

107TH CONGRESS
1ST SESSION

H. R. 3113

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 12, 2001

Mrs. MINK of Hawaii (for herself, Mr. BONIOR, Ms. CARSON of Indiana, Mrs. CLAYTON, Mr. CLAY, Mr. EVANS, Mr. FARR of California, Mr. FILNER, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. HINCHHEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KUCINICH, Ms. LEE, Mr. LEWIS of Georgia, Ms. LOFGREN, Mr. MCDERMOTT, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. NADLER, Ms. NORTON, Mr. OWENS, Mr. PAYNE, Ms. ROYBAL-ALLARD, Ms. SCHAKOWSKY, Ms. SOLIS, Mr. STARK, Ms. WATERS, Ms. WOOLSEY, and Ms. BROWN of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

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

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 “TANF Reauthorization
5 Act of 2001”.

1 SEC. 2. TABLE OF CONTENTS.

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Findings.
- Sec. 4. Amendment of Social Security Act.

TITLE I—GENERAL PROVISIONS

- Sec. 101. Purposes.
- Sec. 102. State plan.
- Sec. 103. Funding.
- Sec. 104. Use of funds.

TITLE II—WORK REQUIREMENTS

- Sec. 201. Reduced work requirement for parents of school-age children who cannot find adequate child care.
- Sec. 202. Conforming the number of weeks to the unemployment insurance compensation standard.
- Sec. 203. Revision of work activities.
- Sec. 204. Penalties against individuals for unjustified refusal to work; additional justifications.
- Sec. 205. Elimination of miscellaneous provisions.

TITLE III—PROHIBITIONS; REQUIREMENTS

- Sec. 301. Replacement of requirement to sanction individual for noncooperation in establishing paternity or obtaining child support with prohibition on requiring such cooperation.
- Sec. 302. Prohibition on requiring assignment of support rights to the State; return of support rights assigned to the State.
- Sec. 303. Elimination of sanction against teenage parents not attending high school or other equivalent training program.
- Sec. 304. Requirements relating to disregard of child support.
- Sec. 305. Elimination of sanction against teenage parents not living in adult-supervised settings.
- Sec. 306. Protection for children.
- Sec. 307. 5-year time limit.
- Sec. 308. Requirement to provide notice of rights of recipients, and train program personnel in carrying out program consistent with the rights.
- Sec. 309. Requirement to provide information to individuals who are, or are at risk of being, sanctioned.
- Sec. 310. Ban on counting income, scholarship, or gift received by dependent minors.
- Sec. 311. Ban on diversion of potential applicants for assistance.
- Sec. 312. Prohibition on requiring recipients to respond to surveys conducted to obtain information for quarterly reports.
- Sec. 313. Confidentiality of program information.
- Sec. 314. Nondiscrimination.
- Sec. 315. Requirement to provide opportunity to appeal adverse decision.
- Sec. 316. Clarification of penalty for failure to comply with individual responsibility plan.

- Sec. 317. Applicability of civil rights laws.
- Sec. 318. Elimination of special rules relating to treatment of aliens.

TITLE IV—PENALTIES

- Sec. 401. Increase in penalty for failure to submit required report.
- Sec. 402. Replacement of penalty against State for failure to comply with paternity establishment and child support enforcement requirements with penalty for requiring cooperation in establishing paternity or obtaining child support (including assigning support rights to the State).
- Sec. 403. Extension of maintenance of effort requirement.
- Sec. 404. Penalty for failure of State to comply with child support disregard requirements.
- Sec. 405. Penalty for penalizing birth of child.
- Sec. 406. Penalty for failure to notify recipients of rights, or train program personnel in respecting rights of recipients.
- Sec. 407. Penalty for failure to provide information to individuals who are, or are at risk of being, sanctioned.
- Sec. 408. Penalty for counting income, scholarship, or gift received by dependent minor.
- Sec. 409. Penalty for diverting potential applicant for assistance.
- Sec. 410. Penalty for requiring recipient to respond to survey conducted to obtain information for quarterly report.
- Sec. 411. Penalty for unauthorized disclosure of information provided by recipient.
- Sec. 412. Penalty for discrimination.
- Sec. 413. Penalty for failure to provide opportunity to appeal adverse decision.
- Sec. 414. Penalty for failure to comply with minimum benefit rules.
- Sec. 415. Penalty for failure to provide individual child care entitlement.
- Sec. 416. Failure to submit report on welfare access and outcomes.
- Sec. 417. Elimination of reasonable cause exception.
- Sec. 418. Modification of availability of corrective compliance plan option.
- Sec. 419. Repeal of ban on assistance for persons convicted of a drug felony.

TITLE V—STUDIES AND REPORTS

- Sec. 501. Additional information to be included in quarterly State reports.
- Sec. 502. Elimination from secretarial report to the Congress of information on out-of-wedlock pregnancies.
- Sec. 503. Access to welfare; welfare outcomes.
- Sec. 504. Assessment of regional economies to identify higher entry level wage opportunities in industries experiencing labor shortages.
- Sec. 505. Research, evaluations, and national studies.
- Sec. 506. Study by the Census Bureau.

TITLE VI—WAIVERS

- Sec. 601. Waivers.

TITLE VII—REPEAL OF LIMITATION ON FEDERAL AUTHORITY

- Sec. 701. Repeal of limitation on Federal authority.

TITLE VIII—MINIMUM BENEFIT RULES

- Sec. 801. Minimum benefit rules.

TITLE IX—CHILD CARE

Sec. 901. Individual entitlement to child care.

TITLE X—DEFINITION OF POVERTY LINE

Sec. 1001. Definition of poverty line.

TITLE XI—SERVICE PROVIDERS

Sec. 1101. Protection for beneficiaries.

TITLE XII—EFFECTIVE DATE

Sec. 1201. Effective date.

1 **SEC. 3. FINDINGS.**

2 The Congress finds the following:

3 (1) Welfare reform has reduced the welfare
4 caseload but has failed to move families out of pov-
5 erty. More than 40 percent of former welfare recipi-
6 ents continued to live below the poverty line in 1999.
7 Employed former recipients earn a median hourly
8 wage of \$7.15. Because challenges to economic op-
9 portunity and well-being are not adequately ad-
10 dressed by current welfare programs, existing law
11 must be changed to ensure that welfare policy effec-
12 tively promotes the reduction of poverty.

13 (2) Between 1995 and 1999, a strong economy
14 reduced poverty by about 2 percent. Reductions in
15 Government transfer payments during this period,
16 however, eliminated almost all of the antipoverty ef-
17 fectiveness of economic growth. Prior to welfare re-
18 form, between 1993 and 1995, Government transfer

1 payments had produced the opposite effect, reducing
2 poverty among American families.

3 (3) About $\frac{1}{3}$ of people who have left welfare
4 say they have had to cut the size of meals or skip
5 meals because they did not have enough food in the
6 house.

7 (4) Over 40 percent of welfare leavers report
8 that they have had trouble paying housing and util-
9 ity bills since leaving welfare.

10 (5) Since welfare reform was enacted in 1996,
11 and despite a strong economy, there have been sharp
12 increases in the rates at which single mothers with
13 children have had to rely on food pantries and home-
14 less shelters.

15 (6) An estimated $\frac{1}{3}$ to $\frac{1}{2}$ of all families leaving
16 welfare for work do not receive medical assistance,
17 food stamps, or child care to which they are entitled.

18 (7) Only 1,500,000 of the 9,900,000 children
19 who are eligible for child care subsidies under their
20 States' eligibility guidelines receive child care assist-
21 ance.

22 (8) Between 1997 and 1999, over 500,000 fam-
23 ilies were sanctioned off welfare and these families
24 have been more likely to experience poverty than
25 have other families leaving welfare. On a variety of

1 measures, families who have been sanctioned off wel-
2 fare tend to fare worse than other leavers.

3 (9) States in which African Americans make up
4 a higher proportion of recipients are statistically
5 more likely to adopt full-family sanctions. African
6 American recipients are statistically more likely than
7 white recipients to participate in a TANF program
8 that employs full-family sanctions. African-American
9 families have, in fact, been sanctioned more fre-
10 quently than their white counterparts.

11 (10) States in which African Americans make
12 up a higher proportion of recipients are statistically
13 more likely to adopt family cap policies. African
14 American recipients are statistically more likely than
15 white recipients to participate in a TANF program
16 that employs a family cap policy.

17 (11) States in which African Americans make
18 up a higher proportion of recipients are statistically
19 more likely to adopt time limits shorter than the
20 Federal Government requires. Approximately $\frac{2}{3}$ of
21 all families that will exhaust their allowable time on
22 welfare are families of color.

23 (12) Overall, 78 percent of children with immi-
24 grant parents are themselves born in the United
25 States and are therefore eligible for services if poor.

1 Nearly $\frac{1}{4}$ of all children of immigrants live in poor
2 families and 23 percent of all poor children in the
3 United States are either first- or second-generation
4 immigrants. Immigrants whose children are eligible
5 for public benefits often don't know about the serv-
6 ices, are afraid to access them, or are incorrectly
7 turned away.

8 (13) About 25 percent of former welfare recipi-
9 ents have no paid employment and have either no
10 partner or a partner who is unemployed.

11 (14) Under welfare reform, single mothers have
12 been forced to work at unsafe and hazardous job
13 sites and to be subject to sexual harassment and ra-
14 cial discrimination.

15 (15) Most single mothers who leave welfare for
16 work do not earn enough in wages to lift their fami-
17 lies out of poverty, even several years after leaving
18 welfare. 55 percent remain poor 1 year after leaving
19 welfare; 49 percent 3 years after and 42 percent 5
20 years after. Only about $\frac{1}{3}$ of all leavers have in-
21 comes above 150 percent of the poverty line years
22 after going off welfare.

23 (16) Adolescent children of single mothers who
24 have left welfare for work have school performance
25 rates below those of other low-income children. Early

1 studies of families in welfare-to-work programs in
2 Florida, Minnesota, and Canada have found unex-
3 pected evidence that their adolescent children have
4 lower academic achievement and more behavioral
5 problems than the children of other welfare house-
6 holds. The researchers hypothesized that parents in
7 the programs might have less time and energy to
8 monitor their adolescents' behavior once they were
9 employed; that under the stress of working, they
10 might adopt harsher parenting styles; or that the
11 adolescents' assuming more responsibilities at home
12 when parents got jobs was creating too great a bur-
13 den.

14 (17) Under welfare reform, when families lost
15 income regardless of the reason, children were more
16 likely to experience bad outcomes such as increased
17 school suspensions, behavior and mental health prob-
18 lems including symptoms of depression, an increase
19 in the number of children removed from their moth-
20 er's care, increased enrollment in special classes for
21 behavioral or emotional problems, and health prob-
22 lems such as increased trips to the emergency room.
23 In programs where both employment and income
24 were increased, the impact on children was more
25 positive.

1 (18) Most single mothers on welfare who are el-
2 igible for the exemption from cooperating in estab-
3 lishing paternity are not made aware of this option.

4 (19) 35 percent of low-income families reported
5 mental health problems according to a 1999 study.
6 Similar rates of mental health problems have been
7 found among welfare recipients. Among California
8 welfare program participants, more than $\frac{1}{3}$ had at
9 least 1 diagnosable mental health problem in the
10 previous 12 months, and about 20 percent had 2 or
11 more. Nationally, between 70 and 90 percent of
12 working-age adults with serious mental health prob-
13 lems are unemployed. According to a 2001 study,
14 major depression significantly decreases the likeli-
15 hood that a woman receiving welfare will be em-
16 ployed and the presence of 1 or more of 4 psy-
17 chiatric disorders increases the likelihood of receiv-
18 ing cash assistance by 32 percent.

19 (20) Over half of women receiving welfare have
20 been victims of domestic violence as adults. Accord-
21 ing to several studies, a quarter to a third of welfare
22 recipients report having been abused within the last
23 year. Abusive partners often interfere with women's
24 attempts to work or to obtain education.

1 **SEC. 4. AMENDMENT OF SOCIAL SECURITY ACT.**

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 amendment or repeal shall be considered to be
6 made to a section or other provision of the Social Security
7 Act.

8 **TITLE I—GENERAL PROVISIONS**

9 **SEC. 101. PURPOSES.**

10 Section 401(a)(1) (42 U.S.C. 601(a)(1)) is amended
11 to read as follows:

12 “(1) IN GENERAL.—The purpose of this part is
13 to end child and family poverty by—

14 “(A) supporting caregivers so that children
15 may be cared for in their own homes;

16 “(B) promoting education, training, work
17 supports, and access to jobs that pay a living
18 wage;

19 “(C) assuring access to Medicaid, Food
20 Stamps, child care, and such other assistance
21 for which the family is eligible;

22 “(D) providing access to services to ad-
23 dress barriers to leaving poverty, including
24 mental health, disability, substance abuse, do-
25 mestic violence, and sexual assault; and

1 “(E) reducing poverty of families with chil-
2 dren.”.

