INCOME, NON-**
16 **CUSTODIAL PARENTS.**

17 “(a) POLICY REVIEWS.—The Secretary shall make
18 grants to States desiring to conduct policy reviews and de-
19 velop recommendations with the goals of—

20 “(1) obtaining and retaining employment, in-
21 creasing child support payments, and increasing the
22 involvement of low-income, noncustodial parents with
23 their children; and

24 “(2) coordinating policies and services for low-
25 income, noncustodial parents among the different

1 systems or programs in which such parents are in-
2 volved, including the criminal justice system, the
3 State program funded under part A, the State pro-
4 gram funded under this part, and job training or
5 employment programs.

6 “(b) DEMONSTRATION PROJECTS.—

7 “(1) IN GENERAL.—The Secretary shall make
8 grants to States desiring to conduct a demonstration
9 project for the purpose of—

10 “(A) testing innovative policies and to bet-
11 ter coordinate policies and services for low-in-
12 come, noncustodial parents to accomplish the
13 goals described in subsection (a); or

14 “(B) if the State conducted a policy review
15 with a grant made under subsection (a) and de-
16 sires to implement the recommendations of that
17 review, implementing such recommendations.

18 “(2) USE OF FUNDS.—Funds made available
19 under a grant made under this subsection may be
20 used to provide a wide variety of services to, and to
21 implement policies regarding, low-income, noncusto-
22 dial parents, including providing economic incentives
23 (with or without penalty) to increase the employ-
24 ment of such parents or to increase the amount of
25 child support paid by such parents.

1 “(c) APPLICATION.—A State desiring to receive a
 2 grant to conduct a policy review under subsection (a) or
 3 a grant to conduct a demonstration project under sub-
 4 section (b) shall submit an application to the Secretary
 5 at such time, in such manner, and containing such infor-
 6 mation as the Secretary may require.

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—Out of
 8 any money in the Treasury of the United States not other-
 9 wise appropriated, there are authorized to be appropriated
 10 to carry out this section, \$30,000,000 for each of fiscal
 11 years 2003 through 2007.”.

12 **Subtitle B—Additional Provisions**
 13 **To Strengthen Families**

14 **SEC. 211. BAN ON IMPOSITION OF STRICTER ELIGIBILITY**
 15 **CRITERIA FOR 2-PARENT FAMILIES.**

16 (a) PROHIBITION.—Section 408(a) (42 U.S.C.
 17 608(a)) is amended by adding at the end the following:

18 “(12) BAN ON IMPOSITION OF STRICTER ELIGI-
 19 BILITY CRITERIA FOR 2-PARENT FAMILIES.—In de-
 20 termining the eligibility of a 2-parent family for as-
 21 sistance under a State program funded under this
 22 part, the State shall not impose a requirement that
 23 does not apply in determining the eligibility of a 1-
 24 parent family for such assistance.”.

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

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

5 “(A) IN GENERAL.—If the Secretary deter-
6 mines that a State to which a grant is made
7 under section 403 for a fiscal year has violated
8 section 408(a)(12) during the fiscal year, the
9 Secretary shall reduce the grant payable to the
10 State under section 403(a)(1) for the imme-
11 diately succeeding fiscal year by an amount
12 equal to 5 percent of the State family assist-
13 ance grant.

14 “(B) PENALTY BASED ON SEVERITY OF
15 FAILURE.—The Secretary shall impose reduc-
16 tions under subparagraph (A) with respect to a
17 fiscal year based on the degree of noncompli-
18 ance.”.

19 **SEC. 212. NONCUSTODIAL PARENT EMPLOYMENT GRANT**
20 **PROGRAM.**

21 (a) AUTHORITY TO AWARD GRANTS.—The Secretary
22 of Health and Human Services and the Secretary of Labor
23 (in this section referred to as the “Secretaries”) jointly
24 shall award grants to eligible States for the purpose of
25 establishing, in coordination with counties and other local

1 governments, court-supervised employment programs for
2 noncustodial parents who have a history of nonpayment
3 of child support obligations, as determined by a court, and
4 who are determined by the court to be in need of employ-
5 ment services or placement in order to pay such child sup-
6 port obligations. A noncustodial parent described in the
7 preceding sentence who is an ex-offender shall be eligible
8 to participate in a program established with a grant made
9 under this section.

10 (b) ELIGIBLE STATE.—In this section, the term “eli-
11 gible State” means a State that has obtained a commit-
12 ment from at least 1 county within the State to establish
13 a court-supervised employment program to provide non-
14 custodial parents described in subsection (a) with an op-
15 tion to participate in that program prior to the court en-
16 tering a finding that the noncustodial parent is in con-
17 tempt of court for failure to pay a child support obligation
18 and, possibly be subject to criminal penalties.

19 (c) ADMINISTRATION.—An eligible State that receives
20 a grant under this section may contract with a public, pri-
21 vate, faith-based or community-based organization to ad-
22 minister (in conjunction with the court of jurisdiction) the
23 court-supervised employment program .

24 (d) PROGRAM GOALS AND REQUIREMENT.—

1 (1) GOALS.—The goals of a court-supervised
2 employment program established with funds made
3 available under a grant made under this section
4 shall include the following:

5 (A) To assist noncustodial parents de-
6 scribed in subsection (a) establish a pattern of
7 regular child support payments by obtaining
8 and maintaining unsubsidized employment.

9 (B) To increase the dollar amount and
10 total number of court-ordered child support col-
11 lected.

12 (C) To help noncustodial parents described
13 in subsection (a) improve relationships with
14 their children.

15 (2) REQUIREMENT.—A court-supervised em-
16 ployment program established with funds made
17 available under a grant made under this section
18 shall not permit a noncustodial parent placed in the
19 program to graduate from the program and avoid
20 penalties for failure to pay a child support obligation
21 until the noncustodial parent completes at least 6
22 months of continuous, timely payment of the par-
23 ent's child support obligations.

24 (e) USE OF FUNDS.—Services provided under a
25 court-supervised employment program established with

1 funds made available under a grant made under this sec-
2 tion may include the following:

- 3 (1) Job development.
- 4 (2) Supervised job search.
- 5 (3) Job placement.
- 6 (4) Case management.
- 7 (5) Court liaison services.
- 8 (6) Educational assessment.
- 9 (7) Educational referrals.
- 10 (8) Vocational assessment.
- 11 (9) Counseling on responsible fatherhood.
- 12 (10) Support funds for services such as trans-
13 portation or short-term training.
- 14 (11) Referral for support services.
- 15 (12) Employment retention services.
- 16 (13) Outreach to community agencies con-
17 cerning bonding programs.

18 (f) AMOUNT OF GRANTS.—

- 19 (1) IN GENERAL.—The Secretaries shall deter-
20 mine the amount of each grant to be awarded under
21 this section, taking into account the number of coun-
22 ties participating in an eligible State and the popu-
23 lation of the noncustodial parents to be served by
24 the employment programs in that State.

1 (2) PRIORITY FOR CERTAIN PROGRAMS.—In
2 awarding grants under this section, the Secretaries
3 shall give priority to eligible States with programs
4 that are designed to target noncustodial parents
5 whose income does not exceed 150 percent of the
6 poverty line (as defined in section 673(2) of the
7 Community Services Block Grant Act (42 U.S.C.
8 9902(2)), including any revision required by such
9 section applicable to a family of the size involved).

10 (g) MATCHING REQUIREMENT.—

11 (1) IN GENERAL.—The Secretaries may not
12 award a grant to an eligible State under this section
13 unless the eligible State agrees that, with respect to
14 the costs to be incurred by the eligible State in sup-
15 porting the court-supervised employment program
16 established with funds provided under the grant, the
17 State will make available non-Federal contributions
18 in an amount equal to 25 percent of the amount of
19 Federal funds paid to the State under such grant.

20 (2) NON-FEDERAL CONTRIBUTIONS.—In this
21 subsection, the term “non-Federal contributions” in-
22 cludes contributions by the State and by public and
23 private entities that may be in cash or in kind, but
24 does not include any amounts provided by the Fed-
25 eral Government, or services assisted or subsidized

1 to any significant extent by the Federal Government
2 or any amount expended by a State before October
3 1, 2002.

4 (h) APPLICATION.—In order to receive a grant under
5 this section, an eligible State shall submit an application
6 to the Secretaries, at such time and in such manner as
7 the Secretaries may require, and that includes the fol-
8 lowing:

9 (1) Evidence of an agreement between the State
10 and 1 or more counties to establish a court-super-
11 vised employment program that meets the require-
12 ments of this section.

13 (2) The number of potential noncustodial par-
14 ents to be served by the program.

15 (3) The purposes specific to that State's pro-
16 gram.

17 (4) The income of the target population.

18 (5) The amount of proposed grant funds to be
19 awarded.

20 (6) A certification that the State matching re-
21 quirements of subsection (g) will be satisfied if the
22 grant is awarded to that State.

23 (7) Such other information as the Secretaries
24 deem appropriate.

1 (i) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to award grants under
 3 this section, \$200,000,000 for each of fiscal years 2003
 4 through 2007.

5 **Subtitle C—Teen Pregnancy**
 6 **Prevention Grants**

7 **SEC. 221. TEEN PREGNANCY PREVENTION GRANTS.**

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

10 “(2) GRANTS TO PREVENT TEEN PREG-
 11 NANCY.—

12 “(A) SUBMISSION OF PLAN.—

13 “(i) IN GENERAL.—Each State that
 14 submits a plan that meets the require-
 15 ments of clause (ii) shall be entitled to re-
 16 ceive from the Secretary a teen pregnancy
 17 prevention grant in the amount determined
 18 under subparagraph (B) for each of fiscal
 19 years 2003 through 2007.

20 “(ii) PLAN REQUIREMENTS.—A plan
 21 meets the requirements of this clause if the
 22 plan—

23 “(I) describes the State’s numer-
 24 ical goal for reducing teen pregnancy
 25 and teen births;

1 “(II) identifies the strategies to
2 be used to achieve such goal; and

3 “(III) describes the efforts the
4 State will make to involve young men,
5 as well as young women, in delaying
6 pregnancy and parenting.

7 “(B) GRANT AMOUNT.—

8 “(i) IN GENERAL.—The Secretary
9 shall allot to each State with a plan ap-
10 proved under subparagraph (A) an amount
11 equal to—

12 “(I) with respect to fiscal year
13 2003, the amount that bears the same
14 ratio to the amount of funds appro-
15 priated under subparagraph (G) for
16 such fiscal year as the proportion of
17 births in the State to teens under age
18 20 bears to the number of such births
19 in all States; and

20 “(II) with respect to each of fis-
21 cal years 2004 through 2007, the
22 amount that bears the same ratio to
23 50 percent of the amount of funds ap-
24 propriated under subparagraph (G)
25 for each such fiscal year as the pro-

1 portion of births in the State to teens
2 under age 20 bears to the number of
3 such births in all States.

4 “(ii) INCENTIVE FUNDS.—In addition
5 to the amount determined for a State
6 under clause (i)(II), in the case of a State
7 that is a high achieving State (as defined
8 in clause (iii)), the Secretary shall allot to
9 such high achieving State with respect to
10 each of fiscal years 2004 through 2007,
11 the amount that bears the same ratio to
12 50 percent of the amount of funds appro-
13 priated under subparagraph (G) for each
14 such fiscal year as the proportion of teens
15 under age 20 in the high achieving State
16 bears to the number of such teens in all
17 such high achieving States.

18 “(iii) DEFINITION OF HIGH ACHIEV-
19 ING STATE.—In this paragraph, the term
20 ‘high achieving State’ means a State that
21 has achieved an annual decline in the teen
22 birth rate for the State as compared to the
23 preceding year (or the most recent year for
24 which data is available) of at least 2.5 per-
25 cent.

1 “(iv) DETERMINATION OF TEEN
2 BIRTH RATES.—For purposes of this sub-
3 paragraph, the teen birth rate for a State
4 shall be determined on the basis of the
5 birth rate per 1,000 women, ages 15
6 through 19, who reside in the State.

7 “(C) USE OF FUNDS.—A State shall use
8 funds provided under a grant made under this
9 paragraph to implement teen pregnancy preven-
10 tion strategies that—

11 “(i) are abstinence-first, in that the
12 strategies use a message that strongly em-
13 phasizes abstinence as the only certain way
14 to avoid pregnancy and sexually trans-
15 mitted infections while still allowing State
16 flexibility to discuss other prevention meth-
17 ods;

18 “(ii) replicate or substantially incor-
19 porate the elements of 1 or more teen
20 pregnancy prevention programs that have
21 been proven (on the basis of rigorous sci-
22 entific research) to delay or decrease sex-
23 ual intercourse or sexual activity or reduce
24 teenage pregnancy; and

1 “(iii) incorporate 1 or more of the fol-
2 lowing strategies for preventing teen
3 pregnancy—

4 “(I) encouraging teenagers to
5 delay sexual activity;

6 “(II) youth development pro-
7 grams;

8 “(III) community or service
9 learning programs; or

10 “(IV) outreach or media pro-
11 grams.

