

107TH CONGRESS
2^D SESSION

H. R. 4090

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2002

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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- Sec. 402. Elimination of limitation on number of waivers.
 Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
 Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
 Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
 Sec. 406. Availability of reports.
 Sec. 407. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

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

TITLE VI—BROADENED WAIVER AUTHORITY

- Sec. 601. State program demonstration projects.

TITLE VII—EFFECTIVE DATE

- Sec. 701. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 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 **SEC. 4. FINDINGS.**

9 The Congress makes the following findings:

10 (1) The Temporary Assistance for Needy Fami-
 11 lies (TANF) Program established by the Personal
 12 Responsibility and Work Opportunity Reconciliation
 13 Act of 1996 (Public Law 104–193) has succeeded in
 14 moving families from welfare to work and reducing
 15 child poverty.

1 (A) There has been a dramatic increase in
2 the employment of current and former welfare
3 recipients. The percentage of working recipients
4 reached an all-time high in fiscal years 1999
5 and 2000. In fiscal year 1999, 33 percent of
6 adult recipients were working, compared to less
7 than 7 percent in fiscal year 1992, and 11 per-
8 cent in fiscal year 1996. All States met the
9 overall participation rate standard in fiscal year
10 2000, as did the District of Columbia and
11 Puerto Rico.

12 (B) Earnings for welfare recipients re-
13 maining on the rolls have also increased signifi-
14 cantly, as have earnings for female-headed
15 households. The increases have been particu-
16 larly large for the bottom 2 income quintiles,
17 that is, those women who are most likely to be
18 former or present welfare recipients.

19 (C) Welfare dependency has plummeted.
20 As of September 2001, 2,103,000 families and
21 5,333,000 individuals were receiving assistance.
22 Accordingly, the number of families in the wel-
23 fare caseload and the number of individuals re-
24 ceiving cash assistance declined 52 percent and
25 56 percent, respectively, since the enactment of

1 TANF. These declines have persisted even as
2 unemployment rates have increased: unemploy-
3 ment rates nationwide rose 25 percent, from
4 3.9 percent in September 2000 to 4.9 percent
5 in September 2001, while welfare caseloads con-
6 tinued to drop by 7 percent.

7 (D) The child poverty rate continued to de-
8 cline between 1996 and 2000, falling 21 percent
9 from 20.5 to 16.2 percent. The 2000 child pov-
10 erty rate is the lowest since 1979. Child poverty
11 rates for African-American and Hispanic chil-
12 dren have also fallen dramatically during the
13 past 6 years. African-American child poverty is
14 at the lowest rate on record and Hispanic child
15 poverty has had the largest 4-year decrease on
16 record.

17 (E) Despite these gains, States have had
18 mixed success in fully engaging welfare recipi-
19 ents in work activities. While all States have
20 met the overall work participation rates re-
21 quired by law, in 2000, in an average month,
22 only about $\frac{1}{3}$ of all families with an adult par-
23 ticipated in work activities that were countable
24 toward the State's participation rate. Eight ju-
25 risdictions failed to meet the more rigorous 2-

1 parent work requirements, and about 20 States
2 are not subject to the 2-parent requirements,
3 most because they moved their 2-parent cases
4 to separate State programs where they are not
5 subject to a penalty for failing the 2-parent
6 rates.

7 (2) As a Nation, we have made substantial
8 progress in reducing teen pregnancies and births,
9 slowing increases in nonmarital childbearing, and
10 improving child support collections and paternity es-
11 tablishment.

12 (A) The teen birth rate has fallen continu-
13 ously since 1991, down a dramatic 22 percent
14 by 2000. During the period of 1991–2000,
15 teenage birth rates fell in all States and the
16 District of Columbia, Puerto Rico, and the Vir-
17 gin Islands. Declines also have spanned age, ra-
18 cial, and ethnic groups. There has been success
19 in lowering the birth rate for both younger and
20 older teens. The birth rate for those 15–17
21 years of age is down 29 percent since 1991, and
22 the rate for those 18 and 19 is down 16 per-
23 cent. Between 1991 and 2000, teen birth rates
24 declined for all women ages 15–19—white, Afri-
25 can American, American Indian, Asian or Pa-

1 cific Islander, and Hispanic women ages 15–19.
2 The rate for African American teens—until re-
3 cently the highest—experienced the largest de-
4 cline, down 31 percent from 1991 to 2000, to
5 reach the lowest rate ever reported for this
6 group. Most births to teens are nonmarital; in
7 2000, about 73 percent of the births to teens
8 aged 15–19 occurred outside of marriage.

9 (B) Nonmarital childbearing continued to
10 increase slightly in 2000, however not at the
11 sharp rates of increase seen in recent decades.
12 The birth rate among unmarried women in
13 2000 was 3.5 percent lower than its peak
14 reached in 1994, while the proportion of births
15 occurring outside of marriage has remained at
16 approximately 33 percent since 1998.

17 (C) The negative consequences of out-of-
18 wedlock birth on the mother, the child, the fam-
19 ily, and society are well documented. These in-
20 clude increased likelihood of welfare depend-
21 ency, increased risks of low birth weight, poor
22 cognitive development, child abuse and neglect,
23 and teen parenthood, and decreased likelihood
24 of having an intact marriage during adulthood.

1 (D) An estimated 23,900,000 children do
2 not live with their biological father. 16,000,000
3 children live with their mother only. These facts
4 are attributable largely to declining marriage
5 rates, increasing divorce rates, and increasing
6 rates of nonmarital births during the latter part
7 of the 20th century.

8 (E) There has been a dramatic rise in co-
9 habitation as marriages have declined. Only 40
10 percent of children of cohabiting couples will
11 see their parents marry. Those who do marry
12 experience a 50 percent higher divorce rate.
13 Children in single-parent households and cohab-
14 iting households are at much higher risk of
15 child abuse than children in intact married and
16 stepparent families.

17 (F) Children who live apart from their bio-
18 logical fathers, on average, are more likely to be
19 poor, experience educational, health, emotional,
20 and psychological problems, be victims of child
21 abuse, engage in criminal behavior, and become
22 involved with the juvenile justice system than
23 their peers who live with their married, biologi-
24 cal mother and father. A child living in a single-
25 parent family is nearly 5 times as likely to be

1 poor as a child living in a married-couple fam-
2 ily. In married-couple families, the child poverty
3 rate is 8.1 percent, in households headed by a
4 single mother, the poverty rate is 39.7 percent.

5 (G) Since the enactment of the Personal
6 Responsibility and Work Opportunity Reconcili-
7 ation Act of 1996, child support collections
8 within the child support enforcement system
9 have grown every year, increasing from
10 \$12,000,000,000 in fiscal year 1996 to nearly
11 \$19,000,000,000 in fiscal year 2001. The num-
12 ber of paternities established or acknowledged
13 in fiscal year 2002 reached an historic high of
14 over 1,500,000—which includes a nearly 100
15 percent increase through in-hospital acknowl-
16 edgement programs to 688,510 in 2000 from
17 349,356 in 1996. Child support collections were
18 made in over 7,000,000 cases in fiscal year
19 2000, significantly more than the almost
20 4,000,000 cases having a collection in 1996.

21 (3) The Personal Responsibility and Work Op-
22 portunity Reconciliation Act of 1996 gave States
23 great flexibility in the use of Federal funds to de-
24 velop innovative programs to help families leave wel-

1 fare and begin employment and to encourage the
2 formation of 2-parent families.

3 (A) Total Federal and State TANF ex-
4 penditures in fiscal year 2000 were
5 \$24,000,000,000, up from \$22,600,000,000 for
6 the previous year. This increased spending is
7 attributable to significant new investments in
8 supportive services in the TANF program, such
9 as child care and activities to support work.

10 (B) Since the welfare reform effort began
11 there has been a dramatic increase in work par-
12 ticipation (including employment, community
13 service, and work experience) among welfare re-
14 cipients, as well as an unprecedented reduction
15 in the caseload because recipients have left wel-
16 fare for work.

17 (C) States are making policy choices and
18 investment decisions best suited to the needs of
19 their citizens.

20 (i) To expand aid to working families,
21 all States disregard a portion of a family's
22 earned income when determining benefit
23 levels.

24 (ii) Most States increased the limits
25 on countable assets above the former Aid

1 to Families with Dependent Children
2 (AFDC) program. Every State has in-
3 creased the vehicle asset level above the
4 prior AFDC limit for a family's primary
5 automobile.

6 (iii) States are experimenting with
7 programs to promote marriage and father
8 involvement. Over half the States have
9 eliminated restrictions on 2-parent fami-
10 lies. Many States use TANF, child sup-
11 port, or State funds to support community-
12 based activities to help fathers become
13 more involved in their children's lives or
14 strengthen relationships between mothers
15 and fathers.

16 (4) Therefore, it is the sense of the Congress
17 that increasing success in moving families from wel-
18 fare to work, as well as in promoting healthy mar-
19 riage and other means of improving child well-being,
20 are very important Government interests and the
21 policy contained in part A of title IV of the Social
22 Security Act (as amended by this Act) is intended
23 to serve these ends.

TITLE I—TANF

1

2 SEC. 101. PURPOSES.

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

4 (1) in the matter preceding paragraph (1), by
5 striking “increase” and inserting “improve child
6 well-being by increasing”;

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

9 (3) in paragraph (4), by striking “two-parent
10 families” and inserting “healthy, 2-parent married
11 families, and encourage responsible fatherhood.”.

12 SEC. 102. FAMILY ASSISTANCE GRANTS.

13 (a) EXTENSION OF AUTHORITY.—Section
14 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

15 (1) by striking “1996, 1997, 1998, 1999, 2000,
16 2001, and 2002” and inserting “2003 through
17 2007”; and

18 (2) by inserting “payable to the State for the
19 fiscal year” before the period.

20 (b) STATE FAMILY ASSISTANCE GRANT.—Section
21 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking
22 subparagraphs (B) through (E) and inserting the fol-
23 lowing:

24 “(B) STATE FAMILY ASSISTANCE
25 GRANT.—The State family assistance grant

1 payable to a State for a fiscal year shall be the
2 amount that bears the same ratio to the
3 amount specified in subparagraph (C) of this
4 paragraph as the amount required to be paid to
5 the State under this paragraph for fiscal year
6 2002 (determined without regard to any reduc-
7 tion pursuant to section 412(a)(1)) bears to the
8 total amount required to be paid under this
9 paragraph for fiscal year 2002.

10 “(C) APPROPRIATION.—Out of any money
11 in the Treasury of the United States not other-
12 wise appropriated, there are appropriated for
13 each of fiscal years 2003 through 2007
14 \$16,566,542,000 for grants under this para-
15 graph.”.