3 **SEC. 102. STATE PLAN.**

4 (a) IN GENERAL.—Section 402(a) (42 U.S.C.
5 602(a)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (A)—

8 (i) by striking clause (ii) and redesignig-
9 nating clauses (iii) and (iv) as clauses (ii)
10 and (iii), respectively; and

11 (ii) by striking clauses (v) and (vi);
12 and

13 (B) in subparagraph (B)—

14 (i) in clause (iii), by inserting “and
15 will notify recipients of assistance under
16 the program of the rights of individuals
17 under all laws applicable to program activi-
18 ties” before the period;

19 (ii) by striking clauses (i) and (iv) and
20 redesignating clauses (ii) and (iii) as
21 clauses (i) and (ii), respectively;

22 (2) in paragraph (7), by striking subparagraph
23 (B) and inserting the following:

24 “(B) DOMESTIC OR SEXUAL VIOLENCE DE-
25 FINED.—In this title, the term ‘domestic or sex-

1 ual violence’ has the same meaning as ‘battered
2 or subject to extreme cruelty’ in section
3 402(a)(7)(C)(ii).”; and

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

5 “(7) CERTIFICATIONS REGARDING DOMESTIC
6 AND SEXUAL VIOLENCE, MENTAL ILLNESS, DIS-
7 ABILITY, AND SUBSTANCE ABUSE.—

8 “(A) STANDARDS AND PROCEDURES.—A
9 certification by the chief executive officer of the
10 State that the State has established and is en-
11 forcing standards and procedures to ensure that
12 the State will do the following:

13 “(i) ADDRESS RECIPIENT’S BARRIERS
14 TO LEAVING POVERTY.—Address the needs
15 of a recipient who has a mental health
16 problem, disability, or substance abuse ad-
17 diction, or who is dealing with domestic or
18 sexual violence, including how the State
19 will, at the time of application, at a recipi-
20 ent’s request, and before imposing any
21 sanction or penalty for noncompliance—

22 “(I) have trained caseworkers
23 screen, and, at the option of the re-
24 cipient, qualified professionals assess
25 and identify individuals who are deal-

1 ing with a mental health problem, dis-
2 ability, substance abuse addiction, or
3 domestic or sexual violence;

4 “(II) in the case of an individual
5 who is so identified, at the option of
6 the individual, refer the individual and
7 affected children or other close family
8 members for appropriate treatment,
9 counseling, vocational rehabilitation,
10 job training, and other services;

11 “(III) coordinate, contract, or
12 hire appropriate licensed qualified
13 professionals, including licensed quali-
14 fied mental health service providers,
15 licensed qualified physicians or med-
16 ical service providers, licensed quali-
17 fied substance abuse professionals, do-
18 mestic violence coalitions, sexual as-
19 sault coalitions, or victim services or-
20 ganizations;

21 “(IV) ensure the strict confiden-
22 tiality of such information; and

23 “(V) pursuant to a determination
24 of good cause, waive, without time
25 limit, any State or Federal program

1 requirement for so long as necessary
2 in every case in which the
3 requirement—

4 “(aa) makes it more difficult
5 for the individual to manage his
6 or her mental health problem,
7 disability, substance abuse addic-
8 tion, or domestic or sexual vio-
9 lence situation;

10 “(bb) unfairly penalizes the
11 individual; or

12 “(cc) makes the individual
13 unsafe.

14 “(ii) USE OF QUALIFIED PROFES-
15 SIONALS.—Enter into contracts with or
16 employ qualified professionals for the pro-
17 vision of services in each of the fields of
18 mental health, substance abuse, disability,
19 and domestic or sexual violence, and that
20 the contracts will require that, in the case
21 of an individual who has multiple such bar-
22 riers, the qualified professionals assigned
23 to the case will collaborate to provide the
24 individual with integrated, comprehensive
25 services.

1 “(B) DEFINITIONS.—In this paragraph:

2 “(i) DOMESTIC VIOLENCE COALI-
3 TION.—The term ‘domestic violence coali-
4 tion’ means a nonprofit, nongovernmental
5 membership organization that—

6 “(I) consists of the entities car-
7 rying out a majority of the domestic
8 violence programs carried out in a
9 State;

10 “(II) collaborates and coordinates
11 activities with Federal, State, and
12 local entities to further the purposes
13 of domestic violence intervention and
14 prevention; and

15 “(III) among other activities,
16 provides training and technical assist-
17 ance to entities carrying out domestic
18 violence programs in a State, terri-
19 tory, political subdivision, or area
20 under Federal authority.

21 “(ii) SEXUAL ASSAULT COALITION.—
22 The term ‘sexual assault coalition’ means a
23 nonprofit, nongovernmental membership
24 organization that—

1 “(I) consists of the entities car-
2 rying out a majority of the sexual as-
3 sault programs carried out in a State;

4 “(II) collaborates and coordinates
5 activities with Federal, State, and
6 local entities to further the purposes
7 of sexual assault intervention and pre-
8 vention; and

9 “(III) among other activities,
10 provides training and technical assist-
11 ance to entities carrying out sexual
12 assault programs in a State, territory,
13 political subdivision, or area under
14 Federal authority.

15 “(iii) VICTIM SERVICES ORGANIZA-
16 TION.—The term ‘victim services organiza-
17 tion’ means a nonprofit, nongovernmental
18 organization that provides assistance to
19 victims of domestic or sexual violence or to
20 advocates for such victims, including a
21 rape crisis center, an organization carrying
22 out a domestic violence program, an orga-
23 nization operating a shelter or providing
24 counseling services, or an organization pro-
25 viding assistance through the legal process.

1 “(iv) LICENSED QUALIFIED MENTAL
2 HEALTH SERVICE PROVIDER.—The term
3 ‘licensed qualified mental health service
4 provider’ means a psychiatrist, clinical psy-
5 chologist, clinical social worker, community
6 mental health counselor, or other licensed
7 individual who has appropriate training in
8 the diagnosis and treatment of mental ill-
9 ness in children, adolescents, and adults or
10 provides mental health services reimbursed
11 under title XVIII or a State plan approved
12 under title XIX.

13 “(v) QUALIFIED PROFESSIONAL.—The
14 term ‘qualified professional’ means—

15 “(I) with respect to a disability, a
16 physician or other licensed medical
17 provider;

18 “(II) with respect to substance
19 abuse, a licensed drug counselor or
20 clinician with expertise in the assess-
21 ment and treatment of parents with
22 drug addiction issues, who may be af-
23 filiated with an out-patient or residen-
24 tial family drug or alcohol treatment
25 program; or

1 “(III) with respect to domestic or
2 sexual violence—

3 “(aa) a State or tribal do-
4 mestic violence coalition or sexual
5 assault coalition; or

6 “(bb) a State or local victim
7 services organization with recog-
8 nized expertise in the dynamics
9 of domestic or sexual violence
10 whose primary mission is to pro-
11 vide services to victims of domes-
12 tic or sexual violence, such as a
13 rape crisis center or domestic vio-
14 lence program.

15 “(8) CERTIFICATION REGARDING ASSESSMENT
16 OF REGIONAL ECONOMIES AND INFORMING LOCAL-
17 ITIES OF SECTORAL LABOR SHORTAGES.—A certifi-
18 cation by the chief executive officer of the State
19 that, during the fiscal year, the State will assess its
20 regional economies and provide information to polit-
21 ical subdivisions of the State about the industrial
22 sectors that are experiencing a labor shortage and
23 that provide higher entry-level wage opportunities
24 for unemployed and underemployed job seekers.”.

1 **SEC. 103. FUNDING.**

2 (a) FAMILY ASSISTANCE GRANT.—Section 403(a)(1)
3 (42 U.S.C. 603(a)(1)) is amended in each of subpara-
4 graphs (A) and (E) by striking “1996, 1997, 1998, 1999,
5 2000, 2001, and 2002” and inserting “1996 through
6 2008”.

7 (b) REPLACEMENT OF BONUS TO REWARD DE-
8 CREASE IN ILLEGITIMACY RATIO WITH CHILD POVERTY
9 REDUCTION BONUS.—Section 403(a)(2) (42 U.S.C.
10 603(a)) is amended to read as follows:

11 “(2) BONUS TO REWARD STATES THAT REDUCE
12 CHILD POVERTY.—

13 “(A) IN GENERAL.—Beginning with fiscal
14 year 2003, the Secretary shall make a grant
15 pursuant to this paragraph to each State for
16 each fiscal year for which the State is a quali-
17 fied child poverty reduction State.

18 “(B) AMOUNT OF GRANT.—

19 “(i) IN GENERAL.—Subject to this
20 subparagraph, the amount of the grant to
21 be made to a qualified child poverty reduc-
22 tion State for a fiscal year shall be an
23 amount equal to—

24 “(I) the number of children who
25 had not attained 18 years of age by
26 the end of the then most recently

1 completed calendar year and who re-
2 sided in the State as of the end of
3 such calendar year, divided by the
4 number of such children who resided
5 in the United States as of the end of
6 such calendar year; multiplied by

7 “(II) the amount appropriated
8 pursuant to subparagraph (F) for the
9 fiscal year.

10 “(ii) LIMITATIONS.—

11 “(I) MINIMUM GRANT.—The
12 amount of the grant to be made to a
13 qualified child poverty reduction State
14 for a fiscal year shall be not less than
15 \$1,000,000.

16 “(II) MAXIMUM GRANT.—The
17 amount of the grant to be made to a
18 qualified child poverty reduction State
19 for a fiscal year shall not exceed an
20 amount equal to 5 percent of the
21 State family assistance grant for the
22 fiscal year.

23 “(iii) PRO RATA INCREASE.—If the
24 amount available for grants under this
25 paragraph for a fiscal year is greater than

1 the total amount of payments otherwise re-
2 quired to be made under this paragraph
3 for the fiscal year, then the amount other-
4 wise payable to any State for the fiscal
5 year under this paragraph shall, subject to
6 clause (ii)(II), be increased by such equal
7 percentage as may be necessary to ensure
8 that the total of the amounts payable for
9 the fiscal year under this paragraph equals
10 the amount available for the grants.

11 “(iv) PRO RATA REDUCTION.—If the
12 amount available for grants under this
13 paragraph for a fiscal year is less than the
14 total amount of payments otherwise re-
15 quired to be made under this paragraph
16 for the fiscal year, then the amount other-
17 wise payable to any State for the fiscal
18 year under this paragraph shall, subject to
19 clause (ii)(I), be reduced by such equal
20 percentage as may be necessary to ensure
21 that the total of the amounts payable for
22 the fiscal year under this paragraph equals
23 the amount available for the grants.

24 “(C) USE OF GRANT.—A State to which a
25 grant is made under this paragraph shall use

1 the grant for any purpose for which a grant
2 made under this part may be used.

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

4 “(i) QUALIFIED CHILD POVERTY RE-
5 DUCTION STATE.—The term ‘qualified
6 child poverty reduction State’ means, with
7 respect to a fiscal year, a State if—

8 “(I) the child poverty rate
9 achieved by the State for the then
10 most recently completed calendar year
11 for which such information is avail-
12 able is less than the lowest child pov-
13 erty rate achieved by the State during
14 the applicable period; and

15 “(II) the average depth of child
16 poverty in the State for the then most
17 recently completed calendar year for
18 which such information is available is
19 not greater than the average depth of
20 child poverty in the State for the cal-
21 endar year that precedes such then
22 most recently completed calendar
23 year.

24 “(ii) APPLICABLE PERIOD.—In clause
25 (i), the term ‘applicable period’ means,

1 with respect to a State and the calendar
2 year referred to in clause (i)(I), the period
3 that—

4 “(I) begins with the calendar
5 year that, as of October 1, 2002, pre-
6 cedes the then most recently com-
7 pleted calendar year for which such
8 information is available; and

9 “(II) ends with the calendar year
10 that precedes the calendar year re-
11 ferred to clause (i)(I).

12 “(iii) CHILD POVERTY RATE.—The
13 term ‘child poverty rate’ means, with re-
14 spect to a State and a calendar year, the
15 percentage of children residing in the State
16 during the calendar year whose family in-
17 come for the calendar year is less than the
18 poverty line then applicable to the family.

19 “(iv) AVERAGE DEPTH OF CHILD POV-
20 ERTY.—The term ‘average depth of child
21 poverty’ means with respect to a State and
22 a calendar year, the average dollar amount
23 by which family income is exceeded by the
24 poverty line, among children in the State

1 whose family income for the calendar year
2 is less than the applicable poverty line.