12 “(D) SUBGRANT OR CONTRACT RECIPI-
13 ENTS.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), a State to which a grant is made
16 under this paragraph for a fiscal year may
17 award subgrants or contracts to—

18 “(I) State or local nonprofit coa-
19 litions working to prevent teenage
20 pregnancy;

21 “(II) State, local, or tribal agen-
22 cies;

23 “(III) schools;

24 “(IV) entities that provide after
25 school programs;

1 “(V) nonprofit community or
2 faith-based organizations; or

3 “(VI) other organizations des-
4 ignated by the State.

5 “(ii) SET-ASIDE FOR TRIBAL AGEN-
6 CIES.—Not less than an amount equal to
7 1.5 percent of the amount of a grant made
8 to a State under this paragraph for a fiscal
9 year shall be used to award subgrants or
10 contracts to tribal agencies.

11 “(E) SUPPLEMENTATION OF FUNDS.—A
12 State to which a grant is made under this para-
13 graph for a fiscal year shall use funds provided
14 under the grant to supplement and not sup-
15 plant funds that would otherwise be available to
16 the State for preventing teen pregnancy.

17 “(F) DATA REPORTING.—A State to which
18 a grant is made under this paragraph for a fis-
19 cal year shall cooperate with the Secretary to
20 collect information and report on outcomes of
21 programs funded under the grant, as specified
22 by the Secretary.

23 “(G) APPROPRIATION.—Out of any money
24 in the Treasury of the United States not other-

1 wise appropriated, there are appropriated for
2 making grants under this paragraph—

3 “(i) for fiscal year 2003, \$50,000,000;

4 and

5 “(ii) for each of fiscal years 2004
6 through 2007, \$100,000,000.”

7 **SEC. 222. TEEN PREGNANCY PREVENTION RESOURCE CEN-**
8 **TER.**

9 (a) **AUTHORITY TO ESTABLISH.—**

10 (1) **IN GENERAL.—**The Secretary of Health and
11 Human Services (in this section referred to as the
12 “Secretary”) shall make a grant to a nationally rec-
13 ognized, nonpartisan, nonprofit organization that
14 meets the requirements described in paragraph (2)
15 to establish and operate a national teen pregnancy
16 prevention resource center (in this section referred
17 to as the “Resource Center”) to carry out the pur-
18 poses and activities described in subsection (b).

19 (2) **CONTRACTOR REQUIREMENTS.—**The re-
20 quirements described in this paragraph are the fol-
21 lowing:

22 (A) The organization has at least 5 years
23 of experience in working with diverse sectors of
24 society to reduce teen pregnancy.

1 (B) The organization has a demonstrated
2 ability to work with and provide assistance to a
3 broad range of individuals and entities, includ-
4 ing teens, parents, the entertainment and news
5 media, State, tribal, and local organizations,
6 networks of teen pregnancy prevention practi-
7 tioners, businesses, faith and community lead-
8 ers, and researchers.

9 (C) The organization is research-based and
10 has capabilities in scientific analysis and eval-
11 uation.

12 (D) The organization has comprehensive
13 knowledge and data about teen pregnancy pre-
14 vention strategies.

15 (E) The organization has experiences oper-
16 ating a resource center that carries out activi-
17 ties similar to the activities described in sub-
18 section (b)(2).

19 (b) PURPOSES AND ACTIVITIES.—

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

22 (A) provide information and technical as-
23 sistance to States, Indian tribes, local commu-
24 nities, and other public or private organizations
25 seeking to reduce rates of teen pregnancy; and

1 (B) assist such entities in their efforts to
2 work through all forms of media to commu-
3 nicate effective messages about preventing teen
4 pregnancy, including messages that focus on
5 abstinence, responsible behavior, family commu-
6 nication, relationships, and values.

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

10 (A) Synthesizing and disseminating re-
11 search and information regarding effective and
12 promising practices to prevent teen pregnancy.

13 (B) Developing and providing information
14 on how to design and implement effective pro-
15 grams to prevent teen pregnancy.

16 (C) Helping States, local communities, and
17 other organizations increase their knowledge of
18 existing resources that can be used to advance
19 teen pregnancy prevention efforts.

20 (D) Linking organizations working to re-
21 duce teen pregnancy with experts and peer
22 groups, including the creation of technical as-
23 sistance networks.

24 (E) Providing consultation and resources
25 on how to reduce teen pregnancy through a

1 broad array of strategies, including enlisting the
2 help of various sectors of society such as par-
3 ents, other adults (such as coaches and men-
4 tors), community or faith-based groups, the en-
5 tertainment and news media, business, and
6 other teens.

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

12 (c) MEDIA CAMPAIGNS.—

13 (1) IN GENERAL.—The organization operating
14 the Resource Center may use a portion of the funds
15 appropriated to carry out this section to develop and
16 implement media campaigns directly or through
17 grants, contracts, or cooperative agreements with
18 other entities. Such campaigns may include the pro-
19 duction and distribution of printed materials and
20 messages for print media, television and radio broad-
21 cast media, the Internet, or such other media as
22 may be appropriate for reaching large numbers of
23 young people and their parents.

24 (2) MATCHING.—To the extent possible, funds
25 used to develop and implement media campaigns

1 under this subsection should be matched with non-
2 Federal resources, including in-kind contributions,
3 from public and private entities.

4 (d) COLLABORATION WITH OTHER ORGANIZA-
5 TIONS.—The organization operating the Resource Center
6 shall collaborate with other nonprofit organizations that
7 have expertise and interest in teen pregnancy prevention.

8 (e) EVALUATION.—

9 (1) RESERVATION AND AVAILABILITY OF
10 FUNDS.—Of the amount appropriated under sub-
11 section (f) for fiscal year 2003, \$5,000,000 shall be
12 reserved for use by the Secretary of Health and
13 Human Services to prepare an interim and final re-
14 port summarizing and synthesizing outcomes and
15 lessons learned from the activities funded under this
16 section. Funds reserved under the preceding sen-
17 tence shall remain available for expenditure through
18 fiscal year 2007.

19 (2) REQUIRED INFORMATION.—Each report re-
20 quired under paragraph (1) shall include—

21 (A) a rigorous scientific evaluation of at
22 least 3 such activities that are selected to rep-
23 resent a diversity of strategies; and

1 (B) an assessment of the ability to rep-
2 licate and expand activities that have proven ef-
3 fective on a smaller scale.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to the Secretary of
6 Health and Human Services to carry out this section,
7 \$10,000,000 for each of fiscal years 2003 through 2007.

8 **SEC. 223. ESTABLISHING NATIONAL GOALS TO PREVENT**
9 **TEEN PREGNANCY.**

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

13 **“SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT**
14 **TEEN PREGNANCY.**

15 “(a) IN GENERAL.—Not later than January 1, 2003,
16 the Secretary of Health and Human Services shall estab-
17 lish a national goal of reducing teen pregnancy by at least
18 25 percent by January 1, 2013.

19 “(b) REPORT.—Not later than June 30, 2003, and
20 annually thereafter, the Secretary of Health and Human
21 Services shall report to Congress with respect to the
22 progress that has been made in meeting the national goal
23 established under subsection (a).”.

1 **Subtitle D—Child Support**
2 **Distribution to Families First**
3 **CHAPTER 1—DISTRIBUTION OF CHILD**
4 **SUPPORT**

5 **SEC. 231. DISTRIBUTION OF CHILD SUPPORT COLLECTED**
6 **BY STATES ON BEHALF OF CHILDREN RE-**
7 **CEIVING CERTAIN WELFARE BENEFITS.**

8 (a) MODIFICATION OF RULE REQUIRING ASSIGN-
9 MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-
10 ING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is
11 amended to read as follows:

12 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-
13 SIGNING CERTAIN SUPPORT RIGHTS TO THE
14 STATE.—A State to which a grant is made under
15 section 403 shall require, as a condition of paying
16 assistance to a family under the State program
17 funded under this part, that a member of the family
18 assign to the State any rights the family member
19 may have (on behalf of the family member or of any
20 other person for whom the family member has ap-
21 plied for or is receiving such assistance) to support
22 from any other person, not exceeding the total
23 amount of assistance so paid to the family, which ac-
24 crues during the period that the family receives as-
25 sistance under the program.”.

1 (b) INCREASING CHILD SUPPORT PAYMENTS TO
2 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—
3 TION RULES.—

4 (1) DISTRIBUTION RULES.—

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

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

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

14 “(A) pay to the Federal Government the
15 Federal share of the amount collected, subject
16 to paragraph (3)(A);

17 “(B) retain, or pay to the family, the State
18 share of the amount collected, subject to para-
19 graph (3)(B); and

20 “(C) pay to the family any remaining
21 amount.

22 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
23 SISTANCE.—In the case of a family that formerly re-
24 ceived assistance from the State:

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

5 “(B) ARREARAGES.—Except as otherwise
6 provided in the State plan approved under sec-
7 tion 454, to the extent that the amount col-
8 lected exceeds the current support amount, the
9 State—

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

14 “(ii) if the amount collected exceeds
15 the amount required to be paid to the fam-
16 ily under clause (i), shall—

17 “(I) pay to the Federal Govern-
18 ment, the Federal share of the excess
19 amount described in this clause, sub-
20 ject to paragraph (3)(A); and

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

1 “(iii) shall pay to the family any re-
2 maining amount.

3 “(3) LIMITATIONS.—

4 “(A) FEDERAL REIMBURSEMENTS.—The
5 total of the amounts paid by the State to the
6 Federal Government under paragraphs (1) and
7 (2) with respect to a family shall not exceed the
8 Federal share of the amount assigned with re-
9 spect to the family pursuant to section
10 408(a)(3).

11 “(B) STATE REIMBURSEMENTS.—The
12 total of the amounts retained by the State
13 under paragraphs (1) and (2) with respect to a
14 family shall not exceed the State share of the
15 amount assigned with respect to the family pur-
16 suant to section 408(a)(3).

17 “(4) FAMILIES THAT NEVER RECEIVED ASSIST-
18 ANCE.—In the case of any other family, the State
19 shall pay the amount collected to the family.

20 “(5) FAMILIES UNDER CERTAIN AGREE-
21 MENTS.—Notwithstanding paragraphs (1) through
22 (4), in the case of an amount collected for a family
23 in accordance with a cooperative agreement under
24 section 454(33), the State shall distribute the

1 amount collected pursuant to the terms of the agree-
2 ment.

3 “(6) STATE FINANCING OPTIONS.—To the ex-
4 tent that the State share of the amount payable to
5 a family pursuant to paragraph (2)(B) exceeds the
6 amount that the State estimates (under procedures
7 approved by the Secretary) would have been payable
8 to the family pursuant to former section
9 457(a)(2)(B) (as in effect for the State on the day
10 before the date this subsection first applies to the
11 State) if such former section had remained in effect,
12 the State may elect to use the grant made to the
13 State under section 403(a) to pay the amount, or to
14 have the payment considered a qualified State ex-
15 penditure for purposes of section 409(a)(7), but not
16 both.

17 “(7) STATE OPTION TO PASS THROUGH ADDI-
18 TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-
19 TICIPATION.—

20 “(A) IN GENERAL.—Notwithstanding
21 paragraphs (1) and (2), a State shall not be re-
22 quired to pay to the Federal Government the
23 Federal share of an amount collected on behalf
24 of a family that is not a recipient of assistance
25 under the State program funded under part A,

1 to the extent that the State pays the amount to
2 the family.

3 “(B) RECIPIENTS OF TANF FOR LESS
4 THAN 5 YEARS.—

5 “(i) IN GENERAL.—Notwithstanding
6 paragraphs (1) and (2), a State shall not
7 be required to pay to the Federal Govern-
8 ment the Federal share of an amount col-
9 lected on behalf of a family that is a recipi-
10 ent of assistance under the State program
11 funded under part A and, if the family in-
12 cludes an adult, that has received the as-
13 sistance for not more than 5 years after
14 the date of enactment of this paragraph, to
15 the extent that—

16 “(I) the State pays the amount
17 to the family; and

18 “(II) subject to clause (ii), the
19 amount is disregarded in determining
20 the amount and type of the assistance
21 provided to the family.

22 “(ii) LIMITATION.—Of the amount
23 disregarded as described in clause (i)(II),
24 the maximum amount that may be taken
25 into account for purposes of clause (i) shall

1 not exceed \$400 per month, except that, in
2 the case of a family that includes 2 or
3 more children, the State may elect to in-
4 crease the maximum amount to not more
5 than \$600 per month.

6 “(8) STATES WITH DEMONSTRATION WAIV-
7 ERS.—Notwithstanding the preceding paragraphs, a
8 State with a waiver under section 1115 that became
9 effective on or before October 1, 1997, the terms of
10 which allow pass through of child support payments,
11 may pass through such payments in accordance with
12 such terms with respect to families subject to the
13 waiver.”.