16 (c) MATCHING GRANTS FOR THE TERRITORIES.—
17 Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by
18 striking “1997 through “2002” and inserting “2003
19 through 2007”.

20 **SEC. 103. PROMOTION OF FAMILY FORMATION AND**
21 **HEALTHY MARRIAGE.**

22 (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.
23 602(a)(1)(A)) is amended by adding at the end the fol-
24 lowing:

1 “(vii) Encourage equitable treatment
2 of married, 2-parent families under the
3 program referred to in clause (i).”.

4 (b) HEALTHY MARRIAGE PROMOTION GRANTS; RE-
5 PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY
6 RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is
7 amended to read as follows:

8 “(2) HEALTHY MARRIAGE PROMOTION
9 GRANTS.—

10 “(A) AUTHORITY.—The Secretary shall
11 award competitive grants to States, territories,
12 and tribal organizations for not more than 50
13 percent of the cost of developing and imple-
14 menting innovative programs to promote and
15 support healthy, married, 2-parent families and
16 reduce out-of-wedlock births.

17 “(B) HEALTHY MARRIAGE PROMOTION AC-
18 TIVITIES.—Funds provided under subparagraph
19 (A) shall be used to support any of the fol-
20 lowing programs or activities:

21 “(i) Public advertising campaigns on
22 the value of marriage and the skills needed
23 to increase marital stability and health.

1 “(ii) Education in high schools on the
2 value of marriage, relationship skills, and
3 budgeting.

4 “(iii) Marriage education and mar-
5 riage skills programs for non-married preg-
6 nant women and non-married expectant fa-
7 thers.

8 “(iv) Pre-marital education and mar-
9 riage skills training for engaged couples
10 and for couples interested in marriage.

11 “(v) Marriage enhancement and mar-
12 riage skills training programs for married
13 couples.

14 “(vi) Divorce reduction programs that
15 teach relationship skills.

16 “(vii) Marriage mentoring programs
17 which use married couples as role models
18 and mentors in at-risk communities.

19 “(viii) Programs to reduce the dis-
20 incentives to marriage in means-tested aid
21 programs, if offered in conjunction with
22 any activity described in this subpara-
23 graph.

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

1 wise appropriated, there are appropriated for
2 each of fiscal years 2003 through 2007
3 \$100,000,000 for grants under this para-
4 graph.”.

5 (c) COUNTING OF SPENDING ON NON-ELIGIBLE
6 FAMILIES TO PREVENT AND REDUCE INCIDENCE OF
7 OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION
8 AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED
9 FAMILIES, OR ENCOURAGE RESPONSIBLE FATHER-
10 HOOD.—Section 409(a)(7)(B)(i) (42 U.S.C.
11 609(a)(7)(B)(i)) is amended by adding at the end the fol-
12 lowing:

13 “(V) COUNTING OF SPENDING
14 ON NON-ELIGIBLE FAMILIES TO PRE-
15 VENT AND REDUCE INCIDENCE OF
16 OUT-OF-WEDLOCK BIRTHS, ENCOUR-
17 AGE FORMATION AND MAINTENANCE
18 OF HEALTHY, 2-PARENT MARRIED
19 FAMILIES, OR ENCOURAGE RESPON-
20 SIBLE FATHERHOOD.—The term
21 ‘qualified State expenditures’ includes
22 the total expenditures by the State
23 during the fiscal year under all State
24 programs for a purpose described in

1 paragraph (3) or (4) of section
2 401(a).”.

3 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**
4 **CREASES IN CERTAIN STATES.**

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

7 (1) in clause (i), by striking “fiscal year 2002”
8 and inserting “each of fiscal years 2002 through
9 2007”;

10 (2) in clause (ii), by striking “2002” and in-
11 sserting “2007”; and

12 (3) in clause (iii), by striking “fiscal year
13 2002” and inserting “each of fiscal years 2002
14 through 2007”.

15 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-**
16 **MENT.**

17 (a) REALLOCATION OF FUNDING.—Section 403(a)(4)
18 (42 U.S.C. 603(a)(4)) is amended—

19 (1) in the paragraph heading, by striking
20 “HIGH PERFORMANCE STATES” and inserting “EM-
21 PLOYMENT ACHIEVEMENT”;

22 (2) in subparagraph (D)(ii)—

23 (A) in subclause (I), by striking “equals
24 \$200,000,000” and inserting “(other than

1 2003) equals \$200,000,000, and for bonus year
2 2003 equals \$100,000,000”; and

3 (B) in subclause (II), by striking
4 “\$1,000,000,000” and inserting
5 “\$900,000,000”; and

6 (3) in subparagraph (F), by striking
7 “\$1,000,000,000” and inserting “\$900,000,000”.

8 (b) BONUS TO REWARD EMPLOYMENT ACHIEVE-
9 MENT.—

10 (1) IN GENERAL.—Section 403(a)(4) (42
11 U.S.C. 603(a)(4)) is amended by striking subpara-
12 graphs (A) through (F) and inserting the following:

13 “(A) IN GENERAL.—The Secretary shall
14 make a grant pursuant to this paragraph to
15 each State for each bonus year for which the
16 State is an employment achievement State.

17 “(B) AMOUNT OF GRANT.—

18 “(i) IN GENERAL.—Subject to clause
19 (ii) of this subparagraph, the Secretary
20 shall determine the amount of the grant
21 payable under this paragraph to an em-
22 ployment achievement State for a bonus
23 year, which shall be based on the perform-
24 ance of the State as determined under sub-

1 paragraph (D)(i) for the fiscal year that
2 immediately precedes the bonus year.

3 “(ii) LIMITATION.—The amount pay-
4 able to a State under this paragraph for a
5 bonus year shall not exceed 5 percent of
6 the State family assistance grant.

7 “(C) FORMULA FOR MEASURING STATE
8 PERFORMANCE.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), not later than October 1, 2003, the
11 Secretary, in consultation with the Na-
12 tional Governors Association and the
13 American Public Human Services Associa-
14 tion, shall develop a formula for measuring
15 State performance in operating the State
16 program funded under this part so as to
17 achieve the goals of employment entry, job
18 retention, and increased earnings from em-
19 ployment for families receiving assistance
20 under the program, as measured on an ab-
21 solute basis and on the basis of improve-
22 ment in State performance.

23 “(ii) SPECIAL RULE FOR BONUS YEAR
24 2004.—For the purposes of awarding a
25 bonus under this paragraph for bonus year

1 2004, the Secretary may measure the per-
2 formance of a State in fiscal year 2003
3 using the job entry rate, job retention rate,
4 and earnings gain rate components of the
5 formula developed under section
6 403(a)(4)(C) as in effect immediately be-
7 fore the effective date of this paragraph.

8 “(D) DETERMINATION OF STATE PER-
9 FORMANCE.—For each bonus year, the Sec-
10 retary shall—

11 “(i) use the formula developed under
12 subparagraph (C) to determine the per-
13 formance of each eligible State for the fis-
14 cal year that precedes the bonus year; and

15 “(ii) prescribe performance standards
16 in such a manner so as to ensure that—

17 “(I) the average annual total
18 amount of grants to be made under
19 this paragraph for each bonus year
20 equals \$100,000,000; and

21 “(II) the total amount of grants
22 to be made under this paragraph for
23 all bonus years equals \$500,000,000.

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

1 “(i) BONUS YEAR.—The term ‘bonus
2 year’ means each of fiscal years 2004
3 through 2008.

4 “(ii) EMPLOYMENT ACHIEVEMENT
5 STATE.—The term ‘employment achieve-
6 ment State’ means, with respect to a bonus
7 year, an eligible State whose performance
8 determined pursuant to subparagraph
9 (D)(i) for the fiscal year preceding the
10 bonus year equals or exceeds the perform-
11 ance standards prescribed under subpara-
12 graph (D)(ii) for such preceding fiscal
13 year.

14 “(F) APPROPRIATION.—Out of any money
15 in the Treasury of the United States not other-
16 wise appropriated, there are appropriated for
17 fiscal years 2004 through 2008 \$500,000,000
18 for grants under this paragraph.”.

19 (2) EFFECTIVE DATE.—The amendment made
20 by paragraph (1) shall take effect on October 1,
21 2003.

22 **SEC. 106. CONTINGENCY FUND.**

23 (a) DEPOSITS INTO FUND.—Section 403(b)(2) (42
24 U.S.C. 603(b)(2)) is amended—

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

3 (2) by striking all that follows
4 “\$2,000,000,000” and inserting a period.

5 (b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C.
6 603(b)(3)(C)(ii)) is amended by striking “fiscal years
7 1997 through 2002” and inserting “fiscal years 2003
8 through 2007”.

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

15 (d) ANNUAL RECONCILIATION: FEDERAL MATCHING
16 OF STATE EXPENDITURES ABOVE “MAINTENANCE OF
17 EFFORT” LEVEL.—Section 403(b)(6) (42 U.S.C.
18 603(b)(6)) is amended—

19 (1) in subparagraph (A)(ii)—

20 (A) by adding “and” at the end of sub-
21 clause (I);

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

24 (C) by striking subclause (III);

1 (2) in subparagraph (B)(i)(II), by striking all
2 that follows “section 409(a)(7)(B)(iii)” and insert-
3 ing a period;

4 (3) by amending subparagraph (B)(ii)(I) to
5 read as follows:

6 “(I) the qualified State expendi-
7 tures (as defined in section
8 409(a)(7)(B)(i)) for the fiscal year;
9 plus”; and

10 (4) by striking subparagraph (C).

11 (e) CONSIDERATION OF CERTAIN CHILD CARE EX-
12 PENDITURES IN DETERMINING STATE COMPLIANCE
13 WITH CONTINGENCY FUND MAINTENANCE OF EFFORT
14 REQUIREMENT.—Section 409(a)(10) (42 U.S.C.
15 609(a)(10)) is amended—

16 (1) by striking “(other than the expenditures
17 described in subclause (I)(bb) of that paragraph)
18 under the State program funded under this part”;
19 and

20 (2) by striking “excluding any amount ex-
21 pended by the State for child care under subsection
22 (g) or (i) of section 402 (as in effect during fiscal
23 year 1994) for fiscal year 1994,”.

1 **SEC. 107. USE OF FUNDS.**

2 (a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C.
3 604(a)(2)) is amended by striking “in any manner that”
4 and inserting “for any purposes or activities for which”.

5 (b) TREATMENT OF INTERSTATE IMMIGRANTS.—

6 (1) STATE PLAN PROVISION.—Section
7 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended
8 by striking clause (i) and redesignating clauses (ii)
9 through (iv) as clauses (i) through (iii), respectively.

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

12 (c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD
13 CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is
14 amended by striking “30” and inserting “50”.