3 “(v) POVERTY LINE.—The term ‘pov-
4 erty line’ has the meaning given the term
5 in section 673(2) of the Omnibus Budget
6 Reconciliation Act of 1981, including any
7 revision required by such section applicable
8 to a family of the size involved.

9 “(E) FAMILY INCOME DETERMINATIONS.—
10 For purposes of this paragraph, family income
11 includes cash income, child support payments,
12 government cash payments, and benefits under
13 the Food Stamp Act of 1977 that are received
14 by any family member, and family income shall
15 be determined after payment of all taxes and
16 receipt of any tax refund or rebate by any fam-
17 ily member.

18 “(F) APPROPRIATIONS.—

19 “(i) IN GENERAL.—Out of any money
20 in the Treasury of the United States not
21 otherwise appropriated, there are appro-
22 priated for fiscal year 2003 and each fiscal
23 year thereafter \$150,000,000 for grants
24 under this paragraph.

1 “(ii) AVAILABILITY.—Amounts made
2 available under clause (i) shall remain
3 available until expended.”.

4 (c) SUPPLEMENTAL GRANT FOR POPULATION IN-
5 CREASES IN CERTAIN STATES.—Section 403(a)(3) (42
6 U.S.C. 603(a)) is amended—

7 (1) in subparagraph (A)(ii), by striking “,
8 2000, and 2001” and inserting “through 2008”;

9 (2) by striking subparagraphs (C) and (D) and
10 inserting the following:

11 “(C) QUALIFYING STATE.—For purposes
12 of this paragraph, a State is a qualifying State
13 for a fiscal year if rate at which the population
14 of the State with income less than 200 percent
15 of the poverty line has increased (as determined
16 by the Bureau of the Census) for the most re-
17 cent fiscal year for which information is avail-
18 able exceeds the such rate for all States (as so
19 determined) for such most recent fiscal year.

20 “(D) STATE DEFINED.—In this paragraph,
21 the term ‘State’ means each of the 50 States of
22 the United States, the District of Columbia,
23 Puerto Rico, the United States Virgin Islands,
24 and Guam.”; and

25 (3) in subparagraph (E)—

1 (A) by striking “1998, 1999, 2000, and
2 2001” and inserting “2003 through 2008”; and

3 (B) by striking “\$800,000,000” and in-
4 serting “\$2,000,000,000”.

5 (d) AMENDMENT OF BONUS TO REWARD HIGH PER-
6 FORMANCE STATES.—Section 403(a)(4) (42 U.S.C.
7 603(a)(4)) is amended to read as follows:

8 “(4) BONUS TO REWARD HIGH PERFORMANCE
9 STATES.—

10 “(A) IN GENERAL.—The Secretary shall
11 make a grant pursuant to this paragraph to
12 each State for each bonus year for which the
13 State is a high performing State with respect to
14 a category described in subparagraph (C).

15 “(B) AMOUNT OF GRANT.—

16 “(i) IN GENERAL.—Subject to clause
17 (ii) of this subparagraph, the Secretary
18 shall determine the amount of the grant
19 payable under this paragraph to a high
20 performing State for a bonus year with re-
21 spect to a category, which shall be based
22 on the score assigned to the State under
23 subparagraph (D)(i) with respect to the
24 category for the fiscal year that imme-
25 diately precedes the bonus year.

1 “(ii) LIMITATION.—The total of the
2 amounts payable to a State under this
3 paragraph for a bonus year shall not ex-
4 ceed 5 percent of the State family assist-
5 ance grant.

6 “(C) FORMULA FOR MEASURING STATE
7 PERFORMANCE.—Not later than October 1,
8 2003, the Secretary shall, in consultation with
9 affected groups, including recipient groups and
10 State governors, issue regulations implementing
11 criteria for awarding of bonuses under this
12 paragraph in the following categories:

13 “(i) PREPARATION AND PLACEMENT
14 OF RECIPIENTS IN EMPLOYMENT THAT
15 WILL MOVE FAMILIES OUT OF POVERTY.—
16 The degree of success in implementing em-
17 ployment-related measures, including job
18 entry, job retention and earnings gain
19 rates, improvement in each of such meas-
20 ures, and the success of States in—

21 “(I) meeting self-sufficiency
22 needs for welfare leavers;

23 “(II) training, placing and re-
24 taining welfare leavers in higher-
25 waged jobs identified in the assess-

1 ment most recently submitted by the
2 State pursuant to section 411(d);

3 “(III) training, placing and re-
4 taining welfare leavers in technical,
5 professional, or nontraditional occupa-
6 tions for women;

7 “(IV) providing career develop-
8 ment assistance related to higher-
9 waged jobs including reliable, up-to-
10 date career counseling services, em-
11 ployability assessments on available
12 employment that pays a sustainable
13 wage, nontraditional training and edu-
14 cation options, and employment op-
15 portunities;

16 “(V) encouraging participation in
17 post-secondary educational programs;

18 “(VI) encouraging use of effec-
19 tive literacy programs that strengthen
20 basic skills in the context of employ-
21 ment; and

22 “(VII) encouraging participation
23 in vocational education programs for
24 occupations identified in the assess-

1 ment most recently submitted by the
2 State pursuant to section 411(d).

3 “(ii) REMOVAL OF BARRIERS TO SELF
4 SUFFICIENCY.—The degree of success in
5 removing mental health, substance abuse,
6 disability, or domestic or sexual violence
7 barriers to escaping poverty, which shall be
8 based on an equal weighting of the fol-
9 lowing:

10 “(I) NOTIFICATION.—The per-
11 centage of individuals receiving assist-
12 ance under this part who report hav-
13 ing been notified of the option to be
14 assessed for and receive services to
15 manage a barrier to escaping poverty.
16 A State shall not be eligible for a
17 grant under this paragraph with re-
18 spect to the category described in this
19 subparagraph unless at least 75 per-
20 cent of the individuals surveyed by the
21 State respond in the affirmative to the
22 question of whether the individual has
23 received the notification.

24 “(II) TRAINING.—The percent-
25 age of caseworkers, supervisors, and

1 new employees who have been trained
2 in a curriculum developed by or in col-
3 laboration with qualified professionals
4 in each of mental health, substance
5 abuse, disability, or domestic or sexual
6 violence services. A State shall not be
7 eligible for a grant under this para-
8 graph with respect to the category de-
9 scribed in this subparagraph unless at
10 least 80 percent of the caseworkers,
11 supervisors, and employees admin-
12 istering the State program funded
13 under this part have been trained in
14 the curriculum.

15 “(III) ASSESSMENT AND SERV-
16 ICES.—The State must certify that
17 the State has contracts with or em-
18 ploys qualified professionals in mental
19 health, substance abuse, disability, or
20 domestic or sexual violence services,
21 and that the contract requires that
22 where an individual has multiple bar-
23 riers the professional service providers
24 will collaborate to provide the indi-
25 vidual holistic services.

1 “(iii) PROVISION OF WORK SUP-
2 PORTS.—The extent to which the State has
3 increased the percentages described to in
4 the following subclauses in comparison to
5 the percentages achieved in fiscal year
6 2001:

7 “(I) FOOD STAMPS MEASURES.—
8 Of the number of families with chil-
9 dren in the State who are eligible to
10 receive food stamp benefits under the
11 Food Stamp Act of 1977, the percent-
12 age who receive such benefits.

13 “(II) MEDICAID AND SCHIP
14 MEASURES.—Of the individuals who
15 have ceased receiving assistance under
16 the State program funded under this
17 part for 4 or more months, and are el-
18 igible to receive medical assistance
19 under a State plan approved under
20 title XIX or the child health assist-
21 ance under a State plan approved
22 under title XXI, the percentage who
23 receive such medical or child health
24 assistance.

1 “(III) CHILD CARE MEASURES.—
2 Of the children in the State who meet
3 the maximum allowable Federal eligi-
4 bility requirements for benefits under
5 the Child Care and Development
6 Block Grant Act of 1990, the percent-
7 age who receive such benefits, includ-
8 ing any such children who receive
9 child care benefits provided with addi-
10 tional State or Federal funds, includ-
11 ing Head Start Funds. In taking the
12 percentage into account for purposes
13 of this clause, the Secretary shall also
14 consider (aa) the affordability of child
15 care subsidies by including a compari-
16 son of co-payment rates charged to el-
17 igible families, and (bb) the propor-
18 tion of market rates paid to providers
19 of subsidized child care as determined
20 by a market rate survey that was
21 taken not more than 2 years earlier.

22 “(D) SCORING OF STATE PERFORMANCE;
23 SETTING OF PERFORMANCE THRESHOLDS.—
24 For each bonus year, the Secretary shall—

1 “(i) use the formula developed under
2 subparagraph (C) for a measure to assign
3 a score to each eligible State with respect
4 to the measure for the fiscal year that im-
5 mediately precedes the bonus year; and

6 “(ii) prescribe a performance thresh-
7 old for each such measure in such a man-
8 ner so as to ensure that—

9 “(I) the total amount of grants
10 to be made under this paragraph with
11 respect to a measure for a bonus year
12 is not less than \$60,000,000;

13 “(II) the average annual total
14 amount of grants to be made under
15 this paragraph for each bonus year
16 equals \$260,000,000; and

17 “(III) the total amount of grants
18 to be made under this paragraph for
19 all bonus years equals
20 \$1,820,000,000.

21 “(E) DEFINITIONS.—In this paragraph:

22 “(i) BONUS YEAR.—The term ‘bonus
23 year’ means fiscal years 2002 through
24 2008.

1 “(ii) HIGH PERFORMING STATE.—The
2 term ‘high performing State’ means, with
3 respect to a measure and a bonus year, an
4 eligible State whose score assigned pursu-
5 ant to subparagraph (D)(i) with respect to
6 the measure for the fiscal year immediately
7 preceding the bonus year equals or exceeds
8 the performance threshold prescribed
9 under subparagraph (D)(ii) with respect to
10 the measure for such preceding fiscal year.

11 “(F) APPROPRIATION.—Out of any money
12 in the Treasury of the United States not other-
13 wise appropriated, there are appropriated for
14 fiscal years 2002 through 2008 \$1,820,000,000
15 for grants under this paragraph.”.

16 (e) ELIMINATION OF WELFARE-TO-WORK GRANTS.—

17 (1) IN GENERAL.—

18 (A) GRANTS TO STATES.—Section 403(a)
19 (42 U.S.C. 603(a)) is amended by striking
20 paragraph (5).

21 (B) GRANTS TO INDIAN TRIBES.—Section
22 412(a) (42 U.S.C. 612(a)) is amended by strik-
23 ing paragraph (3).

24 (2) CONFORMING AMENDMENTS.—

1 (A) Section 413 (42 U.S.C. 613) is amend-
2 ed by striking subsection (j).

3 (B) Section 510 (42 U.S.C. 710) is re-
4 pealed.

5 (C) Section 404(k)(1)(C) (42 U.S.C.
6 604(k)(1)(C)) is amended—

7 (i) by adding “and” at the end of
8 clause (ii);

9 (ii) by striking clause (iii); and

10 (iii) by redesignating clause (iv) as
11 clause (iii).

12 (f) 50 PERCENT FEDERAL MATCH FOR STATE
13 FUNDING IN EXCESS OF REQUIRED MAINTENANCE OF
14 EFFORT LEVEL.—Section 403(a) (42 U.S.C. 603(a)), as
15 amended by subsection (e)(1)(A) of this section, is amend-
16 ed by adding at the end the following:

17 “(5) MATCHING GRANTS FOR STATE EXPENDI-
18 TURES EXCEEDING REQUIRED MAINTENANCE OF EF-
19 FORT LEVEL.—

20 “(A) IN GENERAL.—Each eligible State
21 shall be entitled to receive from the Secretary
22 for a fiscal year a grant in an amount equal to
23 the amount (if any) by which the total of the
24 qualified State expenditures (as defined in sec-
25 tion 409(a)(7)(B)(i)) for the fiscal year exceeds

1 the applicable percentage (as defined in section
2 409(a)(7)(B)(ii)) of historic State expenditures
3 (as defined in section 409(a)(7)(B)(iii)) with re-
4 spect to the fiscal year.

5 “(B) APPROPRIATION.—Out of any money
6 in the Treasury of the United States not other-
7 wise appropriated, there are appropriated such
8 sums as are necessary for grants under this
9 section for fiscal years 2002 through 2008.”.

