

117TH CONGRESS
1ST SESSION

S. 2381

To amend part A of title IV of the Social Security Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 19, 2021

Mr. DAINES 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,
and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Jobs and Opportunity
5 with Benefits and Services for Success Act”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Re-naming of program.
- Sec. 5. Helping more Americans enter and remain in the workforce.
- Sec. 6. Expecting universal engagement and case management.
- Sec. 7. Promoting accountability by measuring work outcomes.

- Sec. 8. Targeting funds to truly needy families.
- Sec. 9. Targeting funds to core purposes.
- Sec. 10. Strengthening program integrity by measuring improper payments.
- Sec. 11. Prohibition on State diversion of Federal funds to replace State spending.
- Sec. 12. Inclusion of poverty reduction as a program purpose.
- Sec. 13. Welfare for needs not weed.
- Sec. 14. Strengthening accountability through HHS approval of State plans.
- Sec. 15. Aligning and improving data reporting.
- Sec. 16. Technical corrections to data exchange standards to improve program coordination.
- Sec. 17. Set-aside for economic downturns.
- Sec. 18. Definitions related to use of funds.
- Sec. 19. Elimination of obsolete provisions.
- Sec. 20. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the reference shall be considered to be made to a
 6 section or other provision of the Social Security Act.

7 **SEC. 4. RE-NAMING OF PROGRAM.**

8 (a) IN GENERAL.—The heading for part A of title
 9 IV is amended to read as follows:

10 **“PART A—JOBS AND OPPORTUNITY WITH** 11 **BENEFITS AND SERVICES PROGRAM”.**

12 (b) CONFORMING AMENDMENTS.—

13 (1) The heading for section 403(a)(2)(B) (42
 14 U.S.C. 603(a)(2)(B)) is amended by striking
 15 “TANF” and inserting “JOBS”.

16 (2) The heading for section 413 (42 U.S.C.
 17 613) is amended by striking “**TEMPORARY AS-**
 18 **SISTANCE FOR NEEDY FAMILIES**” and inserting

1 **“JOBS AND OPPORTUNITY WITH BENEFITS AND**
 2 **SERVICES”**.

3 (3) The heading for section 413(a) (42 U.S.C.
 4 613(a)) is amended by striking “TANF” and insert-
 5 ing “JOBS”.

6 (4) The heading for section 471(e)(7)(B)(i) (42
 7 U.S.C. 671(e)(7)(B)(i)) is amended by striking
 8 “TANF” and inserting “JOBS”.

9 **SEC. 5. HELPING MORE AMERICANS ENTER AND REMAIN IN**
 10 **THE WORKFORCE.**

11 (a) FAMILY ASSISTANCE GRANTS.—Section
 12 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of
 13 subparagraphs (A) and (C) by striking “2017 and 2018”
 14 and inserting “2022 through 2027”.

15 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-
 16 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) (42
 17 U.S.C. 603(a)(2)(D)) is amended—

18 (1) by striking “2017 and 2018” and inserting
 19 “2022 through 2027”; and

20 (2) by striking “for fiscal year 2017 or 2018”.

21 (c) TRIBAL GRANTS.—Section 412(a) (42 U.S.C.
 22 612(a)) is amended in each of paragraphs (1)(A) and
 23 (2)(A) by striking “2017 and 2018” and inserting “2022
 24 through 2027”.

1 (d) IMPROVING ACCESS TO CHILD CARE TO SUP-
 2 PORT WORK.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is
 3 amended—

4 (1) by striking “\$3,550,000,000 for each fiscal
 5 year” and inserting “\$4,158,000,000 for each of fis-
 6 cal years 2022 through 2027”; and

7 (2) in subparagraph (A), by striking
 8 “\$3,375,000,000” and inserting “\$3,983,000,000”.

9 (e) GRANTS TO THE TERRITORIES.—Section
 10 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking
 11 “2017 and 2018” and inserting “2022 through 2027”.

12 **SEC. 6. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**
 13 **MANAGEMENT.**

14 Section 408(b) (42 U.S.C. 608(b)) is amended to
 15 read as follows:

16 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

17 “(1) ASSESSMENT.—The State agency respon-
 18 sible for administering the State program funded
 19 under this part shall make an initial assessment of
 20 the following for each work-eligible individual (as de-
 21 fined in the regulations promulgated pursuant to
 22 section 407(i)(1)(A)(i)):

23 “(A) The education obtained, skills, prior
 24 work experience, work readiness, and barriers
 25 to work of the individual.

1 “(B) The well-being of the children in the
2 family of the individual and, where appropriate,
3 activities or services (such as services offered by
4 a program funded under section 511) to im-
5 prove the well-being of the children.

6 “(2) CONTENTS OF PLANS.—On the basis of
7 the assessment required by paragraph (1) of this
8 subsection, the State agency, in consultation with
9 the individual, shall develop an individual oppor-
10 tunity plan that—

11 “(A) includes a personal responsibility
12 agreement in which the individual acknowledges
13 receipt of publicly funded benefits and responsi-
14 bility to comply with program requirements in
15 order to receive the benefits;

16 “(B) sets forth the obligations of the indi-
17 vidual to participate in work activities (as de-
18 fined in section 407(d)), and the number of
19 hours per month for which the individual will so
20 participate pursuant to section 407;

21 “(C) sets forth an employment goal and
22 planned short-, intermediate-, and long-term ac-
23 tions to achieve the goal, and, in the case of an
24 individual who has not attained 24 years of age
25 and is in secondary school or the equivalent, the

1 intermediate action may be completion of sec-
2 ondary school or the equivalent;

3 “(D) describes the job counseling and
4 other services the State will provide to the indi-
5 vidual to enable the individual to obtain and
6 keep unsubsidized employment;

7 “(E) may include referral to appropriate
8 substance abuse or mental health treatment;
9 and

10 “(F) is signed by the individual.

11 “(3) TIMING.—The State agency shall comply
12 with paragraphs (1) and (2) with respect to a work-
13 eligible individual—

14 “(A) within 1 year after the effective date
15 of this subsection, in the case of an individual
16 who, as of such effective date, is a recipient of
17 assistance under the State program funded
18 under this part (as in effect immediately before
19 such effective date); or

20 “(B) within 60 days after the individual is
21 determined to be eligible for the assistance, in
22 the case of any other individual.

23 “(4) UNIVERSAL ENGAGEMENT.—Subject to the
24 exceptions in paragraph (3), each State shall require
25 all work-eligible recipients receiving funds under the

1 State program funded under this part to engage in
2 work in accordance with the provisions of sections
3 407(c), 407(d), and 407(e).”

4 “(5) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—In addition to any other penalties required
5 under the State program funded under this part, the
6 State shall reduce, by such amount as the State con-
7 sideres appropriate, the amount of assistance other-
8 wise payable under the State program to a family
9 that includes an individual who fails without good
10 cause to comply with an individual opportunity plan
11 developed pursuant to this subsection, that is signed
12 by the individual.
13

14 “(6) PERIODIC REVIEW.—The State shall meet
15 with each work-eligible individual assessed by the
16 State under paragraph (1), not less frequently than
17 every 90 days, to—

18 “(A) review the individual opportunity plan
19 developed for the individual, including the eligi-
20 bility of the individual for benefits;

21 “(B) discuss with the individual the
22 progress made by the individual in achieving
23 the goals specified in the plan; and

1 “(C) update the plan, as necessary, to re-
 2 flect any changes in the circumstances of the
 3 individual since the plan was last reviewed.”.

