

108TH CONGRESS
1ST SESSION

S. 448

To leave no child behind.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 2003

Mr. DODD (for himself, Mr. KENNEDY, and Mr. DAYTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To leave no child behind.

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 “Leave No Child Behind
5 Act of 2003”.

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

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

TITLE I—HEALTHY START—CHILDREN’S HEALTH INSURANCE

Subtitle A—Children’s Health Insurance

- Sec. 1001. Medikids health insurance.
- Sec. 1002. Benefits for all children born after 2002.
- Sec. 1003. Medikids premium.
- Sec. 1004. Refundable credit for cost-sharing expenses under Medikids program.
- Sec. 1005. Report on long-term revenues.

Subtitle B—Children’s Health Insurance Eligibility Expansion and Enrollment Improvements

CHAPTER 1—ELIGIBILITY EXPANSIONS

SUBCHAPTER A—MEDICAID AND SCHIP

- Sec. 1101. Expansion of children’s eligibility for medicaid and SCHIP.
 Sec. 1102. Optional coverage of legal immigrants under the medicaid program and title XXI.

SUBCHAPTER B—FAMILY OPPORTUNITY ACT

- Sec. 1111. Short title; amendments to Social Security Act.
 Sec. 1112. Opportunity for families of disabled children to purchase medicaid coverage for such children.
 Sec. 1113. Treatment of inpatient psychiatric hospital services for individuals under age 21 in home or community-based services waivers.
 Sec. 1114. Demonstration of coverage under the medicaid program of children with potentially severe disabilities.
 Sec. 1115. Development and support of family-to-family health information centers.
 Sec. 1116. Restoration of medicaid eligibility for certain SSI beneficiaries.

CHAPTER 2—ENROLLMENT IMPROVEMENTS

- Sec. 1121. Application of simplified title XXI procedures under the medicaid program.
 Sec. 1122. Automatic enrollment of children born to title XXI parents.

CHAPTER 3—EFFECTIVE DATE

- Sec. 1131. Effective date.

Subtitle C—Improving Access to Care

CHAPTER 1—COMMISSION

- Sec. 1201. Commission on Children’s Access To Care.

CHAPTER 2—CHILDREN’S HEALTH INSURANCE ACCOUNTABILITY

- Sec. 1211. Short title.
 Sec. 1212. Findings.
 Sec. 1213. Amendments to the Public Health Service Act.
 Sec. 1214. Amendments to the employee retirement income security act of 1974.
 Sec. 1215. Studies.
 Sec. 1216. Effective dates.

CHAPTER 3—EPSDT

- Sec. 1221. Collection of data regarding the delivery of EPSDT services.

Subtitle D—Reducing Public Health Risks

CHAPTER 1—ASTHMA TREATMENTS

- Sec. 1301. Findings.

- Sec. 1302. Asthma, vision, and hearing screening for Early Head Start and Head Start Programs.
- Sec. 1303. Asthma, vision, and hearing screening and treatment for children enrolled in public schools.
- Sec. 1304. General effective date.

CHAPTER 2—INCREASE IN FUNDING FOR HUD PROGRAMS

- Sec. 1311. Lead-based paint hazard control grants.
- Sec. 1312. Healthy homes initiative program.

CHAPTER 3—YOUTH SMOKING CESSATION AND EDUCATION

- Sec. 1321. Short title.

SUBCHAPTER A—PROTECTION OF CHILDREN FROM TOBACCO

PART I—FOOD AND DRUG ADMINISTRATION JURISDICTION AND GENERAL AUTHORITY

- Sec. 1331. Reference.
- Sec. 1332. Statement of general authority.
- Sec. 1333. Nonapplicability to other drugs or devices.
- Sec. 1334. Conforming amendments to confirm jurisdiction.
- Sec. 1335. General rule.
- Sec. 1336. Safety and efficacy standard and recall authority.

PART II—REGULATION OF TOBACCO PRODUCTS

- Sec. 1341. Performance standards.
- Sec. 1342. Application of Federal Food, Drug, and Cosmetic Act to tobacco products.
- Sec. 1343. Funding.
- Sec. 1344. Repeals.

SUBCHAPTER B—MISCELLANEOUS PROVISIONS

- Sec. 1351. Nonapplication to tobacco producers.
- Sec. 1352. Equal treatment of retail outlets.

CHAPTER 4—COVERAGE OF CHILDHOOD IMMUNIZATIONS

- Sec. 1361. Short title.
- Sec. 1362. Amendments to the Employee Retirement Income Security Act of 1974.
- Sec. 1363. Amendments to the Public Health Service Act.
- Sec. 1364. Amendments to the Internal Revenue Code of 1986.
- Sec. 1365. Effective dates.

Subtitle E—Reducing Environmental Health Risks

CHAPTER 1—ENVIRONMENTAL PROTECTION OF CHILDREN

- Sec. 1401. Short title.
- Sec. 1402. Environmental protection for children and other vulnerable sub-populations.
- Sec. 1403. Conforming amendment.
- Sec. 1413. Conforming amendment.
- Sec. 1414. Effective date.

TITLE II—HEALTHY START—SUPPORT FOR HEALTHY
DEVELOPMENT

Subtitle A—Promotion of State and Local Support

Sec. 2001. State and local parenting support and education grant program.

Subtitle B—Family and Medical Leave Expansion

Sec. 2101. Short title.

Sec. 2102. Findings.

CHAPTER 1—FAMILY INCOME TO RESPOND TO SIGNIFICANT TRANSITIONS

Sec. 2111. Short title.

Sec. 2112. Purposes.

Sec. 2113. Definitions.

Sec. 2114. Demonstration projects.

Sec. 2115. Notification.

Sec. 2116. Evaluations and reports.

Sec. 2117. Authorization of appropriations.

Sec. 2118. Technical and conforming amendments.

CHAPTER 2—FAMILY FRIENDLY WORKPLACES

Sec. 2121. Short title.

Sec. 2122. Coverage of employees.

CHAPTER 3—EMPLOYMENT PROTECTION FOR BATTERED WOMEN

Sec. 2131. Entitlement to leave for addressing domestic violence for non-Federal employees.