15 (d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE
16 XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C.
17 604(d)(2)(B)) is amended to read as follows:

18 “(B) APPLICABLE PERCENT.—For pur-
19 poses of subparagraph (A), the applicable per-
20 cent is—

21 “(i) 4.25 percent for fiscal year 2003;

22 “(ii) 5 percent for fiscal year 2004;

23 “(iii) 6 percent for fiscal year 2005;

24 “(iv) 8 percent for fiscal year 2006;

25 and

1 “(v) 10 percent for fiscal year 2007
2 and each succeeding fiscal year.”.

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

7 “(e) AUTHORITY TO CARRY OVER OR RESERVE CER-
8 TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-
9 TURE CONTINGENCIES.—

10 “(1) CARRYOVER.—A State or tribe may use a
11 grant made to the State or tribe under this part to
12 provide, without fiscal year limitation, any benefit or
13 service that may be provided under the State or trib-
14 al program funded under this part.

15 “(2) CONTINGENCY RESERVE.—A State or tribe
16 may designate any portion of a grant made to the
17 State or tribe under this part as a contingency re-
18 serve for future needs, and may use any amount so
19 designated to provide, without fiscal year limitation,
20 any benefit or service that may be provided under
21 the State or tribal program funded under this part.
22 If a State or tribe so designates a portion of such
23 a grant, the State shall, on an annual basis, include
24 in its report under section 411(a) the amount so
25 designated.”.

1 **SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE**
2 **PROGRAMS.**

3 (a) REPEAL.—Section 406 (42 U.S.C. 606) is re-
4 pealed.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 409(a) (42 U.S.C. 609(a)) is
7 amended by striking paragraph (6).

8 (2) Section 412 (42 U.S.C. 612) is amended by
9 striking subsection (f) and redesignating subsection
10 (g) as subsection (f).

11 (3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2))
12 is amended by striking “406,”.

13 **SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-**
14 **SUFFICIENCY PLAN REQUIREMENTS.**

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

19 “(ii) Require a parent or caretaker re-
20 ceiving assistance under the program to
21 engage in work or alternative self-suffi-
22 ciency activities (as defined by the State),
23 consistent with section 407(e)(2).

24 “(iii) Require families receiving assist-
25 ance under the program to engage in ac-
26 tivities in accordance with family self-suffi-

1 ciency plans developed pursuant to section
2 408(b).”.

3 (b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY
4 PLANS.—

5 (1) IN GENERAL.—Section 408(b) (42 U.S.C.
6 608(b)) is amended to read as follows:

7 “(b) FAMILY SELF-SUFFICIENCY PLANS.—

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

10 “(A) establish for each family receiving as-
11 sistance under the State program funded under
12 this part a self-sufficiency plan that specifies
13 appropriate activities described in the State
14 plan submitted pursuant to section 402, includ-
15 ing direct work activities as appropriate de-
16 signed to assist the family in achieving their
17 maximum degree of self-sufficiency;

18 “(B) require, at a minimum, each member
19 of the family who is a work-eligible individual
20 (as defined in section 407(b)(2)(C)) to partici-
21 pate in activities in accordance with the self-
22 sufficiency plan;

23 “(C) monitor the participation of such
24 family members in the activities and the
25 progress of the family toward self-sufficiency;

1 “(D) regularly review the self-sufficiency
2 plan; and

3 “(E) revise the self-sufficiency plan as ap-
4 propriate.

5 “(2) TIMING.—The State shall comply with
6 paragraph (1) with respect to a family—

7 “(A) in the case of a family that, as of Oc-
8 tober 1, 2002, is not receiving assistance from
9 the State program funded under this part, not
10 later than 60 days after the family first receives
11 assistance on the basis of the most recent appli-
12 cation for the assistance; or

13 “(B) in the case of a family that, as of
14 such date, is receiving the assistance, not later
15 than 12 months after the date of the enactment
16 of this subsection.”.

17 (2) PENALTY FOR FAILURE TO ESTABLISH
18 FAMILY SELF-SUFFICIENCY PLAN.—Section
19 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

20 (A) in the paragraph heading, by inserting
21 “OR ESTABLISH FAMILY SELF-SUFFICIENCY
22 PLAN” after “RATES”; and

23 (B) in subparagraph (A), by inserting “or
24 408(b)” after “407(a)”.

1 **SEC. 110. WORK PARTICIPATION REQUIREMENTS.**

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

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

6 “(a) PARTICIPATION RATE REQUIREMENTS.—A
7 State to which a grant is made under section 403 for a
8 fiscal year shall achieve a minimum participation rate
9 equal to not less than—

10 “(1) 50 percent for fiscal year 2003;

11 “(2) 55 percent for fiscal year 2004;

12 “(3) 60 percent for fiscal year 2005;

13 “(4) 65 percent for fiscal year 2006; and

14 “(5) 70 percent for fiscal year 2007 and each
15 succeeding fiscal year.

16 “(b) CALCULATION OF PARTICIPATION RATES.—

17 “(1) AVERAGE MONTHLY RATE.—For purposes
18 of subsection (a), the participation rate of a State
19 for a fiscal year is the average of the participation
20 rates of the State for each month in the fiscal year.

21 “(2) MONTHLY PARTICIPATION RATES; INCOR-
22 PORATION OF 40-HOUR WORK WEEK STANDARD.—

23 “(A) IN GENERAL.—For purposes of para-
24 graph (1), the participation rate of a State for
25 a month is—

1 “(i) the total number of countable
2 hours (as defined in subsection (c)) with
3 respect to the counted families for the
4 State for the month; divided by

5 “(ii) 160 multiplied by the number of
6 counted families for the State for the
7 month.

8 “(B) COUNTED FAMILIES DEFINED.—

9 “(i) IN GENERAL.—In subparagraph
10 (A), the term ‘counted family’ means, with
11 respect to a State and a month, a family
12 that includes a work-eligible individual and
13 that receives assistance in the month under
14 the State program funded under this part,
15 subject to clause (ii).

16 “(ii) STATE OPTION TO EXCLUDE
17 CERTAIN FAMILIES.—At the option of a
18 State, the term ‘counted family’ shall not
19 include—

20 “(I) a family in the first month
21 for which the family receives assist-
22 ance from a State program funded
23 under this part on the basis of the
24 most recent application for such as-
25 sistance; or

1 “(II) a family in which the
2 youngest child has not attained 12
3 months of age, except to the extent
4 that the State, on a case-by-case
5 basis, has elected to permit or require
6 the family to engage in direct work
7 activities or other activities specified
8 by the State.

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

19 “(C) WORK-ELIGIBLE INDIVIDUAL DE-
20 FINED.—In this section, the term ‘work-eligible
21 individual’ means an individual—

22 “(i) who is married or a single head
23 of household; and

24 “(ii) whose needs are (or, but for
25 sanctions under this part that have been in

1 effect for more than 3 months (whether or
2 not consecutive) in the preceding 12
3 months or under part D, would be) in-
4 cluded in determining the amount of cash
5 assistance to be provided to the family
6 under the State program funded under this
7 part.”.

8 (b) RECALIBRATION OF CASELOAD REDUCTION
9 CREDIT.—Section 407(b)(3)(A)(ii) (42 U.S.C.
10 607(b)(3)(A)(ii)) is amended to read as follows:

11 “(ii) the average monthly number of
12 families that received assistance under the
13 State program funded under this part
14 during—

15 “(I) if the fiscal year is fiscal
16 year 2003, fiscal year 1996;

17 “(II) if the fiscal year is fiscal
18 year 2004, fiscal year 1998; or

19 “(III) if the fiscal year is fiscal
20 year 2005, fiscal year 2001; or

21 “(IV) if the fiscal year is fiscal
22 year 2006, fiscal year 2002; or

23 “(V) if the fiscal year is fiscal
24 year 2007, fiscal year 2003.”.

1 (c) COUNTABLE HOURS.—Section 407 of such Act
2 (42 U.S.C. 607) is amended by striking subsections (c)
3 and (d) and inserting the following:

4 “(c) COUNTABLE HOURS.—

5 “(1) DEFINITION.—In subsection (b)(2), the
6 term ‘countable hours’ means, with respect to a fam-
7 ily for a month, the total number of hours in the
8 month in which any member of the family who is a
9 work-eligible individual is engaged in a direct work
10 activity or other activity specified by the State, sub-
11 ject to the other provisions of this subsection.

12 “(2) LIMITATIONS.—Subject to such regula-
13 tions as the Secretary may prescribe:

14 “(A) MINIMUM WEEKLY AVERAGE OF 24
15 HOURS OF DIRECT WORK ACTIVITIES RE-
16 QUIRED.—If the work-eligible individuals in a
17 family are engaged in a direct work activity for
18 an average total of fewer than 24 hours per
19 week in a month, then the number of countable
20 hours with respect to the family for the month
21 shall be zero.

22 “(B) MAXIMUM WEEKLY AVERAGE OF 16
23 HOURS OF OTHER ACTIVITIES.—An average of
24 not more than 16 hours per week of other ac-
25 tivities referred to in paragraph (1) may be

1 considered countable hours in a month with re-
2 spect to a family.

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

5 “(A) PARTICIPATION IN QUALIFIED AC-
6 TIVITIES.—

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

15 “(ii) QUALIFIED ACTIVITY DE-
16 FINED.—The term ‘qualified activity’
17 means an activity specified by the State,
18 including a program meeting such stand-
19 ards and criteria as the State may specify,
20 excluding a program that does not address
21 a purpose specified in section 401(a), but
22 including a program that provides—

23 “(I) substance abuse counseling
24 or treatment;

1 “(II) rehabilitation treatment
2 and services;

3 “(III) work-related education or
4 training directed effectively at ena-
5 bling the family member to work; or

6 “(IV) job search or job readiness
7 assistance.

8 “(iii) LIMITATION.—Clause (i) may
9 not be applied to a family for more than
10 3 consecutive months in any period of 24
11 consecutive months.

12 “(B) SCHOOL ATTENDANCE BY TEEN
13 HEAD OF HOUSEHOLD.—A family shall be con-
14 sidered to be engaged in a direct work activity
15 for an average of 40 hours per week in a month
16 if the family includes an individual who is mar-
17 ried or is a single head of household who has
18 not attained 20 years of age, and the
19 individual—

20 “(i) maintains satisfactory attendance
21 at secondary school or the equivalent in
22 the month; or

23 “(ii) participates in education directly
24 related to employment for an average of at
25 least 20 hours per week in the month.

1 “(d) DIRECT WORK ACTIVITIES.—In this section, the
2 term ‘direct work activities’ means—

3 “(1) unsubsidized employment;

4 “(2) subsidized private sector employment;

5 “(3) subsidized public sector employment;

6 “(4) on-the-job training;

7 “(5) supervised work experience; or

8 “(6) supervised community service.