14 (B) STATE PLAN TO INCLUDE ELECTION
15 AS TO WHICH RULES TO APPLY IN DISTRIB-
16 UTING CHILD SUPPORT ARREARAGES COL-
17 LECTED ON BEHALF OF FAMILIES FORMERLY
18 RECEIVING ASSISTANCE.—Section 454 (42
19 U.S.C. 654) is amended—

20 (i) by striking “and” at the end of
21 paragraph (32);

22 (ii) by striking the period at the end
23 of paragraph (33) and inserting “; and”;
24 and

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

3 “(34) include an election by the State to apply
4 section 457(a)(2)(B) or former section 457(a)(2)(B)
5 (as in effect for the State on the day before the date
6 this paragraph first applies to the State) to the dis-
7 tribution of the amounts which are the subject of
8 such sections, and for so long as the State elects to
9 so apply such former section, the amendments made
10 by section 211(b) of the Work and Family Act of
11 2002 shall not apply with respect to the State, not-
12 withstanding subsection (f)(1) of such section 211.”.

13 (C) APPROVAL OF ESTIMATION PROCE-
14 DURES.—Not later than October 1, 2002, the
15 Secretary of Health and Human Services, in
16 consultation with the States (as defined for
17 purposes of part D of title IV of the Social Se-
18 curity Act), shall establish the procedures to be
19 used to make the estimate described in section
20 457(a)(6) of such Act.

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

24 “(5) CURRENT SUPPORT AMOUNT.—The term
25 ‘current support amount’ means, with respect to

1 amounts collected as support on behalf of a family,
2 the amount designated as the monthly support obli-
3 gation of the noncustodial parent in the order re-
4 quiring the support.”.

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

8 (1) by striking “and” at the end of paragraph
9 (33);

10 (2) by striking the period at the end of para-
11 graph (34) and inserting “; and”; and

12 (3) by inserting after paragraph (34) the fol-
13 lowing:

14 “(35) provide that the State shall not use the
15 State program operated under this part to collect
16 any amount owed to the State by reason of costs in-
17 curred under the State plan approved under title
18 XIX for the birth of a child for whom support rights
19 have been assigned pursuant to section 408(a)(3),
20 471(a)(17), or 1912.”.

21 (d) STATE OPTION TO DISCONTINUE CERTAIN SUP-
22 PORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b))
23 is amended by striking “shall” and inserting “may, at
24 State option,”.

25 (e) CONFORMING AMENDMENTS.—

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

3 (A) by striking “or” at the end of para-
4 graph (1);

5 (B) by striking the period at the end of
6 paragraph (2) and inserting “; or”; and

7 (C) by adding at the end the following:

8 “(3) to fund payment of an amount pursuant to
9 section 457(a)(2)(B), but only to the extent that the
10 State properly elects under section 457(a)(6) to use
11 the grant to fund the payment.”.

12 (2) Section 409(a)(7)(B)(i) (42 U.S.C.
13 609(a)(7)(B)(i)) is amended—

14 (A) in subclause (I)(aa), by striking
15 “457(a)(1)(B)” and inserting “457(a)(1)”; and

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

17 “(V) PORTIONS OF CERTAIN
18 CHILD SUPPORT PAYMENTS COL-
19 LECTED ON BEHALF OF AND DISTRIB-
20 UTED TO FAMILIES NO LONGER RE-
21 CEIVING ASSISTANCE.—Such term
22 does not include any amount paid by
23 a State pursuant to section
24 457(a)(2)(B), but only to the extent
25 that the State properly elects under

1 section 457(a)(6) to not have the pay-
2 ment considered a qualified State ex-
3 penditure.”.

4 (f) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall take effect on October 1, 2005,
7 and shall apply to payments under parts A and D
8 of title IV of the Social Security Act for calendar
9 quarters beginning on or after such date, and with-
10 out regard to whether regulations to implement the
11 amendment (in the case of State programs operated
12 under such part D) are promulgated by such date.

13 (2) STATE OPTION TO ACCELERATE EFFECTIVE
14 DATE.—A State may elect to have the amendment
15 made by subsection (a), the amendments made by
16 subsections (b) and (e), or the amendment made by
17 subsection (d) apply to the State and to amounts
18 collected by the State, on and after such date as the
19 State may select that is after the date of enactment
20 of this Act, by including an election to that effect in
21 the State plan under part D of title IV of the Social
22 Security Act.

1 **CHAPTER 2—DEMONSTRATIONS OF EX-**
2 **PANDED INFORMATION AND EN-**
3 **FORCEMENT**

4 **SEC. 241. GUIDELINES FOR INVOLVEMENT OF PUBLIC NON-**
5 **IV-D CHILD SUPPORT ENFORCEMENT AGEN-**
6 **CIES IN CHILD SUPPORT ENFORCEMENT.**

7 (a) IN GENERAL.—Not later than October 1, 2002,
8 the Secretary, in consultation with States, local govern-
9 ments, and individuals or companies knowledgeable about
10 involving public non-IV–D child support enforcement
11 agencies in child support enforcement, shall develop rec-
12 ommendations which address the participation of public
13 non-IV–D child support enforcement agencies in the es-
14 tablishment and enforcement of child support obligations.
15 The matters addressed by the recommendations shall in-
16 clude substantive and procedural rules which should be
17 followed with respect to privacy safeguards, data security,
18 due process rights, administrative compatibility with Fed-
19 eral and State automated systems, eligibility requirements
20 (such as registration, licensing, and posting of bonds) for
21 access to information and use of enforcement mechanisms,
22 recovery of costs by charging fees, penalties for violations
23 of the rules, treatment of collections for purposes of sec-
24 tion 458 of such Act (42 U.S.C. 658), and avoidance of
25 duplication of effort.

1 (b) DEFINITIONS.—In this title:

2 (1) CHILD SUPPORT.—The term “child sup-
3 port” has the meaning given in section 459(i)(2) of
4 the Social Security Act (42 U.S.C. 659(i)(2)).

5 (2) PUBLIC NON-IV-D CHILD SUPPORT EN-
6 FORCEMENT AGENCY.—The term “public non-IV-D
7 child support enforcement agency” means an agency,
8 of a political subdivision of a State, which is prin-
9 cipally responsible for the operation of a child sup-
10 port registry or for the establishment or enforcement
11 of an obligation to pay child support other than pur-
12 suant to the State plan approved under part D of
13 title IV of such Act (42 U.S.C. 651 et seq.), or a
14 clerk of court office of a political subdivision of a
15 State.

16 (3) SECRETARY.—The term “Secretary” means
17 the Secretary of Health and Human Services.

18 (4) STATE.—The term “State” shall have the
19 meaning given in section 1101(a)(1) of the Social
20 Security Act (42 U.S.C. 1301(a)(1)) for purposes of
21 part D of title IV of such Act (42 U.S.C. 651 et
22 seq.).

1 **SEC. 242. DEMONSTRATIONS INVOLVING ESTABLISHMENT**
2 **AND ENFORCEMENT OF CHILD SUPPORT OB-**
3 **LIGATIONS BY PUBLIC NON-IV-D CHILD SUP-**
4 **PORT ENFORCEMENT AGENCIES.**

5 (a) PURPOSE.—The purpose of this section is to de-
6 termine the extent to which public non-IV–D child support
7 enforcement agencies may contribute effectively to the es-
8 tablishment and enforcement of child support obligations
9 by coordinating with law enforcement agencies, employ-
10 ment agencies and organizations, hospitals and other
11 health care providers, and other stakeholders to establish
12 methods to reach out to noncustodial parents with child
13 support obligations and prevent nonpayment of such obli-
14 gations.

15 (b) APPLICATIONS.—

16 (1) CONSIDERATION.—The Secretary shall con-
17 sider all applications received from States desiring to
18 conduct demonstration projects under this section.

19 (2) PREFERENCES.—In considering which ap-
20 plications to approve under this section, the Sec-
21 retary shall give preference to applications submitted
22 by States that had a public non-IV–D child support
23 enforcement agency as of January 1, 2002.

24 (3) APPROVAL.—

25 (A) TIMING; LIMITATION ON NUMBER OF
26 PROJECTS.—Not later than July 1, 2003, the

1 Secretary may approve not more than 10 appli-
2 cations for projects providing for the participa-
3 tion of a public non-IV-D child support en-
4 forcement agency in the establishment and en-
5 forcement of child support obligations, and, if
6 the Secretary receives at least 5 such applica-
7 tions that meet such requirements as the Sec-
8 retary may establish, shall approve not less
9 than 5 such applications.

10 (B) REQUIREMENTS.—The Secretary may
11 not approve an application for a project
12 unless—

13 (i) the applicant and the Secretary
14 have entered into a written agreement
15 which addresses at a minimum, privacy
16 safeguards, data security, due process
17 rights, automated systems, liability, over-
18 sight, and fees, and the applicant has
19 made a commitment to conduct the project
20 in accordance with the written agreement
21 and such other requirements as the Sec-
22 retary may establish;

23 (ii) the project includes a research
24 plan (but such plan shall not be required
25 to use random assignment) that is focused

1 on assessing the costs and benefits of the
2 project; and

3 (iii) the project appears likely to con-
4 tribute significantly to the achievement of
5 the purpose of this title.

6 (c) DEMONSTRATION AUTHORITY.—On approval of
7 an application submitted by a State under this section—

8 (1) the State agency responsible for admin-
9 istering the State plan under part D of title IV of
10 the Social Security Act (42 U.S.C. 651 et seq.) may,
11 subject to the privacy safeguards of section 454(26)
12 of such Act (42 U.S.C. 654(26)), provide to any
13 public non-IV–D child support enforcement agency
14 participating in the demonstration project all infor-
15 mation in the State Directory of New Hires and any
16 information obtained through information compari-
17 sons under section 453(j)(3) of such Act (42 U.S.C.
18 653(j)(3)) about an individual with respect to whom
19 the public non-IV–D agency is seeking to establish
20 or enforce a child support obligation, if the public
21 non-IV–D agency meets such requirements as the
22 State may establish and has entered into an agree-
23 ment with the State under which the public non-IV–
24 D agency has made a binding commitment to carry
25 out establishment and enforcement activities with re-

1 spect to the child support obligation subject to the
2 same data security, privacy protection, and due
3 process requirements applicable to the State agency
4 and in accordance with procedures approved by the
5 head of the State agency;

6 (2) the State agency may charge and collect
7 fees from any such public non-IV-D agency to re-
8 cover costs incurred by the State agency in providing
9 information and services to the public non-IV-D
10 agency under the demonstration project;

11 (3) if a public non-IV-D child support enforce-
12 ment agency has agreed to collect past-due support
13 (as defined in section 464(c) of such Act (42 U.S.C.
14 664(c))) owed by a named individual, and the State
15 agency has submitted a notice to the Secretary of
16 the Treasury pursuant to section 464 of such Act on
17 behalf of the public non-IV-D agency, then the Sec-
18 retary of the Treasury shall consider the State agen-
19 cy to have agreed to collect such support for pur-
20 poses of such section 464, and the State agency may
21 collect from the public non-IV-D agency any fee
22 which the State is required to pay for the cost of ap-
23 plying the offset procedure in the case;

24 (4) for so long as a public non-IV-D child sup-
25 port enforcement agency is participating in the dem-

1 onstration project, the public non-IV-D agency shall
2 be considered part of the State agency for purposes
3 of section 469A of such Act (42 U.S.C. 669a); and

4 (5) for so long as a public non-IV-D child sup-
5 port enforcement agency is participating in the dem-
6 onstration project, the public non-IV-D agency shall
7 be considered part of the State agency for purposes
8 of section 303(e) of such Act (42 U.S.C. 503(e)) but
9 only with respect to any child support obligation
10 that the public non-IV-D agency has agreed to col-
11 lect.

12 (d) WAIVER AUTHORITY.—The Secretary may waive
13 or vary the applicability of any provision of section 303(e),
14 454(31), 464, 466(a)(7), 466(a)(17), or 469A of the So-
15 cial Security Act (42 U.S.C. 503(e), 654(31), 664,
16 666(a)(7), 666(a)(17), 669a) to the extent necessary to
17 enable the conduct of demonstration projects under this
18 section, subject to the preservation of the data security,
19 privacy protection, and due process requirements of part
20 D of title IV of such Act (42 U.S.C. 651 et seq.).

21 (e) FEDERAL AUDIT.—

22 (1) IN GENERAL.—The Comptroller General of
23 the United States shall conduct an audit of the dem-
24 onstration projects conducted under this section for
25 the purpose of examining and evaluating the manner

1 in which information and enforcement tools are used
2 by the public non-IV-D child support enforcement
3 agencies participating in the projects.

4 (2) REPORT TO CONGRESS.—

5 (A) IN GENERAL.—The Comptroller Gen-
6 eral of the United States shall submit to Con-
7 gress a report on the audit required by para-
8 graph (1).

