

112TH CONGRESS
1ST SESSION

S. 1904

To provide information on total spending on means-tested welfare programs, to provide additional work requirements, and to provide an overall spending limit on means-tested welfare programs.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 17, 2011

Mr. DEMINT (for himself, Mr. LEE, Mr. VITTER, Mr. PAUL, Mr. SESSIONS, Mr. GRAHAM, Mr. INHOFE, and Mr. COBURN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide information on total spending on means-tested welfare programs, to provide additional work requirements, and to provide an overall spending limit on means-tested welfare programs.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare Reform Act
5 of 2011”.

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

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—TANF REFORMS

- Sec. 101. Short title.
 Sec. 102. Elimination of temporary modification of the caseload reduction credit.
 Sec. 103. Reduction in funding of State family assistance grants.

TITLE II—MODIFICATIONS TO FOOD STAMP PROGRAM

- Sec. 201. Restoration of Act short title and references to the food stamp program.
 Sec. 202. Work requirements.
 Sec. 203. Definition of food.
 Sec. 204. Termination of benefit increase.

TITLE III—REPORTING OF MEANS-TESTED WELFARE SPENDING IN PRESIDENT’S BUDGET SUBMISSION

- Sec. 301. Additional information in President’s budget submission.

TITLE IV—AGGREGATE CAP FOR MEANS-TESTED WELFARE SPENDING

- Sec. 401. Definition of means-tested welfare spending.
 Sec. 402. Reports to budget committees.
 Sec. 403. Content of concurrent resolutions on the budget.
 Sec. 404. Allocations of means-tested welfare spending.
 Sec. 405. Reconciliation.

TITLE V—GRANTS TO PROMOTE SELF-SUFFICIENCY

- Sec. 501. Grants to States.

TITLE VI—PROHIBITION ON FUNDING OF ABORTION

- Sec. 601. Prohibition on funding for abortions.
 Sec. 602. Prohibition on funding for health benefits plans that cover abortion.
 Sec. 603. Prohibition on tax benefits relating to abortion.
 Sec. 604. Construction relating to separate coverage.
 Sec. 605. Construction relating to the use of non-Federal funds for health coverage.
 Sec. 606. Treatment of abortions related to rape, incest, or preserving the life of the mother.

1 **TITLE I—TANF REFORMS**

2 **SEC. 101. SHORT TITLE.**

3 This title may be cited as the “Welfare Reform Res-
 4 toration Act”.

1 **SEC. 102. ELIMINATION OF TEMPORARY MODIFICATION OF**
2 **THE CASELOAD REDUCTION CREDIT.**

3 (a) IN GENERAL.—Section 407(b)(3)(A)(i) of the So-
4 cial Security Act (42 U.S.C. 607(b)(3)(A)(i)) is amended
5 by striking “(or if the immediately preceding fiscal year
6 is fiscal year 2008, 2009, or 2010, then, at State option,
7 during the emergency fund base year of the State with
8 respect to the average monthly assistance caseload of the
9 State (within the meaning of section 403(c)(9)), except
10 that, if a State elects such option for fiscal year 2008,
11 the emergency fund base year of the State with respect
12 to such caseload shall be fiscal year 2007))”.

13 (b) CONFORMING AMENDMENTS.—Section 2101 of
14 the American Recovery and Reinvestment Act of 2009
15 (123 Stat. 448–449; Public Law 111–5) is amended—

16 (1) in subsection (a)(2), by striking “, except
17 that paragraph (9) of such subsection shall remain
18 in effect until October 1, 2011, but only with respect
19 to section 407(b)(3)(A)(i) of such Act”; and

20 (2) by striking subsection (d)(2).

21 **SEC. 103. REDUCTION IN FUNDING OF STATE FAMILY AS-**
22 **SISTANCE GRANTS.**

23 Section 403(a)(1)(C) of the Social Security Act (42
24 U.S.C. 603(a)(1)(C)) is amended by striking “2003
25 \$16,566,542,000” and inserting “2011 and each suc-

1 ceeding fiscal year \$15,566,042,000, notwithstanding any
2 other provision of law”.

3 **TITLE II—MODIFICATIONS TO**
4 **FOOD STAMP PROGRAM**

5 **SEC. 201. RESTORATION OF ACT SHORT TITLE AND REF-**
6 **ERENCES TO THE FOOD STAMP PROGRAM.**

7 (a) IN GENERAL.—Effective June 18, 2008, sections
8 4001 and 4002 of the Food, Conservation, and Energy
9 Act of 2008 (Public Law 110–246; 122 Stat. 1853) and
10 the amendments made by those sections are repealed.

11 (b) APPLICATION.—The Food Stamp Act of 1977 (7
12 U.S.C. 2011 et seq.) and each provision of law amended
13 by section 4001 or 4002 of the Food, Conservation, and
14 Energy Act of 2008 (Public Law 110–246; 122 Stat.
15 1853), shall be applied and administered as if those sec-
16 tions and the amendments made by those sections had not
17 been enacted.

18 **SEC. 202. WORK REQUIREMENTS.**

19 (a) DECLARATION OF POLICY.—Section 2 of the
20 Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by
21 adding at the end the following: “Congress further finds
22 that it should also be the purpose of the food stamp pro-
23 gram to increase employment, to encourage healthy mar-
24 riage, and to promote prosperous self-sufficiency, which
25 means the ability of households to maintain an income

1 above the poverty level without services and benefits from
2 the Federal Government.”.

3 (b) DEFINITIONS.—Section 3 of the Food Stamp Act
4 of 1977 (7 U.S.C. 2012) is amended by adding at the end
5 the following:

6 “(w) ABLE-BODIED, WORK-ELIGIBLE ADULT.—

7 “(1) IN GENERAL.—The term ‘able-bodied,
8 work-eligible adult’ means an individual who—

9 “(A) is more than 18, and less than 63,
10 years of age;

11 “(B) is not physically or mentally incapa-
12 ble of work; and

13 “(C) is not the full-time caretaker of a dis-
14 abled adult dependent.

15 “(2) PHYSICALLY OR MENTALLY INCAPABLE OF
16 WORK.—For purposes of paragraph (1)(B), the term
17 ‘physically or mentally incapable of work’ means an
18 individual who—

19 “(A) currently receives benefits under the
20 supplemental security income program estab-
21 lished under title XVI of the Social Security
22 Act (42 U.S.C. 1381 et seq.) or another pro-
23 gram that provides recurring benefits to indi-
24 viduals because the individual is disabled and
25 unable to work; or

1 “(B) has been medically certified as phys-
2 ically or mentally incapable of work and who
3 has a credible pending application for enroll-
4 ment in the supplemental security income pro-
5 gram established under title XVI of the Social
6 Security Act (42 U.S.C. 1381 et seq.) or an-
7 other program that provides recurring benefits
8 to individuals because the individual is disabled
9 and unable to work.

10 “(x) FAMILY HEAD.—The term ‘family head’
11 means—

12 “(1) a biological parent who is lawfully present
13 in the United States and resides within a household
14 with 1 or more dependent children who are the bio-
15 logical offspring of the parent; or

16 “(2) in the absence of a biological parent, a
17 step parent, adoptive parent, guardian, or adult rel-
18 ative who resides with and provides care to the 1 or
19 more children and is lawfully present in the United
20 States.

21 “(y) FAMILY UNIT.—The term ‘family unit’ means—

22 “(1) an adult residing without dependent chil-
23 dren;

24 “(2) a single-headed family with dependent chil-
25 dren; or

1 “(3) a married couple family with dependent
2 children.

3 “(z) FAMILY WITH DEPENDENT CHILDREN.—

4 “(1) IN GENERAL.—The term ‘family with de-
5 pendent children’ means a unit consisting of a fam-
6 ily head, 1 or more dependent children, and, if appli-
7 cable, the married spouse of the family head, all of
8 whom share meals and reside within a single house-
9 hold.