10 (g) CONTINGENCY FUND.—

11 (1) IN GENERAL.—Section 403(b) (42 U.S.C.
12 603(b)) is amended by striking paragraphs (2)
13 through (7) and inserting the following:

14 “(2) DEPOSITS INTO FUND.—Out of any money
15 in the Treasury of the United States not otherwise
16 appropriated, there are appropriated for each of fis-
17 cal years 1997 through 2008 such sums as are nec-
18 essary for grants under this section for the fiscal
19 year.

20 “(3) GRANTS.—The Secretary shall make a
21 grant to a needy State, for each eligible month with
22 respect to the State, in an amount equal to the
23 amount described in paragraph (6).

24 “(4) NEEDY STATE.—A State is a needy State
25 for purposes of this paragraph if—

1 “(A) the rate of total unemployment in the
2 State (seasonally adjusted) for the most recent
3 month for which such information is available—

4 “(i) is at least 5.5 percent; or

5 “(ii) has increased by the lesser of 50
6 percent, or 1.5 percentage points, over the
7 lesser of the average rate of total unem-
8 ployment in the State (seasonally adjusted)
9 for the preceding fiscal year or such aver-
10 age rate for the 2nd preceding fiscal year;

11 or

12 “(B) the number of families participating
13 in eligible State programs is at least 10 percent
14 greater than the average monthly number of
15 families who participated in the programs dur-
16 ing the 2 consecutive calendar quarters of the
17 then most recent 8 such quarters in which such
18 average monthly number was the least.

19 “(5) ELIGIBLE MONTH.—In paragraph (3), the
20 term ‘eligible month’ means, with respect to a State,
21 any month for which the State is a needy State, and
22 each subsequent month until—

23 “(A) 3 months has elapsed since the end
24 of the most recent month in which the 3-month
25 moving average of the rate of total unemploy-

1 ment in the State (seasonally adjusted) was less
2 than the monthly unemployment rate in the
3 State in the most recent month in which the
4 State became (or, in the absence of paragraph
5 (4)(B), would have become) a needy State by
6 reason of paragraph (4)(A); and

7 “(B) 4 months has elapsed since the end
8 of the most recent month in which the number
9 of families participating in eligible State pro-
10 grams was at least as great as the number of
11 families so participating in the most recent
12 month in which the State became (or, in the ab-
13 sence of paragraph (4)(A), would have become)
14 a needy State by reason of paragraph (4)(B).

15 “(6) GRANT AMOUNT.—The amount described
16 in this paragraph with respect to a State is an
17 amount equal to 110 percent of—

18 “(A) 80 percent of the average total
19 amount expended by the State under all eligible
20 State programs in the 2 consecutive calendar
21 quarters of the then most recent 8 such quar-
22 ters in which the average monthly number of
23 families participating in the programs was the
24 least; multiplied by

1 “(B) the percentage by which the monthly
2 number of families participating in eligible
3 State programs has increased over the average
4 monthly number of families so participating
5 during the 2 consecutive quarters referred to in
6 subparagraph (A).

7 “(7) ELIGIBLE STATE PROGRAM DEFINED.—In
8 this subsection, the term ‘eligible State program’
9 means, with respect to a State, any program under
10 which a State expenditure could be considered a
11 qualified State expenditure (as defined in section
12 409(a)(7)(B)(i)).”.

13 (2) EASING OF RELATED MAINTENANCE OF EF-
14 FORT REQUIREMENT.—Section 409(a)(10) (42
15 U.S.C. 609(a)(10)) is amended by striking “100
16 percent” and inserting “the applicable percentage
17 (as defined in paragraph (7)(B)(ii) of this sub-
18 section)”.

19 (h) FEDERAL LOANS FOR STATE WELFARE PRO-
20 GRAMS.—Section 406 (42 U.S.C. 606) is amended—

21 (1) in subsection (d), by striking “10” and in-
22 serting “20”; and

23 (2) in subsection (e), by striking
24 “\$1,700,000,000” and inserting “\$2,000,000,000”.

1 (i) GRANTS FOR INDIAN TRIBES.—Paragraphs
2 (1)(A) and (2)(A) of section 412(a) (42 U.S.C.
3 612(a)(1)(A), (2)(A)) are each amended by striking
4 “1997, 1998, 1999, 2000, 2001, and 2002” and inserting
5 “1997 through 2008”.

6 (j) STUDIES AND DEMONSTRATIONS.—Section
7 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by striking
8 “2002” and inserting “2008”.

9 (k) STUDY BY THE CENSUS BUREAU.—Section
10 414(b) (42 U.S.C. 614(b)) is amended by striking “1996,
11 1997, 1998, 1999, 2000, 2001, and 2002” and inserting
12 “1996 through 2008”.

13 **SEC. 104. USE OF FUNDS.**

14 (a) ELIMINATION OF AUTHORITY TO TREAT INTER-
15 STATE IMMIGRANTS UNDER RULES OF FORMER
16 STATE.—Section 404 (42 U.S.C. 604) is amended by
17 striking subsection (e).

18 (b) MODIFICATIONS TO INDIVIDUAL DEVELOPMENT
19 ACCOUNTS.—Section 404(h) (42 U.S.C. 604(h)) is
20 amended—

21 (1) in paragraph (2), by striking subparagraph
22 (C) and redesignating subparagraph (D) as subpara-
23 graph (C);

24 (2) in paragraph (5)(A), by adding at the end
25 the following:

1 “(iii) An institution that offers a
2 course of study leading to adult literacy, in
3 English as a second language, or a certifi-
4 cate of high school equivalency.”; and

5 (3) in paragraph (5)(F), by striking “and in-
6 ventory” and inserting “inventory, and transpor-
7 tation”.

8 (c) CONFORMING AMENDMENTS.—Section 404 (42
9 U.S.C. 404) is amended by striking subsections (i) and
10 (j) and redesignating subsection (k) as subsection (i).

11 **TITLE II—WORK REQUIREMENTS**

12 **SEC. 201. REDUCED WORK REQUIREMENT FOR PARENTS** 13 **OF SCHOOL-AGE CHILDREN WHO CANNOT** 14 **FIND ADEQUATE CHILD CARE.**

15 Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is
16 amended by adding at the end the following:

17 “Notwithstanding the preceding sentence, the
18 maximum average number of hours per week
19 shall be 20 for any week in which the recipient
20 is the parent or caretaker relative of a child
21 who has attained 6 years of age and does not
22 have meaningful access to safe, appropriate, af-
23 fordable, and quality after-school or summer
24 care for the child.”.

1 **SEC. 202. CONFORMING THE NUMBER OF WEEKS TO THE**
2 **UNEMPLOYMENT INSURANCE COMPENSA-**
3 **TION STANDARD.**

4 Section 407(c)(2)(A)(i) (42 U.S.C. 607(c)(2)(A)(i))
5 is amended by striking “6 weeks” and inserting “12
6 weeks”.

7 **SEC. 203. REVISION OF WORK ACTIVITIES.**

8 (a) IN GENERAL.—Section 407(d) (42 U.S.C.
9 607(d)) is amended—

10 (1) by striking paragraph (4) and inserting the
11 following:

12 “(4) transitional work experience leading to
13 jobs that provide an income of not less than 250
14 percent of the poverty line;”;

15 (2) by striking paragraph (7) and inserting the
16 following:

17 “(7) voluntary participation in a community
18 service program;”;

19 (3) in paragraph (8), by striking “(not to ex-
20 ceed 12 months with respect to any individual)”;
21 and

22 (4) by striking paragraphs (10) through (12)
23 and inserting the following:

24 “(10) participation in a State or Federal work-
25 study program under part C of title IV of the High-
26 er Education Act of 1965;”;

1 “(11) education, including not more than 6
2 hours of home study per week, in the case of a re-
3 cipient who is enrolled—

4 “(A) at an elementary or secondary school
5 (as defined in the Elementary and Secondary
6 Education Act of 1965);

7 “(B) in a course of study leading to adult
8 literacy, English as a second language, or a cer-
9 tificate of high school equivalency; or

10 “(C) at an institution of higher education
11 (as defined in section 102 of the Higher Edu-
12 cation Act of 1965), regardless of the content
13 of the course of study;

14 “(12) the provision of appropriate care to a
15 child who has a disability or a serious health condi-
16 tion (as defined in section 101(11) of the Family
17 Medical Leave Act) or has not attained 6 years of
18 age, by a recipient who is a parent or caretaker re-
19 lative of the child; and

20 “(13) participation in treatment or an edu-
21 cational activity designed to address a mental health
22 problem, disability, substance abuse, or domestic or
23 sexual violence.”.

24 (b) CONFORMING AMENDMENTS.—Section 407 of
25 such Act (42 U.S.C. 607) is amended—

1 (1) in subsection (b), by striking paragraph (5);

2 and

3 (2) in subsection (c)—

4 (A) in each of subparagraphs (A) and
5 (B)(i) of paragraph (1), by striking “not fewer
6 than” and all that follows through “subsection
7 (d),”;

8 (B) in paragraph (1)(B)(ii), by striking
9 “not fewer than” and all that follows through
10 “subsection (d)”; and

11 (C) in paragraph (2), by striking subpara-
12 graph (D).

13 **SEC. 204. PENALTIES AGAINST INDIVIDUALS FOR UNJUSTI-**
14 **FIED REFUSAL TO WORK; ADDITIONAL JUS-**
15 **TIFICATIONS.**

16 (a) IN GENERAL.—Section 407(e) (42 U.S.C. 607(e))
17 is amended—

18 (1) by striking paragraph (1) and inserting the
19 following:

20 “(1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, if an individual in a family
22 receiving assistance under the State program funded
23 under this part refuses to engage in work required
24 in accordance with this section, the State shall, sub-
25 ject to such good cause and other exceptions as the

1 State may establish, reduce the amount of assistance
2 otherwise payable to the family on a pro rata basis,
3 but to not less than the amount that would be pay-
4 able to a family with the same number of children
5 but with no adults, with respect to any period during
6 a month in which the individual so refuses.”;

7 (2) in paragraph (2)—

8 (A) by striking “EXCEPTION” and insert-
9 ing “CHILD CARE EXCEPTION”; and

10 (B) by striking “proves that the individual
11 has a demonstrated inability (as determined by
12 the State)” and inserting “certifies that the in-
13 dividual is unable”; and

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

15 “(3) ADDITIONAL CHILD CARE EXCEPTIONS.—

16 Notwithstanding paragraph (1), a State may not re-
17 duce or terminate assistance under the State pro-
18 gram funded under this part based on a refusal of
19 an individual to engage in work required in accord-
20 ance with this section if the individual is a custodial
21 parent or caretaker relative caring for—

22 “(A) a child who has a disability or a seri-
23 ous health condition (as defined in section
24 101(11) of the Family Medical Leave Act), and
25 the individual does not have meaningful access

1 to safe, appropriate, affordable, and quality
2 care for the child; or

3 “(B) a child who has attained 6 years of
4 age, and the individual does not have meaning-
5 ful access to safe, appropriate, affordable, and
6 quality after-school or summer care for the
7 child.

8 “(4) MENTAL HEALTH PROBLEM, DISABILITY,
9 SUBSTANCE ABUSE, OR DOMESTIC OR SEXUAL VIO-
10 LENCE EXCEPTION.—Notwithstanding paragraph
11 (1), a State may not reduce or terminate assistance
12 under the State program funded under this part
13 based on the failure of any individual who has a
14 mental health problem, disability, or substance abuse
15 problem, or who is a victim of sexual or domestic vi-
16 olence to engage in work required in accordance with
17 this section if—

18 “(A) the individual is in the process of
19 being screened or assessed for the mental
20 health problem, disability, substance abuse
21 problem, or sexual or domestic violence situa-
22 tion but the screening or assessment has not
23 been completed;

1 “(B) the individual has not been offered
2 treatment to address the problem or disability;
3 or

4 “(C) the individual cannot comply because
5 of the need to seek medical, legal, or other serv-
6 ices in relation to the mental health problem,
7 disability, or sexual or domestic violence situa-
8 tion.

9 “(5) MINIMUM WAGE EXCEPTION.—Notwith-
10 standing paragraph (1), a State may not impose a
11 sanction under the State program funded under this
12 part on the basis of the refusal of an individual to
13 accept any employment (including any employment
14 offered under the program), if the wage rate for the
15 employment does not equal or exceed the greater
16 of—

17 “(A) the minimum wage rate then in effect
18 under section 6 of the Fair Labor Standards
19 Act of 1938; or

20 “(B) any minimum wage rate prescribed
21 by or under the law of the State.

22 “(6) DISCRIMINATION EXCEPTION.—

23 “(A) IN GENERAL.—Notwithstanding para-
24 graph (1), a State may not reduce or terminate
25 assistance under the State program funded

1 under this part based on the failure of any indi-
2 vidual to engage in work required in accordance
3 with this section if the individual certifies in a
4 manner described in subparagraph (B) that the
5 individual has left or refused work based on dis-
6 crimination.