9 (d) PENALTIES AGAINST INDIVIDUALS.—Section
10 407(e) (42 U.S.C. 607(e)) is amended—

11 (1) in paragraph (1), in the matter that pre-
12 cedes subparagraph (A)—

13 (A) by striking “work” and inserting “ac-
14 tivities”; and

15 (B) by inserting “and the family does not
16 otherwise engage in activities in accordance
17 with the self-sufficiency plan established for the
18 family pursuant to section 408(b) for the num-
19 ber of hours required by the self-sufficiency
20 plan,” before “the State shall”; and

21 (2) in paragraph (2)—

22 (A) in the matter that precedes subpara-
23 graph (A), by striking “work” and inserting
24 “activities”; and

1 (B) in subparagraph (A), by striking
2 “work” and inserting “activity”.

3 (e) CONFORMING AMENDMENTS.—

4 (1) Section 404(k)(1)(D) (42 U.S.C.
5 604(k)(1)(D)) is amended by striking “work activi-
6 ties (as defined in section 407(d)” and inserting “di-
7 rect work activities”.

8 (2) Section 407(b) (42 U.S.C. 607(b)) is
9 amended by striking paragraphs (4) and (5).

10 (3) Section 407(f) (42 U.S.C. 607(f)) is amend-
11 ed in each of paragraphs (1) and (2) by striking
12 “work activity described in subsection (d)” and in-
13 serting “direct work activity”.

14 (4) The heading of section 409(a)(14) (42
15 U.S.C. 609(a)(14)) is amended by inserting “OR RE-
16 FUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY
17 SELF-SUFFICIENCY PLAN” after “WORK”.

18 **SEC. 111. MAINTENANCE OF EFFORT.**

19 (a) IN GENERAL.—Section 409(a)(7) (42 U.S.C.
20 609(a)(7)) is amended—

21 (1) in subparagraph (A) by striking “fiscal year
22 1998, 1999, 2000, 2001, 2002, or 2003” and insert-
23 ing “fiscal year 2003, 2004, 2005, 2006, 2007 or
24 2008”; and

25 (2) in subparagraph (B)(ii)—

1 (A) by inserting “preceding” before “fiscal
2 year”; and

3 (B) by striking “for fiscal years 1997
4 through 2002,”.

5 (b) STATE SPENDING ON PROMOTING HEALTHY
6 MARRIAGE.—

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

9 “(1) MARRIAGE PROMOTION.—A State, territory, or
10 tribal organization to which a grant is made under section
11 403(a)(2) may use a grant made to the State, territory,
12 or tribal organization under any other provision of section
13 403 for marriage promotion activities, and the amount of
14 any such grant so used shall be considered State funds
15 for purposes of section 403(a)(2).”.

16 (2) FEDERAL TANF FUNDS USED FOR MAR-
17 RIAGE PROMOTION DISREGARDED FOR PURPOSES OF
18 MAINTENANCE OF EFFORT REQUIREMENT.—Section
19 409(a)(7)(B)(i)(II) (42 U.S.C. 609(a)(7)(B)(i)(II)),
20 as amended by section 103(c) of this Act, is amend-
21 ed by adding at the end the following:

22 “(VI) EXCLUSION OF FEDERAL
23 TANF FUNDS USED FOR MARRIAGE
24 PROMOTION ACTIVITIES.—Such term
25 does not include the amount of any

1 grant made to the State under section
2 403 that is expended for a marriage
3 promotion activity.”.

4 **SEC. 112. PERFORMANCE IMPROVEMENT.**

5 (a) STATE PLANS.—Section 402(a)(1) (42 U.S.C.
6 602(a)(1)) is amended—

7 (1) in subparagraph (A)—

8 (A) by redesignating clauses (vi) and (vii)
9 (as added by section 103(a) of this Act) as
10 clauses (vii) and (viii); and

11 (B) by striking clause (v) and inserting the
12 following:

13 “(v) Establish annual, specific numer-
14 ical performance goals, measures, measure-
15 ment methodology, and plans to improve
16 outcomes with respect to each of the 4 pro-
17 gram purposes described in section 401(a).

18 “(vi) Describe any strategies the State
19 may be undertaking to address—

20 “(I) employment retention and
21 advancement for recipients of assist-
22 ance under the program, including
23 placement into high-demand jobs, con-
24 sistent with the criteria used by the
25 Secretary in establishing performance

1 targets in regulations prescribed
2 under section 403(a)(4)(B);

3 “(II) efforts to reduce teen preg-
4 nancy;

5 “(III) services for struggling and
6 noncompliant families, and for clients
7 with special problems; and

8 “(IV) program integration, in-
9 cluding the extent to which employ-
10 ment and training services under the
11 program are provided through the
12 One-Stop Career Center System cre-
13 ated under the Workforce Investment
14 Act of 1998, and the extent to which
15 former recipients of such assistance
16 have access to additional core, inten-
17 sive, or training services funded
18 through such Act.”; and

19 (2) in subparagraph (B), by striking clause (iv)
20 and inserting the following:

21 “(iv) The document shall describe
22 strategies to engage faith-based organiza-
23 tions in the provision of services funded
24 under this part and efforts related to sec-
25 tion 104 of the Personal Responsibility and

1 Work Opportunity Reconciliation Act of
2 1996.

3 “(v) The document shall describe
4 strategies to improve program manage-
5 ment and performance.”.

6 (b) PERFORMANCE MEASURES.—Section 413 (42
7 U.S.C. 613) is amended by adding at the end the fol-
8 lowing:

9 “(k) PERFORMANCE IMPROVEMENT.—The Secretary,
10 in consultation with the National Governors’ Association
11 and the American Public Human Services Association,
12 shall develop uniform performance measures designed to
13 assess the degree of effectiveness, and the degree of im-
14 provement, of State programs funded under this part in
15 accomplishing the purposes of this part.”.

16 (c) ANNUAL RANKING OF STATES.—Section
17 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking
18 “long-term private sector jobs” and inserting “private sec-
19 tor jobs, the success of the recipients in retaining employ-
20 ment, the ability of the recipients to increase their
21 wages,”.

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

23 (a) CONTENTS OF REPORT.—Section 411(a)(1)(A)
24 (42 U.S.C. 611(a)(1)(A)) is amended—

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

3 (2) in clause (viii), by striking “and educational
4 level”;

5 (3) in clause (ix), by striking “, and if the lat-
6 ter 2, the amount received”;

7 (4) in clause (x)—

8 (A) by striking “each type of”; and

9 (B) by inserting before the period “and, if
10 applicable, the reason for receipt of the assist-
11 ance for a total of more than 60 months”;

12 (5) in clause (xi), by striking the subclauses
13 and inserting the following:

14 “(I) Subsidized private sector
15 employment.

16 “(II) Unsubsidized employment.

17 “(III) Public sector employment,
18 supervised work experience, or super-
19 vised community service.

20 “(IV) On-the-job training.

21 “(V) Job search and placement.

22 “(VI) Training.

23 “(VII) Education.

24 “(VIII) Other activities directed
25 at the purposes of this part, as speci-

1 fied in the State plan submitted pur-
2 suant to section 402.”;

3 (6) in clause (xii), by inserting “and progress
4 toward universal engagement” after “participation
5 rates”;

6 (7) in clause (xiii), by striking “type and” be-
7 fore “amount of assistance”;

8 (8) in clause (xvi), by striking subclause (II)
9 and redesignating subclauses (III) through (V) as
10 subclauses (II) through (IV), respectively; and

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

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

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

19 “(xx) With respect to any child in the
20 family, the marital status of the parents or
21 guardians of the child and whether the
22 parents or guardians are living.”.

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

25 (1) in clause (i)—

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

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

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

10 (c) REPORT ON FAMILIES THAT BECOME INELI-
11 GIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42
12 U.S.C. 611(a)) is amended—

13 (1) by striking paragraph (5);

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

16 (3) by inserting after paragraph (5) (as so re-
17 designated) the following:

18 “(6) REPORT ON FAMILIES THAT BECOME IN-
19 ELIGIBLE TO RECEIVE ASSISTANCE.—The report re-
20 quired by paragraph (1) for a fiscal quarter shall in-
21 clude for each month in the quarter the number of
22 families and total number of individuals that, during
23 the month, became ineligible to receive assistance
24 under the State program funded under this part
25 (broken down by the number of families that become

1 so ineligible due to earnings, changes in family com-
2 position that result in increased earnings, sanctions,
3 time limits, or other specified reasons).”.

4 (e) REGULATIONS.—Section 411(a)(7) (42 U.S.C.
5 611(a)(7)) is amended—

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

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

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

16 (f) ADDITIONAL REPORTS BY STATES.—Section 411
17 (42 U.S.C. 611) is amended—

18 (1) by redesignating subsection (b) as sub-
19 section (e); and

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

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

1 under this part and other State programs funded with
2 qualified State expenditures (as defined in section
3 409(a)(7)(B)(i)). The report shall include, with respect to
4 each such program, the program name, a description of
5 program activities, the program purpose, the program eli-
6 gibility criteria, the sources of program funding, the num-
7 ber of program beneficiaries, sanction policies, and any
8 program work requirements.

9 “(c) MONTHLY REPORTS ON CASELOAD.—Not later
10 than 3 months after the end of a calendar month that
11 begins 1 year or more after the enactment of this sub-
12 section, each eligible State shall submit to the Secretary
13 report on the number of families and total number of indi-
14 viduals receiving assistance in the calendar month under
15 the State program funded under this part.

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

1 (g) ANNUAL REPORTS TO CONGRESS BY THE SEC-
2 RETARY.—Section 411(e), as so redesignated by sub-
3 section (f) of this section, is amended—

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

7 (2) in paragraph (2), by striking “families ap-
8 plying for assistance,” and by striking the last
9 comma; and

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

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

16 (a) TRIBAL FAMILY ASSISTANCE GRANT.—Section
17 412(a)(1) (42 U.S.C. 612(a)(1)) is amended by striking
18 “1997, 1998, 1999, 2000, and 2001” and inserting “2003
19 through 2007”.

20 (b) GRANTS FOR INDIAN TRIBES THAT RECEIVED
21 JOBS FUNDS.—Section 412(a)(2) (42 U.S.C. 612(a)(2))
22 is amended by striking “1997, 1998, 1999, 2000, and
23 2001” and inserting “2003 through 2007”.

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

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

8 “(1) FUNDING FOR RESEARCH, DEMONSTRATIONS,
9 AND TECHNICAL ASSISTANCE.—Out of any money in the
10 Treasury of the United States not otherwise appropriated,
11 there are appropriated \$100,000,000 for each of fiscal
12 years 2003 through 2007, which shall be available to the
13 Secretary for the purpose of conducting and supporting
14 research and demonstration projects by public or private
15 entities, and providing technical assistance to States, In-
16 dian tribal organizations, and such other entities as the
17 Secretary may specify that are receiving a grant under
18 this part, which shall be expended primarily on activities
19 described in section 403(a)(2)(B), and which shall be in
20 addition to any other funds made available under this
21 part.”.