10 “(2) MULTIPLE FAMILIES IN A HOUSEHOLD.—

11 There may be more than 1 family with dependent
12 children in a single household.

13 “(aa) MARRIED COUPLE FAMILY WITH DEPENDENT

14 CHILDREN.—The term ‘married couple family with de-
15 pendent children’ means a family with dependent children
16 that has both a family head and the married spouse of
17 the family head residing with the family.

18 “(bb) MARRIED SPOUSE OF THE FAMILY HEAD.—

19 The term ‘married spouse of the family head’ means the
20 lawfully married spouse of the family head who—

21 “(1) resides with the family head and depend-
22 ent children; and

23 “(2) is lawfully present in the United States.

24 “(cc) MEMBER OF A FAMILY.—The term ‘member of

25 a family’ means the family head, married spouse if

1 present, and all dependent children within a family with
2 dependent children

3 “(dd) MONTHLY POTENTIAL WORK ACTIVATION
4 POPULATION.—The term ‘monthly potential work activa-
5 tion population’ means the sum of—

6 “(1) all able-bodied, work-eligible adults without
7 dependents who have received food stamp benefits
8 and have maintained less than 60 hours of paid em-
9 ployment during a month;

10 “(2) all work-eligible single-headed families with
11 dependent children that have received food stamp
12 benefits during the month and have maintained less
13 than 120 hours of paid employment by the family
14 head during the month; and

15 “(3) all work-eligible married couples with de-
16 pendent children that have received food stamp ben-
17 efits during the month and have maintained less
18 than 120 combined hours of paid employment be-
19 tween the family head and the married spouse,
20 summed together and counted jointly, during the
21 month.

22 “(ee) MONTHLY WORK ACTIVATION PARTICI-
23 PANTS.—The term ‘monthly work activation participants’
24 means the sum of—

1 “(1) all able-bodied, work-eligible adults without
2 dependents who have received food stamp benefits
3 and have maintained—

4 “(A) less than 60 hours of paid employ-
5 ment during a month; and

6 “(B) more than 60 hours of combined paid
7 employment and work activation activity during
8 the month;

9 “(2) all work-eligible single-headed families with
10 dependent children that have received food stamp
11 benefits during the month and include a family head
12 who has maintained—

13 “(A) less than 120 hours of paid employ-
14 ment during the month; and

15 “(B) more than 120 hours of combined
16 paid employment and work activation activity
17 during the month; and

18 “(3) all work-eligible married couples with de-
19 pendent children who have received food stamp bene-
20 fits during the month, and have maintained—

21 “(A) less than 120 combined hours of paid
22 employment between the family head and the
23 spouse, combined, during the month; and

24 “(B) more than 120 hours of combined
25 paid employment and work activation activity

1 between the family head and the married
2 spouse, combined, during the month.

3 “(ff) SINGLE-HEADED FAMILY WITH DEPENDENT
4 CHILDREN.—The term ‘single-headed family with depend-
5 ent children’ means a family with dependent children
6 that—

7 “(1) contains a family head residing with the
8 family; but

9 “(2) does not have a married spouse of the
10 family head residing with the family.

11 “(gg) WORK ACTIVATION.—

12 “(1) IN GENERAL.—The term ‘work activation’
13 means—

14 “(A) supervised job search;

15 “(B) community service activities;

16 “(C) education and job training for indi-
17 viduals who are family heads or married
18 spouses of family heads;

19 “(D) workfare under section 20; or

20 “(E) drug or alcohol treatment.

21 “(2) SUPERVISED JOB SEARCH.—For purposes
22 of paragraph (1)(A), the term ‘supervised job
23 search’ means a job search program that has the fol-
24 lowing characteristics:

1 “(A) The job search occurs at an official
2 location where the presence and activity of the
3 recipient can be directly observed, supervised,
4 and monitored.

5 “(B) The recipient’s entry, time on site,
6 and exit from the official job search location are
7 recorded in a manner that prevents fraud.

8 “(C) The recipient is expected to remain
9 and undertake job search activities at the job
10 search center, except for brief, authorized de-
11 partures for specified off-site interviews.

12 “(D) The quantity of time the recipient is
13 observed and monitored engaging in job search
14 at the official location is recorded for purposes
15 of compliance with section 29.

16 “(hh) WORK ACTIVATION RATIO.—The term ‘work
17 activation ratio’ means the quotient obtained by divid-
18 ing—

19 “(1) the number of work activation participants
20 in a month; by

21 “(2) the monthly potential work activation pop-
22 ulation for the month.

23 “(ii) WORK ACTIVITIES.—The term ‘work activities’
24 means—

25 “(1) paid employment;

1 “(2) work activation; or

2 “(3) a combination of both paid employment
3 and work activation.

4 “(jj) WORK-ELIGIBLE ADULT WITHOUT DEPEND-
5 ENT CHILDREN.—The term ‘work-eligible adult without
6 dependent children’ means an individual who—

7 “(1) is an able-bodied, work-eligible adult; and

8 “(2) is not a family head or the married spouse
9 of a family head.

10 “(kk) WORK-ELIGIBLE FAMILY UNIT.—The term
11 ‘work-eligible family unit’ means—

12 “(1) an able-bodied, work-eligible adult without
13 dependent children;

14 “(2) a work-eligible single-headed family with
15 dependent children; or

16 “(3) a work-eligible married couple family with
17 dependent children.

18 “(ll) WORK-ELIGIBLE MARRIED COUPLE FAMILY
19 WITH DEPENDENT CHILDREN.—The term ‘work-eligible
20 married couple family with dependent children’ means a
21 married couple with dependent children that contains at
22 least 1 work-eligible, able-bodied adult who is—

23 “(1) the family head; or

24 “(2) the married spouse of the family head.

1 “(mm) WORK-ELIGIBLE SINGLE-HEADED FAMILY
 2 WITH DEPENDENT CHILDREN.—The term ‘work-eligible
 3 single-headed family with dependent children’ means a
 4 single-headed family with dependent children that has a
 5 family head who is an able-bodied, work-eligible adult.”.

6 (c) CONDITIONS OF PARTICIPATION.—Section 6 of
 7 the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is
 8 amended by striking subsection (d) and inserting the fol-
 9 lowing:

10 “(d) CONDITIONS OF PARTICIPATION.—

11 “(1) WORK REQUIREMENTS.—

12 “(A) IN GENERAL.—No able-bodied, work-
 13 eligible adult shall be eligible to participate in
 14 the food stamp program if the individual—

15 “(i) refuses, at the time of application
 16 and every 12 months thereafter, to register
 17 for employment in a manner prescribed by
 18 the Secretary;

19 “(ii) refuses without good cause to ac-
 20 cept an offer of employment, at a site or
 21 plant not subject to a strike or lockout at
 22 the time of the refusal, at a wage not less
 23 than the higher of—

24 “(I) the applicable Federal or
 25 State minimum wage; or

1 “(II) 80 percent of the wage that
2 would have applied had the minimum
3 hourly rate under section 6(a)(1) of
4 the Fair Labor Standards Act of
5 1938 (29 U.S.C. 206(a)(1)) been ap-
6 plicable to the offer of employment;

7 “(iii) refuses without good cause to
8 provide a State agency with sufficient in-
9 formation to allow the State agency to de-
10 termine the employment status or the job
11 availability of the individual; or

12 “(iv) voluntarily—

13 “(I) quits a job; or

14 “(II) reduces work effort and,
15 after the reduction, is working less
16 than 30 hours per week, unless an-
17 other adult in the same family unit in-
18 creases employment at the same time
19 by an amount that is at least equal to
20 the reduction in work effort by the
21 first adult.