Sec. 2132. Entitlement to leave for addressing domestic violence for Federal employees.

Sec. 2133. Existing leave usable for domestic violence.

CHAPTER 4—FEDERAL EMPLOYEES PAID PARENTAL LEAVE

Sec. 2141. Short title.

Sec. 2142. Demonstration project.

Sec. 2143. Technical and conforming amendments.

Sec. 2144. Effective date.

CHAPTER 5—TIME FOR SCHOOLS

Sec. 2151. Short title.

Sec. 2152. General requirements for leave.

Sec. 2153. School involvement leave for civil service employees.

Sec. 2154. Effective date.

Subtitle C—Health Care for the Uninsured

Sec. 2201. Familycare coverage of parents under the medicaid program and title XXI.

Subtitle D—Awareness of Environmental Risks to Children

Sec. 2301. Short title.

Sec. 2302. Finding.

CHAPTER 1—CHILDREN'S ENVIRONMENTAL PROTECTION

SUBCHAPTER A—DISCLOSURE OF INDUSTRIAL RELEASES THAT PRESENT A
SIGNIFICANT RISK TO CHILDREN

Sec. 2311. Reporting requirements.

SUBCHAPTER B—DISCLOSURE OF HIGH HEALTH RISK CHEMICALS IN
CHILDREN'S CONSUMER PRODUCTS

Sec. 2321. List of toxic chemicals.

Sec. 2322. Reporting of toxic chemicals in consumer products.

Sec. 2323. Exemptions.

Sec. 2324. Private citizen enforcement.

CHAPTER 2—PUBLIC RIGHT TO KNOW ABOUT TOXIC CHEMICAL USE

Sec. 2331. Disclosure of toxic chemical use by comparable facilities.

Sec. 2332. Disclosure of toxic chemical use.

Sec. 2333. Streamlined data collection and dissemination.

Sec. 2334. Trade secret protection.

Subtitle E—Promoting Responsible Fatherhood

CHAPTER 1—BLOCK GRANTS

Sec. 2401. Block grants to States to encourage media campaigns.

Sec. 2402. Responsible fatherhood block grant.

CHAPTER 2—NATIONAL CLEARINGHOUSE

Sec. 2411. National clearinghouse for responsible fatherhood programs.

TITLE III—HEAD START AND CHILD CARE

Subtitle A—Infants and Toddlers

Sec. 3001. Reservation of Head Start Act funds for infants and toddlers.

Sec. 3002. Reservation of child care and development block grant funds for infants and toddlers.

Subtitle B—Child Care Access

CHAPTER 1—IMPROVING ACCESS TO CHILD CARE

Sec. 3011. Incentive grants to States.

Sec. 3012. Payment rates.

CHAPTER 2—IMPROVEMENTS IN ACCESS TO CHILD CARE

Sec. 3111. Goals.

Sec. 3112. Authorization of appropriations.

Sec. 3113. State plan requirements.

Sec. 3114. Funds for indian tribes.

Sec. 3115. Definitions.

Subtitle C—Child Care Quality Improvement

CHAPTER 1—FOCUS ON COMMITTED AND UNDERPAID STAFF FOR
CHILDREN'S SAKE

- Sec. 3201. Short title.
- Sec. 3202. Findings and purpose.
- Sec. 3203. Definitions.
- Sec. 3204. Funds for child care provider development and retention grants and for child care provider scholarships.
- Sec. 3205. Allotments to States.
- Sec. 3206. Application and plan.
- Sec. 3207. Child care provider development and retention grant program.
- Sec. 3208. Child care provider scholarship program.
- Sec. 3209. Annual report.
- Sec. 3210. Authorization of appropriations.

CHAPTER 2—STRENGTHENING QUALITY THROUGH THE CHILD CARE AND
DEVELOPMENT BLOCK GRANT

- Sec. 3231. State plan.
- Sec. 3232. Child care quality improvements.
- Sec. 3233. Administration and enforcement.

CHAPTER 3—CHILD CARE CENTERS IN FEDERAL FACILITIES

- Sec. 3241. Short title.
- Sec. 3242. Definitions.
- Sec. 3243. Providing quality child care in Federal facilities.
- Sec. 3244. Federal child care evaluation.
- Sec. 3245. Child care services for Federal employees.
- Sec. 3246. Miscellaneous provisions relating to child care provided by Federal agencies.

CHAPTER 4—EARLY LEARNING

- Sec. 3251. Amendments to the Early Learning Opportunities Act.

CHAPTER 5—CHILD CARE FACILITIES FINANCING

- Sec. 3261. Short title.
- Sec. 3262. Technical and financial assistance grants.

Subtitle D—Head Start Access and Improvement

- Sec. 3301. Authorization of appropriations.

Subtitle E—Education Improvements

CHAPTER 1—INCREASING ACCESS TO QUALITY PREKINDERGARTEN
PROGRAMS

- Sec. 3401. Prekindergarten programs.

CHAPTER 2—INCREASING THE AVAILABILITY OF BOOKS

- Sec. 3411. Short title.
- Sec. 3412. Findings.
- Sec. 3413. Definitions.
- Sec. 3414. Grants to State agencies.
- Sec. 3415. Contracts to child care resource and referral agencies.
- Sec. 3416. Use of funds.
- Sec. 3417. Report to Congress.
- Sec. 3418. Special postage stamps for child literacy.

Sec. 3419. Authorization of appropriations.

CHAPTER 3—QUALITY TEACHING AND LEADERSHIP

SUBCHAPTER A—AMENDMENT TO TITLE II OF THE ELEMENTARY AND
SECONDARY EDUCATION ACT OF 1965

Sec. 3421. Amendments to title II.

SUBCHAPTER B—NATIONAL BOARD CERTIFICATION PROGRAM

Sec. 3431. Purpose.

Sec. 3432. Grants to expand participation in the national board certification program.

SUBCHAPTER C—STUDENT LOAN FORGIVENESS FOR TEACHERS

Sec. 3441. Student loan forgiveness for teachers.