4 **SEC. 7. PROMOTING ACCOUNTABILITY BY MEASURING**
 5 **WORK OUTCOMES.**

6 (a) IN GENERAL.—Section 407(a) (42 U.S.C.
 7 607(a)) is amended to read as follows:

8 “(a) PERFORMANCE ACCOUNTABILITY AND WORK
 9 OUTCOMES.—

10 “(1) WORK OUTCOMES.—

11 “(A) IN GENERAL.—A State to which a
 12 grant is made under section 403 shall achieve
 13 the requisite minimum level of performance for
 14 a fiscal year described in this paragraph with
 15 respect to the percentage of employment exits
 16 for families receiving assistance under the State
 17 program funded under this part, or be subject
 18 to penalty as described in section 409(a)(3).

19 “(B) CALCULATION OF PERCENTAGE OF
 20 EMPLOYMENT EXITS.—For purposes of this
 21 paragraph, the percentage of employment exits
 22 with respect to a State equals the ratio of the
 23 number of work-eligible individuals who are in
 24 unsubsidized employment 6 months after their
 25 exit to the average monthly number of families

1 receiving assistance under the State program
2 funded under this part.

3 “(C) AGREEMENT ON REQUISITE LEVEL
4 OF PERFORMANCE.—The Secretary and the
5 State shall negotiate the requisite level of per-
6 formance for the State with respect to employ-
7 ment exits for each fiscal year beginning with
8 fiscal year 2024.

9 “(2) PERFORMANCE ACCOUNTABILITY.—

10 “(A) PURPOSE.—The purpose of this para-
11 graph is to provide for the establishment of per-
12 formance accountability measures to assess the
13 effectiveness of States in increasing employ-
14 ment, retention, and advancement among fami-
15 lies receiving assistance under the State pro-
16 gram funded under this part.

17 “(B) IN GENERAL.—A State to which a
18 grant is made under section 403 for a fiscal
19 year shall achieve the requisite level of perform-
20 ance on an indicator described in subparagraph
21 (D) of this paragraph for the fiscal year.

22 “(C) MEASURING STATE PERFORMANCE.—
23 Each State, in consultation with the Secretary,
24 shall collect and submit to the Secretary the in-
25 formation necessary to measure the level of per-

1 formance of the State for each indicator de-
 2 scribed in subparagraph (D), for fiscal year
 3 2023 and each fiscal year thereafter, and the
 4 Secretary shall use the information collected for
 5 fiscal year 2023 to establish the baseline level
 6 of performance for each State for each such in-
 7 dicator.

8 “(D) INDICATORS OF PERFORMANCE.—

9 The indicators described in this subparagraph,
 10 for a fiscal year, are the following:

11 “(i) The percentage of individuals who
 12 were work-eligible individuals as of the
 13 time of exit from the program, who are in
 14 unsubsidized employment during the 2nd
 15 quarter after the exit.

16 “(ii) The percentage of individuals
 17 who were work-eligible individuals who
 18 were in unsubsidized employment in the
 19 2nd quarter after the exit, who are also in
 20 unsubsidized employment during the 4th
 21 quarter after the exit.

22 “(iii) The median earnings of individ-
 23 uals who were work-eligible individuals as
 24 of the time of exit from the program, who

1 are in unsubsidized employment during the
2 2nd quarter after the exit.

3 “(iv) The percentage of individuals
4 who have not attained 24 years of age, are
5 attending high school or enrolled in an
6 equivalency program, and are work-eligible
7 individuals or were work-eligible individ-
8 uals as of the time of exit from the pro-
9 gram, who obtain a high school degree or
10 its recognized equivalent while receiving as-
11 sistance under the State program funded
12 under this part or within 1 year after the
13 exit.

14 “(E) LEVELS OF PERFORMANCE.—

15 “(i) IN GENERAL.—For each State
16 submitting a State plan pursuant to sec-
17 tion 402(a), there shall be established, in
18 accordance with this subparagraph, levels
19 of performance for each of the indicators
20 described in subparagraph (D).

21 “(ii) WEIGHT.—The weight assigned
22 to such an indicator shall be the following:

23 “(I) 40 percent, in the case of
24 the indicator described in subpara-
25 graph (D)(i).

1 “(II) 25 percent, in the case of
 2 the indicator described in subpara-
 3 graph (D)(ii).

4 “(III) 25 percent, in the case of
 5 the indicator described in subpara-
 6 graph (D)(iii).

7 “(IV) 10 percent, in the case of
 8 the indicator described in subpara-
 9 graph (D)(iv).

10 “(iii) AGREEMENT ON REQUISITE
 11 PERFORMANCE LEVEL FOR EACH INDIC-
 12 CATOR.—

13 “(I) IN GENERAL.—The Sec-
 14 retary and the State shall negotiate
 15 the requisite level of performance for
 16 the State with respect to each indi-
 17 cator described in clause (ii), for each
 18 fiscal year beginning with fiscal year
 19 2024, and shall do so before the be-
 20 ginning of the fiscal year involved.

21 “(II) REQUIREMENTS IN ESTAB-
 22 LISHING PERFORMANCE LEVELS.—In
 23 establishing the requisite levels of per-
 24 formance, the State and the Secretary
 25 shall—

1 “(aa) take into account how
2 the levels involved compare with
3 the levels established for other
4 States; and

5 “(bb) ensure the levels in-
6 volved are adjusted, using the ob-
7 jective statistical model referred
8 to in clause (v), based on—

9 “(AA) the differences
10 among States in economic
11 conditions, including dif-
12 ferences in unemployment
13 rates or employment losses
14 or gains in particular indus-
15 tries;

16 “(BB) the characteris-
17 ties of participants on entry
18 into the program, including
19 indicators of prior work his-
20 tory, lack of educational or
21 occupational skills attain-
22 ment, or other factors that
23 may affect employment and
24 earnings; and

1 “(CC) take into account
2 the extent to which the lev-
3 els involved promote contin-
4 uous improvement in per-
5 formance by each State.

6 “(iv) REVISIONS BASED ON ECONOMIC
7 CONDITIONS AND INDIVIDUALS RECEIVING
8 ASSISTANCE DURING THE FISCAL YEAR.—
9 The Secretary shall, in accordance with the
10 objective statistical model referred to in
11 clause (v), revise the requisite levels of per-
12 formance for a State and a fiscal year to
13 reflect the economic conditions and charac-
14 teristics of the relevant individuals in the
15 State during the fiscal year.

16 “(v) STATISTICAL ADJUSTMENT
17 MODEL.—The Secretary shall use an objec-
18 tive statistical model to make adjustments
19 to the requisite levels of performance for
20 the economic conditions and characteristics
21 of the relevant individuals, and shall con-
22 sult with the Secretary of Labor to develop
23 a model that is the same as or similar to
24 the model described in section
25 116(b)(3)(A)(viii) of the Workforce Inno-

1 vation and Opportunity Act (29 U.S.C.
2 3141(b)(3)(A)(viii)).

3 “(vi) DEFINITION OF EXIT.—In this
4 paragraph, the term ‘exit’ means, with re-
5 spect to a State program funded under
6 this part, ceases to receive a JOBS ben-
7 efit under the program.

8 “(F) STATE OPTION TO ESTABLISH COM-
9 MON EXIT MEASURES.—Notwithstanding sub-
10 paragraph (E)(vi) of this paragraph, a State
11 that has not provided the notification under
12 section 121(b)(1)(C)(ii) of the Workforce Inno-
13 vation and Opportunity Act to exclude the State
14 program funded under this part as a mandatory
15 one-stop partner may adopt an alternative defi-
16 nition of ‘exit’ for the purpose of creating com-
17 mon exit measures to improve alignment with
18 workforce programs operated under title I of
19 such Act.