22 “(B) FAMILY UNIT INELIGIBILITY.—If an
23 able-bodied, work-eligible adult is ineligible to
24 participate in the food stamp program because
25 of subparagraph (A), no other member of the

1 family unit to which that adult belongs shall be
2 eligible to participate.

3 “(C) DURATION OF INELIGIBILITY.—An
4 able-bodied, work-eligible adult who becomes in-
5 eligible under subparagraph (A), and members
6 of the family unit who become ineligible under
7 subparagraph (B), shall remain ineligible for 3
8 months after the date on which ineligibility
9 began.

10 “(D) RESTORATION OF ELIGIBILITY.—At
11 the end of the 3-month period of ineligibility
12 under subparagraph (c), members of a work-eli-
13 gible family unit may have their eligibility to
14 participate in the food stamp program restored,
15 if—

16 “(i) the family unit is no longer a
17 work-eligible family unit; or

18 “(ii) the adult members of the family
19 unit begin and maintain any combination
20 of paid employment and work activation
21 sufficient to meet the appropriate stand-
22 ards for resumption of benefits in section
23 29(c)(2).

24 “(2) STRIKE AGAINST A GOVERNMENT.—For
25 the purpose of subparagraph (A)(iv), an employee of

1 the Federal Government, a State, or a political sub-
2 division of a State, who is dismissed for partici-
3 pating in a strike against the Federal Government,
4 the State, or the political subdivision of the State
5 shall be considered to have voluntarily quit without
6 good cause.

7 “(3) STRIKING WORKERS INELIGIBLE.—

8 “(A) IN GENERAL.—Except as provided in
9 subparagraphs (B) and (C) and notwith-
10 standing any other provision of law, no member
11 of a family shall be eligible to participate in the
12 food stamp program at any time that any able-
13 bodied, work-eligible adult member of the
14 household is on strike as defined in section 501
15 of the Labor Management Relations Act, 1947
16 (29 U.S.C. 142), because of a labor dispute
17 (other than a lockout) as defined in section 2
18 of the National Labor Relations Act (29 U.S.C.
19 152).

20 “(B) PRIOR ELIGIBILITY.—

21 “(i) IN GENERAL.—Subject to clauses
22 (ii), a family unit shall not lose eligibility
23 to participate in the food stamp program
24 as a result of 1 of the members of the fam-

1 ily unit going on strike if the household
2 was eligible immediately prior to the strike.

3 “(ii) NO INCREASED ALLOTMENT.—A
4 family unit described in clause (i) shall not
5 receive an increased allotment as the result
6 of a decrease in the income of the 1 or
7 more striking members of the household.

8 “(C) REFUSAL TO ACCEPT EMPLOY-
9 MENT.—Ineligibility described in subparagraph
10 (A) shall not apply to any family unit that does
11 not contain a member on strike, if any of the
12 members of the family unit refuses to accept
13 employment at a plant or site because of a
14 strike or lockout.”.

15 (d) ELIGIBILITY OF STUDENTS WITH DEPENDENT
16 CHILDREN.—Section 6(e) of the Food Stamp Act of 1977
17 (7 U.S.C. 2015(e)) is amended by striking paragraph (8)
18 and inserting the following:

19 “(8) is enrolled full-time in an institution of
20 higher education, as determined by the institution,
21 and—

22 “(A) is a single parent with responsibility
23 for the care of a dependent child under 12
24 years of age; or

1 “(B) is a family head or married spouse of
2 a family head in a married couple family with
3 dependent children and has a dependent child
4 under age 12 residing in the home.”.

5 (e) WORK REQUIREMENT.—Section 6 of the Food
6 Stamp Act of 1977 (7 U.S.C. 2015) is amended by strik-
7 ing subsection (o) and inserting the following:

8 “(o) FULFILLMENT OF EMPLOYMENT AND WORK
9 ACTIVATION REQUIREMENTS.—

10 “(1) IN GENERAL.—If 1 or more adults within
11 a work-eligible family unit are required by the State
12 agency to participate in work activation under sec-
13 tion 29, no member of the family unit shall be eligi-
14 ble for food stamp benefits unless the family unit
15 complies with the employment and work activation
16 standards.

17 “(2) SANCTIONS AND RESUMPTION OF BENE-
18 FITS.—If 1 or more adults within a work-eligible
19 family unit who are required by the State agency to
20 participate in work activation under section 29 dur-
21 ing a given month fail to comply with the work acti-
22 vation standards, benefits for all members of the
23 family unit—

24 “(A) shall be terminated in accordance
25 with section 29(c)(1); and

1 “(B) may be resumed upon compliance
2 with section 29(c)(2).”.

3 (f) EXCLUSION.—Section 6 of the Food Stamp Act
4 of 1977 (7 U.S.C. 2015) is amended by adding at the end
5 the following:

6 “(r) MINOR CHILDREN.—No child less than age 18
7 years of age may participate in the food stamp program
8 unless the child is a member of a family with dependent
9 children and resides with an adult who is—

10 “(1) the family head of the same family of
11 which the child is also a member;

12 “(2) eligible to participate, and participating, in
13 the food stamp program as a member of the same
14 household as the child; and

15 “(3) lawfully residing, and eligible to work, in
16 the United States.”.

17 (g) HEARING AND DETERMINATION.—Section
18 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C.
19 2020(e)(10)) is amended by striking “: *Provided*” and all
20 that follows through “hearing;” at the end and inserting
21 a semicolon.

22 (h) WORK REQUIREMENTS AND ACTIVATION PRO-
23 GRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et
24 seq.) is amended by adding at the end the following:

1 **“SEC. 29. WORK REQUIREMENTS AND ACTIVATION PRO-**
2 **GRAM.**

3 “(a) EMPLOYMENT AND WORK ACTIVATION STAND-
4 ARDS.—

5 “(1) IN GENERAL.—A family unit with adult
6 members that is required to participate in work acti-
7 vation under subsection (b) during a full month of
8 participation in the food stamp program shall fulfill
9 the following levels of work activity during that
10 month:

11 “(A) Each able-bodied, work-eligible adult
12 without dependent children shall be required to
13 perform work activities for at least 60 hours
14 per month.

15 “(B) Each family head of a work-eligible
16 single-headed family with dependent children
17 shall be required to perform work activities for
18 at least 120 hours per month.

19 “(C) Subject to paragraph (2), in each
20 work-eligible married couple family with de-
21 pendent children, the family head and married
22 spouse shall be required to perform work activi-
23 ties that when added together for the 2 adults
24 equal at least 120 hours per month.

25 “(2) REQUIREMENTS.—

1 “(A) SINGLE JOINT OBLIGATION.—The
2 120-hour requirement under paragraph (1)(C)
3 shall be a single joint obligation for the married
4 couple as a whole in which the activities of both
5 married partners shall be combined together
6 and counted jointly.

7 “(B) RELATIONSHIP TO PAID EMPLOY-
8 MENT AND WORK ACTIVATION.—For purposes
9 of meeting the 120-hour requirement, the paid
10 employment and work activation of the family
11 head shall be added to the paid employment
12 and work activation of the married spouse, and
13 the requirement shall be fulfilled if the sum of
14 the work activities of the 2 individuals equals or
15 exceeds 120 hours per month.

16 “(C) OPTIONS.—The work requirement for
17 a work-eligible married couple family with de-
18 pendent children may be fulfilled—

19 “(i) by 120 or more hours of work ac-
20 tivity by the family head;

21 “(ii) by 120 or more hours of work
22 activities by the married spouse; or

23 “(iii) if the combined work activities
24 of the family head and married spouse

1 which when added together equal or exceed
2 120 hours.