9 (B) TIMING.—The report required by sub-
10 paragraph (A) shall be so submitted not later
11 than October 1, 2005.

12 (f) SECRETARIAL REPORT TO CONGRESS.—

13 (1) IN GENERAL.—The Secretary shall submit
14 to Congress a report on the demonstration projects
15 conducted under this section, which shall include the
16 results of any research or evaluation conducted pur-
17 suant to this title, and shall include policy rec-
18 ommendations regarding the establishment and en-
19 forcement of child support obligations by the agen-
20 cies involved.

21 (2) TIMING.—The report required by paragraph
22 (1) shall be so submitted not later than October 1,
23 2006.

1 **SEC. 243. GAO REPORT TO CONGRESS ON PRIVATE CHILD**
2 **SUPPORT ENFORCEMENT AGENCIES.**

3 (a) IN GENERAL.—Not later than October 1, 2002,
4 the Comptroller General of the United States shall submit
5 to Congress a report on the activities of private child sup-
6 port enforcement agencies that shall be designed to help
7 Congress determine whether the agencies are providing a
8 needed service in a fair manner using accepted debt collec-
9 tion practices and at a reasonable fee.

10 (b) MATTERS TO BE ADDRESSED.—Among the mat-
11 ters addressed by the report required by subsection (a)
12 shall be the following:

13 (1) The number of private child support en-
14 forcement agencies.

15 (2) The types of debt collection activities con-
16 ducted by the private agencies.

17 (3) The fees charged by the private agencies.

18 (4) The methods used by the private agencies
19 to collect fees from custodial parents.

20 (5) The nature and degree of cooperation the
21 private agencies receive from State agencies respon-
22 sible for administering State plans under part D of
23 title IV of the Social Security Act (42 U.S.C. 651
24 et seq.).

25 (6) The extent to which the conduct of the pri-
26 vate agencies is subject to Federal or State regula-

1 tion, and if so, the extent to which the regulations
2 are effectively enforced.

3 (7) The amount of child support owed but un-
4 collected and changes in this amount in recent years.

5 (8) The average period of time required for the
6 completion of successful enforcement actions yielding
7 collections of past-due child support by both the
8 child support enforcement programs operated pursu-
9 ant to State plans approved under part D of title IV
10 of the Social Security Act (42 U.S.C. 651 et seq.)
11 and, to the extent known, by private child support
12 enforcement agencies.

13 (9) The types of Federal and State child sup-
14 port enforcement remedies and resources currently
15 available to private child support enforcement agen-
16 cies, and the types of such remedies and resources
17 now restricted to use by State agencies admin-
18 istering State plans referred to in paragraph (8).

19 (c) PRIVATE CHILD SUPPORT ENFORCEMENT AGEN-
20 CY DEFINED.—In this section, the term “private child
21 support enforcement agency” means a person or any other
22 nonpublic entity which seeks to establish or enforce an ob-
23 ligation to pay child support (as defined in section
24 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)).

1 **SEC. 244. EFFECTIVE DATE.**

2 This chapter shall take effect on the date of enact-
3 ment of this Act.

4 **CHAPTER 3—EXPANDED ENFORCEMENT**

5 **SEC. 251. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**
6 **REARAGE TRIGGERING PASSPORT DENIAL.**

7 Section 452(k) (42 U.S.C. 652(k)) is amended by
8 striking “\$5,000” and inserting “\$2,500”.

9 **SEC. 252. USE OF TAX REFUND INTERCEPT PROGRAM TO**
10 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
11 **HALF OF CHILDREN WHO ARE NOT MINORS.**

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

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

16 (2) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) by striking “(1) Except as pro-
19 vided in paragraph (2), as used in” and in-
20 serting “In”; and

21 (ii) by inserting “(whether or not a
22 minor)” after “a child” each place it ap-
23 pears; and

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

1 **SEC. 253. GARNISHMENT OF COMPENSATION PAID TO VET-**
2 **ERANS FOR SERVICE-CONNECTED DISABIL-**
3 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
4 **PORT OBLIGATIONS.**

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

6 (1) in paragraph (1)(A)(ii)—

7 (A) in subclause (IV), by striking “or”
8 after the semicolon;

9 (B) in subclause (V), by inserting “or”
10 after the semicolon; and

11 (C) by adding at the end the following:

12 “(VI) subject to paragraph (3),
13 other than periodic benefits or pay-
14 ments described in subclause (V), by
15 the Secretary of Veterans Affairs as
16 compensation for a service-connected
17 disability paid by the Secretary to a
18 former member of the Armed
19 Forces;”;

20 (2) in paragraph (1)(B)(iii), by striking “sub-
21 paragraph (A)(ii)(V)” and inserting “subclauses (V)
22 and (VI) of subparagraph (A)(ii)”; and

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

24 “(3) LIMITATIONS WITH RESPECT TO COM-
25 PENSATION PAID TO VETERANS FOR SERVICE-CON-
26 NECTED DISABILITIES.—

1 “(A) ALIMONY AND CHILD SUPPORT.—
 2 Compensation described in paragraph
 3 (1)(A)(ii)(VI) shall not be subject to with-
 4 holding pursuant to this section—

5 “(i) for payment of alimony; or

6 “(ii) for payment of child support if
 7 the individual is fewer than 60 days in ar-
 8 rears in payment of the support.

9 “(B) LIMITATION.—Not more than 50 per-
 10 cent of any payment of compensation described
 11 in subparagraph (A) may be withheld pursuant
 12 to this section.”.

13 **CHAPTER 4—MISCELLANEOUS**

14 **SEC. 261. REPORT ON UNDISTRIBUTED CHILD SUPPORT** 15 **PAYMENTS.**

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

1 port to be distributed. The Secretary shall include in the
2 report recommendations as to whether additional proce-
3 dures should be established at the Federal or State level
4 to expedite the payment of undistributed child support.

5 **SEC. 262. USE OF NEW HIRE INFORMATION TO ASSIST IN**
6 **ADMINISTRATION OF UNEMPLOYMENT COM-**
7 **PENSATION PROGRAMS.**

8 Section 453(j) (42 U.S.C. 653(j)) is amended by add-
9 ing at the end the following:

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

13 “(A) IN GENERAL.—If a State agency re-
14 sponsible for the administration of an unem-
15 ployment compensation program under Federal
16 or State law transmits to the Secretary the
17 name and social security account number of an
18 individual, the Secretary shall, if the informa-
19 tion in the National Directory of New Hires in-
20 dicates that the individual may be employed,
21 disclose to the State agency the name, address,
22 and employer identification number of any pu-
23 tative employer of the individual, subject to this
24 paragraph.

1 “(B) CONDITION ON DISCLOSURE.—The
2 Secretary shall make a disclosure under sub-
3 paragraph (A) only to the extent that the Sec-
4 retary determines that the disclosure would not
5 interfere with the effective operation of the pro-
6 gram under this part.

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

11 **SEC. 263. IMMIGRATION PROVISIONS.**

12 (a) NONIMMIGRANT ALIENS INELIGIBLE TO RE-
13 CEIVE VISAS AND EXCLUDED FROM ADMISSION FOR
14 NONPAYMENT OF CHILD SUPPORT.—

15 (1) IN GENERAL.—Section 212(a)(10) of the
16 Immigration and Nationality Act (8 U.S.C.
17 1182(a)(10)) is amended by adding at the end the
18 following:

19 “(F) NONPAYMENT OF CHILD SUPPORT.—

20 “(i) IN GENERAL.—Any non-
21 immigrant alien is inadmissible who is le-
22 gally obligated under a judgment, decree,
23 or order to pay child support (as defined in
24 section 459(i)(2) of the Social Security
25 Act), and whose failure to pay such child

1 support has resulted in an arrearage ex-
2 ceeding \$2,500, until child support pay-
3 ments under the judgment, decree, or
4 order are satisfied or the nonimmigrant
5 alien is in compliance with an approved
6 payment agreement.

7 “(ii) WAIVER AUTHORIZED.—The At-
8 torney General may waive the application
9 of clause (i) in the case of an alien, if the
10 Attorney General—

11 “(I) has received a request for
12 the waiver from the court or adminis-
13 trative agency having jurisdiction over
14 the judgment, decree, or order obli-
15 gating the alien to pay child support
16 that is referred to in such clause; or

17 “(II) determines that there are
18 prevailing humanitarian or public in-
19 terest concerns.”.

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

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

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

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

6 “(A) IN GENERAL.—To the extent con-
7 sistent with State law, immigration officers are
8 authorized to serve on any alien who is an ap-
9 plicant for admission to the United States legal
10 process with respect to any action to enforce or
11 establish a legal obligation of an individual to
12 pay child support (as defined in section
13 459(i)(2) of the Social Security Act).

14 “(B) DEFINITION.—For purposes of sub-
15 paragraph (A), the term ‘legal process’ means
16 any writ, order, summons, or other similar
17 process, which is issued by—

18 “(i) a court or an administrative
19 agency of competent jurisdiction in any
20 State, territory, or possession of the
21 United States; or

22 “(ii) an authorized official pursuant to
23 an order of such a court or agency or pur-
24 suant to State or local law.”.

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

5 (c) AUTHORIZATION TO SHARE CHILD SUPPORT EN-
6 FORCEMENT INFORMATION TO ENFORCE IMMIGRATION
7 AND NATURALIZATION LAW.—

8 (1) SECRETARIAL RESPONSIBILITY.—Section
9 452 (42 U.S.C. 652) is amended by adding at the
10 end the following:

11 “(m) If the Secretary receives a certification by a
12 State agency, in accordance with section 454(36), that an
13 individual who is a nonimmigrant alien (as defined in sec-
14 tion 101(a)(15) of the Immigration and Nationality Act)
15 owes arrearages of child support in an amount exceeding
16 \$2,500, the Secretary may, at the request of the State
17 agency, the Secretary of State, or the Attorney General,
18 or on the Secretary’s own initiative, provide the certifi-
19 cation to the Secretary of State and the Attorney General
20 in order to enable them to carry out their responsibilities
21 under sections 212(a)(10) and 235(d) of such Act.”.

22 (2) STATE AGENCY RESPONSIBILITY.—Section
23 454 (42 U.S.C. 654), as amended by section 231(c),
24 is amended—

1 (A) by striking “and” at the end of para-
2 graph (34);

3 (B) by striking the period at the end of
4 paragraph (35) and inserting “; and”; and

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

7 “(36) provide that the State agency will have in
8 effect a procedure for certifying to the Secretary, in
9 such format and accompanied by such supporting
10 documentation as the Secretary may require, deter-
11 minations that nonimmigrant aliens owe arrearages
12 of child support in an amount exceeding \$2,500.”.

13 **SEC. 264. INCREASE IN PAYMENT RATE TO STATES FOR EX-**
14 **PENDITURES FOR SHORT-TERM TRAINING OF**
15 **STAFF OF CERTAIN CHILD WELFARE AGEN-**
16 **CIES.**

17 Section 474(a)(3)(B) (42 U.S.C. 674(a)(3)(B)) is
18 amended by inserting “or State-licensed or State-approved
19 child welfare agencies providing services to such children,”
20 after “this part,”.

21 **SEC. 265. CORRECTION OF ERRORS IN CONFORMING**
22 **AMENDMENTS IN THE WELFARE-TO-WORK**
23 **AND CHILD SUPPORT AMENDMENTS OF 1999.**

24 The amendments made by section 2402 of the Emer-
25 gency Supplemental Act, 2000 (Public Law 106–246; 114

1 Stat. 555) shall take effect as if included in the enactment
2 of section 806 of the Departments of Labor, Health and
3 Human Services, and Education, and Related Agencies
4 Appropriations Act, 2000 (as enacted into law by section
5 1000(a)(4) of Public Law 106–113; 113 Stat. 1501A–
6 286).

7 **SEC. 266. TECHNICAL CORRECTION TO CHANGED DATES**
8 **FOR ABSTINENCE EVALUATION.**

9 (a) IN GENERAL.—Section 513 of the Departments
10 of Labor, Health and Human Services, and Education,
11 and Related Agencies Appropriations Act, 2001, as en-
12 acted into law by section 1(a)(1) of the Consolidated Ap-
13 propriations Act, 2001 (Public Law 106–554; 114 Stat.
14 2763A–71), is amended—

15 (1) in subsection (a), by striking “Section
16 403(a)(5)(H)(iii) of the Social Security Act (42
17 U.S.C. 603(a)(5)(H)(iii))” and inserting “Section
18 403(a)(5)(G)(iii) of the Social Security Act (42
19 U.S.C. 603(a)(5)(G)(iii)) (as redesignated by section
20 107(a) of this Act)”; and

21 (2) in subsection (b), by striking “Section
22 403(a)(5)(H)” and inserting “Section 403(a)(5)(G)
23 (as so redesignated)”.