CHAPTER 4—SCHOOL CONSTRUCTION

SUBCHAPTER A—SCHOOL MODERNIZATION BONDS

Sec. 3451. Short title.

Sec. 3452. Expansion of incentives for public schools.

Sec. 3453. Application of certain labor standards on construction projects financed under public school modernization program.

SUBCHAPTER B—SCHOOLS AS CENTERS OF THE COMMUNITY

Sec. 3461. Findings.

Sec. 3462. Purpose.

Sec. 3463. Program authorized.

Sec. 3464. Use of funds.

Sec. 3465. Applications.

Sec. 3466. Authorization of appropriations.

CHAPTER 5—CHILD OPPORTUNITY ZONE FAMILY CENTERS

Sec. 3471. Child opportunity zone family centers.

TITLE IV—FAIR START—LIFTING CHILDREN OUT OF POVERTY

Subtitle A—Expanding the Child Tax Credit

Sec. 4001. Expansion of child tax credit; credit made partially refundable.

Subtitle B—Strengthening the Earned Income Tax Credit

Sec. 4101. Short title.

Sec. 4102. Increased earned income tax credit for 2 or more qualifying children.

Sec. 4103. Simplification of definition of earned income.

Sec. 4104. Simplification of definition of child dependent.

Sec. 4105. Modification of joint return requirement for earned income tax credit.

Subtitle C—Expanding the Dependent Care Tax Credit

Sec. 4201. Dependent care tax credit.

TITLE V—FAIR START—SUPPORT TO PROMOTE WORK AND
REDUCE POVERTY

Subtitle A—Gateways Grant Program

Sec. 5001. Gateways grant program.

Subtitle B—Support From Both Parents

CHAPTER 1—CHILD SUPPORT DISTRIBUTION

Sec. 5101. Short title.

SUBCHAPTER A—DISTRIBUTION OF CHILD SUPPORT

Sec. 5111. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

SUBCHAPTER B—REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS

Sec. 5116. Mandatory review and modification of child support orders for TANF recipients.

SUBCHAPTER C—DEMONSTRATIONS OF EXPANDED INFORMATION AND
ENFORCEMENT

Sec. 5121. Guidelines for involvement of public non-IV-D child support enforcement agencies in child support enforcement.

Sec. 5122. Demonstrations involving establishment and enforcement of child support obligations by public non-IV-D child support enforcement agencies.

Sec. 5123. GAO report to Congress on private child support enforcement agencies.

Sec. 5124. Effective date.

SUBCHAPTER D—EXPANDED ENFORCEMENT

Sec. 5126. Decrease in amount of child support arrearage triggering passport denial.

Sec. 5127. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.

Sec. 5128. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

SUBCHAPTER E—MISCELLANEOUS

Sec. 5131. Report on undistributed child support payments.

Sec. 5132. Use of new hire information to assist in administration of unemployment compensation programs.

Sec. 5133. Immigration provisions.

Sec. 5134. Correction of errors in conforming amendments in the Welfare-to-Work and Child Support Amendments of 1999.

Sec. 5135. Increase in payment rate to States for expenditures for short-term training of staff of certain child welfare agencies.

Sec. 5136. Effective date.

CHAPTER 2—CHILD SUPPORT DEMONSTRATION PROGRAMS

Sec. 5141. Short title.

Sec. 5142. Purposes.

- Sec. 5143. Definitions.
- Sec. 5144. Establishment of child support assurance demonstration projects.

Subtitle C—Fair Wages and Unemployment Insurance

CHAPTER 1—FAIR MINIMUM WAGE

- Sec. 5201. Short title.
- Sec. 5202. Minimum wage.
- Sec. 5203. Applicability of minimum wage to the commonwealth of the northern mariana islands.

CHAPTER 2—LIVABLE WAGES FOR EMPLOYEES UNDER FEDERAL CONTRACTS

- Sec. 5211. Short title.
- Sec. 5212. Findings.
- Sec. 5213. Poverty level wage.
- Sec. 5214. Effective date.

CHAPTER 3—UNEMPLOYMENT INSURANCE

- Sec. 5221. Parity for part-time workers, fair counting of wages, and use of improved technology for making wage data available.
- Sec. 5222. Ensuring unemployment compensation for individuals that are separated from employment due to domestic violence.
- Sec. 5223. Loss of child care as good cause for leaving employment.

Subtitle D—Jobs for Low-Income Parents

- Sec. 5301. Disregard of months engaged in work for purposes of 5-year TANF assistance limit.
- Sec. 5302. Replacement of caseload reduction credit with employment credit.
- Sec. 5303. States to receive partial credit toward work participation rate for recipients engaged in part-time work.
- Sec. 5304. TANF recipients who qualify for supplemental security income benefits removed from work participation rate calculation for entire year.
- Sec. 5305. Elimination of limit on number of TANF recipients enrolled in vocational education or high school who may be counted towards the work participation requirement.
- Sec. 5306. Counting of up to 2 years of vocational or educational training (including postsecondary education), work-study, and related internships as work activities.
- Sec. 5307. Limited counting of certain activities leading to employment as work activity.
- Sec. 5308. Elimination of separate work participation rate for 2-parent families.
- Sec. 5309. Addition of poverty reduction bonus to TANF.
- Sec. 5310. Participation in workforce investment boards.
- Sec. 5311. Clarification of TANF purpose.
- Sec. 5312. Effective date.

Subtitle E—Incentives To Serve Families

- Sec. 5401. Development of model caseworker training materials.

- Sec. 5402. Exception to limit on TANF administrative expenditures for case-worker bonuses and other State initiatives to eliminate barriers to work.
- Sec. 5403. Strengthening of TANF individual responsibility plans.
- Sec. 5404. Effective date.

Subtitle F—Addressing Work Barriers

- Sec. 5501. Funding for access to jobs program.
- Sec. 5502. Requirement to identify and provide services to address barriers to employment of TANF recipients.
- Sec. 5503. State option to establish exceptions from time limit for receipt of TANF assistance based on severe barriers to employment.
- Sec. 5504. Effective date.