7 “(B) CERTIFICATION.—An individual may
8 provide a certification required by subparagraph
9 (A) by sworn written statement or by providing
10 other documentation, including a police or court
11 record or documentation by a shelter worker, an
12 employee of a victim assistance program, an at-
13 torney, a member of the clergy, or a medical or
14 other professional from whom the individual has
15 sought assistance as a victim.”.

16 (b) CONFORMING AMENDMENTS.—Section
17 409(a)(11) (42 U.S.C 609(a)(11)) is amended—

18 (1) in the paragraph heading, by striking “WHO
19 CANNOT OBTAIN CHILD CARE FOR CHILD UNDER
20 AGE 6” and inserting “WITH JUSTIFIED REFUSAL TO
21 WORK”; and

22 (2) in subparagraph (A), by striking
23 “407(e)(2)” and inserting “407(e)”.

1 **SEC. 205. ELIMINATION OF MISCELLANEOUS PROVISIONS.**

2 Section 407 (42 U.S.C. 607) is amended by striking
3 subsections (g), (h), and (i).

4 **SEC. 206. ASSESSMENT OF INDIVIDUALS FOR JOB PREPA-**
5 **RATION.**

6 Section 407 (42 U.S.C. 607), as amended by section
7 205 of this Act, is amended by adding at the end the fol-
8 lowing:

9 “(g) ASSESSMENT OF INDIVIDUALS FOR JOB PREPA-
10 RATION.—At the option of a recipient of assistance under
11 a State program funded under this part, the State shall,
12 before assigning the recipient to a work activity under the
13 program, perform an individual assessment for the prepa-
14 ration that is needed for the recipient to obtain and main-
15 tain a job at a monthly wage that is at least 200 percent
16 of the poverty line applicable to the family of the recipi-
17 ent.”.

18 **TITLE III—PROHIBITIONS;**
19 **REQUIREMENTS**

20 **SEC. 301. REPLACEMENT OF REQUIREMENT TO SANCTION**
21 **INDIVIDUAL FOR NONCOOPERATION IN ES-**
22 **TABLISHING PATERNITY OR OBTAINING**
23 **CHILD SUPPORT WITH PROHIBITION ON RE-**
24 **QUIRING SUCH COOPERATION.**

25 (a) IN GENERAL.—Section 408(a)(2) (42 U.S.C.
26 608(a)(2)) is amended to read as follows:

1 “(2) PROHIBITION ON REQUIRING COOPERA-
2 TION IN ESTABLISHING PATERNITY OR OBTAINING
3 CHILD SUPPORT.—A State to which a grant is made
4 under section 403 shall not penalize an individual
5 under the State program funded under this part by
6 reason of the failure of the individual to cooperate
7 in establishing paternity or establishing, modifying,
8 or enforcing a child support order with respect to a
9 child of the recipient.”.

10 (b) CONFORMING AMENDMENTS.—Section 454(29)
11 (42 U.S.C. 654(29)) is amended—

12 (1) by striking “the State program funded
13 under part A,” each place it appears; and

14 (2) in subparagraph (A)(i), by striking “E,”
15 and inserting “E”.

16 **SEC. 302. PROHIBITION ON REQUIRING ASSIGNMENT OF**
17 **SUPPORT RIGHTS TO THE STATE; RETURN OF**
18 **SUPPORT RIGHTS ASSIGNED TO THE STATE.**

19 (a) IN GENERAL.—Section 408(a)(3) (42 U.S.C.
20 608(a)(3)) is amended to read as follows:

21 “(3) PROHIBITION ON REQUIRING ASSIGNMENT
22 OF SUPPORT RIGHTS TO THE STATE; REQUIREMENT
23 TO RETURN SUPPORT RIGHTS ASSIGNED TO THE
24 STATE.—A State to which a grant is made under
25 section 403 shall not penalize an individual or family

1 under the State program funded under this part by
2 reason of the failure of the individual to assign to
3 the State any rights any person may have (on behalf
4 of the person or of any other person for whom the
5 individual has applied for or is receiving assistance)
6 to support from any other person. If any person has
7 assigned any such rights to the State, the State
8 shall assign such rights back to the person.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 452 (42 U.S.C. 652) is amended—

11 (A) in subsection (a)(10)(C), by striking
12 “pursuant to section 408(a)(3) or”; and

13 (B) in subsection (h), by striking “or with
14 respect to whom an assignment pursuant to
15 section 408(a)(3) is in effect”.

16 (2) Section 454(5) (42 U.S.C. 654(5)) is
17 amended by striking “(A)” and all that follows
18 through “(B)”.

19 (3) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is
20 amended by striking “assigned to the State pursuant
21 to section 408(a)(3) or”.

22 (4) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is
23 amended by striking “section 408(a)(3) or”.

1 (5) Section 466(a)(3)(B) (42 U.S.C.
2 666(a)(3)(B)) is amended by striking “section
3 408(a)(3) or”.

4 **SEC. 303. ELIMINATION OF SANCTION AGAINST TEENAGE**
5 **PARENTS NOT ATTENDING HIGH SCHOOL OR**
6 **OTHER EQUIVALENT TRAINING PROGRAM.**

7 Section 408(a) (42 U.S.C. 608(a)) is amended by
8 striking paragraph (4).

9 **SEC. 304. REQUIREMENTS RELATING TO DISREGARD OF**
10 **CHILD SUPPORT.**

11 (a) IN GENERAL.—Section 408(a) (42 U.S.C.
12 608(a)), as amended by section 303 of this Act, is amend-
13 ed by inserting after paragraph (3) the following:

14 “(4) LIMITED DISREGARD OF CHILD SUP-
15 PORT.—In determining the amount and type of as-
16 sistance for which a family is eligible under the
17 State program funded under this part, a State to
18 which a grant is made under section 403 shall
19 disregard—

20 “(A) the first \$200 (or, if the family in-
21 cludes 2 or more children, \$400) per month dis-
22 tributed to any family member by the State
23 under section 457; and

1 “(B) all child support (as defined in sec-
2 tion 459(i)(2)) received by any family member
3 from any other source.”.

4 (b) REQUIREMENT TO PASS THROUGH ALL CHILD
5 SUPPORT.—

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

8 **“SEC. 457. DISTRIBUTION OF COLLECTED CHILD SUPPORT.**

9 “(a) IN GENERAL.—Except as provided in subsection
10 (b), all amounts collected on behalf of a family as support
11 by a State pursuant to a plan approved under this part
12 shall be distributed to the family.

13 “(b) EXCEPTION.—In the case of an amount collected
14 for a family in accordance with a cooperative agreement
15 under section 454(33), the State shall distribute the
16 amount pursuant to the agreement.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 409(a)(7)(B)(i)(I)(aa) (42
19 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by
20 striking “457(a)(1)(B)” and inserting “457”.

21 (B) Section 454B(c)(1) (42 U.S.C.
22 654b(c)(1)) is amended by striking “457(a)”
23 and inserting “457”.

1 **SEC. 305. ELIMINATION OF SANCTION AGAINST TEENAGE**
2 **PARENTS NOT LIVING IN ADULT-SUPERVISED**
3 **SETTINGS.**

4 Section 408(a) (42 U.S.C. 608(a)) is amended by
5 striking paragraph (5).

6 **SEC. 306. PROTECTION FOR CHILDREN BORN INTO POV-**
7 **ERTY.**

8 Section 408(a) (42 U.S.C. 608(a)), as amended by
9 section 305 of this Act, is amended by inserting after
10 paragraph (4) the following:

11 “(5) PROTECTION FOR CHILDREN.—A State to
12 which a grant is made under section 403 shall not
13 deny or limit assistance to a child born into a family
14 receiving assistance under the State program funded
15 under this part.”.

16 **SEC. 307. 5-YEAR TIME LIMIT.**

17 (a) REMOVAL OF LIMITATIONS.—

18 (1) ELIMINATION OF LIMITATION ON HARDSHIP
19 EXCEPTION.—Section 408(a)(7)(C) (42 U.S.C.
20 608(a)(7)(C)) is amended by striking clause (ii) and
21 redesignating clause (iii) as clause (ii).

22 (2) COMPLIANCE EXCEPTION.—Section
23 408(a)(7) (42 U.S.C. 608(a)(7)) is amended by add-
24 ing at the end the following:

25 “(H) COMPLIANCE EXCEPTION.—In deter-
26 mining the number of months for which an in-

1 dividual has received assistance under the State
2 program funded under this part, the State shall
3 disregard any month throughout which the indi-
4 vidual is in compliance with all applicable re-
5 quirements of the State program.”.

6 (b) UNIFORM DURATION OF ASSISTANCE.—Section
7 408(a)(7)(E) (42 U.S.C. 608(a)(7)(E)) is amended to
8 read as follows:

9 “(E) REQUIREMENT TO PROVIDE ASSIST-
10 ANCE FOR 5 YEARS.—Notwithstanding section
11 407(e), a State to which a grant is made under
12 section 403 shall not impose a limitation of
13 fewer than 60 months on the period for which
14 a recipient is eligible for assistance under the
15 State program funded under this part.”.

16 (c) PROTECTION AGAINST RECESSION.—Section
17 408(a)(7) (42 U.S.C. 608(a)(7)), as amended by sub-
18 section (a)(2) of this section, is amended by adding at the
19 end the following:

20 “(I) SPECIAL RULES RELATING TO MONTH
21 IN WHICH UNEMPLOYMENT IS HIGH OR HAS IN-
22 CREASED SHARPLY OVER PRIOR 2 YEARS.—

23 “(i) CLOCK STOPPED FOR CURRENT
24 RECIPIENTS.—In determining the number
25 of months for which an individual has re-

1 ceived assistance under the State program
2 funded under this part, the State shall dis-
3 regard any month that is a trigger month.

4 “(ii) TREATMENT OF FORMER RECIPI-
5 ENTS WHO REACHED TIME LIMIT.—

6 “(I) NOTICE; DETERMINATION
7 OF ELIGIBILITY.—On the occurrence
8 of a trigger month, the State shall—

9 “(aa) issue a public notice
10 that a trigger month has oc-
11 curred; and

12 “(bb) on request of an indi-
13 vidual who had become ineligible
14 for assistance under the State
15 program funded under this part
16 by reason of this paragraph, de-
17 termine the eligibility of the indi-
18 vidual for such assistance as if
19 the individual had received such
20 assistance for 59 months.

21 “(II) ADDITIONAL MONTH OF AS-
22 SISTANCE FOR OTHERWISE ELIGIBLE
23 FORMER RECIPIENTS.—If the indi-
24 vidual is so determined to be eligible
25 for such assistance, the State shall,

1 notwithstanding subparagraph (A),
2 provide such assistance to the indi-
3 vidual for any month that is a trigger
4 month, but shall not provide such as-
5 sistance to the individual for any
6 month that is not a trigger month.

7 “(iii) TRIGGER MONTH.—In this sub-
8 paragraph, the term ‘trigger month’
9 means, with respect to a State, any month
10 for which the unemployment rate of the
11 State—

12 “(I) is at least 5.5 percent; or
13 “(II) has increased by the lesser
14 of 50 percent, or 1.5 percentage
15 points, over the lesser of the average
16 rate of total unemployment in the
17 State (seasonally adjusted) for the
18 preceding fiscal year or the average
19 unemployment rate of the State for
20 the 2nd preceding fiscal year.”.

1 **SEC. 308. REQUIREMENT TO PROVIDE NOTICE OF RIGHTS**
2 **OF RECIPIENTS, AND TRAIN PROGRAM PER-**
3 **SONNEL IN CARRYING OUT PROGRAM CON-**
4 **SISTENT WITH THE RIGHTS.**

5 Section 408(a) (42 U.S.C. 608(a)) is amended by
6 adding at the end the following:

7 “(12) REQUIREMENT TO PROVIDE NOTICE OF
8 RIGHTS OF RECIPIENTS, AND TRAIN PROGRAM PER-
9 SONNEL TO CARRY OUT PROGRAM CONSISTENT WITH
10 THE RIGHTS.—A State to which a grant is made
11 under section 403 shall—

12 “(A) notify each recipient of assistance
13 under the program of the rights of recipients
14 under all laws applicable to the activities of the
15 State program funded under this part, and
16 shall provide the notice—

17 “(i) to a recipient when the recipient
18 enters the program;

19 “(ii) to all such recipients on a semi-
20 annual basis; and

21 “(iii) orally and in writing, in the na-
22 tive language of the recipient and at a 6th
23 grade level, and if the native language is
24 not English, a culturally competent trans-
25 lation shall be provided; and

1 “(B) train all program personnel on a reg-
2 ular basis in how to carry out the program con-
3 sistent with the rights.”.