24 (b) EFFECTIVE DATE.—The amendments made by
25 subsection (a) shall take effect as if included in the enact-

1 ment of section 513 of the Departments of Labor, Health
 2 and Human Services, and Education, and Related Agen-
 3 cies Appropriations Act, 2001, as so enacted into law.

4 **TITLE III—PROVIDING**
 5 **FLEXIBILITY AND RESOURCES**
 6 **Subtitle A—Resources Under TANF**

7 **SEC. 301. REAUTHORIZATION OF STATE FAMILY ASSIST-**
 8 **ANCE GRANTS.**

9 Section 403(a)(1) is amended (42 U.S.C.
 10 603(a)(1))—

11 (1) in subparagraph (A), by striking “1996”
 12 and all that follows through “2002” and inserting
 13 “2003 through 2007”; and

14 (2) in subparagraph (E), by striking “fiscal
 15 years 1996” and all that follows through “2002”
 16 and inserting “each of fiscal years 2003 through
 17 2007”.

18 **SEC. 302. CONTINGENCY FUND.**

19 (a) CONTINGENCY FUNDING AVAILABLE TO NEEDY
 20 STATES.—Section 403(b) (42 U.S.C. 603(b)) is
 21 amended—

22 (1) by striking paragraphs (1) through (3) and
 23 inserting the following:

24 “(1) CONTINGENCY FUND GRANTS.—

1 “(A) PAYMENTS.—Subject to subpara-
2 graph (C), each State shall receive a contin-
3 gency fund grant for each eligible month in
4 which the State is a needy State under para-
5 graph (3).

6 “(B) MONTHLY CONTINGENCY FUND
7 GRANT AMOUNT.—For each eligible month in
8 which a State is a needy State, the State shall
9 receive a contingency fund grant equal to the
10 higher of \$0 and the applicable percentage (as
11 defined in subparagraph (D)(i)) of the product
12 of—

13 “(i) the estimated cost of an addi-
14 tional recipient family (as defined in sub-
15 paragraph (D)(ii)); and

16 “(ii) the increase in the number of
17 families receiving assistance under the
18 State program funded under this part or a
19 program funded with qualified State ex-
20 penditures (as defined in subparagraph
21 (D)(iv)).

22 “(C) LIMITATION.—The total amount paid
23 to a single State under subparagraph (A) dur-
24 ing a fiscal year shall not exceed the amount
25 equal to 15 percent of the State family assist-

1 ance grant (as defined under subparagraph (B)
2 of subsection (a)(1) and increased under sub-
3 paragraph (E) of that subsection).

4 “(D) DEFINITIONS.—In this paragraph:

5 “(i) APPLICABLE PERCENTAGE.—The
6 term ‘applicable percentage’ means the
7 higher of—

8 “(I) 75 percent; and

9 “(II) the sum of the Federal
10 medical assistance percentage for the
11 State (as defined in section 1905(b))
12 plus 8 percentage points.

13 “(ii) ESTIMATED COST OF AN ADDI-
14 TIONAL RECIPIENT FAMILY.—The term
15 ‘estimated cost of an additional recipient
16 family’ means the amount equal to 120
17 percent of the basic assistance cost (as de-
18 fined under clause (iii)) for families receiv-
19 ing assistance under the State program
20 funded under this part or under a program
21 funded with qualified State expenditures
22 (as defined in section 409(a)(7)(B)(i)).

23 “(iii) BASIC ASSISTANCE COST.—

24 “(I) IN GENERAL.—The term
25 ‘basic assistance cost’ means the

1 amount equal to the maximum cash
2 assistance grant for a family con-
3 sisting of 3 individuals under the
4 State program funded under this part.

5 “(II) RULE FOR STATES WITH
6 MORE THAN 1 MAXIMUM LEVEL.—In
7 the case of a State that has more
8 than 1 maximum cash assistance
9 grant level for families consisting of 3
10 individuals, the basic assistance cost
11 shall be the amount equal to the max-
12 imum cash assistance grant level ap-
13 plicable to the largest number of fami-
14 lies consisting of 3 individuals receiv-
15 ing assistance under the State pro-
16 gram funded under this part or a
17 State program funded with qualified
18 State expenditures (as defined in sec-
19 tion 409(a)(7)(B)(i)).

20 “(iv) INCREASE IN THE NUMBER OF
21 FAMILIES RECEIVING ASSISTANCE UNDER
22 THE STATE PROGRAM FUNDED UNDER
23 THIS PART OR A PROGRAM FUNDED WITH
24 QUALIFIED STATE EXPENDITURES.—The
25 term ‘increase in the number of families

1 receiving assistance under the State pro-
2 gram funded under this part or a program
3 funded with qualified State expenditures’
4 means the increase in—

5 “(I) the number of families re-
6 ceiving assistance under the State
7 program funded under this part and
8 under a program funded with quali-
9 fied State expenditures (as defined in
10 section 409(a)(7)(B)(i)) in the most
11 recent month for which data from the
12 State are available; as compared to

13 “(II) the lower of the average
14 monthly number of families receiving
15 such assistance in either of the 2 com-
16 pleted fiscal years immediately pre-
17 ceding the fiscal year in which the
18 State qualifies as a needy State.

19 “(E) APPROPRIATION.—Out of any money
20 in the Treasury of the United States not other-
21 wise appropriated, there are appropriated for
22 the period of fiscal years 2003 through 2007,
23 such sums as are necessary for making contin-
24 gency fund grants under this subsection in a
25 total amount not to exceed \$2,000,000,000.”;

1 (2) by redesignating paragraph (4) as para-
2 graph (2); and

3 (3) in paragraph (2), as so redesignated—

4 (A) by striking “(3)(A)” and inserting
5 “(1)”; and

6 (B) by striking “2-month” and inserting
7 “3-month”.

8 (b) MODIFICATION OF DEFINITION OF NEEDY
9 STATE.—Section 403(b) (42 U.S.C. 603(b)) is further
10 amended—

11 (1) by striking paragraphs (5) through (7);

12 (2) by redesignating paragraph (8) as para-
13 graph (5); and

14 (3) by inserting after paragraph (2) (as redesign-
15 ated by subsection (a)(2)) the following:

16 “(3) INITIAL DETERMINATION OF WHETHER A
17 STATE QUALIFIES AS A NEEDY STATE.—

18 “(A) IN GENERAL.—For purposes of para-
19 graph (1), a State will be initially determined to
20 be a needy State for a month if the State satis-
21 fies at least 2 of the following:

22 “(i) The—

23 “(I) average rate of total unem-
24 ployment in the State for the period
25 consisting of the most recent 3

1 months for which data are available
2 has increased by the lesser of 1.5 per-
3 centage points or by 50 percent over
4 the corresponding 3-month period in
5 either of the 2 most recent preceding
6 fiscal years; or

7 “(II) average insured unemploy-
8 ment rate for the most recent 3
9 months for which data are available
10 has increased by 1 percentage point
11 over the corresponding 3-month pe-
12 riod in either of the 2 most recent
13 preceding fiscal years.

14 “(ii) As determined by the Secretary
15 of Agriculture, the monthly average num-
16 ber of households (as of the last day of
17 each month) that participated in the food
18 stamp program in the State in the then
19 most recently concluded 3-month period
20 for which data are available exceeds by at
21 least 10 percent the monthly average num-
22 ber of households (as of the last day of
23 each month) in the State that participated
24 in the food stamp program in the cor-
25 responding 3-month period in either of the

1 2 most recent preceding fiscal years, pro-
2 vided that the Secretary makes a deter-
3 mination that the State's increase in the
4 number of such households was due, in
5 large measure, to economic conditions
6 rather than an expansion of program eligi-
7 bility requirements.

8 “(iii) As determined by the Secretary,
9 the monthly average number of families
10 that received assistance under the State
11 program funded under this part or under
12 a program funded with qualified State ex-
13 penditures (as defined in section
14 409(a)(7)(B)(i)) in the most recently con-
15 cluded 3-month period for which data are
16 available from the State increased by at
17 least 10 percent over the number of such
18 families that received such benefits in the
19 corresponding 3-month period in either of
20 the 2 most recent preceding fiscal years,
21 provided that the Secretary makes a deter-
22 mination that the State's increased case-
23 load was due, in large measure, to eco-
24 nomic conditions rather than an expansion
25 of program eligibility requirements.

1 “(B) DURATION.—

2 “(i) IN GENERAL.—A State that
3 qualifies as a needy State—

4 “(I) under subparagraph (A)(i),
5 shall be considered a needy State until
6 the factor which was used to meet the
7 definition of needy State under that
8 subparagraph for the most recently
9 concluded 3-month period for which
10 data are available, falls below the level
11 attained for such factor in the 3-
12 month period in which the State first
13 qualified as a needy State under that
14 subparagraph;

15 “(II) under subparagraph (A)(ii),
16 shall be considered a needy State until
17 the average monthly number of house-
18 holds participating in the food stamp
19 program for the most recently con-
20 cluded 3-month period for which data
21 are available nationally falls below the
22 food stamp base period level; and

23 “(III) under subparagraph
24 (A)(iii), shall be considered a needy
25 State until the number of families re-

1 ceiving assistance under the State
2 program funded under this part or
3 under a program funded with quali-
4 fied State expenditures (as defined in
5 section 409(a)(7)(B)(i)) for the most
6 recently concluded 3-month period for
7 which data are available falls below
8 the TANF base period level.

9 “(ii) SEASONAL VARIATIONS.—Not-
10 withstanding subclauses (II) and (III) of
11 clause (i), a State shall be considered a
12 needy State—

13 “(I) under subparagraph (A)(ii),
14 if with respect to the State, the
15 monthly average number of house-
16 holds participating in the food stamp
17 program for the most recent 3-month
18 period for which data are available na-
19 tionally falls below the food stamp
20 base period level and the Secretary
21 determines that this is due to ex-
22 pected seasonal variations in food
23 stamp receipt in the State; and

24 “(II) under subparagraph
25 (A)(iii), if, with respect to a State, the

1 monthly average number of families
2 receiving assistance under the State
3 program funded under this part or
4 under a program funded with quali-
5 fied State expenditures (as defined in
6 section 409(a)(7)(B)(i)) for the most
7 recently concluded 3-month period for
8 which data are available nationally
9 falls below the TANF base period
10 level and the Secretary determines
11 that this is due to expected seasonal
12 variations in assistance receipt in the
13 State.

14 “(iii) FOOD STAMP BASE PERIOD
15 LEVEL.—In this subparagraph, the term
16 ‘food stamp base period level’ means the
17 monthly average number of households
18 participating in the food stamp program
19 that corresponds to the most recent 3-
20 month period for which data are available
21 at the time when the State first was deter-
22 mined to be a needy State under this para-
23 graph.

24 “(iv) TANF BASE PERIOD LEVEL.—
25 In this subparagraph, the term ‘TANF

1 base period level' means the monthly aver-
2 age number of families receiving assistance
3 under the State program funded under this
4 part or under a program funded with
5 qualified State expenditures (as defined in
6 section 409(a)(7)(B)(i)) that corresponds
7 to the most recent 3 months for which
8 data are available at the time when the
9 State first was determined to be a needy
10 State under this paragraph.

11 “(4) EXCEPTION.—

12 “(A) IN GENERAL.—Notwithstanding para-
13 graph (3), a State that has unobligated TANF
14 reserves from prior fiscal years that equal more
15 than 25 percent of the total amount of grants
16 received by the State under subsection (a)
17 (other than welfare-to-work grants made under
18 paragraph (5) of that subsection prior to fiscal
19 year 1999) but not yet obligated as of the end
20 of the preceding fiscal year shall not be a needy
21 State under this subsection.

22 “(B) DEFINITION OF UNOBLIGATED TANF
23 RESERVES.—In subparagraph (A), the term
24 ‘unobligated TANF reserves’ means the lessor
25 of—

1 “(i) the total amount of grants made
2 to the State (regardless of the fiscal year
3 in which such funds were awarded) under
4 subsection (a) (other than welfare-to-work
5 grants made under paragraph (5) of that
6 subsection prior to fiscal year 1999) but
7 not yet obligated as of the end of the pre-
8 ceding fiscal year; and

9 “(ii) the total amount of grants made
10 to the State under subsection (a) (other
11 than welfare-to-work grants made under
12 paragraph (5) of that subsection prior to
13 fiscal year 1999) but not yet obligated as
14 of the end of the preceding fiscal year, plus
15 the difference between—

16 “(I) the pro rata share of the fis-
17 cal year grants to be made under sub-
18 section (a) to the State (other than
19 such welfare-to-work grants); and

20 “(II) current year obligations of
21 the total amount of grants made to all
22 States under subsection (a) (regard-
23 less of the fiscal year in which such
24 funds were awarded) (other than such
25 welfare-to-work grants) through the

1 end of the most recent calendar quar-
2 ter.”.