20 “(G) REGULATIONS.—In order to ensure
21 nationwide comparability of data, the Secretary,
22 after consultation with the Secretary of Labor
23 and with States, shall issue regulations gov-
24 erning the establishment of the performance ac-
25 countability system under this paragraph and a

1 template for performance reports to be used by
2 all States consistent with subsection (b).”.

3 (b) REPORTS ON STATE PERFORMANCE ON HHS
4 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.
5 607(b)) is amended to read as follows:

6 “(b) PUBLICATION OF STATE PERFORMANCE.—The
7 Secretary shall, directly or through the use of grants or
8 contracts, establish and operate an Internet website that
9 is accessible to the public, with a dashboard that is regu-
10 larly updated and provides easy-to-understand information
11 on the performance of each State program funded under
12 this part, including a profile for each such program, ex-
13 pressed by use of a template, which shall include—

14 “(1) information on the indicators and requisite
15 performance levels established for the State under
16 subsection (a), including, with respect to each such
17 level, whether the State achieves, exceeds, or fails to
18 achieve the level on an ongoing basis, including—

19 “(A) information on any adjustments made
20 to the requisite levels using the statistical ad-
21 justment model described in subsection
22 (a)(3)(D)(v); and

23 “(B) a grade based on the overall perform-
24 ance of the State, as determined by the Sec-
25 retary and in consultation with the State, and

1 the overall performance shall be graded based
2 on the performance indicators and weights for
3 each such indicator as described in subsection
4 (a);

5 “(2) information reported under section 411 on
6 the characteristics and demographics of individuals
7 receiving assistance under the State program, in-
8 cluding—

9 “(A) the number and percentage of child-
10 only cases and reason why the cases are child-
11 only; and

12 “(B) the average weekly number of hours
13 that each work-eligible individual in the State
14 program participates in work activities, includ-
15 ing a separate section showing the number and
16 percentage of the work-eligible individuals with
17 zero hours of the participation and the reason
18 for non-participation;

19 “(3) information on the results of improper
20 payments reviews;

21 “(4) a link to the State plan approved under
22 section 402; and

23 “(5) information regarding any penalty im-
24 posed, or other corrective action taken, by the Sec-
25 retary against a State for failing to achieve a req-

1 uisite performance level or any other requirement
 2 imposed by or under this part.”.

3 (c) MODIFICATION OF RULES FOR DETERMINING
 4 WHETHER AN INDIVIDUAL IS ENGAGED IN WORK.—Sec-
 5 tion 407(c) (42 U.S.C. 607(c)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (A)—

8 (i) by striking “For purposes of sub-
 9 section (b)(1)(B)(i), a” and inserting “A”;
 10 and

11 (ii) by striking “, not fewer than” and
 12 all that follows through “this subsection”;
 13 and

14 (B) in subparagraph (B)—

15 (i) in the matter preceding clause (i),
 16 by striking “For purposes of subsection
 17 (b)(2)(B), an” and inserting “An”;

18 (ii) in clause (i), by striking “, not
 19 fewer than” and all that follows through
 20 “this subsection”; and

21 (iii) in clause (ii), by striking “, not
 22 fewer than” and all that follows through
 23 “subsection (d)”;

24 (2) in paragraph (2)—

1 (A) by striking subparagraphs (A) and
2 (D);

3 (B) in each of subparagraphs (B) and (C),
4 by striking “For purposes of determining
5 monthly participation rates under subsection
6 (b)(1)(B)(i), a” and inserting “A”;

7 (C) by redesignating subparagraphs (B)
8 and (C) as subparagraphs (A) and (B), respec-
9 tively; and

10 (D) by adding at the end the following:

11 “(C) STATE OPTION FOR PARTICIPATION
12 REQUIREMENT EXEMPTIONS.—For any fiscal
13 year, a State may, at its option, not require an
14 individual who is a single custodial parent car-
15 ing for a child who has not attained 12 months
16 of age to engage in work, for not more than 12
17 months.”.

18 (d) MODIFICATIONS TO ALLOWABLE WORK ACTIVI-
19 TIES.—Section 407(d) (42 U.S.C. 607(d)) is amended—

20 (1) in paragraph (5), by inserting “, including
21 apprenticeship” before the semicolon;

22 (2) in paragraph (6), by inserting “supervised”
23 before “job search”;

1 (3) in paragraph (8), by striking “(not to ex-
2 ceed 12 months with respect to any individual)” and
3 inserting “, including career technical education”;

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

6 (5) in paragraph (12), by striking the period
7 and inserting “; and”; and

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

9 “(13) participation in an in-home program
10 teaching parenting skills that complies with the re-
11 quirements of section 407(c).”.

12 (e) PENALTY AGAINST STATES.—

13 (1) IN GENERAL.—Section 409(a)(3) (42
14 U.S.C. 609(a)(3)) is amended by striking all that
15 precedes subparagraph (B) and inserting the fol-
16 lowing:

17 “(3) FAILURE TO SATISFY WORK OUTCOMES
18 AND WORK ENGAGEMENT.—

19 “(A) IN GENERAL.—If the Secretary deter-
20 mines that a State to which a grant is made
21 under section 403 for a fiscal year has failed to
22 comply with any of section 407(a)(1), section
23 408(b)(3), or section 408(b)(4) for the fiscal
24 year, the Secretary shall reduce the grant pay-
25 able to the State under section 403(a)(1) for

1 the immediately succeeding fiscal year by an
 2 amount equal to the applicable percentage of
 3 the State family assistance grant.”.

4 (2) TRANSITION RULE.—The Secretary of
 5 Health and Human Services may not impose a pen-
 6 alty under section 409(a)(3) of the Social Security
 7 Act by reason of the failure of a State to comply
 8 with section 407(a) of such Act for any fiscal year
 9 before fiscal year 2023.

10 (f) PRO RATA REDUCTION OF ASSISTANCE FOR INDI-
 11 VIDUAL NONCOMPLIANCE.—Section 407(e) (42 U.S.C.
 12 607(e)) is amended by adding at the end the following:

13 “(3) PRO RATA REDUCTION.—For purposes of
 14 paragraph (1)(A), the amount of a pro rata reduc-
 15 tion in assistance shall be determined by multiplying
 16 the total amount of monthly assistance that would,
 17 in the absence of the application of this paragraph,
 18 be paid to the entire family, by the ratio of—

19 “(A) the number of hours of required work
 20 activities as designated in subsection (d) actu-
 21 ally performed by the individual during the
 22 month; to

23 “(B) the number of hours of work activi-
 24 ties that the individual was required to perform

1 during the month in accordance with subsection
 2 (c).

3 “(4) PENALTIES AND ENGAGEMENT.—

4 “(A) IN GENERAL.—Subject to the limita-
 5 tion in (B), if in a given month an individual
 6 who received assistance under this part was re-
 7 quired to engage in work under section
 8 408(b)(4), failed to fulfill those obligations and
 9 was subsequently sanctioned in accordance with
 10 paragraphs (2) and (3) of section 407(e), that
 11 individual shall be judged to be engaged in
 12 work for that month for purposes of section
 13 408(b)(4).

14 “(B) LIMITATION.—If an individual re-
 15 ceives no benefits for two consecutive months
 16 due to sanctioning under paragraphs (2) and
 17 (3) of section 407(e), that individual shall not
 18 be counted as engaged in work in subsequent
 19 months for purposes of section 408(b)(4) unless
 20 actual work in accordance with section 407(d)
 21 was resumed.”.