22 (b) FUNDING OF STUDIES AND DEMONSTRATIONS.—
23 Section 413(h) (42 U.S.C. 613(h)) is amended by striking
24 “1997 through 2002” and inserting “2003 through
25 2007”.

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

2 Section 414(b) (42 U.S.C. 614(b)) is amended by
3 striking “1996,” and all that follows through “2002” and
4 inserting “2003 through 2007”.

5 **SEC. 117. REPEAL OF WAIVER CONTINUATION AUTHORITY.**

6 Section 415 (42 U.S.C. 615) is repealed.

7 **SEC. 118. DEFINITION OF ASSISTANCE.**

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

10 “(6) ASSISTANCE.—

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

18 “(B) EXCEPTION.—The term ‘assistance’
19 does not include a payment described in sub-
20 paragraph (A) to or for an individual or family
21 on a short-term, nonrecurring basis (as defined
22 by the State in accordance with regulations pre-
23 scribed by the Secretary).”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is
2 amended by striking “assistance” and inserting
3 “aid”.

4 (2) Section 404(f) (42 U.S.C. 604(f)) is amend-
5 ed by striking “assistance” and inserting “benefits
6 or services”

7 (3) Section 408(a)(5)(B)(i) (42 U.S.C.
8 608(a)(5)(B)(i)) is amended in the heading by strik-
9 ing “ASSISTANCE” and inserting “AID”.

10 **SEC. 119. TECHNICAL CORRECTIONS.**

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

13 (b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.
14 611(a)(1)(A)(ii)(III)) is amended by striking the last close
15 parenthesis.

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

18 (d)(1) Section 413 (42 U.S.C. 613) is amended by
19 striking subsection (g) and redesignating subsections (h)
20 through (i) and subsections (k) and (l) (as added by sec-
21 tions 112(b) and 115(a) of this Act, respectively) as sub-
22 sections (g) through (k), respectively.

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

1 (A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C.
2 603(a)(5)(A)(ii)(III)).

3 (B) Section 403(a)(5)(F) (42 U.S.C.
4 603(a)(5)(F)).

5 (C) Section 403(a)(5)(G)(ii) (42 U.S.C.
6 603(a)(5)(G)(ii)).

7 (D) Section 412(a)(3)(B)(iv) (42 U.S.C.
8 612(a)(3)(B)(iv)).

9 **SEC. 120. FATHERHOOD PROGRAM.**

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

13 (b) **FATHERHOOD PROGRAM.**—Title IV (42 U.S.C.
14 601–619) is amended by inserting after part B the fol-
15 lowing:

16 **“PART C—FATHERHOOD PROGRAM**

17 **“SEC. 441. FINDINGS AND PURPOSES.**

18 “(a) **FINDINGS.**—The Congress finds that there is
19 substantial evidence strongly indicating the urgent need
20 to promote and support involved, committed, and respon-
21 sible fatherhood, and to encourage and support healthy
22 marriages between parents raising children, including data
23 demonstrating the following:

24 “(1) In approximately 90 percent of cases
25 where a parent is absent, that parent is the father.

1 “(2) By some estimates, 60 percent of children
2 born in the 1990’s will spend a significant portion
3 of their childhood in a home without a father.

4 “(3) Nearly 75 percent of children in single-
5 parent homes will experience poverty before they are
6 11 years old, compared with only 20 percent of chil-
7 dren in 2-parent families.

8 “(4) Low income is positively correlated with
9 children’s difficulties with education, social adjust-
10 ment, and delinquency, and single-parent households
11 constitute a disproportionate share of low-income
12 households.

13 “(5) Where families (whether intact or with a
14 parent absent) are living in poverty, a significant
15 factor is the father’s lack of job skills.

16 “(6) Children raised in 2-parent married fami-
17 lies, on average, fare better as a group in key areas,
18 including better school performance, reduced rates of
19 substance abuse, crime, and delinquency, fewer
20 health, emotional, and behavioral problems, lower
21 rates of teenage sexual activity, less risk of abuse or
22 neglect, and lower risk of teen suicide.

23 “(7) Committed and responsible fathering dur-
24 ing infancy and early childhood contributes to the

1 development of emotional security, curiosity, and
2 math and verbal skills.

3 “(8) An estimated 24,000,000 children (33.5
4 percent) live apart from their biological father.

5 “(9) A recent national survey indicates that of
6 all children under age 18 not living with their bio-
7 logical father, 29 percent had not seen their father
8 even once in the last 12 months.

9 “(b) PURPOSES.—The purposes of this part are:

10 “(1) To provide for projects and activities by
11 public entities and by nonprofit community entities,
12 including religious organizations, designed to test
13 promising approaches to accomplishing the following
14 objectives:

15 “(A) Promoting responsible, caring, and
16 effective parenting through counseling, men-
17 toring, and parenting education, dissemination
18 of educational materials and information on
19 parenting skills, encouragement of positive fa-
20 ther involvement, including the positive involve-
21 ment of nonresident fathers, and other meth-
22 ods.

23 “(B) Enhancing the abilities and commit-
24 ment of unemployed or low-income fathers to
25 provide material support for their families and

1 to avoid or leave welfare programs by assisting
2 them to take full advantage of education, job
3 training, and job search programs, to improve
4 work habits and work skills, to secure career
5 advancement by activities such as outreach and
6 information dissemination, coordination, as ap-
7 propriate, with employment services and job
8 training programs, including the One-Stop de-
9 livery system established under title I of the
10 Workforce Investment Act of 1998, encourage-
11 ment and support of regular and timely pay-
12 ment of child support in appropriate cases, and
13 other methods.

14 “(C) Improving fathers’ ability to effec-
15 tively manage family business affairs by means
16 such as education, counseling, and mentoring in
17 matters including household management,
18 budgeting, banking, and handling of financial
19 transactions, time management, and home
20 maintenance.

21 “(D) Encouraging and supporting healthy
22 marriages and married fatherhood through such
23 activities as premarital education, including the
24 use of premarital inventories, marriage prepara-
25 tion programs, skills-based marriage education

1 programs, marital therapy, couples counseling,
2 divorce education and reduction programs, di-
3 vorce mediation and counseling, relationship
4 skills enhancement programs, including those
5 designed to reduce child abuse and domestic vi-
6 olence, and dissemination of information about
7 the benefits of marriage for both parents and
8 children.

9 “(2) Through the projects and activities de-
10 scribed in paragraph (1), to improve outcomes for
11 children with respect to measures such as increased
12 family income and economic security, improved
13 school performance, better health, improved emo-
14 tional and behavioral stability and social adjustment,
15 and reduced risk of delinquency, crime, substance
16 abuse, child abuse and neglect, teen sexual activity,
17 and teen suicide.

18 “(3) To evaluate the effectiveness of various ap-
19 proaches and to disseminate findings concerning out-
20 comes and other information in order to encourage
21 and facilitate the replication of effective approaches
22 to accomplishing these objectives.

23 **“SEC. 442. DEFINITIONS.**

24 “In this part, the terms ‘Indian tribe’ and ‘tribal or-
25 ganization’ have the meanings given them in subsections

1 (e) and (l), respectively, of section 4 of the Indian Self-
2 Determination and Education Assistance Act.

3 **“SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.**

4 “(a) IN GENERAL.—The Secretary may make grants
5 for fiscal years 2003 through 2007 to public and nonprofit
6 community entities, including religious organizations, and
7 to Indian tribes and tribal organizations, for demonstra-
8 tion service projects and activities designed to test the ef-
9 fectiveness of various approaches to accomplish the objec-
10 tives specified in section 441(b)(1).

11 “(b) ELIGIBILITY CRITERIA FOR FULL SERVICE
12 GRANTS.—In order to be eligible for a grant under this
13 section, except as specified in subsection (c), an entity
14 shall submit an application to the Secretary containing the
15 following:

16 “(1) PROJECT DESCRIPTION.—A statement
17 including—

18 “(A) a description of the project and how
19 it will be carried out, including the geographical
20 area to be covered and the number and charac-
21 teristics of clients to be served, and how it will
22 address each of the 4 objectives specified in sec-
23 tion 441(b)(1); and

24 “(B) a description of the methods to be
25 used by the entity or its contractor to assess

1 the extent to which the project was successful
2 in accomplishing its specific objectives and the
3 general objectives specified in section 441(b)(1).

4 “(2) EXPERIENCE AND QUALIFICATIONS.—A
5 demonstration of ability to carry out the project, by
6 means such as demonstration of experience in suc-
7 cessfully carrying out projects of similar design and
8 scope, and such other information as the Secretary
9 may find necessary to demonstrate the entity’s ca-
10 pacity to carry out the project, including the entity’s
11 ability to provide the non-Federal share of project
12 resources.

13 “(3) ADDRESSING CHILD ABUSE AND NEGLECT
14 AND DOMESTIC VIOLENCE.—A description of how
15 the entity will assess for the presence of, and inter-
16 vene to resolve, domestic violence and child abuse
17 and neglect, including how the entity will coordinate
18 with State and local child protective service and do-
19 mestic violence programs.

20 “(4) ADDRESSING CONCERNS RELATING TO
21 SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-
22 mitment to make available to each individual partici-
23 pating in the project education about alcohol, to-
24 bacco, and other drugs, and about the health risks
25 associated with abusing such substances, and infor-

1 mation about diseases and conditions transmitted
2 through substance abuse and sexual contact, includ-
3 ing HIV/AIDS, and to coordinate with providers of
4 services addressing such problems, as appropriate.

5 “(5) COORDINATION WITH SPECIFIED PRO-
6 GRAMS.—An undertaking to coordinate, as appro-
7 priate, with State and local entities responsible for
8 the programs under parts A, B, and D of this title,
9 including programs under title I of the Workforce
10 Investment Act of 1998 (including the One-Stop de-
11 livery system), and such other programs as the Sec-
12 retary may require.

13 “(6) RECORDS, REPORTS, AND AUDITS.—An
14 agreement to maintain such records, make such re-
15 ports, and cooperate with such reviews or audits as
16 the Secretary may find necessary for purposes of
17 oversight of project activities and expenditures.

18 “(7) SELF-INITIATED EVALUATION.—If the en-
19 tity elects to contract for independent evaluation of
20 the project (part or all of the cost of which may be
21 paid for using grant funds), a commitment to sub-
22 mit to the Secretary a copy of the evaluation report
23 within 30 days after completion of the report and
24 not more than 1 year after completion of the project.