4 **SEC. 309. REQUIREMENT TO PROVIDE INFORMATION TO IN-**
5 **DIVIDUALS WHO ARE, OR ARE AT RISK OF**
6 **BEING, SANCTIONED.**

7 Section 408(a) (42 U.S.C. 608(a)) is further amend-
8 ed by adding at the end the following:

9 “(13) STATE REQUIRED TO PROVIDE INFORMA-
10 TION TO INDIVIDUAL WHO HAS BEEN, OR IS AT RISK
11 OF BEING SANCTIONED.—A State to which a grant
12 is made under section 403 shall provide to any indi-
13 vidual who has been, or is at risk of being, sanc-
14 tioned under the State program funded under this
15 part, orally and in writing, at not more than a 6th
16 grade level in the native language of the individual
17 (and if the native language is not English, a cul-
18 turally competent translation shall be provided),
19 that—

20 “(A) program requirements may be waived
21 for people dealing with a mental health, dis-
22 ability, substance abuse, domestic violence, or
23 sexual assault issue;

24 “(B) an individual dealing with a mental
25 health, disability, substance abuse, domestic vi-

1 olence, or sexual assault issue may request (or
2 if the individual has left or been removed from
3 the program, may return to the program and
4 request) to be assessed under the program for
5 services to address those issues, including ap-
6 propriate treatment, counseling, vocational re-
7 habilitation, job training, or other services; and
8 “(C) the State is required to keep any such
9 information strictly confidential.”.

10 **SEC. 310. BAN ON COUNTING INCOME, SCHOLARSHIP, OR**
11 **GIFT RECEIVED BY DEPENDENT MINORS.**

12 Section 408(a) (42 U.S.C. 608(a)) is further amend-
13 ed by adding at the end the following:

14 “(14) PROHIBITION ON COUNTING INCOME,
15 SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT
16 MINOR.—In determining the eligibility of a family
17 for, and the amount and type of assistance to be
18 provided to a family under, a State program funded
19 under this part, the State shall disregard any in-
20 come, scholarship, or gift received by a dependent
21 minor child in the family.”.

22 **SEC. 311. BAN ON DIVERSION OF POTENTIAL APPLICANTS**
23 **FOR ASSISTANCE.**

24 Section 408(a) (42 U.S.C. 608(a)) is further amend-
25 ed by adding at the end the following:

1 “(15) BAN ON DIVERSION OF POTENTIAL AP-
2 PLICANTS FOR ASSISTANCE.—A State may not
3 refuse to accept, at the time of application, an appli-
4 cation for assistance from the State program funded
5 under this part, or give an individual reason to be-
6 lieve that, at the time of application, the State will
7 not unconditionally accept such an application from
8 any individual.”.

9 **SEC. 312. PROHIBITION ON REQUIRING RECIPIENTS TO RE-**
10 **SPOND TO SURVEYS CONDUCTED TO OBTAIN**
11 **INFORMATION FOR QUARTERLY REPORTS.**

12 Section 408(a) (42 U.S.C. 608(a)) is further amend-
13 ed by adding at the end the following:

14 “(16) PROHIBITION ON REQUIRING RECIPIENTS
15 TO RESPOND TO SURVEYS CONDUCTED TO OBTAIN
16 INFORMATION FOR QUARTERLY REPORTS.—A State
17 to which a grant is made under section 403 shall not
18 penalize an individual under the State program
19 funded under this part by reason of the failure of
20 the individual to respond to a survey conducted to
21 obtain information for use in a report required by
22 section 411(a).”.

23 **SEC. 313. CONFIDENTIALITY OF PROGRAM INFORMATION.**

24 Section 408(a) (42 U.S.C. 608(a)) is further amend-
25 ed by adding at the end the following:

1 “(17) CONFIDENTIALITY OF PROGRAM INFOR-
2 MATION.—A State to which a grant is made under
3 section 403 shall ensure that any information pro-
4 vided by an individual to a State officer or employee
5 for use by the State program funded under this part
6 shall not be disclosed to any other person, except to
7 the extent that the disclosure is necessary to admin-
8 ister the program or is consented to by the indi-
9 vidual.”.

10 **SEC. 314. NONDISCRIMINATION.**

11 Section 408(a) (42 U.S.C. 608(a) is amended by add-
12 ing at the end the following:

13 “(18) NONDISCRIMINATION.—A State to which
14 a grant is made under section 403 shall ensure equi-
15 table treatment of needy families in the State, and
16 shall not discriminate among families based on mar-
17 ital status or applicant or recipient status.”.

18 **SEC. 315. REQUIREMENT TO PROVIDE OPPORTUNITY TO**
19 **APPEAL ADVERSE DECISION.**

20 Section 408(a) (42 U.S.C. 608(a) is amended by add-
21 ing at the end the following:

22 “(19) REQUIREMENT TO PROVIDE OPPOR-
23 TUNITY TO APPEAL ADVERSE DECISION.—A State to
24 which a grant is made under section 403 shall pro-
25 vide a recipient of assistance under the State pro-

1 gram funded under this part with the opportunity to
2 appeal any adverse decision made with respect to the
3 recipient under the program.”.

4 **SEC. 316. CLARIFICATION OF PENALTY FOR FAILURE TO**
5 **COMPLY WITH INDIVIDUAL RESPONSIBILITY**
6 **PLAN.**

7 Section 408(b)(3) (42 U.S.C. 608(b)(3)) is amended
8 by striking “a family that includes”.

9 **SEC. 317. APPLICABILITY OF CIVIL RIGHTS LAWS.**

10 Section 408(d) (42 U.S.C. 608(d)) is amended—

11 (1) in paragraph (3), by inserting “, or any
12 provision of State law relating to individuals with
13 physical or mental disabilities” before the 2nd pe-
14 riod; and

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

16 “(5) Title VII of the Civil Rights Act of 1964
17 (42 U.S.C. 2000e et seq.), or any provision of State
18 law relating to discrimination on the basis of race,
19 color, national origin, religion, gender, sex, parental
20 or marital status, or sexual orientation.

21 “(6) The Age Discrimination in Employment
22 Act of 1967 (29 U.S.C. 621–634), or any provision
23 of State law relating to age discrimination.

1 “(7) Title IX of the Education Amendments of
2 1972 (20 U.S.C. 1681 et seq.), or any provision of
3 State law relating to discrimination in education.

4 “(8) The Fair Labor Standards Act of 1938
5 (29 U.S.C. 201 et seq.), or any provision of State
6 law relating to labor or to a term or condition of em-
7 ployment.

8 “(9) The Occupational Safety and Health Act
9 of 1970 (29 U.S.C. 651 et seq).

10 “(10) The National Labor Relations Act (29
11 U.S.C. 151 et seq.).

12 “(11) The Railway Labor Act (45 U.S.C. 151
13 et seq.).

14 “(12) Any Federal law providing employee pro-
15 tections against discrimination for union activity.

16 “(13) Any other provision of Federal or State
17 law the purpose of which is to provide or protect a
18 civil right.”.

19 **SEC. 318. ELIMINATION OF SPECIAL RULES RELATING TO**
20 **TREATMENT OF ALIENS.**

21 (a) AMENDMENTS TO THE PERSONAL RESPONSIBI-
22 LITY AND WORK OPPORTUNITY RECONCILIATION ACT
23 OF 1996.—

1 (1) Section 401(c)(2) of the Personal Responsi-
2 bility and Work Opportunity Reconciliation Act of
3 1996 (8 U.S.C. 1611(c)(2)) is amended—

4 (A) by striking “or” at the end of subpara-
5 graph (B);

6 (B) by striking the period at the end and
7 inserting “; or”; and

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

9 “(D) to any assistance provided under a
10 State program funded under the program of
11 block grants to States for temporary assistance
12 for needy families under part A of title IV of
13 the Social Security Act.”.

14 (2)(A) Section 402(b)(3) of such Act (8 U.S.C.
15 1612(b)(3)) is amended by striking subparagraph
16 (A) and redesignating subparagraphs (B) and (C) as
17 subparagraphs (A) and (B), respectively.

18 (B) Section 402(b)(2)(A)(ii) of such Act (8
19 U.S.C. 1612(b)(2)(A)(ii)) is amended by striking
20 “(C)” and inserting “(B)”.

21 (3) Section 403(c)(2) of such Act (8 U.S.C.
22 1613(c)(2)) is amended by adding at the end the fol-
23 lowing:

24 “(L) Assistance under a State program
25 funded under the program of block grants to

1 States for temporary assistance for needy fami-
2 lies under part A of title IV of the Social Secu-
3 rity Act.”.

4 (4) Section 423(d) of such Act (8 U.S.C. 1138a
5 note) is amended by adding at the end the following:

6 “(12) Assistance under a State program funded
7 under the program of block grants to States for
8 temporary assistance for needy families under part
9 A of title IV of the Social Security Act.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 408 (42 U.S.C. 608) is amended by
12 striking subsections (e) and (f) and by redesignating
13 subsection (g) as subsection (e).

14 (2) Section 409(a)(7)(B)(i)(IV) (42 U.S.C.
15 609(a)(7)(B)(i)(IV)) is amended—

16 (A) by striking “part,” and inserting “part
17 and”; and

18 (B) by striking “, and families of aliens
19 lawfully present in the United States that would
20 be eligible for such assistance but for the appli-
21 cation of title IV of the Personal Responsibility
22 and Work Opportunity Reconciliation Act of
23 1996”.

TITLE IV—PENALTIES

1
2 **SEC. 401. INCREASE IN PENALTY FOR FAILURE TO SUBMIT**
3 **REQUIRED REPORT.**

4 Section 409(a)(2)(A) (42 U.S.C. 609(a)(2)(A)) is
5 amended by striking “4” and inserting “5”.

6 **SEC. 402. REPLACEMENT OF PENALTY AGAINST STATE FOR**
7 **FAILURE TO COMPLY WITH PATERNITY ES-**
8 **TABLISHMENT AND CHILD SUPPORT EN-**
9 **FORCEMENT REQUIREMENTS WITH PENALTY**
10 **FOR REQUIRING COOPERATION IN ESTAB-**
11 **LISHING PATERNITY OR OBTAINING CHILD**
12 **SUPPORT (INCLUDING ASSIGNING SUPPORT**
13 **RIGHTS TO THE STATE) OR FAILING TO RE-**
14 **TURN SUPPORT RIGHTS ASSIGNED TO THE**
15 **STATE.**

16 Section 409(a)(5) (42 U.S.C. 609(a)(5)) is amended
17 to read as follows:

18 “(5) PENALTY FOR REQUIRING COOPERATION
19 IN ESTABLISHING PATERNITY OR OBTAINING CHILD
20 SUPPORT (INCLUDING ASSIGNING SUPPORT RIGHTS
21 TO THE STATE) OR FAILING TO RETURN SUPPORT
22 RIGHTS ASSIGNED TO THE STATE.—If the Secretary
23 determines that a State to which a grant is made
24 under section 403 for a fiscal year has violated para-
25 graph (2) or (3) of section 408(a) during the fiscal

1 year, the Secretary shall reduce the grant payable to
2 the State under section 403(a)(1) for the imme-
3 diately succeeding fiscal year by an amount equal to
4 5 percent of the State family assistance grant.”.

5 **SEC. 403. EXTENSION OF MAINTENANCE OF EFFORT RE-**
6 **QUIREMENT.**

7 Section 409(a)(7)(A) (42 U.S.C. 609(a)(7)(A)) is
8 amended by striking “or 2003” and inserting “2003,
9 2004, 2005, 2006, 2007, or 2008”.

10 **SEC. 404. PENALTY FOR FAILURE OF STATE TO COMPLY**
11 **WITH CHILD SUPPORT DISREGARD REQUIRE-**
12 **MENTS.**

13 Section 409(a) (42 U.S.C. 609(a)) is amended by
14 adding at the end the following:

15 “(15) PENALTY FOR FAILURE TO COMPLY WITH
16 CHILD SUPPORT DISREGARD REQUIREMENTS.—If
17 the Secretary determines that a State to which a
18 grant is made under section 403 for a fiscal year
19 has violated section 408(a)(4) during the fiscal year,
20 the Secretary shall reduce the grant payable to the
21 State under section 403(a)(1) for the immediately
22 succeeding fiscal year by an amount equal to 5 per-
23 cent of the State family assistance grant.”.