22 (g) CONFORMING AMENDMENT.—The heading of sec-
 23 tion 412(c) (42 U.S.C. 612(c)) is amended by striking
 24 “MINIMUM WORK PARTICIPATION REQUIREMENTS” and

1 inserting “REQUIREMENTS FOR WORK OUTCOME MEAS-
2 URES”.

3 **SEC. 8. TARGETING FUNDS TO TRULY NEEDY FAMILIES.**

4 (a) PROHIBITION ON USE OF FUNDS FOR FAMILIES
5 WITH INCOME GREATER THAN TWICE THE POVERTY
6 LINE.—Section 404(k) (42 U.S.C. 604(k)) is amended to
7 read as follows:

8 “(k) PROHIBITIONS.—

9 “(1) USE OF FUNDS FOR PERSONS WITH IN-
10 COME GREATER THAN TWICE THE POVERTY LINE.—
11 A State to which a grant is made under this part
12 shall not use the grant to provide any assistance or
13 services to a family whose monthly income exceeds
14 twice the poverty line (as defined by the Office of
15 Management and Budget, and revised annually in
16 accordance with section 673(2) of the Omnibus
17 Budget Reconciliation Act of 1981 (42 U.S.C.
18 9902(2))).”.

19 (b) ELIMINATION OF LIMITATION ON USE OF FUNDS
20 FOR CASE MANAGEMENT ACTIVITIES.—Section 404(b)(2)
21 (42 U.S.C. 604(b)(2)) is amended to read as follows:

22 “(2) EXCEPTIONS.—Paragraph (1) of this sub-
23 section shall not apply to the use of a grant for—

24 “(A) information technology and comput-
25 erization needed for tracking, monitoring, or

1 data collection required by or under this part;

2 or

3 “(B) case management activities to carry

4 out section 408(b).”.

5 (c) PROHIBITION ON USE OF FUNDS FOR DIRECT

6 SPENDING ON CHILD CARE SERVICES OR ACTIVITIES.—

7 Section 404(k) (42 U.S.C. 604(k)), as amended by sub-

8 section (a) of this section, is amended by adding at the

9 end the following:

10 “(2) DIRECT SPENDING ON CHILD CARE SERV-

11 ICES OR ACTIVITIES.—A State to which a grant is

12 made under this part shall not use the grant for di-

13 rect spending on child care and other early childhood

14 education programs, services, or activities.”.

15 (d) LIMITATION ON USE OF FUNDS FOR CHILD WEL-

16 FARE SERVICES OR ACTIVITIES.—Section 404(k) (42

17 U.S.C. 604(k)), as amended by subsections (a) and (c)

18 of this section, is amended—

19 (1) in the subsection heading, by inserting “;

20 LIMITATION” after “PROHIBITIONS”; and

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

22 “(3) LIMITATION ON USE OF FUNDS FOR CHILD

23 WELFARE SERVICES OR ACTIVITIES.—A State may

24 use not more than 10 percent of a grant made to

25 the State under section 403(a)(1) for child welfare

1 services or activities, taking into account any
 2 amount transferred under subsection (d)(2) of this
 3 section.”.

4 (e) EXPANSION OF AUTHORITY TO TRANSFER
 5 FUNDS.—Section 404(d) (42 U.S.C. 604(d)) is amended
 6 by striking paragraphs (1) through (3) and inserting the
 7 following:

8 “(1) IN GENERAL.—A State may transfer not
 9 more than 50 percent of the grant made to the State
 10 under section 403(a)(1) to a State program pursu-
 11 ant to any or all of the following provisions of law:

12 “(A) The Child Care and Development
 13 Block Grant Act of 1990.

14 “(B) Title I of the Workforce Innovation
 15 and Opportunity Act.

16 “(C) Subpart 1 of part B of this title.

17 “(2) LIMITATION ON AMOUNT TRANSFERABLE
 18 TO SUBPART 1 OF PART B.—A State may transfer
 19 not more than 10 percent of a grant made to the
 20 State under section 403(a)(1) to carry out State
 21 programs operated pursuant to the State plan devel-
 22 oped under subpart 1 of part B, taking into account
 23 any amount used as described in subsection (k)(3)
 24 of this section.

25 “(3) APPLICABLE RULES.—

1 “(A) IN GENERAL.—Except as provided in
2 subparagraph (B) of this paragraph, any
3 amount paid to a State under this part that is
4 used to carry out a State program pursuant to
5 a provision of law specified in paragraph (1)
6 shall not be subject to the requirements of this
7 part, but shall be subject to the requirements
8 that apply to Federal funds provided directly
9 under the provision of law to carry out the pro-
10 gram, and the expenditure of any amount so
11 used shall not be considered to be an expendi-
12 ture under this part.

13 “(B) FUNDS TRANSFERRED TO THE
14 WIOA.—In the case of funds transferred under
15 paragraph (1)(B) of this subsection—

16 “(i) the State shall provide an assur-
17 ance that the funds will be used to support
18 individuals eligible for assistance or serv-
19 ices under this part pursuant to subsection
20 (k)(1); and

21 “(ii) not more than 15 percent of the
22 funds will be reserved for statewide work-
23 force investment activities referred to in
24 section 128(a)(1) of the Workforce Innova-
25 tion and Opportunity Act.

1 “(4) WIOA TRANSFER AUTHORITY NOT AVAIL-
 2 ABLE TO STATES EXCLUDING THE STATE JOBS PRO-
 3 GRAM AS A MANDATORY ONE-STOP PARTNER UNDER
 4 THE WIOA.—The authority provided by paragraph
 5 (1)(B) of this subsection may not be exercised by a
 6 State that has provided the notification referred to
 7 in section 407(a)(2)(F).”.

8 **SEC. 9. TARGETING FUNDS TO CORE PURPOSES.**

9 (a) REQUIREMENT THAT STATES RESERVE 25 PER-
 10 CENT OF JOBS GRANT FOR SPENDING ON CORE ACTIVI-
 11 TIES.—Section 408(a) (42 U.S.C. 608(a)) is amended by
 12 adding at the end the following:

13 “(13) REQUIREMENT THAT STATES RESERVE
 14 25 PERCENT OF JOBS GRANT FOR SPENDING ON
 15 CORE ACTIVITIES.—A State to which a grant is
 16 made under section 403(a)(1) for a fiscal year shall
 17 expend not less than 25 percent of the grant on as-
 18 sistance, case management, work supports and sup-
 19 portive services, work, wage subsidies, work activities
 20 (as defined in section 407(d)), and non-recurring
 21 short-term benefits.”.

22 (b) REQUIREMENT THAT AT LEAST 25 PERCENT OF
 23 QUALIFIED STATE EXPENDITURES BE FOR CORE ACTIVI-
 24 TIES.—Section 408(a) (42 U.S.C. 608(a)), as amended by

1 subsection (a) of this section, is amended by adding at
 2 the end the following:

3 “(14) REQUIREMENT THAT AT LEAST 25 PER-
 4 CENT OF QUALIFIED STATE EXPENDITURES BE FOR
 5 CORE ACTIVITIES.—Not less than 25 percent of the
 6 qualified State expenditures (as defined in section
 7 409(a)(7)(B)(ii)) of a State during the fiscal year
 8 shall be for assistance, case management, work sup-
 9 ports and supportive services, work, wage subsidies,
 10 work activities (as defined in section 407(d)), and
 11 non-recurring short-term benefits.”.