1 “(8) COOPERATION WITH SECRETARY’S OVER-
2 SIGHT AND EVALUATION.—An agreement to cooper-
3 ate with the Secretary’s evaluation of projects as-
4 sisted under this section, by means including ran-
5 dom assignment of clients to service recipient and
6 control groups, if determined by the Secretary to be
7 appropriate, and affording the Secretary access to
8 the project and to project-related records and docu-
9 ments, staff, and clients.

10 “(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE
11 GRANTS.—In order to be eligible for a grant under this
12 section in an amount under \$25,000 per fiscal year, an
13 entity shall submit an application to the Secretary con-
14 taining the following:

15 “(1) PROJECT DESCRIPTION.—A description of
16 the project and how it will be carried out, including
17 the number and characteristics of clients to be
18 served, the proposed duration of the project, and
19 how it will address at least 1 of the 4 objectives
20 specified in section 441(b)(1).

21 “(2) QUALIFICATIONS.—Such information as
22 the Secretary may require as to the capacity of the
23 entity to carry out the project, including any pre-
24 vious experience with similar activities.

1 “(3) COORDINATION WITH RELATED PRO-
2 GRAMS.—As required by the Secretary in appro-
3 priate cases, an undertaking to coordinate and co-
4 operate with State and local entities responsible for
5 specific programs relating to the objectives of the
6 project including, as appropriate, jobs programs and
7 programs serving children and families.

8 “(4) RECORDS, REPORTS, AND AUDITS.—An
9 agreement to maintain such records, make such re-
10 ports, and cooperate with such reviews or audits as
11 the Secretary may find necessary for purposes of
12 oversight of project activities and expenditures.

13 “(5) COOPERATION WITH SECRETARY’S OVER-
14 SIGHT AND EVALUATION.—An agreement to cooper-
15 ate with the Secretary’s evaluation of projects as-
16 sisted under this section, by means including afford-
17 ing the Secretary access to the project and to
18 project-related records and documents, staff, and cli-
19 ents.

20 “(d) CONSIDERATIONS IN AWARDING GRANTS.—

21 “(1) DIVERSITY OF PROJECTS.—In awarding
22 grants under this section, the Secretary shall seek to
23 achieve a balance among entities of differing sizes,
24 entities in differing geographic areas, entities in
25 urban and in rural areas, and entities employing dif-

1 fering methods of achieving the purposes of this sec-
2 tion.

3 “(2) PREFERENCE FOR PROJECTS SERVING
4 LOW-INCOME FATHERS.—In awarding grants under
5 this section, the Secretary may give preference to
6 applications for projects in which a majority of the
7 clients to be served are low-income fathers.

8 “(e) FEDERAL SHARE.—

9 “(1) IN GENERAL.—Grants for a project under
10 this section for a fiscal year shall be available for a
11 share of the cost of such project in such fiscal year
12 equal to—

13 “(A) up to 80 percent (or up to 90 per-
14 cent, if the entity demonstrates to the Sec-
15 retary’s satisfaction circumstances limiting the
16 entity’s ability to secure non-Federal resources)
17 in the case of a project under subsection (b);
18 and

19 “(B) up to 100 percent, in the case of a
20 project under subsection (c).

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

1 **“SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION**
2 **PROJECTS.**

3 “(a) IN GENERAL.—The Secretary may make grants
4 under this section for fiscal years 2003 through 2007 to
5 eligible entities (as specified in subsection (b)) for 2
6 multicity, multistate projects demonstrating approaches to
7 achieving the objectives specified in section 441(b)(1). One
8 of the projects shall test the use of married couples to
9 deliver program services.

10 “(b) ELIGIBLE ENTITIES.—An entity eligible for a
11 grant under this section must be a national nonprofit fa-
12 therhood promotion organization that meets the following
13 requirements:

14 “(1) EXPERIENCE WITH FATHERHOOD PRO-
15 GRAMS.—The organization must have substantial ex-
16 perience in designing and successfully conducting
17 programs that meet the purposes described in sec-
18 tion 441.

19 “(2) EXPERIENCE WITH MULTICITY,
20 MULTISTATE PROGRAMS AND GOVERNMENT COORDI-
21 NATION.—The organization must have experience in
22 simultaneously conducting such programs in more
23 than 1 major metropolitan area in more than 1
24 State and in coordinating such programs, where ap-
25 propriate, with State and local government agencies
26 and private, nonprofit agencies (including commu-

1 nity-based and religious organizations), including
2 State or local agencies responsible for child support
3 enforcement and workforce development.

4 “(c) APPLICATION REQUIREMENTS.—In order to be
5 eligible for a grant under this section, an entity must sub-
6 mit to the Secretary an application that includes the fol-
7 lowing:

8 “(1) QUALIFICATIONS.—

9 “(A) ELIGIBLE ENTITY.—A demonstration
10 that the entity meets the requirements of sub-
11 section (b).

12 “(B) OTHER.—Such other information as
13 the Secretary may find necessary to dem-
14 onstrate the entity’s capacity to carry out the
15 project, including the entity’s ability to provide
16 the non-Federal share of project resources.

17 “(2) PROJECT DESCRIPTION.—A description of
18 and commitments concerning the project design, in-
19 cluding the following:

20 “(A) IN GENERAL.—A detailed description
21 of the proposed project design and how it will
22 be carried out, which shall—

23 “(i) provide for the project to be con-
24 ducted in at least 3 major metropolitan
25 areas;

1 “(ii) state how it will address each of
2 the 4 objectives specified in section
3 441(b)(1);

4 “(iii) demonstrate that there is a suf-
5 ficient number of potential clients to allow
6 for the random selection of individuals to
7 participate in the project and for compari-
8 sons with appropriate control groups com-
9 posed of individuals who have not partici-
10 pated in such projects; and

11 “(iv) demonstrate that the project is
12 designed to direct a majority of project re-
13 sources to activities serving low-income fa-
14 thers (but the project need not make serv-
15 ices available on a means-tested basis).

16 “(B) OVERSIGHT, EVALUATION, AND AD-
17 JUSTMENT COMPONENT.—An agreement that
18 the entity—

19 “(i) in consultation with the evaluator
20 selected pursuant to section 445, and as
21 required by the Secretary, will modify the
22 project design, initially and (if necessary)
23 subsequently throughout the duration of
24 the project, in order to facilitate ongoing
25 and final oversight and evaluation of

1 project operation and outcomes (by means
2 including, to the maximum extent feasible,
3 random assignment of clients to service re-
4 cipient and control groups), and to provide
5 for mid-course adjustments in project de-
6 sign indicated by interim evaluations;

7 “(ii) will submit to the Secretary re-
8 vised descriptions of the project design as
9 modified in accordance with clause (i); and

10 “(iii) will cooperate fully with the Sec-
11 retary’s ongoing oversight and ongoing and
12 final evaluation of the project, by means
13 including affording the Secretary access to
14 the project and to project-related records
15 and documents, staff, and clients.

16 “(3) ADDRESSING CHILD ABUSE AND NEGLECT
17 AND DOMESTIC VIOLENCE.—A description of how
18 the entity will assess for the presence of, and inter-
19 vene to resolve, domestic violence and child abuse
20 and neglect, including how the entity will coordinate
21 with State and local child protective service and do-
22 mestic violence programs.

23 “(4) ADDRESSING CONCERNS RELATING TO
24 SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-
25 mitment to make available to each individual partici-

1 pating in the project education about alcohol, to-
2 bacco, and other drugs, and about the health risks
3 associated with abusing such substances, and infor-
4 mation about diseases and conditions transmitted
5 through substance abuse and sexual contact, includ-
6 ing HIV/AIDS, and to coordinate with providers of
7 services addressing such problems, as appropriate.

8 “(5) COORDINATION WITH SPECIFIED PRO-
9 GRAMS.—An undertaking to coordinate, as appro-
10 pate, with State and local entities responsible for
11 the programs funded under parts A, B, and D of
12 this title, programs under title I of the Workforce
13 Investment Act of 1998 (including the One-Stop de-
14 livery system), and such other programs as the Sec-
15 retary may require.

16 “(6) RECORDS, REPORTS, AND AUDITS.—An
17 agreement to maintain such records, make such re-
18 ports, and cooperate with such reviews or audits (in
19 addition to those required under the preceding provi-
20 sions of paragraph (2)) as the Secretary may find
21 necessary for purposes of oversight of project activi-
22 ties and expenditures.

23 “(d) FEDERAL SHARE.—

24 “(1) IN GENERAL.—Grants for a project under
25 this section for a fiscal year shall be available for up

1 to 80 percent of the cost of such project in such fis-
2 cal year.

3 “(2) NON-FEDERAL SHARE.—The non-Federal
4 share may be in cash or in kind. In determining the
5 amount of the non-Federal share, the Secretary may
6 attribute fair market value to goods, services, and
7 facilities contributed from non-Federal sources.

8 **“SEC. 445. EVALUATION.**

9 “(a) IN GENERAL.—The Secretary, directly or by
10 contract or cooperative agreement, shall evaluate the effec-
11 tiveness of service projects funded under sections 443 and
12 444 from the standpoint of the purposes specified in sec-
13 tion 441(b)(1).

14 “(b) EVALUATION METHODOLOGY.—Evaluations
15 under this section shall—

16 “(1) include, to the maximum extent feasible,
17 random assignment of clients to service delivery and
18 control groups and other appropriate comparisons of
19 groups of individuals receiving and not receiving
20 services;

21 “(2) describe and measure the effectiveness of
22 the projects in achieving their specific project goals;
23 and

24 “(3) describe and assess, as appropriate, the
25 impact of such projects on marriage, parenting, do-

1 mestic violence, child abuse and neglect, money man-
2 agement, employment and earnings, payment of
3 child support, and child well-being, health, and edu-
4 cation.

5 “(c) EVALUATION REPORTS.—The Secretary shall
6 publish the following reports on the results of the evalua-
7 tion:

8 “(1) An implementation evaluation report cov-
9 ering the first 24 months of the activities under this
10 part to be completed by 36 months after initiation
11 of such activities.

12 “(2) A final report on the evaluation to be com-
13 pleted by September 30, 2010.

14 **“SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**

15 “The Secretary is authorized, by grant, contract, or
16 cooperative agreement, to carry out projects and activities
17 of national significance relating to fatherhood promotion,
18 including—

19 “(1) COLLECTION AND DISSEMINATION OF IN-
20 FORMATION.—Assisting States, communities, and
21 private entities, including religious organizations, in
22 efforts to promote and support marriage and respon-
23 sible fatherhood by collecting, evaluating, developing,
24 and making available (through the Internet and by
25 other means) to all interested parties information re-

1 garding approaches to accomplishing the objectives
2 specified in section 441(b)(1).