3 (c) CLARIFICATION OF REPORTING REQUIRE-
4 MENTS.—Paragraph (5) of section 403(b) (42 U.S.C.
5 603(b)), as redesignated by subsection (b)(2), is amended
6 by striking “on the status of the Fund” and inserting “on
7 the States that qualified for contingency funds and the
8 amount of funding awarded under this subsection”.

9 **SEC. 303. REAUTHORIZATION OF SUPPLEMENTAL GRANTS**
10 **FOR POPULATION INCREASES.**

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

12 (1) in subparagraph (A)(ii), in the matter pre-
13 ceding subclause (I), by striking “, 2000, and 2001”
14 and inserting “through 2007”;

15 (2) in subparagraph (C)(iii), in the matter pre-
16 ceding subclause (I), by striking “fiscal years 1998,
17 1999, 2000, and 2001” and inserting “each of fiscal
18 years 1998 through 2007”;

19 (3) in subparagraph (E), by striking “1998,
20 1999, 2000, and 2001” and inserting “2003
21 through 2007”; and

22 (4) in subparagraph (G), by striking “2001”
23 and inserting “2007”.

1 **SEC. 304. GRANTS TO STATES FOR ADMINISTRATIVE COSTS**
2 **OF IMPLEMENTING INCREASED WORK RE-**
3 **QUIREMENTS AND TO ENHANCE STATE CAPA-**
4 **BILITIES AND CASEWORKER TRAINING.**

5 Section 403(a) (42 U.S.C. 603(a)), as amended by
6 section 111, is amended by adding at the end the fol-
7 lowing:

8 “(7) GRANTS TO STATES FOR ADMINISTRATIVE
9 COSTS OF IMPLEMENTING INCREASED WORK RE-
10 QUIREMENTS AND TO ENHANCE STATE CAPABILI-
11 TIES AND CASEWORKER TRAINING.—

12 “(A) IN GENERAL.—The Secretary shall
13 pay each eligible State (as defined in section
14 402(a)) the amount determined under subpara-
15 graph (C) for a fiscal year.

16 “(B) USE OF FUNDS.—Funds made avail-
17 able through a grant made under this para-
18 graph shall be used for administrative costs in-
19 curred by a State in order to comply with the
20 work requirements applicable to recipients
21 under the State program funded under this
22 part as a result of the amendments made by
23 the Work and Family Act of 2002, for technical
24 enhancement of State capabilities with respect
25 to the administration of the State program, and

1 for caseworker training, including any of the
2 following:

3 “(1) Upgrading computer systems and data
4 processing equipment.

5 “(2) Hiring additional staff to comply with re-
6 porting requirements and work requirements im-
7 posed under this part.

8 “(3) Incurring expenditures for resources and
9 support necessary to comply with increased adminis-
10 trative requirements resulting from the amendments
11 made to this part by the Work and Family Act of
12 2002.

13 “(4) Developing staff training and career devel-
14 opment programs in information technology to im-
15 prove the quality of services and maximize the effec-
16 tiveness of the existing workforce responsible for ad-
17 ministering the State program funded under this
18 part.

19 “(5) Developing proposals to redesign the deliv-
20 ery of services under the State program funded
21 under this part and to maximize efficiency and en-
22 hance public satisfaction through the establishment
23 of joint labor committees with respect to the admin-
24 istration of employment and training programs.

1 “(6) Developing and implementing model case
2 management practices and policies that are designed
3 to maintain a stable, skilled, and professional work-
4 force.

5 “(7) Developing innovative training programs
6 to improve the quality of services provided under the
7 State program funded under this part, including
8 staff training on program requirements and services,
9 referral of recipients to all other programs and serv-
10 ices for which recipients are eligible, screening of re-
11 cipients for serious barriers to employment and re-
12 ferral of recipients with such barriers to qualified
13 specialists, cultural diversity and sensitivity, and the
14 rights of recipients under all laws applicable to the
15 activities of the State program.

16 “(C) ALLOCATION OF FUNDS.—

17 “(i) IN GENERAL.—Subject to clauses
18 (ii) and (iii), out of the funds appropriated
19 under subparagraph (E) for a fiscal year,
20 the Secretary shall pay to each eligible
21 State an amount equal to ratio of the
22 number of recipients of assistance under
23 the State program funded under this part
24 in the State to the number of recipients of

1 assistance under all State programs funded
2 under this part.

3 “(ii) MINIMUM ALLOCATION.—No eli-
4 gible State shall receive a payment of a
5 grant under this paragraph for a fiscal
6 year that is less than the amount equal to
7 1 percent of the amount appropriated
8 under subparagraph (E) for such fiscal
9 year.

10 “(iii) PRO RATA REDUCTIONS.—If the
11 amount appropriated pursuant to subpara-
12 graph (E) for a fiscal year is less than the
13 total amount of payments otherwise re-
14 quired to be made under clauses (i) and
15 (ii) for the fiscal year, then the amount
16 otherwise payable to any eligible State for
17 the fiscal year under this subparagraph
18 shall be reduced by a percentage equal to
19 the amount so appropriated divided by
20 such total amount.

21 “(D) REQUIREMENT.—Amounts paid to an
22 eligible State under this paragraph for a fiscal
23 year shall be subject to the same requirements
24 as amounts paid to the State under paragraph
25 (1).

1 and all that follows through “2002” and inserting “2003
2 through 2007”.

3 (b) CONTINUATION OF PENALTIES FOR FAILURE OF
4 A STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC
5 EFFORT.—Section 409(a)(7) (42 U.S.C. 608(a)(7)) is
6 amended—

7 (1) in subparagraph (A), by striking “1998”
8 and all that follows through “2003” and inserting
9 “2003, 2004, 2005, 2006, or 2007”; and

10 (2) in subparagraph (B)(ii), by striking “1997
11 through 2002” and inserting “2003 through 2007”.

12 **SEC. 307. CLARIFICATION OF AUTHORITY OF STATES TO**
13 **USE TANF FUNDS CARRIED OVER FROM**
14 **PRIOR YEARS TO PROVIDE TANF BENEFITS**
15 **AND SERVICES.**

16 Section 404(e) (42 U.S.C. 604(e)) is amended—

17 (1) in the subsection heading, by striking “AS-
18 SISTANCE” and inserting “BENEFITS OR SERVICES”;

19 and

20 (2) by striking “assistance” and inserting “any
21 benefit or service that may be provided”.

22 **SEC. 308. PROMOTING WORK AND RESPONSIBILITY AMONG**
23 **ALL FAMILIES WITH CHILDREN.**

24 (a) STATE OPTION TO ASSIST LEGAL IMMIGRANTS
25 UNDER TANF.—

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

5 “(L) At State option, assistance or benefits
6 under a State program funded under part A of
7 title IV of the Social Security Act (42 U.S.C.
8 601 et seq.).”.

9 (2) CONFORMING AMENDMENT.—Section
10 408(e) of the Social Security Act (42 U.S.C. 608(e))
11 is amended to read as follows:

12 “(e) ELIGIBILITY OF CERTAIN ALIENS.—Except as
13 provided in subsection (f) (relating to deeming require-
14 ments), at State option, a State may provide assistance,
15 benefits, or services to a qualified alien (as defined in sub-
16 sections (b) and (c) of section 431 of the Personal Respon-
17 sibility and Work Opportunity Reconciliation Act of 1996
18 (8 U.S.C. 1641)) under the State program funded under
19 this part or with qualified State expenditures (as defined
20 in section 409(a)(7)(B)(i)) in the same manner and to the
21 same extent as a citizen of the United States would be
22 provided such assistance, benefits, or services.”.

23 (b) STATE PLAN REQUIREMENT.—Section
24 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by
25 adding at the end the following:

1 “(v) In the case of a State that elects
2 the option under section 408(e) to provide
3 benefits or assistance to qualified aliens,
4 the document shall include—

5 “(I) an explanation of how the
6 State shall ensure that, with respect
7 to such aliens who entered the United
8 States after 1996, the income of any
9 sponsor of such an alien is considered
10 when determining the alien’s eligibility
11 for any means-tested benefits; and

12 “(II) a description of the process
13 the State uses to request reimburse-
14 ment for any means-tested benefits
15 provided to such an alien who entered
16 the United States after 1996, from
17 any sponsor of the alien in accordance
18 with the requirements of section 213A
19 of the Immigration and Nationality
20 Act (8 U.S.C. 1183a) and the legal
21 remedies the State may use to enforce
22 affidavits of support under that sec-
23 tion.”.

24 (c) STATE AUTHORITY TO PROVIDE STATE AND
25 LOCAL PUBLIC BENEFITS FOR CERTAIN ALIENS.—Sec-

1 tion 411(d) of the Personal Responsibility and Work Op-
2 portunity Reconciliation Act of 1996 (8 U.S.C. 1621(d))
3 is amended—

4 (1) in the heading, by inserting “AND OTHER”
5 before “ALIENS”; and

6 (2) by inserting “or who otherwise is not a
7 qualified alien (as defined in section 431)” after
8 “United States”.

9 (d) GRANTS TO STATES DISPROPORTIONATELY IM-
10 PACTED BY FEDERAL IMMIGRATION POLICY.—Section
11 403(a) (42 U.S.C. 603(a)), as amended by section 304,
12 is amended by adding at the end the following:

13 “(8) GRANTS TO STATES DISPROPORTIONATELY
14 IMPACTED BY FEDERAL IMMIGRATION POLICY.—

15 “(A) IN GENERAL.—The Secretary shall
16 pay each State described in subparagraph (B)
17 the amount determined under subparagraph (C)
18 for a fiscal year.

19 “(B) STATE DESCRIBED.—For purposes of
20 subparagraph (A), a State is described in this
21 subparagraph if the State notifies the Secretary
22 not later than June 1 of the fiscal year pre-
23 ceeding the fiscal year for which the State is to
24 receive a payment under this paragraph that,
25 with respect to the fiscal year for which such a

1 grant is to be made, the State intends to pro-
2 vide assistance, benefits, or services under the
3 State program funded under this part or with
4 qualified State expenditures (as defined in sec-
5 tion 409(a)(7)(B)(i)) to all qualified aliens in
6 accordance with section 408(e).

7 “(C) ALLOCATION OF FUNDS.—

8 “(i) IN GENERAL.—Subject to clause
9 (ii), the Secretary shall allocate the funds
10 appropriated under subparagraph (E) for a
11 fiscal year as follows:

12 “(I) An amount equal to 40 per-
13 cent of such funds shall be distributed
14 among the States described in sub-
15 paragraph (B) for such fiscal year
16 based on the number of low-income
17 children in noncitizen families in all
18 such States, as determined by the
19 Secretary.

20 “(II) An amount equal to 60 per-
21 cent of such funds shall be distributed
22 among the States described in sub-
23 paragraph (B) for such fiscal year
24 based on the increase during the pe-
25 riod that begins with 1996 and ends

1 with the most recent year for which
2 data is available in the number of
3 noncitizens (all ages, all incomes) in
4 the State as compared to the increase
5 in such number of such noncitizens
6 for all such States for the fiscal year.

7 “(ii) PRO RATA REDUCTIONS.—If the
8 amount appropriated pursuant to subpara-
9 graph (E) for a fiscal year is less than the
10 total amount of payments otherwise re-
11 quired to be made under clause (i) for the
12 fiscal year, then the amount otherwise pay-
13 able to any State described in subpara-
14 graph (B) for the fiscal year under clause
15 (i) shall be reduced by a percentage equal
16 to the amount so appropriated divided by
17 such total amount.

18 “(iii) NO JUDICIAL REVIEW.—Not-
19 withstanding any other provision of law,
20 the allocation of funds under this subpara-
21 graph for a fiscal year shall not be subject
22 to judicial review.

23 “(D) REQUIREMENT.—Amounts paid to a
24 State under this paragraph for a fiscal year

1 shall be subject to the same requirements as
2 amounts paid to the State under paragraph (1).

3 “(E) APPROPRIATION.—Out of any money
4 in the Treasury of the United States not other-
5 wise appropriated, there are appropriated for
6 each of fiscal years 2003 through 2007,
7 \$50,000,000 for making payments to States
8 under this paragraph.”.

9 **SEC. 309. DATA COLLECTION AND REPORTING.**

10 Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is
11 amended in the matter preceding clause (i), by striking
12 “(except for information relating to activities carried out
13 under section 403(a)(5))” and inserting “ (and in com-
14 plying with this requirement, the Secretary shall require
15 not more than 10 States to ensure that the following case
16 record information is reported in a manner that permits
17 analysis of such information by race, ethnicity or national
18 origin, primary language, gender, and educational level,
19 including analysis using a combination of these factors,
20 and shall submit an annual report to Congress containing
21 such data)”.

22 **SEC. 310. DEFINITION OF ASSISTANCE.**

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

1 “(6) ASSISTANCE.—The term ‘assistance’
2 means cash benefits and does not include child care
3 or other support services.”.