3 “(D) NO SEPARATE WORK ACTIVATION RE-
4 QUIREMENT.—Neither the family head nor the
5 married spouse in a married couple with de-
6 pendent children shall be subject to a separate
7 work activation requirement as individuals.

8 “(b) PRO RATA REDUCTION IN EMPLOYMENT AND
9 WORK ACTIVATION STANDARD DURING A PARTIAL
10 MONTH.—

11 “(1) IN GENERAL.—A work-eligible family unit
12 shall be subject to a pro-rated work activity stand-
13 ard, if the family unit—

14 “(A) receives a pro-rated monthly allot-
15 ment during the initial month of enrollment
16 under section 8(c); and

17 “(B) is required by the State to participate
18 in the work activation program during that
19 month.

20 “(2) PRO-RATED WORK ACTIVITY STANDARD.—

21 For purposes of paragraph (1), the term ‘pro-rated
22 work activity standard’ means a standard that
23 equals a number of hours of work activity of a fam-
24 ily unit that bears the same proportion to the em-
25 ployment and work activation requirement for the

1 family unit for a full month under subsection (a) as
2 the proportion that—

3 “(A) the pro-rated monthly allotment re-
4 ceived by the household for the partial month
5 under section 8(c); bears to

6 “(B) the full allotment the same household
7 would receive for a complete month.

8 “(3) REQUIREMENT.—For purposes of fulfilling
9 the pro-rated work activity requirement during an
10 initial month of enrollment in the food stamp pro-
11 gram, only those hours of adult work activity that
12 occurred during the portion of the month in which
13 the family unit was participating in the food stamp
14 program shall be counted.

15 “(c) SANCTION FOR NONCOMPLIANCE.—

16 “(1) STANDARD.—

17 “(A) IN GENERAL.—If 1 or more members
18 of a work-eligible family unit are required to
19 participate in the work activation program
20 under subsection (e) in a calendar month and
21 the 1 or more individuals fail to fulfill the work
22 activity standard under subsection (a) or (b) for
23 that month—

24 “(i) no member of the family unit
25 shall be eligible to receive food stamp bene-

1 fits during the subsequent calendar month;
2 and

3 “(ii) except as provided in subpara-
4 graph (B), the State agency shall not pro-
5 vide the food stamp benefit payment for all
6 members of the family unit that otherwise
7 would have been issued at the beginning of
8 the next month.

9 “(B) ADMINISTRATIVE DELAY OF SANC-
10 TION.—

11 “(i) IN GENERAL.—Except as pro-
12 vided in clauses (ii) and (iii), if it is admin-
13 istratively infeasible for the State to not
14 provide the food stamp benefit that would
15 be issued at the beginning of the first
16 month after the month of noncompliance,
17 the State shall not provide the payment to
18 all members of the family unit that other-
19 wise would have been made at the begin-
20 ning of the second month after the month
21 of noncompliance.

22 “(ii) DEADLINE.—The sanction of
23 benefits shall occur not later than 32 days
24 after the end of the month of noncompli-
25 ance.

1 “(iii) RELATIONSHIP OF PAYMENTS
2 TO MEMBERS OF THE FAMILY UNIT.—At
3 least 1 monthly payment to all members of
4 the family unit shall be not provided for
5 each month of noncompliance under sub-
6 paragraph (A).

7 “(2) RESUMPTION OF BENEFITS AFTER SANC-
8 TION.—

9 “(A) IN GENERAL.—If a family unit has
10 had the monthly benefit of the family unit not
11 provided due to noncompliance with a work ac-
12 tivity requirement under subsection (b), the
13 family unit shall not be eligible to receive future
14 benefits under the food stamp program, until—

15 “(i) the 1 or more work-eligible mem-
16 bers of the family unit have participated in
17 the work activation program under sub-
18 section (e) for at least 4 consecutive subse-
19 quent weeks and fulfilled the work activity
20 standard for the family unit for that same
21 4-week period; or

22 “(ii) the family unit no longer con-
23 tains any able-bodied, work-eligible adults.

24 “(B) LIMITATION.—The resumed benefits
25 cannot restore or compensate for the benefits

1 that were not provided due to the sanction im-
2 posed under paragraph (1).

3 “(d) WORK ACTIVATION IS NOT EMPLOYMENT.—
4 Participation in work activation activities under this sec-
5 tion shall—

6 “(1) not be considered to be employment; and

7 “(2) not be subject to any law pertaining to
8 wages, compensation, hours, or conditions of employ-
9 ment under any law administered by the Secretary
10 of Labor.

11 “(e) WORK ACTIVATION PROGRAM.—

12 “(1) PROGRAM.—Each State participating in
13 the food stamp program shall carry out a work acti-
14 vation program.

15 “(2) PURPOSE.—

16 “(A) IN GENERAL.—The goal of each work
17 activation program shall be to increase the em-
18 ployment of able-bodied, work-eligible adult
19 food stamp recipients.

20 “(B) REQUIREMENT.—To accomplish the
21 goal, each State shall require able-bodied adult
22 food stamp recipients who are unemployed or
23 under-employed to engage in work activation.

24 “(3) TARGET WORK ACTIVATION RATIOS.—

1 “(A) IN GENERAL.—Beginning on the date
2 that is 180 days after the date of enactment of
3 this section, a State shall engage able-bodied
4 food stamp recipients in work activation each
5 month in sufficient numbers to meet the fol-
6 lowing monthly target work activation ratios:

7 “(i) In 2012, the monthly target work
8 activation ratio shall be 4 percent.

9 “(ii) In 2013 and each subsequent
10 year, the monthly target work activation
11 ratio shall be 7 percent.

12 “(B) LIMITATION ON EDUCATION AND
13 TRAINING AS A COMPONENT OF WORK ACTIVA-
14 TION.—For purposes of compliance by the
15 State with the work activation ratios, not more
16 than 20 percent of the monthly work activation
17 participants counted by the State may be en-
18 gaged in employment and training as a means
19 of fulfilling the employment and work activation
20 standards of the participants.

21 “(4) WORK ACTIVATION PRIORITY POPU-
22 LATIONS.—

23 “(A) IN GENERAL.—In carrying out the
24 work activation programs, a State shall give

1 priority to participation by the following recipi-
2 ent groups:

3 “(i) Work-eligible adults without de-
4 pendent children.

5 “(ii) Work-eligible adults who are also
6 recipients of housing assistance.

7 “(iii) Other work-eligible recipients at
8 the time of initial application for food
9 stamp benefits.

10 “(B) PARTICIPATION SHARE.—Except as
11 provided in subparagraph (C), at least 80 per-
12 cent of the participants in a work activation
13 program shall belong to at least 1 of the 3 pri-
14 ority groups listed in subparagraph (A).

15 “(C) EXCEPTION.—

16 “(i) IN GENERAL.—The percentage
17 requirement in subparagraph (B) shall not
18 apply if the number of recipients in the 3
19 priority groups in the State is insufficient
20 to meet that requirement.

21 “(ii) PRIORITY.—In circumstances de-
22 scribed in clause (i), the State shall con-
23 tinue to give priority to any recipients who
24 belong to 1 of the 3 priority groups.

1 “(5) REIMBURSABLE EXPENSES OF PARTICI-
2 PANTS.—

3 “(A) IN GENERAL.—A State agency shall
4 provide payments or reimbursements to partici-
5 pants in work activation carried out under this
6 section for—

7 “(i) the actual costs of transportation
8 and other actual costs (other than depend-
9 ent care costs) that are reasonably nec-
10 essary and directly related to participation
11 in the work activation components of the
12 program; and

13 “(ii) the actual costs of such depend-
14 ent care expenses as are determined by the
15 State agency to be necessary for the par-
16 ticipation of an individual in the work acti-
17 vation components of the program (other
18 than an individual who is the caretaker rel-
19 ative of a dependent in a family receiving
20 benefits under part A of title IV of the So-
21 cial Security Act (42 U.S.C. 601 et seq.))
22 in a local area in which an employment,
23 training, or education program under title
24 IV of that Act (42 U.S.C. 601 et seq.) is
25 in operation, on the condition that no such

1 payment or reimbursement shall exceed the
2 applicable local market rate.