Subtitle G—Protection for Families in Need

- Sec. 5601. Earn-back of months of TANF assistance.
- Sec. 5602. Establishment of a fair conciliation process for families under TANF.
- Sec. 5603. Treatment of aliens under the TANF program.
- Sec. 5604. Effective date.

Subtitle H—TANF Reauthorization

- Sec. 5701. Reauthorization of TANF State family assistance grants.
- Sec. 5702. Prohibition on supplantation of TANF funds.

TITLE VI—FAIR START

Subtitle A—Child and Adult Care Food Program

- Sec. 6001. Participation of for-profit care centers in child and adult care food program.
- Sec. 6002. Categorical eligibility requirements.
- Sec. 6003. Increase in administrative reimbursement rates.
- Sec. 6004. Program for at-risk school children.

Subtitle B—Food Stamp Program

- Sec. 6101. Restoration of food stamp benefits for qualified aliens.
- Sec. 6102. Conforming food stamp and medicaid income definitions; simplified income calculations.
- Sec. 6103. Prevention of hunger among families with children.
- Sec. 6104. Encouragement of collection of child support.
- Sec. 6105. Elimination of excess shelter expense deduction cap for families with high shelter costs.
- Sec. 6106. Periodic redetermination of eligibility.
- Sec. 6107. Transitional benefits option.
- Sec. 6108. Improving State incentives to serve working families.

TITLE VII—FAIR START HOUSING

Subtitle A—Section 8 Vouchers

- Sec. 7001. Rental assistance voucher program.
- Sec. 7002. Voucher success fund.

Subtitle B—National Affordable Housing Trust Fund

- Sec. 7101. Purposes.
- Sec. 7102. National Affordable Housing Trust Fund.
- Sec. 7103. Administration of National Affordable Housing Trust Fund.
- Sec. 7104. Regulations.

Subtitle C—Housing Preservation Matching Grants

- Sec. 7201. Short title.
- Sec. 7202. Findings and purposes.
- Sec. 7203. Definitions.
- Sec. 7204. Authority.
- Sec. 7205. Applications.
- Sec. 7206. Use of grants.
- Sec. 7207. Grant amount limitation.
- Sec. 7208. Matching requirements.
- Sec. 7209. Treatment of subsidy layering requirements.
- Sec. 7210. Regulations.
- Sec. 7211. Authorization of appropriations.

TITLE VIII—SAFE START

Subtitle A—Promotion of Permanency for Children

- Sec. 8001. Reimbursement for preventive, protective, crisis, permanency, independent living, and post-permanency services and activities.
- Sec. 8002. Child and family service plan and case reviews.
- Sec. 8003. Kinship guardianship assistance payments for children.
- Sec. 8004. Elimination of financial eligibility requirement for foster care maintenance and adoption assistance payments.
- Sec. 8005. Establishment of uniform Federal matching rate.
- Sec. 8006. Elimination of disincentive for foster parents to adopt children with special needs who have been in their foster care.
- Sec. 8007. Extension of adoption assistance payments.
- Sec. 8008. Reimbursement for room and board in foster family homes, child care institutions, or supervised living arrangements for young people aging out of foster care.
- Sec. 8009. Additional accountability.
- Sec. 8010. Authority of indian tribes to receive Federal funds for foster care and adoption assistance.

Subtitle B—Social Services Block Grant

- Sec. 8101. Short title.
- Sec. 8102. Findings.
- Sec. 8103. Restoration of authority to transfer up to 10 percent of TANF funds to the Social Services Block Grant.
- Sec. 8104. Restoration of funds for the Social Services Block Grant.
- Sec. 8105. Requirement to submit annual report on State activities.

Subtitle C—Child Protection and Alcohol and Drug Partnerships

- Sec. 8201. Short title.
- Sec. 8202. Child protection/alcohol and drug partnerships for children.

Subtitle D—Permanency Grants

Sec. 8301. Establishment of permanency grants program.

Subtitle E—Addressing the Needs of Children Exposed to Domestic Violence

Sec. 8401. Findings.

Sec. 8402. Purpose.

Sec. 8403. Amendments to Acts addressing the needs of children exposed to domestic violence.

Subtitle F—Enhancing Healthy Emotional Development in Young Children

Sec. 8501. Enhancing healthy emotional development.

TITLE IX—SUCCESSFUL TRANSITION TO ADULTHOOD

Subtitle A—Youth Development

CHAPTER 1—SHORT TITLE; POLICY; DEFINITIONS

Sec. 9001. Short title.

Sec. 9002. A national youth policy.

Sec. 9003. Definitions.

CHAPTER 2—GRANTS FOR STATE AND COMMUNITY PROGRAMS

Sec. 9101. Purpose.

Sec. 9102. Authorization of appropriations.

Sec. 9103. Allotments to States.

Sec. 9104. State youth development agencies and youth development areas.

Sec. 9105. State youth development plans.

Sec. 9106. Distribution of funds for State activities and area allocations.

Sec. 9107. Youth development consortia.

Sec. 9108. Area youth development plans.

Sec. 9109. Grants and contracts to eligible entities.

Sec. 9110. Eligible entities.

Sec. 9111. Applications.

Sec. 9112. Youth development programs.

CHAPTER 3—ACCOUNTABILITY

Sec. 9201. Purposes.

Sec. 9202. Federal level accountability.

Sec. 9203. State level accountability.

Sec. 9204. Local level accountability.

Sec. 9205. State audit.

CHAPTER 4—TRAINING, RESEARCH, AND EVALUATION

Sec. 9301. Purpose.

Sec. 9302. Grants and contracts.

Sec. 9303. Authorization of appropriations.

Subtitle E—Coordination of National Youth Policy

Sec. 9401. Coordinating Council for National Youth Policy.

Subtitle B—Youth Programs

Sec. 9201. Americorps.

- Sec. 9202. Youthbuild program.
- Sec. 9203. Youth workforce investment activities.
- Sec. 9204. Transition training for reintegrating youth offenders.