4 **SEC. 311. AUTHORITY TO USE TANF FUNDS FOR HOUSING**
5 **BENEFITS.**

6 (a) IN GENERAL.—Section 404 (42 U.S.C. 604) is
7 amended by inserting at the end the following:

8 “(1) USE OF FUNDS FOR SUPPLEMENTAL HOUSING
9 BENEFITS.—

10 “(1) IN GENERAL.—The provision by a State of
11 supplemental housing benefits to or on behalf of an
12 individual eligible for assistance under the State pro-
13 gram funded under this part, using funds from a
14 grant made under section 403(a) of this title, shall
15 not be considered to be the provision of assistance
16 to the individual under the State program funded
17 under this part for any purpose except in deter-
18 mining the allowability of the expenditure under sec-
19 tion 401(a)(1).

20 “(2) PERMITTED USE OF FUNDS.—A State may
21 not use any part of the funds from a grant made
22 under section 403 to supplant rather than supple-
23 ment State expenditures on housing-related pro-
24 grams.

1 “(3) DEFINITION OF SUPPLEMENTAL HOUSING
2 BENEFITS.—In this subsection, the term ‘supple-
3 mental housing benefits’ means payments made to
4 or on behalf of an individual to reduce or reimburse
5 the costs incurred by the individual for housing ac-
6 commodations, and the receipt of which does not re-
7 duce the amount of assistance, benefits, or services
8 an individual would otherwise receive under the
9 State program funded under this part or under a
10 program funded with qualified State expenditures
11 (as defined in section 409(a)(7)(B)(i)).”.

12 (b) STATE PLAN.—Section 402(a)(1)(B) (42 U.S.C.
13 602(a)(1)(B)), as amended by section 308(b), is amended
14 by adding at the end the following:

15 “(vi) The document shall describe—
16 “(I) the primary problems that
17 families receiving assistance and fami-
18 lies who have recently stopped receiv-
19 ing assistance under the State pro-
20 gram funded under this part experi-
21 ence in securing and retaining ade-
22 quate, affordable housing and the esti-
23 mated extent of each such problem,
24 including the price of such housing in
25 various areas of the State that include

1 a large proportion of recipients of as-
2 sistance under the State program;

3 “(II) the steps that have been
4 and will be taken by the State and
5 other public or private entities that
6 administer housing programs in the
7 State to address the problems de-
8 scribed in subclause (I);

9 “(III) the methods the State has
10 adopted to identify barriers to work
11 posed by the living arrangement,
12 housing cost, and housing location of
13 families eligible for the State program
14 funded under this part; and

15 “(IV) the services and benefits
16 that have been or will be provided by
17 the State or other public or private
18 entities to help families overcome the
19 barriers so identified.”.

1 **Subtitle B—Resources Under Other**
2 **Programs**

3 **SEC. 321. RESTORATION OF FUNDING FOR THE SOCIAL**
4 **SERVICES BLOCK GRANT.**

5 (a) RESTORATION OF FUNDS FOR THE SOCIAL SERV-
6 ICES BLOCK GRANT.—Section 2003(c) (42 U.S.C.
7 1379b(c)) is amended—

- 8 (1) in paragraph (10), by striking “and”;
- 9 (2) in paragraph (11), by striking “and each
10 fiscal year thereafter.” and inserting “; and”; and
- 11 (3) by adding at the end the following:
- 12 “(12) \$1,900,000,000 for fiscal year 2003;
- 13 “(13) \$1,950,000,000 for fiscal year 2004;
- 14 “(14) \$2,050,000,000 for fiscal year 2005;
- 15 “(15) \$2,200,000,000 for fiscal year 2006; and
- 16 “(16) \$2,800,000,000 for fiscal year 2007 and
17 each fiscal year thereafter.”.

18 (b) RESTORATION OF AUTHORITY TO TRANSFER UP
19 TO 10 PERCENT OF TANF FUNDS.—Section 404(d)(2)
20 (42 U.S.C. 604(d)(2)) is amended to read as follows:

21 “(2) LIMITATION ON AMOUNT TRANSFERABLE
22 TO TITLE XX PROGRAMS.—A State may use not
23 more than 10 percent of the amount of any grant
24 made to the State under section 403(a) for a fiscal

1 year to carry out State programs pursuant to title
2 XX.”.

3 **SEC. 322. ONE-YEAR EXTENSION AND REVISION AND SIM-**
4 **PLIFICATION OF THE TRANSITIONAL MED-**
5 **ICAL ASSISTANCE PROGRAM (TMA).**

6 (a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12
7 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO
8 AN ADDITIONAL YEAR.—

9 (1) OPTION OF CONTINUOUS ELIGIBILITY FOR
10 12 MONTHS BY MAKING REPORTING REQUIREMENTS
11 OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r-
12 6(b)) is amended—

13 (A) in paragraph (1), by inserting “, at the
14 option of a State,” after “and which”;

15 (B) in paragraph (2)(A), by inserting
16 “Subject to subparagraph (C)—” after “(A)
17 NOTICES.—”;

18 (C) in paragraph (2)(B), by inserting
19 “Subject to subparagraph (C)—” after “(B)
20 REPORTING REQUIREMENTS.—”;

21 (D) by adding at the end the following new
22 subparagraph:

23 “(C) STATE OPTION TO WAIVE NOTICE
24 AND REPORTING REQUIREMENTS.—A State
25 may waive some or all of the reporting require-

1 ments under clauses (i) and (ii) of subpara-
 2 graph (B). Insofar as it waives such a reporting
 3 requirement, the State need not provide for a
 4 notice under subparagraph (A) relating to such
 5 requirement.”; and

6 (E) in paragraph (3)(A)(iii), by inserting
 7 “the State has not waived under paragraph
 8 (2)(C) the reporting requirement with respect
 9 to such month under paragraph (2)(B) and if”
 10 after “6-month period if”.

11 (2) STATE OPTION TO EXTEND ELIGIBILITY
 12 FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDI-
 13 TIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r-
 14 6) is further amended—

15 (A) by redesignating subsections (c)
 16 through (f) as subsections (d) through (g), re-
 17 spectively; and

18 (B) by inserting after subsection (b) the
 19 following new subsection:

20 “(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-
 21 TIONAL ELIGIBILITY.—

22 “(1) IN GENERAL.—Notwithstanding any other
 23 provision of this title, each State plan approved
 24 under this title may provide, at the option of the
 25 State, that the State shall offer to each family which

1 received assistance during the entire 6-month period
2 under subsection (b) and which meets the applicable
3 requirement of paragraph (2), in the last month of
4 the period the option of extending coverage under
5 this subsection for the succeeding period not to ex-
6 ceed 12 months.

7 “(2) INCOME RESTRICTION.—The option under
8 paragraph (1) shall not be made available to a fam-
9 ily for a succeeding period unless the State deter-
10 mines that the family’s average gross monthly earn-
11 ings (less such costs for such child care as is nec-
12 essary for the employment of the caretaker relative)
13 as of the end of the 6-month period under sub-
14 section (b) does not exceed 185 percent of the offi-
15 cial poverty line (as defined by the Office of Man-
16 agement and Budget, and revised annually in ac-
17 cordance with section 673(2) of the Omnibus Budget
18 Reconciliation Act of 1981) applicable to a family of
19 the size involved.

20 “(3) APPLICATION OF EXTENSION RULES.—
21 The provisions of paragraphs (2), (3), (4), and (5)
22 of subsection (b) shall apply to the extension pro-
23 vided under this subsection in the same manner as
24 they apply to the extension provided under sub-

1 section (b)(1), except that for purposes of this
2 subsection—

3 “(A) any reference to a 6-month period
4 under subsection (b)(1) is deemed a reference
5 to the extension period provided under para-
6 graph (1) and any deadlines for any notices or
7 reporting and the premium payment periods
8 shall be modified to correspond to the appro-
9 priate calendar quarters of coverage provided
10 under this subsection; and

11 “(B) any reference to a provision of sub-
12 section (a) or (b) is deemed a reference to the
13 corresponding provision of subsection (b) or of
14 this subsection, respectively.”.

15 (b) STATE OPTION TO WAIVE RECEIPT OF MED-
16 ICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR
17 TMA.—Section 1925(a)(1) (42 U.S.C. 1396r-6(a)(1)) is
18 amended by adding at the end the following: “A State
19 may, at its option, also apply the previous sentence in the
20 case of a family that was receiving such aid for fewer than
21 3 months, or that had applied for and was eligible for such
22 aid for fewer than 3 months, during the 6 immediately
23 preceding months described in such sentence.”.

24 (c) 1-YEAR EXTENSION OF SUNSET FOR TMA.—

1 (1) IN GENERAL.—Subsection (g) of section
2 1925 (42 U.S.C. 1396r–6), as redesignated under
3 subsection (a)(2)(A), is further redesignated as sub-
4 section (i) and is amended by striking “2002” and
5 inserting “2003”.

6 (2) CONFORMING AMENDMENT.—Section
7 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is
8 amended by striking “2002” and inserting “2003”.

9 (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-
10 TION RATES UNDER TMA.—Section 1925 (42 U.S.C.
11 1396r–6), as amended by subsections (a)(2)(A) and (c),
12 is amended by inserting after subsection (f) the following:

13 “(g) ADDITIONAL PROVISIONS.—

14 “(1) COLLECTION AND REPORTING OF PARTICI-
15 PATION INFORMATION.—Each State shall—

16 “(A) collect and submit to the Secretary,
17 in a format specified by the Secretary, informa-
18 tion on average monthly enrollment and average
19 monthly participation rates for adults and chil-
20 dren under this section; and

21 “(B) make such information publicly avail-
22 able.

23 Such information shall be submitted under subpara-
24 graph (A) at the same time and frequency in which
25 other enrollment information under this title is sub-

1 mitted to the Secretary. Using such information, the
2 Secretary shall submit to Congress annual reports
3 concerning such rates.”.

4 (e) COORDINATION OF WORK.—Section 1925(g) (42
5 U.S.C. 1396r–6(g)), as added by subsection (d), is amend-
6 ed by adding at the end the following new paragraph:

7 “(2) COORDINATION WITH ADMINISTRATION
8 FOR CHILDREN AND FAMILIES.—The Administrator
9 of the Centers for Medicare & Medicaid Services, in
10 carrying out this section, shall work with the Assist-
11 ant Secretary for the Administration for Children
12 and Families to develop guidance or other technical
13 assistance for States regarding best practices in
14 guaranteeing access to transitional medical assist-
15 ance under this section.”.

16 (f) ELIMINATION OF TMA REQUIREMENT FOR
17 STATES THAT EXTEND COVERAGE TO CHILDREN AND
18 PARENTS THROUGH 185 PERCENT OF POVERTY.—

19 (1) IN GENERAL.—Section 1925 (42 U.S.C.
20 1396r–6) is further amended by inserting after sub-
21 section (g), as added by subsection (d), the fol-
22 lowing:

23 “(h) PROVISIONS OPTIONAL FOR STATES THAT EX-
24 TEND COVERAGE TO CHILDREN AND PARENTS THROUGH
25 185 PERCENT OF POVERTY.—A State may (but is not re-

1 quired to) meet the requirements of subsections (a) and
 2 (b) if it provides for medical assistance under this title
 3 (whether under section 1931, through a waiver under sec-
 4 tion 1115, or otherwise) to families (including both chil-
 5 dren and caretaker relatives) the average gross monthly
 6 earning of which (less such costs for such child care as
 7 is necessary for the employment of a caretaker relative)
 8 is at or below a level that is at least 185 percent of the
 9 official poverty line (as defined by the Office of Manage-
 10 ment and Budget, and revised annually in accordance with
 11 section 673(2) of the Omnibus Budget Reconciliation Act
 12 of 1981) applicable to a family of the size involved.”.

13 (2) CONFORMING AMENDMENTS.—Section 1925
 14 (42 U.S.C. 1396r–6) is further amended, in sub-
 15 sections (a)(1) and (b)(1), by inserting “, but sub-
 16 ject to subsection (h),” after “Notwithstanding any
 17 other provision of this title,” each place it appears.

18 (g) REQUIREMENT OF NOTICE FOR ALL FAMILIES
 19 LOSING TANF.—Subsection (a)(2) of section 1925 (42
 20 U.S.C. 1396r–6) is amended by adding after and below
 21 subparagraph (B), the following:

22 “Each State shall provide, to families whose aid
 23 under part A or E of title IV has terminated but
 24 whose eligibility for medical assistance under this
 25 title continues, written notice of their ongoing eligi-

1 bility for such medical assistance. If a State makes
2 a determination that any member of a family whose
3 aid under part A or E of title IV is being terminated
4 is also no longer eligible for medical assistance under
5 this title, the notice of such determination shall be
6 supplemented by a 1-page notification form describ-
7 ing the different ways in which individuals and fami-
8 lies may qualify for such medical assistance and ex-
9 plaining that individuals and families do not have to
10 be receiving aid under part A or E of title IV in
11 order to qualify for such medical assistance. Such
12 notice shall further be supplemented by information
13 on how to apply for child health assistance under the
14 State children’s health insurance program under
15 title XXI and how to apply for medical assistance
16 under this title.”.