12 (c) PHASE-OUT OF COUNTING OF THIRD-PARTY
 13 CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-
 14 TURES.—Section 408(a) (42 U.S.C. 608(a)), as amended
 15 by subsections (a) and (b) of this section, is amended by
 16 adding at the end the following:

17 “(15) PHASE-OUT OF COUNTING OF THIRD-
 18 PARTY CONTRIBUTIONS AS QUALIFIED STATE EX-
 19 PENDITURES.—

20 “(A) IN GENERAL.—The qualified State
 21 expenditures (as defined in section
 22 409(a)(7)(B)(i)) of a State for a fiscal year
 23 that are attributable to the value of goods and
 24 services provided by a source other than a State
 25 or local government shall not exceed the appli-

1 cable percentage of the expenditures for the fis-
 2 cal year.

3 “(B) APPLICABLE PERCENTAGE.—In sub-
 4 paragraph (A), the term ‘applicable percentage’
 5 means, with respect to a fiscal year—

6 “(i) 75 percent, in the case of fiscal
 7 year 2023;

8 “(ii) 50 percent, in the case of fiscal
 9 year 2024;

10 “(iii) 25 percent, in the case of fiscal
 11 year 2025; and

12 “(iv) 0 percent, in the case of fiscal
 13 year 2026 or any succeeding fiscal year.”.

14 **SEC. 10. STRENGTHENING PROGRAM INTEGRITY BY MEAS-**
 15 **URING IMPROPER PAYMENTS.**

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

18 “(I) APPLICABILITY OF IMPROPER PAYMENTS
 19 LAWS.—

20 “(1) IN GENERAL.—The Improper Payments
 21 Information Act of 2002 and the Improper Pay-
 22 ments Elimination and Recovery Act of 2010 shall
 23 apply to a State in respect of the State program
 24 funded under this part in the same manner in which
 25 such Acts apply to a Federal agency.

1 “(2) REGULATIONS.—Within 2 years after the
 2 date of the enactment of this subsection, the Sec-
 3 retary shall prescribe regulations governing how a
 4 State reviews and reports improper payments under
 5 the State program funded under this part.”.

6 **SEC. 11. PROHIBITION ON STATE DIVERSION OF FEDERAL**
 7 **FUNDS TO REPLACE STATE SPENDING.**

8 Section 408(a) (42 U.S.C. 608(a)), as amended by
 9 section 9 of this Act, is amended by adding at the end
 10 the following:

11 “(16) NON-SUPPLANTATION REQUIREMENT.—
 12 Funds made available to a State under this part
 13 shall be used to supplement, not supplant, State
 14 general revenue spending on activities described in
 15 section 404.”.

16 **SEC. 12. INCLUSION OF POVERTY REDUCTION AS A PRO-**
 17 **GRAM PURPOSE.**

18 Section 401(a) (42 U.S.C. 601(a)) is amended—
 19 (1) by striking “and” at the end of paragraph
 20 (3);
 21 (2) by striking the period at the end of para-
 22 graph (4) and inserting “; and”; and
 23 (3) by adding at the end the following:

1 “(5) reduce child poverty by increasing employ-
 2 ment entry, retention, and advancement of needy
 3 parents.”.

4 **SEC. 13. WELFARE FOR NEEDS NOT WEED.**

5 (a) PROHIBITION.—Section 408(a)(12)(A) (42
 6 U.S.C. 608(a)(12)(A)) is amended—

7 (1) by striking “or” at the end of clause (ii);

8 (2) by striking the period at the end of clause

9 (iii) and inserting “; or”; and

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

11 “(iv) any establishment that offers
 12 marihuana (as defined in section 102(16)
 13 of the Controlled Substances Act) for
 14 sale.”.

15 (b) EFFECTIVE DATE.—The amendments made by
 16 subsection (a) shall take effect on the date that is 3 years
 17 after the date of the enactment of this Act.

18 **SEC. 14. STRENGTHENING ACCOUNTABILITY THROUGH**
 19 **HHS APPROVAL OF STATE PLANS.**

20 (a) IN GENERAL.—Section 402 (42 U.S.C. 602) is
 21 amended—

22 (1) in subsection (a)—

23 (A) in the matter preceding paragraph

24 (1)—

1 (i) by striking “27-month” and insert-
 2 ing “24-month”; and

3 (ii) by striking “found” and inserting
 4 “approved that”; and

5 (B) in paragraph (1)—

6 (i) in subparagraph (A)—

7 (I) by striking clauses (ii) and
 8 (iii) and inserting the following:

9 “(ii) Require work-eligible individuals
 10 (as defined in the regulations promulgated
 11 pursuant to section 407(i)(1)(A)(i)) to en-
 12 gage in work activities consistent with sec-
 13 tion 407(c). The document shall describe
 14 any in-home parenting program participa-
 15 tion in which will be considered by the
 16 State as a work activity pursuant to sec-
 17 tion 407(d)(13).”;

18 (II) by redesignating clauses (iv)
 19 through (viii) as clauses (iii) through
 20 (vii), respectively; and

21 (III) by adding at the end the
 22 following:

23 “(viii) Describe the case management
 24 practices of the State with respect to the
 25 requirements of section 408(b), provide a

1 copy of the form or forms that will be used
2 to assess a work-eligible individual (as so
3 defined) and prepare an individual oppor-
4 tunity plan for the individual, describe how
5 the State will ensure that such a plan is
6 reviewed in accordance with section
7 408(b)(6), and describe how the State will
8 measure progress under the plan.

9 “(ix) Propose the requisite levels of
10 performance for the State for purposes of
11 section 407(a) for each year in the 2-year
12 period referred to in subsection (d) of this
13 section, and provide an explanation with
14 supporting data of why each such level is
15 appropriate.

16 “(x) Describe how the State will en-
17 gage low-income noncustodial parents who
18 owe child support and how such a parent
19 will be provided with access to work sup-
20 port and other services under the program
21 to which the parent is referred to support
22 their employment and advancement.

23 “(xi) Describe how the State will com-
24 ply with improper payments provisions in
25 section 404(l).

1 “(xii) Describe coordination with
2 other programs, including whether the
3 State intends to exercise authority pro-
4 vided by section 404(d) of this Act to
5 transfer any funds paid to the State under
6 this part, provide assurance that, in the
7 case of a transfer to carry out a program
8 under title I of the Workforce Innovation
9 and Opportunity Act, the State will comply
10 with section 404(d)(3)(B) of this Act and
11 coordinate with the one-stop delivery sys-
12 tem under the Workforce Innovation and
13 Opportunity Act, and describe how the
14 State will coordinate with the programs in-
15 volved to provide services to families re-
16 ceiving assistance under the program re-
17 ferred to in paragraph (1) of this sub-
18 section.

19 “(xiii) Describe how the State will
20 promote marriage, such as through tem-
21 porary disregard of the income of a new
22 spouse when an individual receiving assist-
23 ance under the State program marries so
24 that the couple doesn’t automatically lose
25 benefits due to marriage.

1 “(xiv) Describe how the State will
 2 allow for a transitional period of benefits,
 3 such as through temporary earned income
 4 disregards or a gradual reduction in the
 5 monthly benefit amount, for an individual
 6 receiving assistance who obtains employ-
 7 ment and becomes ineligible due to an in-
 8 crease in income obtained through employ-
 9 ment or through an increase in wages.”;
 10 and

11 (ii) in subparagraph (B), by striking
 12 clauses (iv) and (v);

13 (2) by striking subsection (c) and inserting the
 14 following:

15 “(c) PUBLIC AVAILABILITY OF STATE PLANS.—The
 16 Secretary shall make available to the public a link to any
 17 plan or plan amendment submitted by a State under this
 18 subsection.”; and

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

20 “(d) 2-YEAR PLAN.—A plan submitted pursuant to
 21 this section shall be designed to be implemented during
 22 a 2-year period.