3 “(B) VOUCHERS.—

4 “(i) IN GENERAL.—In lieu of pro-
5 viding reimbursements for dependent care
6 expenses under subparagraph (A)(ii), a
7 State agency may, at the option of the
8 State agency, arrange for dependent care
9 through providers by providing vouchers to
10 the household to allow the recipient to
11 choose between all lawful providers.

12 “(ii) VALUE OF VOUCHERS.—The
13 value of a voucher shall not exceed the av-
14 erage local market rate.

15 “(C) VALUE OF SERVICES.—The value of
16 any dependent care services provided for or ar-
17 ranged under subparagraph (A) or (B), or any
18 amount received as a payment or reimburse-
19 ment under subparagraph (A), shall—

20 “(i) not be treated as income for the
21 purposes of any other Federal or federally
22 assisted program that bases eligibility for,
23 or the amount of benefits on, need; and

24 “(ii) not be claimed as an employ-
25 ment-related expense for the purposes of

1 the credit provided under section 21 of the
2 Internal Revenue Code of 1986.

3 “(6) PENALTIES FOR INADEQUATE STATE PER-
4 FORMANCE.—

5 “(A) DEFINITIONS.—In this paragraph:

6 “(i) NON-PERFORMANCE MONTH.—

7 The term ‘non-performance month’ means
8 a month in which a State fails to engage
9 food stamp recipients in work activation in
10 sufficient numbers to meet or exceed the
11 appropriate target work activation ratio
12 under paragraph (3).

13 “(ii) PENALTY MONTH.—The term
14 ‘penalty month’ means a month in which a
15 State is penalized for the failure.

16 “(B) PENALTY.—If, in a month, a State
17 fails to engage food stamp recipients in work
18 activation in sufficient numbers to meet or ex-
19 ceed the appropriate work activation ratio
20 under paragraph (3), the Federal food stamp
21 funding provided to the State in a subsequent
22 penalty month shall be reduced in accordance
23 with this paragraph.

1 “(C) TIMING.—The penalty month shall be
2 not later than 4 months after the non-perform-
3 ance month.

4 “(D) REDUCTION.—The amount of Fed-
5 eral food stamp funding a State shall receive
6 for the penalty month shall equal the product
7 obtained by multiplying—

8 “(i) the amount of Federal food
9 stamp funds the State would otherwise
10 have received; and

11 “(ii) the quotient obtained by divid-
12 ing—

13 “(I) the actual monthly work ac-
14 tivation ratio achieved by the State in
15 the penalty month; by

16 “(II) the target monthly work ac-
17 tivation ratio for the penalty month.

18 “(7) REWARDS TO STATES FOR REDUCING GOV-
19 ERNMENT DEPENDENCE.—

20 “(A) IN GENERAL.—If, in any future year,
21 a State reduces the food stamp caseload of the
22 State below the levels that existed in calendar
23 year 2006, the State shall receive a financial re-
24 ward for reducing dependence.

1 “(B) AMOUNT.—The reward shall equal $\frac{1}{4}$
2 of the savings to the Federal Government for
3 that year that resulted from the caseload reduc-
4 tion.

5 “(C) USE OF REWARD.—A State may use
6 reward funding under this paragraph for any
7 purpose chosen by the State that—

8 “(i) provides benefits or services to in-
9 dividuals with incomes below 200 percent
10 of the Federal poverty level;

11 “(ii) improves social outcomes in low-
12 income populations;

13 “(iii) encourages healthy marriage; or

14 “(iv) increases self-sufficiency and re-
15 duces dependence.

16 “(8) AUTHORIZATION OF FUNDING.—

17 “(A) IN GENERAL.—There is authorized to
18 be appropriated to the Secretary to provide
19 funds to State governments for the purpose of
20 carrying out work activation programs in ac-
21 cordance with this section \$2,500,000,000 for
22 fiscal year 2012 and each subsequent fiscal
23 year.

24 “(B) ALLOCATION AMONG STATES.—The
25 total amount appropriated under subparagraph

1 (A) for a fiscal year shall be allocated among
2 the States in accordance with the proportion of
3 each State’s share of total funding for the food
4 stamp program under this Act in fiscal year
5 2007.”.

6 (i) CONFORMING AMENDMENTS.—

7 (1) Section 5 of the Food Stamp Act of 1977
8 (7 U.S.C. 2014) is amended—

9 (A) in subsection (a), in the second sen-
10 tence, by striking “, 6(d)(2),”;

11 (B) in subsection (d)(14), by striking “sec-
12 tion 6(d)(4)(I)” and inserting “section 29”;

13 (C) in subsection (e)(3)(B)(ii), by striking
14 “subsection (d)(3)” and inserting “section 29”;
15 and

16 (D) in the first sentence of subsection
17 (g)(3), by striking “section 6(d)” and inserting
18 “section 29”.

19 (2) Section 7(i)(1) of the Food Stamp Act of
20 1977 (7 U.S.C. 2016(i)(1)) is amended by striking
21 “section 6(o)(2)” and inserting “section 6(o)”.

22 (3) Section 11(e) of the Food Stamp Act of
23 1977 (7 U.S.C. 2020(e)) is amended—

24 (A) by striking paragraph (19); and

1 (B) by redesignating paragraphs (20)
2 through (23) as paragraphs (19) through (22),
3 respectively.

4 (4) Section 16 of the Food Stamp Act of 1977
5 (7 U.S.C. 2025) is amended—

6 (A) in subsection (b)(4), by striking “sec-
7 tion 6(d)” and inserting “section 29”; and

8 (B) by striking subsection (h).

9 (5) Section 17 of the Food Stamp Act of 1977
10 (7 U.S.C. 2026) is amended—

11 (A) in subsection (b)—

12 (i) in paragraph (1)(B)(iv)(III)—

13 (I) by striking item (bb); and

14 (II) by redesignating items (cc)
15 through (jj) as items (bb) through
16 (ii), respectively;

17 (ii) in paragraph (2), by striking the
18 second sentence; and

19 (iii) in paragraph (3)(B), in the first
20 sentence, by striking “section 6(d)” and
21 inserting “section 29,”; and

22 (B) by striking subsection (g).

23 (6) Section 20 of the Food Stamp Act of 1977
24 (7 U.S.C. 2029) is amended—

25 (A) in subsection (b)—

1 (i) by striking paragraph (1); and
2 (ii) by redesignating paragraphs (2)
3 through (6) as paragraphs (1) through (5),
4 respectively;
5 (B) by striking subsection (f); and
6 (C) by redesignating subsection (g) as sub-
7 section (f).

8 (7) Section 22(b) of the Food Stamp Act of
9 1977 (7 U.S.C. 2031(b)) is amended by striking
10 paragraph (4).

11 (8) Section 26(f)(3)(E) of the Food Stamp Act
12 of 1977 (7 U.S.C. 2036(f)(3)(E)) is amended by
13 striking “(22), and (23)” and inserting “(21), and
14 (22)”.

15 (9) Section 501(b)(2)(E) of the Workforce In-
16 vestment Act of 1998 (20 U.S.C. 9271(b)(2)(E)) is
17 amended by striking “section 6(d)” and all that fol-
18 lows through the end and inserting “section 29 of
19 the Food Stamp Act of 1977.”.