TITLE X—SAFE START—JUVENILE JUSTICE

Subtitle A—Juvenile Delinquency Prevention and Protection

- Sec. 10001. Definition of juvenile.
- Sec. 10002. State plan allocation.
- Sec. 10003. State plan requirements.

Subtitle B—Mental Health Juvenile Justice

- Sec. 10101. Short title.
- Sec. 10102. Training of justice system personnel.
- Sec. 10103. Block grant funding for treatment and diversion programs.
- Sec. 10104. Initiative for comprehensive, intersystem programs.
- Sec. 10105. Federal Coordinating Council on the Criminalization of Juveniles With Mental Disorders.
- Sec. 10106. Mental health screening and treatment for prisoners.
- Sec. 10107. Inapplicability of amendments.

Subtitle C—Juvenile Justice and Accountability

- Sec. 10201. Increase in funding for title III of the JJJPA.
- Sec. 10202. Funding for the services for youthful offenders.

TITLE XI—SAFE START—GUN SAFETY

Subtitle A—Closing the Gun Show Loophole

- Sec. 11001. Extension of Brady background checks to gun shows.

Subtitle B—Child Safety Locks

- Sec. 11101. Requirement of child handgun safety locks.

Subtitle C—Unlawful Weapons Transfers

- Sec. 11201. Unlawful weapons transfers to juveniles.

Subtitle D—Large Capacity Ammunition Feeding Devices

- Sec. 11301. Ban on importing large capacity ammunition feeding devices.

Subtitle E—Enforcement of Gun Laws

- Sec. 11401. Enhance enforcement of gun violence laws.

Subtitle F—Miscellaneous

- Sec. 11501. Study of marketing practices of the firearms industry.
- Sec. 11502. Regulation of internet firearms transfers.
- Sec. 11503. Reduction of gun trafficking.

TITLE XII—MISCELLANEOUS

- Sec. 12001. Advisory Committee on Private Sector Support for Children and Families.

Sec. 12002. Improvement of data collection and reporting regarding children and families.

1 **TITLE I—HEALTHY START—**
2 **CHILDREN’S HEALTH INSUR-**
3 **ANCE**
4 **Subtitle A—Children’s Health**
5 **Insurance**

6 **SEC. 1001. MEDIKIDS HEALTH INSURANCE.**

7 (a) **SHORT TITLE OF SUBTITLE.**—This subtitle may
8 be cited as the “MediKids Health Insurance Act of 2003”.

9 (b) **FINDINGS.**—Congress finds the following:

10 (1) More than 11 million American children are
11 uninsured.

12 (2) Children who are uninsured receive less
13 medical care and less preventive care and have a
14 poorer level of health, which result in lifetime costs
15 to themselves and to the entire American economy.

16 (3) Although SCHIP and Medicaid are success-
17 fully extending a health coverage safety net to a
18 growing portion of the vulnerable low-income popu-
19 lation of uninsured children, we now see that they
20 alone cannot achieve 100 percent health insurance
21 coverage for our nation’s children due to inevitable
22 gaps during outreach and enrollment, fluctuations in
23 eligibility, and variations in access to private insur-
24 ance at all income levels.

1 (4) As all segments of our society continue to
2 become more and more transient, with many
3 changes in employment over the working lifetime of
4 parents, the need for a reliable safety net of health
5 insurance which follows children across State lines,
6 already a major problem for the children of migrant
7 and seasonal farmworkers, will become a major con-
8 cern for all families in the United States.

9 (5) The Medicare program has successfully
10 evolved over the years to provide a stable, universal
11 source of health insurance for the nation's disabled
12 and those over age 65, and therefore provides a test-
13 ed model for designing a program to reach out to
14 America's children.

15 (6) The problem of insuring 100 percent of all
16 American children could be gradually solved by auto-
17 matically enrolling all children born after December
18 31, 2004, in a program modeled after Medicare (and
19 to be known as "MediKids"), and allowing those
20 children to be transferred into other equivalent or
21 better insurance programs, including either private
22 insurance, SCHIP, or Medicaid, if they are eligible
23 to do so, but maintaining the child's default enroll-
24 ment in MediKids for any times when the child's ac-
25 cess to other sources of insurance is lost.

1 (7) A family's freedom of choice to use other in-
2 surers to cover children would not be interfered with
3 in any way, and children eligible for SCHIP and
4 Medicaid would continue to be enrolled in those pro-
5 grams, but the underlying safety net of MediKids
6 would always be available to cover any gaps in insur-
7 ance due to changes in medical condition, employ-
8 ment, income, or marital status, or other changes af-
9 fecting a child's access to alternate forms of insur-
10 ance.

11 (8) The MediKids program can be administered
12 without impacting the finances or status of the exist-
13 ing Medicare program.

14 (9) The MediKids benefit package can be tai-
15 lored to the special needs of children and updated
16 over time.

17 (10) The financing of the program can be ad-
18 ministered without difficulty by a yearly payment of
19 affordable premiums through a family's tax filing (or
20 adjustment of a family's earned income tax credit).

21 (11) The cost of the program will gradually rise
22 as the number of children using MediKids as the in-
23 surer of last resort increases, and a future Congress
24 always can accelerate or slow down the enrollment
25 process as desired, while the societal costs for emer-

1 agency room usage, lost productivity and work days,
 2 and poor health status for the next generation of
 3 Americans will decline.

4 (12) Over time 100 percent of American chil-
 5 dren will always have basic health insurance, and we
 6 can therefore expect a healthier, more equitable, and
 7 more productive society.

8 **SEC. 1002. BENEFITS FOR ALL CHILDREN BORN AFTER**
 9 **2002.**

10 (a) IN GENERAL.—The Social Security Act is amend-
 11 ed by adding at the end the following new title:

12 “TITLE XXII—MEDIKIDS PROGRAM

13 “**SEC. 2201. ELIGIBILITY.**

14 “(a) ELIGIBILITY OF INDIVIDUALS BORN AFTER DE-
 15 CEMBER 31, 2004; ALL CHILDREN UNDER 23 YEARS OF
 16 AGE IN SIXTH YEAR.—An individual who meets the fol-
 17 lowing requirements with respect to a month is eligible to
 18 enroll under this title with respect to such month:

19 “(1) AGE.—

20 “(A) FIRST YEAR.—During the first year
 21 in which this title is effective, the individual has
 22 not attained 6 years of age.