23 “(e) COMBINED PLAN ALLOWED.—A State may sub-
 24 mit to the Secretary and the Secretary of Labor a com-
 25 bined State plan that meets the requirements of sub-

1 sections (a) and (d) and that is for programs and activities
 2 under the Workforce Innovation and Opportunity Act.

3 “(f) APPROVAL OF PLANS.—The Secretary shall ap-
 4 prove any plan submitted pursuant to this section that
 5 meets the requirements of subsections (a) through (d).”.

6 (b) DUTIES OF THE SECRETARY.—

7 (1) COORDINATION OF ACTIVITIES; DISSEMINA-
 8 TION OF INFORMATION.—Section 416 (42 U.S.C.
 9 616) is amended—

10 (A) by inserting “(a) IN GENERAL.—” be-
 11 fore “The programs”; and

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

13 “(b) COORDINATION OF ACTIVITIES.—The Secretary
 14 shall coordinate all activities of the Department of Health
 15 and Human Services relating to work activities (as defined
 16 in section 407(d)) and requirements and measurement of
 17 employment outcomes, and, to the maximum extent prac-
 18 ticable, coordinate the activities of the Department in this
 19 regard with similar activities of other Federal entities.

20 “(c) DISSEMINATION OF INFORMATION.—The Sec-
 21 retary shall disseminate, for voluntary informational pur-
 22 poses, information on practices that scientifically valid re-
 23 search indicates are most successful in improving the qual-
 24 ity of State and tribal programs funded under this part.”.

25 (c) TECHNICAL ASSISTANCE.—

1 (1) IN GENERAL.—Section 406 (42 U.S.C. 606)
 2 is amended to read as follows:

3 **“SEC. 406. TECHNICAL ASSISTANCE.**

4 “(a) IN GENERAL.—The Secretary shall provide tech-
 5 nical assistance to States and Indian tribes (which may
 6 include providing technical assistance on a reimbursable
 7 basis), which shall be provided by qualified experts on
 8 practices grounded in scientifically valid research, where
 9 appropriate, to support activities-related publication of
 10 State performance under section 407(b) and to carry out
 11 State and tribal programs funded under this part.

12 “(b) RESERVATION OF FUNDS.—The Secretary shall
 13 reserve not more than 0.25 percent of the amount appro-
 14 priated by section 403(a)(1)(C) for a fiscal year to carry
 15 out subsection (a) of this section.”.

16 (2) CONFORMING AMENDMENT.—Section
 17 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended
 18 by striking “percentage specified in section
 19 413(h)(1)” and inserting “the sum of the percent-
 20 ages specified in sections 406(b) and 413(h)”.

21 **SEC. 15. ALIGNING AND IMPROVING DATA REPORTING.**

22 (a) REQUIREMENT THAT STATES REPORT FULL-
 23 POPULATION DATA.—Section 411(a)(1) (42 U.S.C.
 24 611(a)(1)) is amended—

25 (1) by striking subparagraph (B);

1 (2) by striking “(1) GENERAL REPORTING RE-
2 QUIREMENT.—”; and

3 (3) by—

4 (A) redesignating—

5 (i) subparagraph (A) as paragraph
6 (1);

7 (ii) clauses (i) through (xvii) of sub-
8 paragraph (A) as subparagraphs (A)
9 through (Q), respectively;

10 (iii) subclauses (I) through (V) of
11 clause (ii) as clauses (i) through (v), re-
12 spectively;

13 (iv) subclauses (I) through (VII) of
14 clause (xi) as clauses (i) through (vii), re-
15 spectively; and

16 (v) subclauses (I) through (V) of
17 clause (xvi) as clauses (i) through (v), re-
18 spectively; and

19 (B) moving each such redesignated provi-
20 sion 2 ems to the left.

21 (b) REPORT ON PARTICIPATION IN WORK ACTIVI-
22 TIES.—Section 411(a)(1) (42 U.S.C. 611(a)(1)), as
23 amended by subsection (a)(3) of this section, is amended
24 by striking subparagraphs (K) and (L) and inserting the
25 following:

1 “(K) The work eligibility status of each in-
2 dividual in the family, and—

3 “(i) in the case of each work-eligible
4 individual (as defined in the regulations
5 promulgated pursuant to section
6 407(i)(1)(A)(i)) in the family—

7 “(I) the number of hours (includ-
8 ing zero hours) per month of partici-
9 pation in—

10 “(aa) work activities (as de-
11 fined in section 407(d)); and

12 “(bb) any other activity re-
13 quired by the State to remove a
14 barrier to employment; and

15 “(ii) in the case of each individual in
16 the family who is not a work-eligible indi-
17 vidual (as so defined), the reason for that
18 status.

19 “(L) For each work-eligible individual (as
20 so defined) and each adult in the family who
21 did not participate in work activities (as so de-
22 fined) during a month, the reason for the lack
23 of participation.”.

1 (c) REPORTING OF INFORMATION ON EMPLOYMENT
 2 AND EARNINGS OUTCOMES.—Section 411(c) (42 U.S.C.
 3 611(c)) is amended to read as follows:

4 “(c) REPORTING OF INFORMATION ON EMPLOYMENT
 5 AND EARNINGS OUTCOMES.—The Secretary, in consulta-
 6 tion with the Secretary of Labor, shall determine the in-
 7 formation that is necessary to compute the employment
 8 and earnings outcomes and the statistical adjustment
 9 model for the employment and earnings outcomes required
 10 under section 407, and each eligible State shall collect and
 11 report that information to the Secretary.”.

12 **SEC. 16. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
 13 **STANDARDS TO IMPROVE PROGRAM COORDI-**
 14 **NATION.**

15 (a) IN GENERAL.—Section 411(d) (42 U.S.C.
 16 611(d)) is amended to read as follows:

17 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED
 18 INTEROPERABILITY.—

19 “(1) DESIGNATION.—The Secretary shall, in
 20 consultation with an interagency work group estab-
 21 lished by the Office of Management and Budget and
 22 considering State government perspectives, by rule,
 23 designate data exchange standards to govern, under
 24 this part—

1 “(A) necessary categories of information
2 that State agencies operating programs under
3 State plans approved under this part are re-
4 quired under applicable Federal law to elec-
5 tronically exchange with another State agency;
6 and

7 “(B) Federal reporting and data exchange
8 required under applicable Federal law.

9 “(2) REQUIREMENTS.—The data exchange
10 standards required by paragraph (1) shall, to the ex-
11 tent practicable—

12 “(A) incorporate a widely accepted, non-
13 proprietary, searchable, computer-readable for-
14 mat, such as the eXtensible Markup Language;

15 “(B) contain interoperable standards devel-
16 oped and maintained by intergovernmental
17 partnerships, such as the National Information
18 Exchange Model;

19 “(C) incorporate interoperable standards
20 developed and maintained by Federal entities
21 with authority over contracting and financial
22 assistance;

23 “(D) be consistent with and implement ap-
24 plicable accounting principles;

1 “(E) be implemented in a manner that is
 2 cost-effective and improves program efficiency
 3 and effectiveness; and

4 “(F) be capable of being continually up-
 5 graded as necessary.

6 “(3) RULE OF CONSTRUCTION.—Nothing in
 7 this subsection shall be construed to require a
 8 change to existing data exchange standards found to
 9 be effective and efficient.”.