1 **SEC. 405. PENALTY FOR PENALIZING BIRTH OF CHILD.**

2 Section 409(a) (42 U.S.C. 609(a)) is further amend-
3 ed by adding at the end the following:

4 “(16) PENALTY FOR PENALIZING BIRTH OF
5 CHILD.—If the Secretary determines that a State to
6 which a grant is made under section 403 for a fiscal
7 year has violated section 408(a)(5) during the fiscal
8 year, the Secretary shall reduce the grant payable to
9 the State under section 403(a)(1) for the imme-
10 diately succeeding fiscal year by an amount equal to
11 5 percent of the State family assistance grant.”.

12 **SEC. 406. PENALTY FOR FAILURE TO NOTIFY RECIPIENTS**
13 **OF RIGHTS, OR TRAIN PROGRAM PERSONNEL**
14 **IN RESPECTING RIGHTS OF RECIPIENTS.**

15 Section 409(a) (42 U.S.C. 609(a)) is further amend-
16 ed by adding at the end the following:

17 “(17) PENALTY FOR FAILURE TO NOTIFY RE-
18 CIPIENTS OF RIGHTS, OR TRAIN PROGRAM PER-
19 SONNEL IN RESPECTING RIGHTS OF RECIPIENTS.—
20 If the Secretary determines that a State to which a
21 grant is made under section 403 for a fiscal year
22 has violated section 408(a)(12) during the fiscal
23 year, the Secretary shall reduce the grant payable to
24 the State under section 403(a)(1) for the imme-
25 diately succeeding fiscal year by an amount equal to
26 5 percent of the State family assistance grant.”.

1 **SEC. 407. PENALTY FOR FAILURE TO PROVIDE INFORMA-**
2 **TION TO INDIVIDUALS WHO ARE, OR ARE AT**
3 **RISK OF BEING, SANCTIONED.**

4 Section 409(a) (42 U.S.C. 609(a)) is further amend-
5 ed by adding at the end the following:

6 “(18) PENALTY FOR FAILURE TO PROVIDE IN-
7 FORMATION TO INDIVIDUAL WHO HAS BEEN, OR IS
8 AT RISK OF BEING SANCTIONED.—If the Secretary
9 determines that a State to which a grant is made
10 under section 403 for a fiscal year has violated sec-
11 tion 408(a)(13) during the fiscal year, the Secretary
12 shall reduce the grant payable to the State under
13 section 403(a)(1) for the immediately succeeding fis-
14 cal year by an amount equal to 5 percent of the
15 State family assistance grant.”.

16 **SEC. 408. PENALTY FOR COUNTING INCOME, SCHOLARSHIP,**
17 **OR GIFT RECEIVED BY DEPENDENT MINOR.**

18 Section 409(a) (42 U.S.C. 608(a)) is amended by
19 adding at the end the following:

20 “(19) PENALTY FOR COUNTING INCOME,
21 SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT
22 MINOR.—If the Secretary determines that a State to
23 which a grant is made under section 403 for a fiscal
24 year has violated section 408(a)(14) during the fis-
25 cal year, the Secretary shall reduce the grant pay-
26 able to the State under section 403(a)(1) for the im-

1 mediately succeeding fiscal year by an amount equal
2 to 5 percent of the State family assistance grant.”.

3 **SEC. 409. PENALTY FOR DIVERTING POTENTIAL APPLI-**
4 **CANT FOR ASSISTANCE.**

5 Section 409(a) (42 U.S.C. 608(a)) is further amend-
6 ed by adding at the end the following:

7 “(20) PENALTY FOR DIVERTING POTENTIAL AP-
8 PLICANT FOR ASSISTANCE.—If the Secretary deter-
9 mines that a State to which a grant is made under
10 section 403 for a fiscal year has violated section
11 408(a)(15) during the fiscal year, the Secretary
12 shall reduce the grant payable to the State under
13 section 403(a)(1) for the immediately succeeding fis-
14 cal year by an amount equal to 5 percent of the
15 State family assistance grant.”.

16 **SEC. 410. PENALTY FOR REQUIRING RECIPIENT TO RE-**
17 **SPOND TO SURVEY CONDUCTED TO OBTAIN**
18 **INFORMATION FOR QUARTERLY REPORT.**

19 Section 409(a) (42 U.S.C. 608(a)) is further amend-
20 ed by adding at the end the following:

21 “(21) PENALTY FOR REQUIRING RECIPIENT TO
22 RESPOND TO SURVEY CONDUCTED TO OBTAIN IN-
23 FORMATION FOR QUARTERLY REPORT.—If the Sec-
24 retary determines that a State to which a grant is
25 made under section 403 for a fiscal year has violated

1 section 408(a)(16) during the fiscal year, the Sec-
2 retary shall reduce the grant payable to the State
3 under section 403(a)(1) for the immediately suc-
4 ceeding fiscal year by an amount equal to 5 percent
5 of the State family assistance grant.”.

6 **SEC. 411. PENALTY FOR UNAUTHORIZED DISCLOSURE OF**
7 **INFORMATION PROVIDED BY RECIPIENT.**

8 Section 409(a) (42 U.S.C. 608(a)) is further amend-
9 ed by adding at the end the following:

10 “(22) PENALTY FOR UNAUTHORIZED DISCLO-
11 SURE OF INFORMATION PROVIDED BY RECIPIENT.—
12 If the Secretary determines that a State to which a
13 grant is made under section 403 for a fiscal year
14 has violated section 408(a)(17) during the fiscal
15 year, the Secretary shall reduce the grant payable to
16 the State under section 403(a)(1) for the imme-
17 diately succeeding fiscal year by an amount equal to
18 5 percent of the State family assistance grant.”.

19 **SEC. 412. PENALTY FOR DISCRIMINATION.**

20 Section 409(a) (42 U.S.C. 608(a)) is further amend-
21 ed by adding at the end the following:

22 “(23) PENALTY FOR DISCRIMINATION.—If the
23 Secretary determines that a State to which a grant
24 is made under section 403 for a fiscal year has vio-
25 lated section 408(a)(18) during the fiscal year, the

1 Secretary shall reduce the grant payable to the State
2 under section 403(a)(1) for the immediately suc-
3 ceeding fiscal year by an amount equal to 5 percent
4 of the State family assistance grant.”.

5 **SEC. 413. PENALTY FOR FAILURE TO PROVIDE OPPOR-**
6 **TUNITY TO APPEAL ADVERSE DECISION.**

7 Section 409(a) (42 U.S.C. 608(a)) is further amend-
8 ed by adding at the end the following:

9 “(24) PENALTY FOR FAILURE TO PROVIDE OP-
10 PORTUNITY TO APPEAL ADVERSE DECISION.—If the
11 Secretary determines that a State to which a grant
12 is made under section 403 for a fiscal year has vio-
13 lated section 408(a)(19) during the fiscal year, the
14 Secretary shall reduce the grant payable to the State
15 under section 403(a)(1) for the immediately suc-
16 ceeding fiscal year by an amount equal to 5 percent
17 of the State family assistance grant.”.

18 **SEC. 414. PENALTY FOR FAILURE TO COMPLY WITH MIN-**
19 **IMUM BENEFIT RULES.**

20 Section 409(a) (42 U.S.C. 608(a)) is further amend-
21 ed by adding at the end the following:

22 “(25) PENALTY FOR FAILURE TO COMPLY WITH
23 MINIMUM BENEFIT RULES.—If the Secretary deter-
24 mines that a State to which a grant is made under
25 section 403 for a fiscal year has violated section 417

1 during the fiscal year, the Secretary shall reduce the
2 grant payable to the State under section 403(a)(1)
3 for the immediately succeeding fiscal year by an
4 amount equal to 5 percent of the State family assist-
5 ance grant.”.

6 **SEC. 415. PENALTY FOR FAILURE TO PROVIDE INDIVIDUAL**
7 **CHILD CARE ENTITLEMENT.**

8 Section 409(a) (42 U.S.C. 608(a)) is further amend-
9 ed by adding at the end the following:

10 “(26) PENALTY FOR FAILURE TO PROVIDE IN-
11 DIVIDUAL CHILD CARE ENTITLEMENT.—Effective
12 January 1, 2005, if the Secretary determines that a
13 State to which a grant is made under section 403
14 for a fiscal year has violated section 418(b) during
15 the fiscal year, the Secretary shall reduce the grant
16 payable to the State under section 403(a)(1) for the
17 immediately succeeding fiscal year by an amount
18 equal to 5 percent of the State family assistance
19 grant.”.

20 **SEC. 416. FAILURE TO SUBMIT REPORT ON WELFARE AC-**
21 **CESS AND OUTCOMES.**

22 Section 409(a) (42 U.S.C. 609(a)) is further amend-
23 ed by adding at the end the following:

24 “(27) FAILURE TO SUBMIT REPORT ON WEL-
25 FARE ACCESS AND OUTCOMES.—If the Secretary de-

1 terminates that a State has not, within 45 days after
2 the end of a fiscal year, submitted the report re-
3 quired by section 411(c) for the fiscal year, the Sec-
4 retary shall reduce the grant payable to the State
5 under section 403(a)(1) for the immediately suc-
6 ceeding fiscal year by an amount equal to 5 percent
7 of the State family assistance grant.”.

8 **SEC. 417. ELIMINATION OF REASONABLE CAUSE EXCEP-**
9 **TION.**

10 Section 409 (42 U.S.C. 609) is amended by striking
11 subsection (b).

12 **SEC. 418. MODIFICATION OF AVAILABILITY OF CORREC-**
13 **TIVE COMPLIANCE PLAN OPTION.**

14 Section 409(c)(4) (42 U.S.C. 609(c)(4)) is amended
15 to read as follows:

16 “(4) LIMITATION ON OPPORTUNITY TO SUBMIT
17 CORRECTIVE COMPLIANCE PLAN.—The preceding
18 provisions of this subsection shall not apply with re-
19 spect to a violation of a provision of this part by a
20 State if the State has violated the provision on 2 or
21 more prior occasions.”.

1 **SEC. 419. REPEAL OF BAN ON ASSISTANCE FOR PERSONS**
2 **CONVICTED OF A DRUG FELONY.**

3 Section 115 of the Personal Responsibility and Work
4 Opportunity Reconciliation Act of 1996 (42 U.S.C. 862a)
5 is repealed.

6 **TITLE V—STUDIES AND**
7 **REPORTS**

8 **SEC. 501. ADDITIONAL INFORMATION TO BE INCLUDED IN**
9 **QUARTERLY STATE REPORTS.**

10 Section 411(a) (42 U.S.C. 611(a)) is amended—

11 (1) in paragraph (1)(A)—

12 (A) in each of clauses (vii) and (viii) by
13 striking “race” and inserting “race, gender,”;

14 (B) in clause (xi)(I), by inserting “, broken
15 down by education level”;

16 (C) by striking clause (xvi) and redesignig-
17 nating clause (xvii) and clause (xvi); and

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

19 “(xvii) The amount (if any) of child
20 support collected on behalf of any indi-
21 vidual in the family, the amount (if any) of
22 any such collected support that has been
23 distributed to any such individual, and the
24 amount (if any) of such distributed sup-
25 port that has been disregarded pursuant to
26 section 408(a)(4).

1 “(xviii) The number of families receiv-
2 ing child care assistance under section
3 418.

4 “(xix) With respect to sanctions im-
5 posed under the program, the following in-
6 formation broken down by race and gen-
7 der:

8 “(I) The number of families
9 against whom a sanction is in effect.

10 “(II) The number of times sanc-
11 tions have been imposed.

12 “(III) The reasons for imposition
13 of sanctions.

14 “(IV) The percentage of sanction
15 determinations that have been re-
16 viewed.

17 “(V) The percentage of reviewed
18 sanction determinations that have
19 been reversed.

20 “(VI) The number of families
21 leaving the program as a result of
22 sanctions.

23 “(xx) The number of families who
24 have returned to the program after having

1 left the program, and the length of the in-
2 tervening period.

3 “(xxi) The percentage of families who
4 report having been notified of the option to
5 be assessed for and receive services to
6 manage a barrier to escaping poverty.”;
7 and

8 (2) by redesignating paragraph (7) as para-
9 graph (8) and inserting after paragraph (6) the fol-
10 lowing:

11 “(7) REPORT ON TRAINING.—The report re-
12 quired by paragraph (1) for a fiscal quarter shall in-
13 clude a statement of the percentage of caseworkers,
14 supervisors, and new employees who received train-
15 ing to carry out the State program funded under
16 this part during the quarter.”.