20 (10) Section 112(b)(8)(A)(iii) of the Workforce
21 Investment Act of 1998 (29 U.S.C.
22 2822(b)(8)(A)(iii)) is amended by striking “section
23 6(d)(4)” and all that follows through “(7 U.S.C.
24 2015(d)(4))” and inserting “section 29 of the Food
25 Stamp Act of 1977”.

1 (11) Section 121(b)(2)(B)(ii) of the Workforce
2 Investment Act of 1998 (29 U.S.C.
3 2841(b)(2)(B)(ii)) is amended by striking “section
4 6(d)(4)” and all that follows through the end and in-
5 serting “section 29 of the Food Stamp Act of
6 1977;”.

7 **SEC. 203. DEFINITION OF FOOD.**

8 Section 3(k) of the Food Stamp Act of 1977 (7
9 U.S.C. 2012(k)) is amended by inserting before the period
10 at the end the following: “, except that a food, food prod-
11 uct, meal, or other item described in this subsection shall
12 be considered a food under this Act only if it is a bare
13 essential (as determined by the Secretary)”.

14 **SEC. 204. TERMINATION OF BENEFIT INCREASE.**

15 Section 101(a)(2) of division A of the American Re-
16 covery and Reinvestment Act of 2009 (Public Law 111–
17 5; 123 Stat. 120; 124 Stat. 2394; 124 Stat. 3265) is
18 amended by striking “after October 31, 2013” and insert-
19 ing “on the date of enactment of the Welfare Reform Act
20 of 2011”.

1 **TITLE III—REPORTING OF**
2 **MEANS-TESTED WELFARE**
3 **SPENDING IN PRESIDENT’S**
4 **BUDGET SUBMISSION**

5 **SEC. 301. ADDITIONAL INFORMATION IN PRESIDENT’S**
6 **BUDGET SUBMISSION.**

7 Section 1105(a) of title 31, United States Code, is
8 amended by adding at the end the following new para-
9 graph:

10 “(37) the total level of spending on means-test-
11 ed welfare programs by the Federal Government and
12 the total level of spending on means-tested welfare
13 programs by all State and local governments and the
14 Federal Government for the most recent fiscal year
15 for which such data is available and estimated levels
16 for the fiscal year during which the budget submis-
17 sion of the President is made, for the fiscal year be-
18 ginning on October 1 of the calendar year during
19 which the budget submission is made, and for each
20 of the nine ensuing fiscal years, and for purposes of
21 this paragraph, means-tested welfare programs shall
22 mean those programs defined in section 401 of the
23 Welfare Reform Act of 2011.”.

1 **TITLE IV—AGGREGATE CAP FOR**
2 **MEANS-TESTED WELFARE**
3 **SPENDING**

4 **SEC. 401. DEFINITION OF MEANS-TESTED WELFARE SPEND-**
5 **ING.**

6 Section 3 of the Congressional Budget and Impound-
7 ment Control Act of 1974 is amended by adding at the
8 end the following new paragraph:

9 “(11)(A) The term ‘means-tested welfare
10 spending’ refers to any Federal program that is de-
11 signed to specifically provide assistance or benefits
12 exclusively to low-income Americans, but is not such
13 a program if it—

14 “(i) is based on earned eligibility;

15 “(ii) is not need-based;

16 “(iii) is a program designed exclusively or
17 primarily for veterans of military service; or

18 “(iv) offers universal or near universal eli-
19 gibility to the working population and their de-
20 pendants.

21 Community and economic development programs
22 targeted to low-income communities or populations
23 shall be considered means-tested welfare programs
24 for purposes of this paragraph.

1 “(B) For purposes of subparagraph (A), the
2 following Federal programs shall be considered to be
3 means-tested welfare spending:

4 “(i) CASH AND GENERAL PROGRAMS.—

5 “(I) Supplemental Security Income.

6 “(II) Earned Income Tax Credit (Re-
7 fundable Portion).

8 “(III) Refundable Child Credit.

9 “(IV) Temporary Assistance to Needy
10 Families.

11 “(V) Title IV–E Foster Care.

12 “(VI) Title IV–E Adoption Assist-
13 ance.

14 “(VII) General Assistance to Indians.

15 “(VIII) Assets for Independence.

16 “(ii) MEDICAL.—

17 “(I) Medicaid.

18 “(II) State Children’s Health Insur-
19 ance Program.

20 “(III) Indian Health Services.

21 “(IV) Consolidated Health Centers/
22 Community Health Centers.

23 “(V) Maternal and Child Health.

24 “(VI) Healthy Start.

1 “(VII) Refundable Premiums and Out
2 of Pocket Subsidies under the Patient Pro-
3 tection and Affordable Health Care Act
4 (PPACA).

5 “(iii) FOOD.—

6 “(I) Food Stamps Program.

7 “(II) School Lunch Program.

8 “(III) Women, Infant and Children
9 (WIC) Food Program.

10 “(IV) School Breakfast.

11 “(V) Child Care Food Program.

12 “(VI) Nutrition Program for the El-
13 derly, Nutrition Service Incentives.

14 “(VII) Summer Food Service Pro-
15 gram.

16 “(VIII) Commodity Supplemental
17 Food Program.

18 “(IX) Temporary Emergency Food
19 Program.

20 “(X) Needy Families.

21 “(XI) Farmer’s Market Nutrition
22 Program.

23 “(XII) Special Milk Program.

24 “(iv) HOUSING.—

25 “(I) Section 8 Housing (HUD).

1 “(II) Public Housing (HUD).

2 “(III) State Housing Expenditures.

3 “(IV) Home Investment Partnership
4 Program (HUD).

5 “(V) Homeless Assistance Grants
6 (HUD).

7 “(VI) Rural Housing Insurance Fund
8 (Agriculture).

9 “(VII) Rural Housing Service (Agri-
10 culture).

11 “(VIII) Housing for the Elderly
12 (HUD).

13 “(IX) Native American Housing
14 Block Grants (HUD).

15 “(X) Other Assisted Housing Pro-
16 grams (HUD).

17 “(XI) Housing for Persons with Dis-
18 abilities (HUD).

19 “(v) ENERGY AND UTILITIES.—

20 “(I) Low-Income Home Energy As-
21 sistance.

22 “(II) Universal Service Fund—Sub-
23 sidized Phone Service for Low-Income Per-
24 sons.

25 “(III) Weatherization.

1 “(vi) EDUCATION.—

2 “(I) Pell Grants.

3 “(II) Title I Grants to Local Edu-
4 cation Authorities.

5 “(III) Special Programs for Disadvan-
6 taged (TRIO).

7 “(IV) Supplemental Education Oppor-
8 tunity Grants.

9 “(V) Migrant Education.

10 “(VI) Gear-Up.

11 “(VII) Education for Homeless Chil-
12 dren and Youth.

13 “(VIII) Leveraging Educational As-
14 sistance Partnership (LEAP) Program.

15 “(IX) Even Start.

16 “(vii) TRAINING.—

17 “(I) Job Corps.

18 “(II) Youth Opportunity Grants
19 (under the Workforce Investment Act).

20 “(III) Adult Employment and Train-
21 ing (under the Workforce Investment Act).

22 “(IV) Senior Community Service Em-
23 ployment.

24 “(V) Food Stamp Employment and
25 Training Program.

1 “(VI) Migrant Training.

2 “(VII) YouthBuild.

3 “(VIII) Native American Training.

4 “(viii) SERVICES.—

5 “(I) Title XX Social Services Block
6 Grant.

7 “(II) Community Service Block
8 Grant.

9 “(III) Social Services for Refugees,
10 Asylees, and Humanitarian Cases.

11 “(IV) Title III Aging Americans Act.

12 “(V) Legal Services Block Grant.

13 “(VI) Family Planning.

14 “(VII) Emergency Food and Shelter.