17 (h) EXTENDING USE OF OUTSTATIONED WORKERS
18 TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL
19 ASSISTANCE.—Section 1902(a)(55) (42 U.S.C.
20 1396a(a)(55)) is amended by inserting “and under section
21 1931” after “(a)(10)(A)(ii)(IX)”.

22 (i) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as provided in this
24 subsection, the amendments made by this section
25 shall apply to calendar quarters beginning on or

1 after October 1, 2002, without regard to whether or
2 not final regulations to carry out such amendments
3 have been promulgated by such date.

4 (2) NOTICE.—The amendment made by sub-
5 section (g) shall take effect 6 months after the date
6 of enactment of this Act.

7 (3) DELAY PERMITTED FOR STATE PLAN
8 AMENDMENT.—In the case of a State plan for med-
9 ical assistance under title XIX of the Social Security
10 Act which the Secretary of Health and Human Serv-
11 ices determines requires State legislation (other than
12 legislation appropriating funds) in order for the plan
13 to meet the additional requirements imposed by the
14 amendments made by this section, the State plan
15 shall not be regarded as failing to comply with the
16 requirements of such title solely on the basis of its
17 failure to meet these additional requirements before
18 the first day of the first calendar quarter beginning
19 after the close of the first regular session of the
20 State legislature that begins after the date of enact-
21 ment of this Act. For purposes of the previous sen-
22 tence, in the case of a State that has a 2-year legis-
23 lative session, each year of such session shall be
24 deemed to be a separate regular session of the State
25 legislature.

1 **SEC. 323. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**
2 **UNDER THE MEDICAID PROGRAM AND TITLE**
3 **XXI.**

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

6 (1) in paragraph (1), by striking “paragraph
7 (2)” and inserting “paragraphs (2) and (4)”; and

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

9 “(4)(A) A State may elect (in a plan amendment
10 under this title) to provide medical assistance under this
11 title (including under a waiver authorized by the Sec-
12 retary), notwithstanding sections 402(b) and 403 of the
13 Personal Responsibility and Work Opportunity Reconcili-
14 ation Act of 1996 but, except as provided in subparagraph
15 (B), consistent with sections 401(a) and 421 of such Act,
16 for aliens who are lawfully residing in the United States
17 (including battered aliens described in section 431(c) of
18 such Act) and who are otherwise eligible for such assist-
19 ance, within any of the following eligibility categories:

20 “(i) **PREGNANT WOMEN.**—Women during preg-
21 nancy (and during the 60-day period beginning on
22 the last day of the pregnancy).

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

1 “(B) Notwithstanding section 421 of the Personal
2 Responsibility and Work Opportunity Reconciliation Act
3 of 1996, in the case of a State that has elected to provide
4 medical assistance to a category of aliens under subpara-
5 graph (A), no debt shall accrue under an affidavit of sup-
6 port against any sponsor of such an alien on the basis
7 of provision of assistance to such category and the cost
8 of such assistance shall not be considered as an unreim-
9 bursed cost.”.

10 (b) TITLE XXI.—Section 2107(e)(1) (42 U.S.C.
11 1397gg(e)(1)) is amended by adding at the end the fol-
12 lowing:

13 “(E) Section 1903(v)(4) (relating to op-
14 tional coverage of categories of lawful resident
15 alien pregnant women and children), but only
16 with respect to an eligibility category under this
17 title, if the same eligibility category has been
18 elected under such section for purposes of title
19 XIX.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section take effect on October 1, 2002, and apply to
22 medical assistance and child health assistance furnished
23 on or after such date, whether or not regulations imple-
24 menting such amendments have been issued.

1 **SEC. 324. PATHWAY TO SELF-SUFFICIENCY GRANTS TO IM-**
2 **PROVE COORDINATION OF ASSISTANCE FOR**
3 **LOW-INCOME FAMILIES.**

4 (a) DEFINITIONS.—In this section:

5 (1) ELIGIBLE APPLICANT.—The term “eligible
6 applicant” means a State or local government agen-
7 cy or a nonprofit entity.

8 (2) SECRETARY.—The term “Secretary” means
9 the Secretary of Health and Human Services.

10 (3) STATE.—The term “State” means each of
11 the 50 States of the United States, the District of
12 Columbia, the Commonwealth of Puerto Rico, Amer-
13 ican Samoa, Guam, and the United States Virgin Is-
14 lands.

15 (4) SUPPORT PROGRAM FOR LOW-INCOME FAMI-
16 LIES.—The term “support program for low-income
17 families” means a program designed to provide low-
18 income families and noncustodial parents who need
19 help with obtaining employment and fulfilling child
20 support obligations to children receiving assistance
21 under the temporary assistance to needy families
22 program established under part A of title IV of the
23 Social Security Act (42 U.S.C. 601 et seq.) with as-
24 sistance or benefits to enable the family or noncusto-
25 dial parent to become self-sufficient and includes—

1 (A) the temporary assistance to needy fam-
2 ilies program established under part A of title
3 IV of the Social Security Act (42 U.S.C. 601 et
4 seq.);

5 (B) the food stamp program established
6 under the Food Stamp Act of 1977 (7 U.S.C.
7 2011 et seq.);

8 (C) the medicaid program funded under
9 title XIX of the Social Security Act (42 U.S.C.
10 1396 et seq.);

11 (D) the State children's health insurance
12 program (SCHIP) funded under title XXI of
13 the Social Security Act (42 U.S.C. 1397aa et
14 seq.);

15 (E) the child care program funded under
16 the Child Care Development Block Grant Act of
17 1990 (42 U.S.C. 9858 et seq.);

18 (F) the child support program funded
19 under part D of title IV of the Social Security
20 Act (42 U.S.C. 651 et seq.);

21 (G) the earned income tax credit under
22 section 32 of the Internal Revenue Code of
23 1986;

24 (H) the low-income home energy assistance
25 program (LIHEAP) established under the Low-

1 Income Home Energy Assistance Act of 1981
2 (42 U.S.C. 8621 et seq.);

3 (I) the special supplemental nutrition pro-
4 gram for women, infants, and children (WIC)
5 established under section 17 of the Child Nutri-
6 tion Act of 1966 (42 U.S.C. 1786);

7 (J) programs under the Workforce Invest-
8 ment Act of 1998 (29 U.S.C. 2801 et seq.);

9 (K) programs supporting low-income hous-
10 ing assistance programs; and

11 (L) any other Federal, State, or locally
12 funded program designed to provide family and
13 work support to low-income families.

14 (b) AUTHORITY TO AWARD GRANTS.—

15 (1) IN GENERAL.—The Secretary may award
16 grants to eligible applicants to—

17 (A) improve the coordination of support
18 programs for low-income families and noncusto-
19 dial parents described in subsection (a)(4); and

20 (B) conduct outreach to such families and
21 noncustodial parents to promote enrollment in
22 such programs.

23 (2) PREFERENCE.—In awarding grants under
24 this section, the Secretary shall give preference to el-
25 igible applicants that include in the application sub-

1 mitted under subsection (c) documentation dem-
2 onstrating that the eligible applicant will collaborate
3 with other Federal, State, or local agencies or non-
4 profit entities in carrying out activities under the
5 grant.

6 (c) APPLICATION.—Each eligible applicant desiring a
7 grant under this section shall submit an application to the
8 Secretary at such time, in such manner, and accompanied
9 by such information as the Secretary may require.

10 (d) ANNUAL REPORTS.—

11 (1) IN GENERAL.—The Secretary shall submit
12 an interim and final report to Congress describing
13 the uses of grant funds awarded under this section.

14 (2) DATES FOR SUBMISSION.—With respect to
15 the reports required under paragraph (1), the Sec-
16 retary shall submit—

17 (A) the interim report, not later than De-
18 cember 31, 2005; and

19 (B) the final report, not later than Decem-
20 ber 31, 2008.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$50,000,000 for the period of fiscal years 2003 through
24 2007.

1 (f) ANNUAL ASSESSMENT OF REGIONAL LABOR
2 MARKETS TO TARGET HIGHER ENTRY LEVEL WAGE OP-
3 PORTUNITIES IN INDUSTRIES EXPERIENCING LABOR
4 SHORTAGES.—

5 (1) IN GENERAL.—An State to which a grant
6 is made under this section annually shall conduct an
7 assessment of its regional labor markets that in-
8 cludes the following:

9 (A) LABOR MARKET.—The assessment
10 shall—

11 (i) identify industries or occupations
12 that have or expect growth, the loss of
13 skilled workers, or that have a demand for
14 a subset of workers;

15 (ii) identify the entry-level education
16 and skills requirements for the industries
17 or occupations that have or anticipate a
18 need for workers; and

19 (iii) analyze the entry-level wages and
20 benefits in identified industries or occupa-
21 tions.

22 (B) JOB SEEKERS.—The assessment shall
23 create a profile of the characteristics of the un-
24 employed and underemployed residents of the
25 State, including educational attainment, bar-

1 riers to employment, geographic concentrations,
2 and access to needed support services.

3 (C) EDUCATION AND TRAINING INFRA-
4 STRUCTURE.—The assessment shall create a
5 profile of the State’s available education, train-
6 ing, and support services to prepare workers for
7 the identified industries or occupations.

8 (D) ALIGNING INDUSTRIES AND JOB SEEK-
9 ER NEEDS.—The assessment shall compare the
10 characteristics of the identified industries or oc-
11 cupations to the profiles created under subpara-
12 graphs (B) and (C).

13 (2) PROVISION OF INFORMATION TO LOCAL-
14 ITIES.—The State shall share with local political
15 subdivisions of the State—

16 (A) information regarding the existence of
17 higher entry-wage job opportunities in indus-
18 tries experiencing labor shortages; and

19 (B) opportunities for collaboration with in-
20 stitutions of higher education, community-based
21 organizations, and economic development and
22 welfare agencies.

23 (3) DATA.—A State may use data available as
24 of the date the State begins an assessment under
25 paragraph (1) to conduct such assessment if such

1 data provides the information necessary to conduct
2 the assessment described in that paragraph.

3 (4) REPORTS.—

4 (A) STATE REPORTS.—Each State to
5 which a grant is made under this section annu-
6 ally shall submit a report to the Secretary that
7 contains the assessment required under para-
8 graph (1).

9 (B) REPORT TO CONGRESS.—The Sec-
10 retary annually shall submit a report to Con-
11 gress compiling the State reports submitted
12 under subparagraph (A).

13 **SEC. 325. GAO STUDY ON IMPACT OF BAN ON SSI BENEFITS**
14 **FOR LEGAL IMMIGRANTS.**

15 (a) STUDY.—The Comptroller General of the United
16 States shall conduct a study to determine the impact of
17 the prohibition under section 402 of the Personal Respon-
18 sibility and Work Opportunity Reconciliation Act of 1996
19 (8 U.S.C. 1612) with respect to the eligibility of qualified
20 aliens (as defined in section 431 of such Act (8 U.S.C.
21 1641)) for benefits under the supplemental security in-
22 come program under title XVI of the Social Security Act
23 (42 U.S.C. 1381 et seq.), including supplementary pay-
24 ments pursuant to an agreement for Federal administra-
25 tion under section 1616(a) of such Act (42 U.S.C. 1382e)

1 and payments pursuant to an agreement entered into
2 under section 212(b) of Public Law 93–66.

3 (b) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Comptroller General shall
5 submit a report to Congress on the study conducted under
6 subsection (a) that includes such recommendations for leg-
7 islative action as the Comptroller General determines ap-
8 propriate.

9 **TITLE IV—EFFECTIVE DATE**

10 **SEC. 401. EFFECTIVE DATE.**

11 (a) IN GENERAL.—Except as otherwise provided, the
12 amendments made by this Act shall take effect on October
13 1, 2002, and shall apply to payments under parts A and
14 D of title IV of the Social Security Act for calendar quar-
15 ters beginning on or after such date, without regard to
16 whether regulations to implement the amendments are
17 promulgated by such date.

18 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
19 QUIRED.—In the case of a State plan under section 402(a)
20 or 454 of the Social Security Act (42 U.S.C. 602(a), 654)
21 which the Secretary of Health and Human Services deter-
22 mines requires State legislation (other than legislation ap-
23 propriating funds) in order for the plan to meet the addi-
24 tional requirements imposed by the amendments made by
25 this Act, the State plan shall not be regarded as failing

1 to comply with the requirements of such section 402(a)
2 or 454 solely on the basis of the failure of the plan to
3 meet such additional requirements before the 1st day of
4 the 1st calendar quarter beginning after the close of the
5 1st regular session of the State legislature that begins
6 after the date of enactment of this Act. For purposes of
7 the previous sentence, in the case of a State that has a
8 2-year legislative session, each year of such session shall
9 be deemed to be a separate regular session of the State
10 legislature.

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