17 **SEC. 502. ELIMINATION FROM SECRETARIAL REPORT TO**
18 **THE CONGRESS OF INFORMATION ON OUT-**
19 **OF-WEDLOCK PREGNANCIES.**

20 Section 411(b)(1)(B)(ii) (42 U.S.C. 611(b)(1)(B)(ii))
21 is amended by striking “out-of-wedlock pregnancies and”.

22 **SEC. 503. ACCESS TO WELFARE; WELFARE OUTCOMES.**

23 Section 411 (42 U.S.C. 611) is amended by adding
24 at the end the following:

1 “(c) ANNUAL REPORTS ON WELFARE ACCESS AND
2 OUTCOMES.—

3 “(1) STATE REPORTS.—Not later than January
4 1 of each fiscal year, each eligible State shall collect
5 and report to the Secretary, with respect to the pre-
6 ceding fiscal year, the following information:

7 “(A) The number of applications for as-
8 sistance from the State program funded under
9 this part, the percentage that are approved
10 versus those that are disapproved, and the rea-
11 sons for disapproval, broken down by race.

12 “(B) A copy of all rules and policies gov-
13 erning the State program funded under this
14 part that are not required by Federal law, and
15 a summary of the rules and policies, including
16 the amounts and types of assistance provided
17 and the types of sanctions imposed under the
18 program.

19 “(C) The types of occupations of, types of
20 job training received by, and types and levels of
21 educational attainment of recipients of assist-
22 ance from the State program funded under this
23 part, broken down by gender and race.

24 “(D) The incidence of homelessness, of the
25 use of food pantries and soup kitchens, and of

1 the use of shelters among recipients of assist-
2 ance from the State program funded under this
3 part and among individuals to whom assistance
4 under the State programs funded are this part
5 has ended within the past 12 months. The in-
6 formation described in this subparagraph may
7 be provided by submitting disaggregated case
8 record information on a sample of families.

9 “(E) The number of individuals to whom
10 assistance under the State program funded
11 under this part has ended during the year, bro-
12 ken down by the reasons why the assistance has
13 ended (including employment, marriage, sanc-
14 tion, time limit, or State policy.

15 “(F) The economic conditions of individ-
16 uals to whom assistance under the State pro-
17 grams funded are this part has ended, including
18 the types of occupations of, the duration of em-
19 ployment of, the income of, the benefits pro-
20 vided to, the types of job training received by,
21 the types and levels of educational attainment
22 of, and the incidence of homelessness, of the
23 use of food pantries or soup kitchens, and of
24 the use of shelters among, such individuals, bro-
25 ken down by gender and race.

1 “(G) The effects of applying the 5-year
2 time limit to individuals who, in the absence of
3 the limit, would continue to be eligible for as-
4 sistance from the State program funded under
5 this part, including the economic and social cir-
6 cumstances of the individuals, including income,
7 employment, homelessness, use of food pantries
8 or soup kitchens, and change in child custody
9 arrangements.

10 “(2) USE OF SAMPLING.—A State may comply
11 with this subsection by using a scientifically accept-
12 able sampling method approved by the Secretary.

13 “(3) REPORT TO THE CONGRESS.—Not later
14 than June 1 of each fiscal year, the Secretary shall
15 prepare and submit to the Committee on Ways and
16 Means of the House of Representatives and the
17 Committee on Finance of the Senate, publish in the
18 Federal Register, and make available to the public
19 a compilation of the reports submitted pursuant to
20 paragraph (1) for the preceding fiscal year.”.

1 **SEC. 504. ASSESSMENT OF REGIONAL ECONOMIES TO IDEN-**
2 **TIFY HIGHER ENTRY LEVEL WAGE OPPORTU-**
3 **NITIES IN INDUSTRIES EXPERIENCING**
4 **LABOR SHORTAGES.**

5 Section 411 (42 U.S.C. 611) is further amended by
6 adding at the end the following:

7 “(d) ASSESSMENT OF REGIONAL ECONOMIES TO
8 IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES
9 IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

10 “(1) IN GENERAL.—An eligible State shall con-
11 duct annually an assessment of its regional econo-
12 mies that are experiencing a labor shortage and that
13 provide higher entry-level wage opportunities for job
14 seekers pursuant to section 402(a)(8).

15 “(2) MATTERS TO BE ASSESSED.—

16 “(A) LABOR MARKET.—The assessment
17 shall—

18 “(i) identify industries or occupations
19 that have or expect to grow, that have or
20 expect a loss of skilled workers, or that
21 have a need for workers;

22 “(ii) identify the entry-level education
23 and skills requirements for the industries
24 or occupations that have or expect a need
25 for workers; and

1 “(iii) analyze the entry-level wages
2 and benefits in identified industries or oc-
3 cupations.

4 “(B) JOB SEEKERS.—The assessment shall
5 create a profile of the characteristics of the un-
6 employed and underemployed residents of the
7 State, including educational attainment, bar-
8 riers to employment, geographic concentrations,
9 self-sufficiency needs, and access to needed sup-
10 port services.

11 “(C) EDUCATION AND TRAINING INFRA-
12 STRUCTURE.—The assessment shall create a
13 profile of the education, training, and support
14 services in place in the State to prepare workers
15 for the industries or occupations identified pur-
16 suant to subparagraph (A).

17 “(D) ALIGNING INDUSTRIES AND JOB
18 SEEKERS.—The assessment shall compare the
19 characteristics of the industries or occupations
20 identified pursuant to subparagraph (A) to the
21 profile of the job seekers in the State and the
22 profile of the education and training infrastruc-
23 ture in the State.

24 “(3) SHARING OF INFORMATION WITH LOCAL-
25 ITIES.—The State shall share with the political sub-

1 divisions of the State information obtained pursuant
2 to this subsection regarding higher entry-wage job
3 opportunities in industries experiencing labor short-
4 ages, and information regarding opportunities for
5 collaboration with institutions of higher education,
6 community-based organizations, and economic devel-
7 opment and welfare agencies.

8 “(4) REPORTS OF ASSESSMENT OF REGIONAL
9 ECONOMIES.—Each eligible state shall submit to the
10 Secretary annually a report that contains the annual
11 assessment conducted pursuant to this subsection.”.

12 **SEC. 505. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
13 **IES.**

14 Section 413 (42 U.S.C. 613) is amended—

15 (1) in subsection (a), by striking the 2nd sen-
16 tence;

17 (2) in subsection (b)—

18 (A) in the subsection heading by striking
19 “WELFARE DEPENDENCY” and inserting “POV-
20 ERTY”; and

21 (B) in paragraph (1), by striking “welfare
22 dependency” and inserting “poverty”;

23 (3) by striking subsections (d), (e), (g), and (j);

24 (4) in subsection (h)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (B), by striking
2 welfare dependency” and inserting “pov-
3 erty”; and

4 (ii) in subparagraph (C), by striking
5 “(f)” and inserting “(d)”; and

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

7 “(4) TECHNICAL ASSISTANCE IN ASSESSING RE-
8 GIONAL ECONOMIES.—

9 “(A) IN GENERAL.—The Secretary may
10 provide technical assistance to an eligible State
11 to enable the State to conduct the assessments
12 required by section 411(d).

13 “(B) LIMITATIONS ON AUTHORIZATION OF
14 APPROPRIATIONS.—For the cost of providing
15 technical assistance under subparagraph (A),
16 there are authorized to be appropriated to the
17 Secretary not more than \$1,500,000 for each of
18 fiscal years 2002 through 2008.”;

19 (5) in subsection (i)—

20 (A) in paragraph (1), by adding at the end
21 the following: “The statement shall include de-
22 tailed information on the depth of child poverty
23 in the State.”; and

1 (B) in paragraph (5), by inserting “and
2 the depth of child poverty” before “in the
3 State”; and

4 (6) by redesignating subsections (f), (h), and (i)
5 as subsections (d) through (f), respectively.

6 **SEC. 506. STUDY BY THE CENSUS BUREAU.**

7 Section 414(a) (42 U.S.C. 614(a)) is amended by
8 striking all that follows “low-income families” and insert-
9 ing a period.

10 **TITLE VI—WAIVERS**

11 **SEC. 601. WAIVERS.**

12 Section 415(a) (42 U.S.C. 615(a)) is amended in
13 each of paragraphs (1)(A) and (2)(A) by striking “(deter-
14 mined without regard to any extensions)”.

15 **TITLE VII—REPEAL OF LIMITA-**
16 **TION ON FEDERAL AUTHOR-**
17 **ITY.**

18 **SEC. 701. REPEAL OF LIMITATION ON FEDERAL AUTHOR-**

19 **ITY.**

20 Section 417 (42 U.S.C. 617) is repealed.

1 **TITLE VIII—MINIMUM BENEFIT**
2 **RULES**

3 **SEC. 801. MINIMUM BENEFIT RULES.**

4 Part A of title IV (42 U.S.C. 601–619), as amended
5 by section 701 of this Act, is amended by inserting after
6 section 416 the following:

7 **“SEC. 417. MINIMUM BENEFIT RULES.**

8 “(a) IN GENERAL.—After taking into account all
9 costs of living and family size in each State with a pro-
10 gram funded under this part, the Secretary shall, by regu-
11 lation, prescribe a minimum cash benefit in accordance
12 with subsection (b), which shall be payable by the State
13 to each recipient of assistance under the program.

14 “(b) LIMITATION.—The minimum cash benefit pre-
15 scribed for a family under subsection (a) shall be an
16 amount that is not less than the sum of the poverty line
17 applicable to the family, plus the amount (if any) by which
18 the housing costs of the family exceeds 30 percent of the
19 poverty line applicable to the family.”.

20 **TITLE IX—CHILD CARE**

21 **SEC. 901. INDIVIDUAL ENTITLEMENT TO CHILD CARE.**

22 Section 418 (42 U.S.C. 618) is amended—

23 (1) by striking subsection (b) and inserting the
24 following:

1 “(b) USE OF FUNDS TO PROVIDE INDIVIDUAL ENTI-
 2 TLEMENT TO CHILD CARE.—A State to which a grant is
 3 made under this section shall use the grant, without fiscal
 4 year limitation, only to guarantee safe, appropriate, af-
 5 fordable, and quality care for any child of (or with respect
 6 to whom any of the following is acting as a caretaker rel-
 7 ative)—

8 “(1) any recipient of assistance under the State
 9 program funded under this part who is employed or
 10 participating in a work activity required pursuant to
 11 this part (except for full-time participation in a work
 12 activity described in section 407(d)(12)); and

13 “(2) any other employed individual who is a
 14 member of a family whose income is less than 250
 15 percent of the poverty line and who, during the past
 16 24 months, ceased to receive assistance under any
 17 State program funded under this part.”; and

18 (2) in subsection (c), by inserting “, but subject
 19 to subsection (b) of this section” after the 1st
 20 comma.

21 **TITLE X—DEFINITION OF**
 22 **POVERTY LINE**

23 **SEC. 1001. DEFINITION OF POVERTY LINE.**

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

1 “(6) POVERTY LINE.—The term ‘poverty line’
2 has the meaning given the term in section 673(2) of
3 the Omnibus Budget Reconciliation Act of 1981, in-
4 cluding any revision required by such section appli-
5 cable to a family of the size involved.”.

6 **TITLE XI—SERVICE PROVIDERS**

7 **SEC. 1101. PROTECTION FOR BENEFICIARIES.**

8 Section 104 of the Personal Responsibility and Work
9 Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a)
10 is amended—

11 (1) in subsection (e), by striking “RIGHTS OF
12 BENEFICIARIES OF ASSISTANCE” and inserting
13 “PROTECTION FOR BENEFICIARIES”; and

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

15 “(l) NO DISCRIMINATION IN HIRING WITH TAX-
16 PAYER DOLLARS.—Sections 702 and 703(e)(2) of the
17 Civil Rights Act of 1964 shall not apply to a nongovern-
18 mental organization that receives funds under a program
19 described in subsection (a)(2) of this section with respect
20 to an individual who provides, or would provide, services
21 funded in whole or in part under such a program, or indi-
22 viduals whose employment is, or would be, funded in whole
23 or in part under such a program.

24 “(m) BENEFICIARY RIGHTS.—A nongovernmental
25 organization that receives funds under a program funded

1 under subsection (a)(2) may not, in providing services
2 funded in whole or in part under such a program or engag-
3 ing in outreach activities for services funded in whole or
4 in part under such a program—

5 “(1) discriminate against a program beneficiary
6 or prospective beneficiary on the basis of religion or
7 religious belief; or

8 “(2) include sectarian worship, instruction or
9 proselytization in such a program, or require or co-
10 erce a beneficiary to participate in, or be present for,
11 sectarian worship, instruction or proselytization.”.

12 **TITLE XII—EFFECTIVE DATE**

13 **SEC. 1201. EFFECTIVE DATE.**

14 Except as otherwise provided, this Act and the
15 amendments made by this Act shall take effect on October
16 1, 2002.

○