15 “(VIII) Healthy Marriage and Re-
16 sponsible Fatherhood Grants.

17 “(IX) Americorps VISTA.

18 “(ix) CHILD CARE AND CHILD DEVELOP-
19 MENT.—

20 “(I) Headstart.

21 “(II) Childcare and Child Develop-
22 ment Block Grant.

23 “(III) Child Care Block Grant (under
24 Temporary Assistance to Needy Families
25 Program).

1 “(x) COMMUNITY DEVELOPMENT.—

2 “(I) Community Development Block
3 Grant.

4 “(II) Economic Development Adminis-
5 tration.

6 “(III) Appalachian Regional Develop-
7 ment.

8 “(IV) Empowerment Zones, Enter-
9 prise Communities, Renewal Communities.

10 “(V) Urban Development Block
11 Grant.

12 “(C) For purposes of this paragraph, the term
13 ‘means-tested welfare spending’ shall not include—

14 “(i) the Social Security Disability Insur-
15 ance program;

16 “(ii) Medicare;

17 “(iii) retirement insurance benefits and
18 survivor benefits under the Social Security pro-
19 gram;

20 “(iv) any program designed exclusively or
21 primarily for veterans of military service;

22 “(v) unemployment insurance benefits pro-
23 vided under title K; and

1 “(vi) programs designed specifically to pro-
2 vide benefits to workers to compensate for job-
3 related injuries or illnesses.

4 “(D) For purposes of this paragraph, the term
5 ‘spending on means-tested welfare programs’ shall
6 mean the full cost of benefits and services provided
7 by the program, as well as the administrative costs
8 for operating the program, subject to the limitations
9 in subparagraph (E).

10 “(E)(i) For purposes of this paragraph only the
11 refundable portion of the following tax credits shall
12 be counted as means-tested welfare expenditures:

13 “(I) The earned income tax credit.

14 “(II) The child tax credit.

15 “(III) The making work pay tax credit.

16 “(ii) For purposes of this paragraph only the
17 refundable portion of the premium and out of pocket
18 health care subsidies to be paid under the Patient
19 Protection and Affordable Health Care Act shall be
20 counted as means-tested welfare expenditures; the
21 refundable portion of these subsidies shall mean the
22 portion of the credit which is paid to an individual
23 in excess of the amount of Federal income tax owed
24 by the individual.

1 “(iii) For purposes of this paragraph only the
2 costs of the free and reduced price segments of the
3 school lunch and school breakfast programs shall be
4 included.

5 “(F) For purposes of this paragraph expendi-
6 tures by State and local governments of funds that
7 are:

8 “(i) obtained by the State and local gov-
9 ernment from taxes, fees, or other sources of
10 revenue established by the State or local gov-
11 ernment; and

12 “(ii) are not received as any form of grant
13 from the Federal Government,
14 shall not be considered as Federal means-tested wel-
15 fare spending even if such state and local expendi-
16 tures take the form of contributions to Federal pro-
17 grams listed or defined in subparagraphs (A) and
18 (B).

19 “(12) The limits established by this paragraph
20 shall not be in effect in a fiscal year if the average
21 monthly unemployment rate in the preceding fiscal
22 year exceeded 7.5 percent.”.

1 **SEC. 402. REPORTS TO BUDGET COMMITTEES.**

2 Section 202(e)(1) of the Congressional Budget Act
3 of 1974 is amended by inserting “(A)” after “(1)” and
4 by inserting at the end the following new subparagraph:

5 “(B) The Director shall include in each report
6 submitted to the Committees on the Budget of the
7 House of Representatives and the Senate under sub-
8 paragraph (A) the information described in clause
9 (ii) beginning on the earlier of—

10 “(i) the first fiscal year that begins after
11 the date of enactment of this subparagraph and
12 after any monthly rate of unemployment during
13 the immediately preceding fiscal year is below
14 7.5 percent; or

15 “(ii) fiscal year 2015.

16 “(C) The Director shall include the following
17 information for the fiscal year commencing on Octo-
18 ber 1 of the year in which the report is submitted
19 and for each of the ensuing 4 fiscal years:

20 “(i) The Congressional Budget Office base-
21 line level of Federal spending for aggregate
22 means-tested welfare programs.

23 “(ii) The aggregate level of Federal means-
24 tested welfare spending computed by taking the
25 aggregate level of means-tested welfare spend-
26 ing for fiscal year 2007 and adjusting that for

1 inflation according to the procedures specified
2 in clause (iii).

3 “(D) In preparing the report required by this
4 subparagraph—

5 “(i) spending on means-tested medical as-
6 sistance programs shall be adjusted for inflation
7 according to the price index for personal con-
8 sumption expenditures for health products and
9 services as calculated by the Bureau of Eco-
10 nomic Analysis; and

11 “(ii) spending for all other means-tested
12 programs shall be adjusted for inflation accord-
13 ing to the weighted price index for personal
14 consumption expenditures excluding health
15 products and services as calculated by the Bu-
16 reau of Economic Analysis.”.

17 **SEC. 403. CONTENT OF CONCURRENT RESOLUTIONS ON**
18 **THE BUDGET.**

19 Section 301 of the Congressional Budget Act of 1974
20 is amended by adding at the end the following new sub-
21 section:

22 “(j) MEANS-TESTED WELFARE SPENDING.—

23 “(1) IN GENERAL.—The concurrent resolution
24 on the budget for the applicable fiscal year shall set
25 forth the appropriate level for aggregate means-test-

1 ed welfare spending for the first fiscal year of that
2 concurrent resolution and for at least each of the 4
3 ensuing fiscal years beginning on the earlier of—

4 “(A) the first fiscal year that begins after
5 the date of enactment of this subsection and
6 after any monthly rate of unemployment during
7 the immediately preceding fiscal year is below
8 7.5 percent; or

9 “(B) fiscal year 2015.

10 “(2) SETTING LEVEL.—The level described in
11 paragraph (2) shall not exceed the aggregate level of
12 Federal means-tested welfare spending for fiscal
13 year 2007, adjusted for inflation as follows:

14 “(A) Spending on means-tested medical as-
15 sistance programs shall be adjusted for inflation
16 according to the price index for personal con-
17 sumption expenditures for health products and
18 services as calculated by the Bureau of Eco-
19 nomic Analysis.

20 “(B) Spending for all other means-tested
21 programs shall be adjusted for inflation accord-
22 ing to the weighted price index for personal
23 consumption expenditures excluding health
24 products and services as calculated by the Bu-
25 reau of Economic Analysis.”.

1 **SEC. 404. ALLOCATIONS OF MEANS-TESTED WELFARE**
2 **SPENDING.**

3 (a) IN GENERAL.—Section 302 of the Congressional
4 Budget Act of 1974 is amended by adding at the end the
5 following new subsection:

6 “(h) MEANS-TESTED WELFARE SPENDING LIMIT.—

7 “(1) FURTHER DIVISION OF AMOUNTS.—For
8 any concurrent resolution on the budget for which
9 levels for aggregate means-tested welfare spending
10 are set forth under section 301(j), in the House of
11 Representatives and the Senate, the amounts allo-
12 cated under subsection (a) shall be further divided
13 to establish an allocation of—

14 “(A) total new budget authority and total
15 outlays for discretionary means-tested welfare
16 spending in appropriation measures for the first
17 fiscal year of the resolution on the budget; and

18 “(B) total new budget authority and total
19 outlays for mandatory means-tested welfare
20 spending for the first fiscal year of the resolu-
21 tion on the budget and at least each of the en-
22 suing 4 fiscal years to all other committees of
23 the House of Representatives and the Senate
24 that have jurisdiction over legislation providing
25 mandatory means-tested welfare spending.