23 “(B) SECOND YEAR.—During the second
 24 year in which this title is effective, the indi-
 25 vidual has not attained 11 years of age.

1 “(C) THIRD YEAR.—During the third year
2 in which this title is effective, the individual has
3 not attained 16 years of age.

4 “(D) FOURTH YEAR.—During the fourth
5 year in which this title is effective, the indi-
6 vidual has not attained 21 years of age.

7 “(E) FIFTH AND SUBSEQUENT YEARS.—
8 During the fifth year in which this title is effec-
9 tive and each subsequent year, the individual
10 has not attained 23 years of age.

11 “(2) CITIZENSHIP.—The individual is a citizen
12 or national of the United States or is lawfully resid-
13 ing in the United States.

14 “(b) ENROLLMENT PROCESS.—An individual may
15 enroll in the program established under this title only in
16 such manner and form as may be prescribed by regula-
17 tions, and only during an enrollment period prescribed by
18 the Secretary consistent with the provisions of this section.

19 Such regulations shall provide a process under which—

20 “(1) individuals who are born in the United
21 States after December 31, 2002, are deemed to be
22 enrolled at the time of birth and a parent or guard-
23 ian of such an individual is permitted to pre-enroll
24 in the month prior to the expected month of birth;

1 “(2) individuals who are born outside the
2 United States after such date and who become eligi-
3 ble to enroll by virtue of immigration into (or an ad-
4 justment of immigration status in) the United
5 States are deemed enrolled at the time of entry or
6 adjustment of status;

7 “(3) eligible individuals may otherwise be en-
8 rolled at such other times and manner as the Sec-
9 retary shall specify, including the use of outstationed
10 eligibility sites as described in section
11 1902(a)(55)(A) and the use of presumptive eligi-
12 bility provisions like those described in section
13 1920A; and

14 “(4) at the time of automatic enrollment of a
15 child, the Secretary provides for issuance to a parent
16 or custodian of the individual a card evidencing cov-
17 erage under this title and for a description of such
18 coverage.

19 The provisions of section 1837(h) apply with respect to
20 enrollment under this title in the same manner as they
21 apply to enrollment under part B of title XVIII.

22 “(c) DATE COVERAGE BEGINS.—

23 “(1) IN GENERAL.—The period during which
24 an individual is entitled to benefits under this title

1 shall begin as follows, but in no case earlier than
2 January 1, 2005:

3 “(A) In the case of an individual who is
4 enrolled under paragraph (1) or (2) of sub-
5 section (b), the date of birth or date of obtain-
6 ing appropriate citizenship or immigration sta-
7 tus, as the case may be.

8 “(B) In the case of an another individual
9 who enrolls (including pre-enrolls) before the
10 month in which the individual satisfies eligi-
11 bility for enrollment under subsection (a), the
12 first day of such month of eligibility.

13 “(C) In the case of an another individual
14 who enrolls during or after the month in which
15 the individual first satisfies eligibility for enroll-
16 ment under such subsection, the first day of the
17 following month.

18 “(2) AUTHORITY TO PROVIDE FOR PARTIAL
19 MONTHS OF COVERAGE.—Under regulations, the
20 Secretary may, in the Secretary’s discretion, provide
21 for coverage periods that include portions of a
22 month in order to avoid lapses of coverage.

23 “(3) LIMITATION ON PAYMENTS.—No payments
24 may be made under this title with respect to the ex-
25 penses of an individual enrolled under this title un-

1 less such expenses were incurred by such individual
2 during a period which, with respect to the individual,
3 is a coverage period under this section.

4 “(d) EXPIRATION OF ELIGIBILITY.—An individual’s
5 coverage period under this part shall continue until the
6 individual’s enrollment has been terminated because the
7 individual no longer meets the requirements of subsection
8 (a) (whether because of age or change in immigration sta-
9 tus).

10 “(e) ENTITLEMENT TO MEDIKIDS BENEFITS FOR
11 ENROLLED INDIVIDUALS.—An individual enrolled under
12 this section is entitled to the benefits described in section
13 2202.

14 “(f) LOW-INCOME INFORMATION.—At the time of en-
15 rollment of a child under this title, the Secretary shall
16 make an inquiry as to whether or not the family income
17 of the family that includes the child is less than 150 per-
18 cent of the poverty line for a family of the size involved.
19 If the family income is below such level, the Secretary shall
20 encode in the identification card issued in connection with
21 eligibility under this title a code indicating such fact. The
22 Secretary also shall provide for a toll-free telephone line
23 at which providers can verify whether or not such a child
24 is in a family the income of which is below such level.

1 “(g) CONSTRUCTION.—Nothing in this title shall be
2 construed as requiring (or preventing) an individual who
3 is enrolled under this section from seeking medical assist-
4 ance under a State medicaid plan under title XIX or child
5 health assistance under a State child health plan under
6 title XXI.

7 **“SEC. 2202. BENEFITS.**

8 “(a) SECRETARIAL SPECIFICATION OF BENEFIT
9 PACKAGE.—

10 “(1) IN GENERAL.—The Secretary shall specify
11 the benefits to be made available under this title
12 consistent with the provisions of this section and in
13 a manner designed to meet the health needs of chil-
14 dren.

15 “(2) UPDATING.—The Secretary shall update
16 the specification of benefits over time to ensure the
17 inclusion of age-appropriate benefits as the enrollee
18 population gets older.

19 “(3) ANNUAL UPDATING.—The Secretary shall
20 establish procedures for the annual review and up-
21 dating of such benefits to account for changes in
22 medical practice, new information from medical re-
23 search, and other relevant developments in health
24 science.

1 “(4) INPUT.—The Secretary shall seek the
2 input of the pediatric community in specifying and
3 updating such benefits.