10 (b) EFFECTIVE DATE.—Not later than the date that
 11 is 24 months after the date of the enactment of this sec-
 12 tion, the Secretary of Health and Human Services shall
 13 issue a proposed rule that—

14 (1) identifies federally required data exchanges,
 15 include specification and timing of exchanges to be
 16 standardized, and address the factors used in deter-
 17 mining whether and when to standardize data ex-
 18 changes; and

19 (2) specifies State implementation options and
 20 describes future milestones.

21 **SEC. 17. SET-ASIDE FOR ECONOMIC DOWNTURNS.**

22 Section 404(e) (42 U.S.C. 604(e)) is amended to read
 23 as follows:

24 “(e) DEADLINES FOR OBLIGATION AND EXPENDI-
 25 TURES OF FUNDS BY STATES.—

1 “(1) IN GENERAL.—Except as provided in para-
 2 graph (2), a State to which a grant is made under
 3 section 403(a)(1) shall obligate the funds within 2
 4 years after the date the funds are made available,
 5 and shall expend the funds within 3 years after such
 6 date.

7 “(2) EXCEPTION FOR LIMITED AMOUNT OF
 8 FUNDS SET ASIDE FOR FUTURE USE.—

9 “(A) IN GENERAL.—A State to which
 10 funds are paid under section 403(a)(1) may re-
 11 serve not more than 15 percent of the funds for
 12 use in the State program funded under this
 13 part without fiscal year limitation.

14 “(B) NOTICE OF INTENT TO RESERVE
 15 FUNDS.—A State that intends to reserve funds
 16 paid to the State under section 402(a)(1) shall
 17 notify the Secretary of the intention not later
 18 than the end of the period in which the funds
 19 are available for obligation without regard to
 20 subparagraph (A) of this paragraph.”.

21 **SEC. 18. DEFINITIONS RELATED TO USE OF FUNDS.**

22 Section 419 (42 U.S.C. 619) is amended by adding
 23 at the end the following:

24 “(6) ASSISTANCE.—The term ‘assistance’
 25 means cash, payments, vouchers, and other forms of

1 benefits designed to meet a family’s ongoing basic
2 needs (such as for food, clothing, shelter, utilities,
3 household goods, personal care items, and general
4 incidental expenses).

5 “(7) WORK SUPPORTS.—The term ‘work sup-
6 ports’ means assistance and non-assistance transpor-
7 tation benefits (such as the value of allowances, bus
8 tokens, car payments, auto repair, auto insurance
9 reimbursement, and van services) provided in order
10 to help families obtain, retain, or advance in employ-
11 ment, participate in work activities (as defined in
12 section 407(d)), or as a non-recurrent, short-term
13 benefit, including goods provided to individuals in
14 order to help them obtain or maintain employment
15 (such as tools, uniforms, fees to obtain special li-
16 censes, bonuses, incentives, and work support allow-
17 ances and expenditures for job access).

18 “(8) SUPPORTIVE SERVICES.—The term ‘sup-
19 portive services’ means services such as domestic vio-
20 lence services, and mental health, substance abuse
21 and disability services, housing counseling services,
22 and other family supports, except to the extent that
23 the provision of the service would violate section
24 408(a)(6).

1 “(9) JOBS BENEFIT.—The term ‘JOBS ben-
2 efit’ means—

3 “(A) assistance; or

4 “(B) wage subsidies that are paid, with
5 funds provided under section 403(a) or with
6 qualified State expenditures, with respect to a
7 person who—

8 “(i) was a work-eligible individual (as
9 defined in the regulations promulgated
10 pursuant to section 407(i)(1)(A)(i)) at the
11 time of entry into subsidized employment,
12 such as on-the-job training or apprentice-
13 ship; and

14 “(ii) is not receiving assistance.”.

15 **SEC. 19. ELIMINATION OF OBSOLETE PROVISIONS.**

16 (a) ELIMINATION OF SUPPLEMENTAL GRANTS TO
17 STATES.—Section 403(a) (42 U.S.C. 603(a)) is amended
18 by striking paragraph (3).

19 (b) ELIMINATION OF BONUS TO REWARD HIGH PER-
20 FORMANCE STATES.—

21 (1) IN GENERAL.—Section 403(a) (42 U.S.C.
22 603(a)) is amended by striking paragraph (4).

23 (2) CONFORMING AMENDMENT.—Section
24 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by
25 striking “403(a)(4),”.

1 (c) ELIMINATION OF WELFARE-TO-WORK GRANTS.—

2 (1) IN GENERAL.—Section 403(a) (42 U.S.C.
3 603(a)) is amended by striking paragraph (5).

4 (2) CONFORMING AMENDMENTS.—

5 (A) ELIMINATION OF EXCLUSION FROM
6 TIME LIMIT.—Section 408(a)(7) (42 U.S.C.
7 608(a)(7)) is amended by striking subpara-
8 graph (G).

9 (B) ELIMINATION OF PENALTY FOR MIS-
10 USE OF COMPETITIVE WELFARE-TO-WORK
11 FUNDS.—Section 409(a)(1) (42 U.S.C.
12 609(a)(1)) is amended by striking subpara-
13 graph (C).

14 (C) ELIMINATION OF EXCLUSION FROM
15 QUALIFIED STATE EXPENDITURES OF STATE
16 FUNDS USED TO MATCH WELFARE-TO-WORK
17 GRANT FUNDS.—Section 409(a)(7)(B)(iv) (42
18 U.S.C. 609(a)(7)(B)(iv)) is amended in the 1st
19 sentence—

20 (i) by adding “or” at the end of sub-
21 clause (II); and

22 (ii) by striking subclause (III) and re-
23 designating subclause (IV) as subclause
24 (III).

1 (D) ELIMINATION OF PENALTY FOR FAIL-
2 URE OF STATE TO MAINTAIN HISTORIC EFFORT
3 DURING YEAR IN WHICH WELFARE-TO-WORK
4 GRANT IS RECEIVED.—Section 409(a) (42
5 U.S.C. 609(a)) is amended by striking para-
6 graph (13).

7 (E) ELIMINATION OF REQUIREMENTS RE-
8 LATING TO WELFARE-TO-WORK GRANTS IN
9 QUARTERLY STATE REPORTS.—Section 411(a)
10 (42 U.S.C. 611(a)), as amended by section
11 15(a) of this Act, is amended—

12 (i) in paragraph (1), by striking “(ex-
13 cept for information relating to activities
14 carried out under section 403(a)(5))”; and

15 (ii) in each of paragraphs (2) through
16 (4), by striking the comma and all that fol-
17 lows and inserting a period.

18 (F) INDIAN TRIBAL PROGRAMS.—Section
19 412(a) (42 U.S.C. 612(a)) is amended by strik-
20 ing paragraph (3).

21 (G) ELIMINATION OF REQUIREMENT TO
22 DISCLOSE CERTAIN INFORMATION TO PRIVATE
23 INDUSTRY COUNCIL RECEIVING WELFARE-TO-
24 WORK FUNDS.—Section 454A(f) (42 U.S.C.
25 654a(f)) is amended by striking paragraph (5).

1 (H) GRANTS TO TERRITORIES.—Section
 2 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended
 3 by striking “403(a)(5),”.

4 (d) ELIMINATION OF CONTINGENCY FUND.—

5 (1) IN GENERAL.—Section 403 (42 U.S.C. 603)
 6 is amended by striking all of subsection (b) except
 7 paragraph (5).