1 “(2) POINT OF ORDER.—It shall not be in
2 order in the House of Representatives or the Senate
3 to consider any bill, joint resolution, or amendment
4 if—

5 “(A) the enactment of such bill or resolu-
6 tion as reported;

7 “(B) the adoption and enactment of such
8 amendment; or

9 “(C) the enactment of such bill or resolu-
10 tion in the form recommended in such con-
11 ference report,

12 would cause the applicable allocation of new budget
13 authority or outlays made under subparagraph (A)
14 or (B) of paragraph (1) for a fiscal year to be ex-
15 ceeded.”.

16 (b) CONFORMING AMENDMENT.—Section 302(b) of
17 the Congressional Budget Act of 1974 is amended by
18 striking “under subsection (a)” and inserting “under sub-
19 sections (a) and (h)”.

20 **SEC. 405. RECONCILIATION.**

21 Section 310(a) of the Congressional Budget Act of
22 1974 is amended as follows:

23 (1) Strike “or” at the end of paragraph (3) and
24 strike the period at the end of paragraph (4) and in-
25 sert “; and”.

1 (2) Redesignate paragraph (4) as paragraph
 2 (5), and in paragraph (5) as redesignated, strike
 3 “and (3)” and insert “(3), and (4)”.

4 (3) After paragraph (3), insert the following
 5 new paragraph:

6 “(4) specify the total amount by which new
 7 budget authority for such fiscal year for mandatory
 8 means-tested welfare spending contained in laws,
 9 bills, and resolutions within the jurisdiction of a
 10 committee is to be changed and direct that com-
 11 mittee to determine and recommend changes to ac-
 12 complish a change of such total amount, which
 13 amount shall be the amount by which the Congres-
 14 sional Budget Office baseline level of spending for
 15 aggregate mandatory means-tested welfare programs
 16 exceeds the allocation made pursuant to section
 17 302(h)(1)(B) for such fiscal year.”.

18 **TITLE V—GRANTS TO PROMOTE**
 19 **SELF-SUFFICIENCY**

20 **SEC. 501. GRANTS TO STATES.**

21 (a) PURPOSE.—The purpose of this title is to encour-
 22 age States to develop policies to promote self-sufficiency
 23 and prosperity and to reduce poverty and Government de-
 24 pendence.

1 (b) GRANTS.—The Social Security Act is amended by
2 adding at the end the following:

3 **“TITLE XXII—GRANTS TO STATES**
4 **TO PROMOTE SELF-SUFFI-**
5 **CIENCY AND PROSPERITY**
6 **AND TO REDUCE DEPEND-**
7 **ENCE**

8 **“SEC. 2201. GRANTS TO STATES.**

9 “(a) IN GENERAL.—The Secretary may provide
10 grants to States to reward reductions in poverty and Gov-
11 ernment dependence and increases in self-sufficiency.

12 “(b) ALLOCATION OF GRANTS TO STATES.—For each
13 fiscal year for which funds are made available under sub-
14 section (e), the Secretary shall make a grant in an amount
15 equal to \$100,000,000 to each of the 3 States with the
16 greatest percentage increases in the self-sufficiency ratio
17 of the State for the preceding fiscal year over the self-
18 sufficiency ratio of the State for fiscal year 2007, as com-
19 pared with the changes in that ratio for each other State,
20 subject to subsection (c).

21 “(c) LIMITATION ON ELIGIBILITY FOR GRANTS.—A
22 State shall not be eligible for a grant under this title for
23 a fiscal year unless the self-sufficiency ratio of the State
24 for the fiscal year is greater than the self-sufficiency ratio
25 of the State for fiscal year 2007.

1 “(d) DEFINITIONS.—In this title:

2 “(1) The term ‘self-sufficient family’ means a
3 family (including a 1-person family) whose combined
4 income, excluding receipt of means-tested welfare
5 spending (as defined in section 3(11)(A) of the Con-
6 gressional Budget and Impoundment Control Act of
7 1974), exceeds the poverty line (within the meaning
8 of section 673(2) of the Omnibus Budget Reconcili-
9 ation Act of 1981, including any revision required by
10 such section applicable to a family of the size in-
11 volved).

12 “(2) The term ‘self-sufficiency ratio’ means,
13 with respect to a State and a fiscal year—

14 “(A) the number of self-sufficient families
15 residing in the State during the fiscal year that
16 are headed by able-bodied individuals who have
17 not attained 63 years of age; divided by

18 “(B) the total number of families residing
19 in the State during the fiscal year that are
20 headed by able-bodied individuals who have not
21 attained 63 years of age.

22 “(3) The term ‘State’ means the 50 States and
23 the District of Columbia.

24 “(e) LIMITATIONS ON AUTHORIZATION OF APPRO-
25 PRIATIONS.—For grants under this title, there are author-

1 ized to be appropriated to the Secretary \$300,000,000 for
2 fiscal year 2012 and each succeeding fiscal year.”.

3 **TITLE VI—PROHIBITION ON**
4 **FUNDING OF ABORTION**

5 **SEC. 601. PROHIBITION ON FUNDING FOR ABORTIONS.**

6 No funds authorized or appropriated by Federal law,
7 and none of the funds in any trust fund to which funds
8 are authorized or appropriated by Federal law, shall be
9 expended for any abortion.

10 **SEC. 602. PROHIBITION ON FUNDING FOR HEALTH BENE-**
11 **FITS PLANS THAT COVER ABORTION.**

12 None of the funds authorized or appropriated by Fed-
13 eral law, and none of the funds in any trust fund to which
14 funds are authorized or appropriated by Federal law, shall
15 be expended for health benefits coverage that includes cov-
16 erage of abortion.

17 **SEC. 603. PROHIBITION ON TAX BENEFITS RELATING TO**
18 **ABORTION.**

19 For taxable years beginning after the date of the en-
20 actment of this section, no credit shall be allowed under
21 the internal revenue laws with respect to amounts paid
22 or incurred for an abortion or with respect to amounts
23 paid or incurred for a health benefits plan (including pre-
24 mium assistance) that includes coverage of abortion.

1 **SEC. 604. CONSTRUCTION RELATING TO SEPARATE COV-**
2 **ERAGE.**

3 Nothing in this title shall be construed as prohibiting
4 any individual, entity, or State or locality from purchasing
5 separate abortion coverage or health benefits coverage
6 that includes abortion so long as such coverage is paid
7 for entirely using only funds not authorized or appro-
8 priated by Federal law and such coverage shall not be pur-
9 chased using matching funds required for a federally sub-
10 sidized program, including a State's or locality's contribu-
11 tion of Medicaid matching funds.

12 **SEC. 605. CONSTRUCTION RELATING TO THE USE OF NON-**
13 **FEDERAL FUNDS FOR HEALTH COVERAGE.**

14 Nothing in this title shall be construed as restricting
15 the ability of any non-Federal health benefits coverage
16 provider from offering abortion coverage, or the ability of
17 a State or locality to contract separately with such a pro-
18 vider for such coverage, so long as only funds not author-
19 ized or appropriated by Federal law are used and such
20 coverage shall not be purchased using matching funds re-
21 quired for a federally subsidized program, including a
22 State's or locality's contribution of Medicaid matching
23 funds.

1 **SEC. 606. TREATMENT OF ABORTIONS RELATED TO RAPE,**
2 **INCEST, OR PRESERVING THE LIFE OF THE**
3 **MOTHER.**

4 The limitations established in this title shall not apply
5 to an abortion—

6 (1) if the pregnancy is the result of an act of
7 rape or incest; or

8 (2) in the case where a woman suffers from a
9 physical disorder, physical injury, or physical illness
10 that would, as certified by a physician, place the
11 woman in danger of death unless an abortion is per-
12 formed, including a life-endangering physical condi-
13 tion caused by or arising from the pregnancy itself.

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