4 “(5) LIMITATION ON UPDATING.—In no case
5 shall updating of benefits under this subsection re-
6 sult in a failure to provide benefits required under
7 subsection (b).

8 “(b) INCLUSION OF CERTAIN BENEFITS.—

9 “(1) MEDICARE CORE BENEFITS.—Such bene-
10 fits shall include (to the extent consistent with other
11 provisions of this section) at least the same benefits
12 (including coverage, access, availability, duration,
13 and beneficiary rights) that are available under
14 parts A and B of title XVIII.

15 “(2) ALL REQUIRED MEDICAID BENEFITS.—
16 Such benefits shall also include all items and serv-
17 ices for which medical assistance is required to be
18 provided under section 1902(a)(10)(A) to individuals
19 described in such section, including early and peri-
20 odic screening, diagnostic services, and treatment
21 services.

22 “(3) INCLUSION OF PRESCRIPTION DRUGS.—
23 Such benefits also shall include (as specified by the
24 Secretary) prescription drugs and biologicals.

25 “(4) COST-SHARING.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), such benefits also shall include the
3 cost-sharing (in the form of deductibles, coin-
4 surance, and copayments) applicable under title
5 XVIII with respect to comparable items and
6 services, except that no cost-sharing shall be
7 imposed with respect to early and periodic
8 screening and diagnostic services included
9 under paragraph (2).

10 “(B) NO COST-SHARING FOR LOWEST IN-
11 COME CHILDREN.—Such benefits shall not in-
12 clude any cost-sharing for children in families
13 the income of which (as determined for pur-
14 poses of section 1905(p)) does not exceed 150
15 percent of the official income poverty line (re-
16 ferred to in such section) applicable to a family
17 of the size involved.

18 “(C) REFUNDABLE CREDIT FOR COST-
19 SHARING FOR OTHER LOW-INCOME CHIL-
20 DREN.—For a refundable credit for cost-shar-
21 ing in the case of children in certain families,
22 see section 35A of the Internal Revenue Code
23 of 1986.

24 “(c) PAYMENT SCHEDULE.—The Secretary, with the
25 assistance of the Medicare Payment Advisory Commission,

1 shall develop and implement a payment schedule for bene-
2 fits covered under this title. To the extent feasible, such
3 payment schedule shall be consistent with comparable pay-
4 ment schedules and reimbursement methodologies applied
5 under parts A and B of title XVIII.

6 “(d) INPUT.—The Secretary shall specify such bene-
7 fits and payment schedules only after obtaining input from
8 appropriate child health providers and experts.

9 “(e) ENROLLMENT IN HEALTH PLANS.—The Sec-
10 retary shall provide for the offering of benefits under this
11 title through enrollment in a health benefit plan that
12 meets the same (or similar) requirements as the require-
13 ments that apply to Medicare+Choice plans under part
14 C of title XVIII. In the case of individuals enrolled under
15 this title in such a plan, the Medicare+Choice capitation
16 rate described in section 1853(c) shall be adjusted in an
17 appropriate manner to reflect differences between the pop-
18 ulation served under this title and the population under
19 title XVIII.

20 **“SEC. 2203. PREMIUMS.**

21 “(a) AMOUNT OF MONTHLY PREMIUMS.—

22 “(1) IN GENERAL.—The Secretary shall, during
23 September of each year (beginning with 2004), es-
24 tablish a monthly MediKids premium. Subject to
25 paragraph (2), the monthly MediKids premium for

1 a year is equal to $\frac{1}{12}$ of the annual premium rate
2 computed under subsection (b).

3 “(2) ELIMINATION OF MONTHLY PREMIUM FOR
4 DEMONSTRATION OF EQUIVALENT COVERAGE (IN-
5 CLUDING COVERAGE UNDER LOW-INCOME PRO-
6 GRAMS).—The amount of the monthly premium im-
7 posed under this section for an individual for a
8 month shall be zero in the case of an individual who
9 demonstrates to the satisfaction of the Secretary
10 that the individual has basic health insurance cov-
11 erage for that month the actuarial value of which,
12 as determined by the Secretary, is at least actuari-
13 ally equivalent to the benefits available under this
14 title. For purposes of the previous sentence enroll-
15 ment in a medicaid plan under title XIX, a State
16 child health insurance plan under title XXI, or
17 under the medicare program under title XVIII is
18 deemed to constitute basic health insurance coverage
19 described in such sentence.

20 “(b) ANNUAL PREMIUM.—

21 “(1) NATIONAL, PER CAPITA AVERAGE.—The
22 Secretary shall estimate the average, annual per
23 capita amount that would be payable under this title
24 with respect to individuals residing in the United
25 States who meet the requirement of section

1 2201(a)(1) as if all such individuals were eligible for
2 (and enrolled) under this title during the entire year
3 (and assuming that section 1862(b)(2)(A)(i) did not
4 apply).

5 “(2) ANNUAL PREMIUM.—Subject to subsection
6 (d), the annual premium under this subsection for
7 months in a year is equal to 25 percent of the aver-
8 age, annual per capita amount estimated under
9 paragraph (1) for the year.

10 “(c) PAYMENT OF MONTHLY PREMIUM.—

11 “(1) PERIOD OF PAYMENT.—In the case of an
12 individual who participates in the program estab-
13 lished by this title, subject to subsection (d), the
14 monthly premium shall be payable for the period
15 commencing with the first month of the individual’s
16 coverage period and ending with the month in which
17 the individual’s coverage under this title terminates.

18 “(2) COLLECTION THROUGH TAX RETURN.—
19 For provisions providing for the payment of monthly
20 premiums under this subsection, see section 59B of
21 the Internal Revenue Code of 1986.

22 “(3) PROTECTIONS AGAINST FRAUD AND
23 ABUSE.—The Secretary shall develop, in coordina-
24 tion with States and other health insurance issuers,
25 administrative systems to ensure that claims which

1 are submitted to more than one payor are coordi-
2 nated and duplicate payments are not made.