8 (2) CONFORMING AMENDMENTS.—

9 (A) TRANSFER OF NEEDY STATE DEFINI-
 10 TION.—

11 (i) IN GENERAL.—Paragraph (5) of
 12 section 403(b) (42 U.S.C. 603(b)(5)) is—

13 (I) amended—

14 (aa) in the matter preceding
 15 subparagraph (A), by striking
 16 “paragraph (4)” and inserting
 17 “subparagraph (C)”;

18 (bb) in each of subpara-
 19 graphs (A) and (B), by redesign-
 20 ating clauses (i) and (ii) as sub-
 21 clauses (I) and (II), respectively;

22 (cc) by redesignating sub-
 23 paragraphs (A) and (B) as
 24 clauses (i) and (ii), respectively;

1 (dd) by redesignating such
 2 paragraph as subparagraph (D);
 3 and

4 (ee) by moving each provi-
 5 sion 2 ems to the right; and

6 (II) as so amended, hereby trans-
 7 ferred into section 409(a)(3) (42
 8 U.S.C. 609(a)(3)) and added to the
 9 end of such section.

10 (ii) CONFORMING AMENDMENT.—Sec-
 11 tion 409(a)(3)(C) (42 U.S.C.
 12 609(a)(3)(C)) is amended by striking “(as
 13 defined in section 403(b)(5))”.

14 (B) ELIMINATION OF PENALTY FOR FAIL-
 15 URE OF STATE RECEIVING AMOUNTS FROM
 16 CONTINGENCY FUND TO MAINTAIN 100 PER-
 17 CENT OF HISTORIC EFFORT.—Section 409(a)
 18 (42 U.S.C. 609(a)) is amended by striking
 19 paragraph (10).

20 (e) CONFORMING AMENDMENTS RELATED TO ELIMI-
 21 NATION OF FEDERAL LOANS FOR STATE WELFARE PRO-
 22 GRAMS.—

23 (1) ELIMINATION OF ASSOCIATED PENALTY
 24 PROVISION.—

1 (A) IN GENERAL.—Section 409(a) (42
2 U.S.C. 609(a)) is amended by striking para-
3 graph (6).

4 (B) CONFORMING AMENDMENTS.—Section
5 412(g)(1) (42 U.S.C. 612(g)(1)) is amended by
6 striking “(a)(6),”.

7 (2) ELIMINATION OF PROVISION PROVIDING
8 FOR TRIBAL ELIGIBILITY.—Section 412 (42 U.S.C.
9 612) is amended by striking subsection (f).

10 (3) ELIMINATION OF DISREGARD OF LOAN IN
11 APPLYING LIMIT ON PAYMENTS TO THE TERRI-
12 TORIES.—Section 1108(a)(2) (42 U.S.C.
13 1308(a)(2)) is amended by striking “406,”.

14 (f) ELIMINATION OF LIMITATIONS ON OTHER STATE
15 PROGRAMS FUNDED WITH QUALIFIED STATE EXPENDI-
16 TURES.—

17 (1) The following provisions are each amended
18 by striking “or any other State program funded with
19 qualified State expenditures (as defined in section
20 409(a)(7)(B)(i))”:

21 (A) Paragraphs (1) and (2) of section
22 407(e) (42 U.S.C. 607(e)(1) and (2)).

23 (B) Section 411(a)(1) (42 U.S.C.
24 611(a)(1)), as amended by section
25 15(a)(3)(A)(i) of this Act.

1 (C) Subsections (d) and (e)(1) of section
 2 413 (42 U.S.C. 613(d) and (e)(1)).

3 (2) Section 413(a) (42 U.S.C. 613(a)) is
 4 amended by striking “and any other State program
 5 funded with qualified State expenditures (as defined
 6 in section 409(a)(7)(B)(i))”.

7 (g) CONFORMING AMENDMENTS RELATED TO ELIMI-
 8 NATION OF REPORT.—

9 (1) IN GENERAL.—Section 409(a)(2) (42
 10 U.S.C. 609(a)(2)) is amended—

11 (A) in the paragraph heading, by inserting
 12 “QUARTERLY” before “REPORT”;

13 (B) in subparagraph (A)(ii), by striking
 14 “clause (i)” and inserting “subparagraph (A)”;

15 (C) by striking “(A) QUARTERLY RE-
 16 PORTS.—”;

17 (D) by striking subparagraph (B); and

18 (E) by redesignating clauses (i) and (ii) of
 19 subparagraph (A) as subparagraphs (A) and
 20 (B), respectively (and adjusting the margins ac-
 21 cordingly).

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 409(b)(2) (42 U.S.C.
 24 609(b)(2)) is amended by striking “and,” and
 25 all that follows and inserting a period.

1 (B) Section 409(c)(4) (42 U.S.C.
2 609(c)(4)) is amended by striking “(2)(B),”.

3 (h) ANNUAL REPORTS TO CONGRESS.—Section
4 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by
5 striking “participation rates” and inserting “outcome
6 measures”.

7 (i) REDUCTION IN FORCE PROVISIONS.—Section
8 416(a) (42 U.S.C. 616(a)), as so designated by section
9 14(b)(1)(A) of this Act, is amended by striking “, and the
10 Secretary” and all that follows and inserting a period.

11 (j) CONFORMING CROSS-REFERENCES.—

12 (1) Section 409 (42 U.S.C. 609) is amended—

13 (A) in subsection (a)(7)(B)(i)(III), by
14 striking “(12)” and inserting “(10)”;

15 (B) in subsection (a) (as amended by sub-
16 sections (c)(2)(D), (d)(2)(B), and (e)(1)(A) of
17 this section), by redesignating paragraphs (7),
18 (8), (9), (11), (12), (14), (15), and (16) as
19 paragraphs (6) through (13), respectively;

20 (C) in subsection (b)(2), by striking “(8),
21 (10), (12), or (13)” and inserting “or (10)”;
22 and

23 (D) in subsection (c)(4), by striking “(8),
24 (10), (12), (13), or (16)” and inserting “(10),
25 or (13)”.

1 (2) Section 452 (42 U.S.C. 652) is amended in
 2 each of subsections (d)(3)(A)(i) and (g)(1) by strik-
 3 ing “409(a)(8)” and inserting “409(a)(7)”.

4 (k) MODIFICATIONS TO MAINTENANCE-OF-EFFORT
 5 REQUIREMENT.—Section 409(a)(6)(B)(i) (42 U.S.C.
 6 609(a)(6)(B)(i)), as redesignated by subsection (j)(1)(B)
 7 of this section, is amended—

8 (1) in subclause (I)—

9 (A) in the matter preceding item (aa), by
 10 striking “all State programs” and inserting
 11 “the State program funded under this part”;

12 (B) by redesignating items (dd) and (ee)
 13 as items (ee) and (ff), respectively, and insert-
 14 ing after item (cc) the following:

15 “(dd) Expenditures for a
 16 purpose described in paragraph
 17 (3), (4), or (5) of section
 18 401(a).”; and

19 (C) in item (ee) (as so redesignated), by
 20 striking “and (ee)” and inserting “(dd), and
 21 (ff)”;

22 (2) by striking subclause (V); and

23 (3) in subclause (IV), by inserting “, except any
 24 of such families whose monthly income exceeds twice
 25 the poverty line (as defined by the Office of Manage-

1 ment and Budget, and revised annually in accord-
2 ance with section 673(2) of the Omnibus Budget
3 Reconciliation Act of 1981 (42 U.S.C. 9902(2)))”
4 before the period.

5 **SEC. 20. EFFECTIVE DATE.**

6 Except as provided in section 13(b), the amendments
7 made by this Act shall take effect on October 1, 2022.

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