3 “(2) MEDIA CAMPAIGN.—Developing, pro-
4 moting, and distributing to interested States, local
5 governments, public agencies, and private nonprofit
6 organizations, including charitable and religious or-
7 ganizations, a media campaign that promotes and
8 encourages involved, committed, and responsible fa-
9 therhood and married fatherhood.

10 “(3) TECHNICAL ASSISTANCE.—Providing tech-
11 nical assistance, including consultation and training,
12 to public and private entities, including community
13 organizations and faith-based organizations, in the
14 implementation of local fatherhood promotion pro-
15 grams.

16 “(4) RESEARCH.—Conducting research related
17 to the purposes of this part.

18 **“SEC. 447. NONDISCRIMINATION.**

19 “The projects and activities assisted under this part
20 shall be available on the same basis to all fathers and ex-
21 pectant fathers able to benefit from such projects and ac-
22 tivities, including married and unmarried fathers and cus-
23 todial and noncustodial fathers, with particular attention
24 to low-income fathers, and to mothers and expectant
25 mothers on the same basis as to fathers.

1 **“SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RES-**
 2 **ERVATION FOR CERTAIN PURPOSE.**

3 “(a) AUTHORIZATION.—There are authorized to be
 4 appropriated \$20,000,000 for each of fiscal years 2003
 5 through 2007 to carry out the provisions of this part.

6 “(b) RESERVATION.—Of the amount appropriated
 7 under this section for each fiscal year, not more than 15
 8 percent shall be available for the costs of the multicity,
 9 multistate demonstration projects under section 444, eval-
 10 uations under section 445, and projects of national signifi-
 11 cance under section 446.”

12 **TITLE II—CHILD CARE**

13 **SEC. 201. ENTITLEMENT FUNDING.**

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

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

18 **TITLE III—CHILD SUPPORT**

19 **SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS**
 20 **THROUGH OF CHILD SUPPORT PAYMENTS TO**
 21 **FAMILIES RECEIVING TANF.**

22 (a) IN GENERAL.—Section 457(a) (42 U.S.C.
 23 657(a)) is amended—

24 (1) in paragraph (1)(A), by inserting “subject
 25 to paragraph (7)” before the semicolon; and

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

1 “(7) FEDERAL MATCHING FUNDS FOR LIMITED
2 PASS THROUGH OF CHILD SUPPORT PAYMENTS TO
3 FAMILIES RECEIVING TANF.—Notwithstanding para-
4 graph (1), a State shall not be required to pay to
5 the Federal Government the Federal share of an
6 amount collected during a month on behalf of a fam-
7 ily that is a recipient of assistance under the State
8 program funded under part A, to the extent that—

9 “(A) the State distributes the amount to
10 the family;

11 “(B) the total of the amounts so distrib-
12 uted to the family during the month—

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

17 “(ii) does not exceed the greater of—

18 “(I) \$100; or

19 “(II) \$50 plus the amount de-
20 scribed in clause (i); and

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

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to amounts distributed on or
3 after October 1, 2004.

4 **SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD**
5 **SUPPORT PAYMENTS TO FAMILIES THAT**
6 **FORMERLY RECEIVED TANF.**

7 (a) IN GENERAL.—Section 457(a) (42 U.S.C.
8 657(a)), as amended by section 301 of this Act, is
9 amended—

10 (1) in paragraph (2)(B), in the matter pre-
11 ceding clause (i), by inserting “, except as provided
12 in paragraph (8),” after “shall”; and

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

14 “(8) STATE OPTION TO PASS THROUGH ALL
15 CHILD SUPPORT PAYMENTS TO FAMILIES THAT FOR-
16 MERLY RECEIVED TANF.—In lieu of applying para-
17 graph (2) to any family described in paragraph (2),
18 a State may distribute to the family all of any
19 amount so collected during a month on behalf of the
20 family.”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall apply to amounts distributed on or
23 after October 1, 2004.

1 **SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF**
2 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**
3 **CEIVING TANF.**

4 (a) IN GENERAL.—Section 466(a)(10)(A)(i) (42
5 U.S.C. 666(a)(10)(A)(i)) is amended—

6 (1) by striking “parent, or,” and inserting
7 “parent or”; and

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

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall take effect on October 1, 2004.

12 **SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**
13 **PORT COLLECTION FOR FAMILY THAT HAS**
14 **NEVER RECEIVED TANF.**

15 (a) IN GENERAL.—Section 454(6)(B) (42 U.S.C.
16 654(6)(B)) is amended—

17 (1) by inserting “(i) except as provided in
18 clause (ii),” after “(B)”;

19 (2) by redesignating clauses (i) and (ii) as sub-
20 clauses (I) and (II), respectively; and

21 (3) by adding at the end the following new
22 clause:

23 “(ii) in the case of an individual who has never
24 received assistance under a State program funded
25 under part A, the State shall impose an annual fee
26 of \$25 for furnishing the services, which shall be

1 paid by the individual applying for the services, or
2 recovered from the absent parent, or paid by the
3 State out of its own funds (the payment of which
4 from State funds shall not be considered as an ad-
5 ministrative cost of the State for the operation of
6 the plan, and shall be considered income to the pro-
7 gram);”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall take effect on October 1, 2003.

10 **SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT**
11 **PAYMENTS.**

12 Not later than 6 months after the date of the enact-
13 ment of this Act, the Secretary of Health and Human
14 Services shall submit to the Committee on Ways and
15 Means of the House of Representatives and the Committee
16 on Finance of the Senate a report on the procedures that
17 the States use generally to locate custodial parents for
18 whom child support has been collected but not yet distrib-
19 uted due to a change in address. The report shall include
20 an estimate of the total amount of such undistributed
21 child support and the average length of time it takes for
22 such child support to be distributed. The Secretary shall
23 include in the report recommendations as to whether addi-
24 tional procedures should be established at the State or

1 Federal level to expedite the payment of undistributed
2 child support.

3 **SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN**
4 **ADMINISTRATION OF UNEMPLOYMENT COM-**
5 **PENSATION PROGRAMS.**

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

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

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

23 “(B) CONDITION ON DISCLOSURE.—The
24 Secretary shall make a disclosure under sub-
25 paragraph (A) only to the extent that the Sec-

1 retary determines that the disclosure would not
2 interfere with the effective operation of the pro-
3 gram under this part.

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

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall take effect on October 1, 2003.

10 **SEC. 307. IMMIGRATION PROVISIONS.**

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

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

18 “(F) NONPAYMENT OF CHILD SUPPORT.—

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

1 \$2,500, until child support payments
2 under the judgment, decree, or order are
3 satisfied or the nonimmigrant alien is in
4 compliance with an approved payment
5 agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 “(m) If the Secretary receives a certification by a
12 State agency, in accordance with section 454(34), that an
13 individual who is a nonimmigrant alien (as defined in sec-
14 tion 101(a)(15) of the Immigration and Nationality Act)
15 owes arrearages of child support in an amount exceeding
16 \$2,500, the Secretary may, at the request of the State
17 agency, the Secretary of State, or the Attorney General,
18 or on the Secretary’s own initiative, provide such certifi-
19 cation to the Secretary of State and the Attorney General
20 information in order to enable them to carry out their re-
21 sponsibilities under sections 212(a)(10) and 235(d) of
22 such Act.”.

23 (2) STATE AGENCY RESPONSIBILITY.—Section
24 454 (42 U.S.C. 654) is amended—

1 (A) by striking “and” at the end of para-
2 graph (32);

3 (B) by striking the period at the end of
4 paragraph (33) and inserting “; and”; and

5 (C) by inserting after paragraph (33) the
6 following:

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

13 (3) EFFECTIVE DATE.—

14 (A) IN GENERAL.—The amendments made
15 by this subsection shall take effect on October
16 1, 2004, and, except as provided in subpara-
17 graph (B) of this paragraph, the amendments
18 made by paragraph (2) shall apply to payments
19 under part D of title IV of the Social Security
20 Act for calendar quarters beginning on or after
21 such date.

22 (B) DELAY PERMITTED IF STATE LEGISLA-
23 TION REQUIRED.—In the case of a State plan
24 approved under section 454 of the Social Secu-
25 rity Act which the Secretary of Health and

1 Human Services determines requires State leg-
2 islation (other than legislation appropriating
3 funds) in order for the plan to meet the addi-
4 tional requirement imposed by the amendments
5 made by paragraph (2) of this subsection, the
6 State plan shall not be regarded as failing to
7 comply with the requirements of such section
8 454 solely on the basis of the failure of the plan
9 to meet such additional requirement before the
10 1st day of the 1st calendar quarter beginning
11 after the close of the 1st regular session of the
12 State legislature that begins after the date of
13 the enactment of this Act. For purposes of the
14 preceding sentence, in the case of a State that
15 has a 2-year legislative session, each year of
16 such session shall be deemed to be a separate
17 regular session of the State legislature.

18 **SEC. 308. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**

19 **REARAGE TRIGGERING PASSPORT DENIAL.**

20 (a) IN GENERAL.—Section 452(k) (42 U.S.C.
21 652(k)) is amended by striking “\$5,000” and inserting
22 “\$2,500”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect on October 1, 2003.

1 **SEC. 309. USE OF TAX REFUND INTERCEPT PROGRAM TO**
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

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

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

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as pro-
12 vided in paragraph (2), as used in” and in-
13 serting “In”; and

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

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

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

20 **SEC. 310. GARNISHMENT OF COMPENSATION PAID TO VET-**
21 **ERANS FOR SERVICE-CONNECTED DISABIL-**
22 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
23 **PORT OBLIGATIONS.**

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

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

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

5 “(3) LIMITATIONS WITH RESPECT TO COM-
6 PENSATION PAID TO VETERANS FOR SERVICE-CON-
7 NECTED DISABILITIES.—Notwithstanding any other
8 provision of this section:

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

12 “(i) for payment of alimony; or

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

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

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

22 **SEC. 311. IMPROVING FEDERAL DEBT COLLECTION PRAC-**
23 **TICES.**

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

1 “(3) In applying this subsection with respect to
2 any debt owed to a State, other than past due sup-
3 port being enforced by the State, subsection
4 (c)(3)(A) shall not apply.”.

5 **SEC. 312. MAINTENANCE OF TECHNICAL ASSISTANCE**
6 **FUNDING.**

7 Section 452(j) (42 U.S.C. 652(j)) is amended by in-
8 serting “, or the amount appropriated under this para-
9 graph for fiscal year 2002, whichever is greater,” before
10 “which shall be available”.

11 **SEC. 313. MAINTENANCE OF FEDERAL PARENT LOCATOR**
12 **SERVICE FUNDING.**

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

14 (1) in the 1st sentence, by inserting “, or the
15 amount appropriated under this paragraph for fiscal
16 year 2002, whichever is greater,” before “which
17 shall be available”; and

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

20 **TITLE IV—CHILD WELFARE**

21 **SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-**
22 **ONSTRATION PROJECTS.**

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

1 **SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF**
2 **WAIVERS.**

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

5 **SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF**
6 **STATES THAT MAY BE GRANTED WAIVERS TO**
7 **CONDUCT DEMONSTRATION PROJECTS ON**
8 **SAME TOPIC.**

9 Section 1130 (42 U.S.C. 1320a-9) is amended by
10 adding at the end the following:

11 “(h) NO LIMIT ON NUMBER OF STATES THAT MAY
12 BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR
13 DEMONSTRATION PROJECTS.—The Secretary shall not
14 refuse to grant a waiver to a State under this section on
15 the grounds that a purpose of the waiver or of the dem-
16 onstration project for which the waiver is necessary would
17 be the same as or similar to a purpose of another waiver
18 or project that is or may be conducted under this sec-
19 tion.”.

20 **SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF**
21 **WAIVERS THAT MAY BE GRANTED TO A SIN-**
22 **GLE STATE FOR DEMONSTRATION PROJECTS.**

23 Section 1130 (42 U.S.C. 1320a-9) is further amend-
24 ed by adding at the end the following:

25 “(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED
26 TO, OR DEMONSTRATION PROJECTS THAT MAY BE CON-

1 DUCTED BY, A SINGLE STATE.—The Secretary shall not
2 impose any limit on the number of waivers that may be
3 granted to a State, or the number of demonstration
4 projects that a State may be authorized to conduct, under
5 this section.”.

6 **SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF**
7 **AMENDMENTS TO AND EXTENSIONS OF DEM-**
8 **ONSTRATION PROJECTS REQUIRING WAIV-**
9 **ERS.**

10 Section 1130 (42 U.S.C. 1320a–9) is further amend-
11 ed by adding at the end the following:

12 “(j) STREAMLINED PROCESS FOR CONSIDERATION
13 OF AMENDMENTS AND EXTENSIONS.—The Secretary
14 shall develop a streamlined process for consideration of
15 amendments and extensions proposed by States to dem-
16 onstration projects conducted under this section.”.

17 **SEC. 406. AVAILABILITY OF REPORTS.**

18 Section 1130 (42 U.S.C. 1320a–9) is further amend-
19 ed by adding at the end the following:

20 “(k) AVAILABILITY OF REPORTS.—The Secretary
21 shall make available to any State or other interested party
22 any report provided to the Secretary under subsection
23 (f)(2), and any evaluation or report made by the Secretary
24 with respect to a demonstration project conducted under

1 this section, with a focus on information that may promote
 2 best practices and program improvements.”.

3 **SEC. 407. TECHNICAL CORRECTION.**

4 Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is
 5 amended by striking “422(b)(9)” and inserting
 6 “422(b)(10)”.

7 **TITLE V—SUPPLEMENTAL**
 8 **SECURITY INCOME**

9 **SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**
 10 **ABILITY DETERMINATIONS.**

11 Section 1633 (42 U.S.C. 1383b) is amended by add-
 12 ing at the end the following:

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

21 “(2)(A) In carrying out paragraph (1), the Commis-
 22 sioner of Social Security shall review—

23 “(i) at least 15 percent of all determinations re-
 24 ferred to in paragraph (1) that are made in fiscal
 25 year 2003;

1 “(ii) at least 30 percent of all such determina-
2 tions that are made in fiscal year 2004; and

3 “(iii) at least 50 percent of all such determina-
4 tions that are made in fiscal year 2005 or thereafter.

5 “(B) In carrying out subparagraph (A), the Commis-
6 sioner of Social Security shall, to the extent feasible, select
7 for review the determinations which the Commissioner of
8 Social Security identifies as being the most likely to be
9 incorrect.”.

10 **TITLE VI—BROADENED WAIVER** 11 **AUTHORITY**

12 **SEC. 601. STATE PROGRAM DEMONSTRATION PROJECTS.**

13 (a) **PURPOSE.**—The purpose of this section is to en-
14 able States to conduct demonstration projects involving in-
15 dividual programs, or integrating multiple public assist-
16 ance, employment security, and other programs, for the
17 purpose of supporting working families, helping families
18 escape welfare dependency, or helping parents build
19 stronger families, using innovative approaches to strength-
20 en service systems and provide more coordinated and ef-
21 fective service delivery.

22 (b) **DEFINITIONS.**—In this section:

23 (1) **ADMINISTERING SECRETARY.**—The term
24 “administering Secretary” means, with respect to a

1 program administered by a qualified agency, the
2 head of the agency.

3 (2) QUALIFIED AGENCY.—The term “qualified
4 agency” means—

5 (A) the Department of Health and Human
6 Services; or

7 (B) the Department of Labor.

8 (c) APPLICATION REQUIREMENTS.—A State desiring
9 to conduct a demonstration project under this section in-
10 volving 1 or more programs administered by 1 or more
11 qualified agencies shall submit to the administering Sec-
12 retary of each such program an application that contains
13 the following:

14 (1) PROGRAMS INCLUDED.—A statement identi-
15 fying each program to be included in the project,
16 and describing how the purposes of each such pro-
17 gram will be achieved by the project.

18 (2) POPULATION SERVED.—A statement identi-
19 fying the population to be served by the project and
20 specifying the eligibility criteria to be used.

21 (3) DESCRIPTION AND JUSTIFICATION.—A de-
22 tailed description of the proposed project,
23 including—

24 (A) a description of how the project is ex-
25 pected to improve or enhance achievement of

1 the purposes of the program or programs in-
2 volved, from the standpoint of quality, of cost-
3 effectiveness, or of both; and

4 (B) a description of the performance objec-
5 tives for the project, including any proposed
6 modifications to the performance measures and
7 reporting requirements used in the program or
8 programs involved.

9 (4) WAIVERS REQUESTED.—A description of
10 the waivers requested of statutory and regulatory re-
11 quirements under the program or programs involved,
12 and a justification of the need for each waiver.

13 (5) COST NEUTRALITY.—Such information and
14 assurances as necessary to establish to the satisfac-
15 tion of each concerned administering Secretary that
16 the proposed project is reasonably expected to meet
17 the requirements of subsection (d)(3).

18 (6) EVALUATION AND REPORTS.—An assurance
19 that the State will conduct ongoing and final evalua-
20 tions of the project, and make interim and final re-
21 ports to each concerned administering Secretary, at
22 such times and in such manner as each such Sec-
23 retary may require.

1 (7) OTHER INFORMATION AND ASSURANCES.—
2 Such other information and assurances as each con-
3 cerned administering Secretary may require.

4 (d) APPROVAL OF STATE APPLICATIONS.—

5 (1) IN GENERAL.—The administering Secretary
6 with respect to a program that is identified in an ap-
7 plication submitted pursuant to subsection (c) and
8 that is proposed to be included in a demonstration
9 project to be conducted under this section may ap-
10 prove the project and waive any requirement applica-
11 ble to the program, to the extent consistent with this
12 section and necessary and appropriate for the con-
13 duct of the project, if the Secretary determines that
14 the project proposed in the application—

15 (A) has a reasonable likelihood of achieving
16 the objectives of the program or programs in-
17 volved; and

18 (B) may reasonably be expected to meet
19 the cost neutrality requirements of paragraph
20 (3).

21 (2) AGREEMENT OF EACH ADMINISTERING SEC-
22 RETARY REQUIRED FOR PROPOSALS INVOLVING
23 MORE THAN 1 QUALIFIED AGENCY.—

24 (A) IN GENERAL.—A State may not con-
25 duct a demonstration project under this section

1 unless each administering Secretary with re-
2 spect to any program proposed to be included
3 in the project has approved the application to
4 conduct the project.

5 (B) AGREEMENT WITH RESPECT TO FUND-
6 ING AND IMPLEMENTATION.—Before approving
7 a State proposal under this section, each ad-
8 ministering Secretary shall have in place an
9 agreement with respect to the payment of funds
10 and responsibilities required of the Secretary
11 with respect to the project.

12 (C) 90-DAY APPROVAL DEADLINE.—An ap-
13 plication to conduct a demonstration project
14 under this section is considered approved for
15 purposes of this section unless, within 90 days
16 after an administering Secretary with respect to
17 a program proposed to be included in the
18 project has received the application, the admin-
19 istering Secretary, in writing, notifies the State
20 that submitted the application that the applica-
21 tion is disapproved (and the reasons for dis-
22 approval) or that specified additional informa-
23 tion is needed.

24 (3) COST-NEUTRALITY REQUIREMENTS.—

1 (A) LIMIT ON TOTAL COSTS.—An applica-
2 tion to conduct a demonstration project under
3 this section shall not be approved unless it can
4 reasonably be expected that, for each fiscal year
5 in which the project is in effect, the total costs
6 of the project will not exceed the estimated
7 combined total Federal cost for the fiscal year
8 of the program or programs included in the
9 project if the program or programs had not
10 been included in the project.

11 (B) LIMIT ON FEDERAL PAYMENTS.—The
12 total amount of payments that may be made to
13 a State for a fiscal year with respect to a dem-
14 onstration project conducted under this section
15 that includes 1 or more programs in the juris-
16 diction of an administering Secretary shall not
17 exceed the estimated amount of the payments
18 that the Secretary would have made to the
19 State with respect to the program or programs
20 if not included in the project.

21 (4) PROGRAM EXCLUDED.—Notwithstanding
22 any other provision of this section, the program of
23 grants to States for medical assistance under title
24 XIX of the Social Security Act may not be included
25 in a demonstration project under this section.

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

5 (f) REPORTS TO CONGRESS.—Each administering
6 Secretary shall provide annually to the Congress a report
7 concerning demonstration projects approved under this
8 section, including—

9 (1) the projects approved for each participating
10 State;

11 (2) the number of waivers granted under this
12 section, and the specific statutory provisions waived;
13 and

14 (3) recommendations for modification of pro-
15 grams based on outcomes of the projects.

16 **TITLE VII—EFFECTIVE DATE**

17 **SEC. 701. EFFECTIVE DATE.**

18 (a) IN GENERAL.—Except as otherwise provided, the
19 amendments made by this Act shall take effect on October
20 1, 2002.

21 (b) EXTENSION OF EFFECTIVE DATE FOR STATE
22 LAW AMENDMENT.—In the case of a State plan under
23 this part which the Secretary determines requires State
24 legislation in order for the plan to meet the additional re-
25 quirements imposed by the amendments made by this Act,

1 the effective date of the amendments shall be 3 months
2 after the first day of the first calendar quarter beginning
3 after the close of the first regular session of the State leg-
4 islature that begins after the date of the enactment of this
5 Act. For purposes of the preceding sentence, in the case
6 of a State that has a 2-year legislative session, each year
7 of the session shall be considered to be a separate regular
8 session of the State legislature.

○