3 “(d) REDUCTION IN PREMIUM FOR CERTAIN LOW-
4 INCOME FAMILIES.—For provisions reducing the premium
5 under this section for certain low-income families, see sec-
6 tion 59B(c) of the Internal Revenue Code of 1986.

7 **“SEC. 2204. MEDIKIDS TRUST FUND.**

8 “(a) ESTABLISHMENT OF TRUST FUND.—

9 “(1) IN GENERAL.—There is hereby created on
10 the books of the Treasury of the United States a
11 trust fund to be known as the ‘MediKids Trust
12 Fund’ (in this section referred to as the ‘Trust
13 Fund’). The Trust Fund shall consist of such gifts
14 and bequests as may be made as provided in section
15 201(i)(1) and such amounts as may be deposited in,
16 or appropriated to, such fund as provided in this
17 title.

18 “(2) PREMIUMS.—Premiums collected under
19 section 2203 shall be transferred to the Trust Fund.

20 “(b) INCORPORATION OF PROVISIONS.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 subsections (b) through (i) of section 1841 shall
23 apply with respect to the Trust Fund and this title
24 in the same manner as they apply with respect to

1 the Federal Supplementary Medical Insurance Trust
2 Fund and part B, respectively.

3 “(2) MISCELLANEOUS REFERENCES.—In apply-
4 ing provisions of section 1841 under paragraph
5 (1)—

6 “(A) any reference in such section to ‘this
7 part’ is construed to refer to title XXII;

8 “(B) any reference in section 1841(h) to
9 section 1840(d) and in section 1841(i) to sec-
10 tions 1840(b)(1) and 1842(g) are deemed ref-
11 erences to comparable authority exercised under
12 this title;

13 “(C) payments may be made under section
14 1841(g) to the Trust Funds under sections
15 1817 and 1841 as reimbursement to such funds
16 for payments they made for benefits provided
17 under this title; and

18 “(D) the Board of Trustees of the
19 MediKids Trust Fund shall be the same as the
20 Board of Trustees of the Federal Supple-
21 mentary Medical Insurance Trust Fund.

22 **“SEC. 2205. OVERSIGHT AND ACCOUNTABILITY.**

23 “(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—
24 The Board of Trustees of the MediKids Trust Fund under
25 section 2204(b)(1) shall report on an annual basis to Con-

1 gress concerning the status of the Trust Fund and the
2 need for adjustments in the program under this title to
3 maintain financial solvency of the program under this
4 title.

5 “(b) PERIODIC GAO REPORTS.—The Comptroller
6 General of the United States shall periodically submit to
7 Congress reports on the adequacy of the financing of cov-
8 erage provided under this title. The Comptroller General
9 shall include in such report such recommendations for ad-
10 justments in such financing and coverage as the Comp-
11 troller General deems appropriate in order to maintain fi-
12 nancial solvency of the program under this title.

13 **“SEC. 2206. INCLUSION OF CARE COORDINATION SERVICES.**

14 “(a) IN GENERAL.—

15 “(1) PROGRAM AUTHORITY.—The Secretary,
16 beginning in 2004, may implement a care coordina-
17 tion services program in accordance with the provi-
18 sions of this section under which, in appropriate cir-
19 cumstances, eligible individuals may elect to have
20 health care services covered under this title managed
21 and coordinated by a designated care coordinator.

22 “(2) ADMINISTRATION BY CONTRACT.—The
23 Secretary may administer the program under this
24 section through a contract with an appropriate pro-
25 gram administrator.

1 “(3) COVERAGE.—Care coordination services
2 furnished in accordance with this section shall be
3 treated under this title as if they were included in
4 the definition of medical and other health services
5 under section 1861(s) and benefits shall be available
6 under this title with respect to such services without
7 the application of any deductible or coinsurance.

8 “(b) ELIGIBILITY CRITERIA; IDENTIFICATION AND
9 NOTIFICATION OF ELIGIBLE INDIVIDUALS.—

10 “(1) INDIVIDUAL ELIGIBILITY CRITERIA.—The
11 Secretary shall specify criteria to be used in making
12 a determination as to whether an individual may ap-
13 propriately be enrolled in the care coordination serv-
14 ices program under this section, which shall include
15 at least a finding by the Secretary that for cohorts
16 of individuals with characteristics identified by the
17 Secretary, professional management and coordina-
18 tion of care can reasonably be expected to improve
19 processes or outcomes of health care and to reduce
20 aggregate costs to the programs under this title.

21 “(2) PROCEDURES TO FACILITATE ENROLL-
22 MENT.—The Secretary shall develop and implement
23 procedures designed to facilitate enrollment of eligi-
24 ble individuals in the program under this section.

25 “(c) ENROLLMENT OF INDIVIDUALS.—

1 “(1) SECRETARY’S DETERMINATION OF ELIGI-
2 BILITY.—The Secretary shall determine the eligi-
3 bility for services under this section of individuals
4 who are enrolled in the program under this section
5 and who make application for such services in such
6 form and manner as the Secretary may prescribe.

7 “(2) ENROLLMENT PERIOD.—

8 “(A) EFFECTIVE DATE AND DURATION.—
9 Enrollment of an individual in the program
10 under this section shall be effective as of the
11 first day of the month following the month in
12 which the Secretary approves the individual’s
13 application under paragraph (1), shall remain
14 in effect for one month (or such longer period
15 as the Secretary may specify), and shall be
16 automatically renewed for additional periods,
17 unless terminated in accordance with such pro-
18 cedures as the Secretary shall establish by regu-
19 lation. Such procedures shall permit an indi-
20 vidual to disenroll for cause at any time and
21 without cause at re-enrollment intervals.

22 “(B) LIMITATION ON REENROLLMENT.—
23 The Secretary may establish limits on an indi-
24 vidual’s eligibility to reenroll in the program
25 under this section if the individual has

1 disenrolled from the program more than once
2 during a specified time period.

3 “(d) PROGRAM.—The care coordination services pro-
4 gram under this section shall include the following ele-
5 ments:

6 “(1) BASIC CARE COORDINATION SERVICES.—

7 “(A) IN GENERAL.—Subject to the cost-ef-
8 fectiveness criteria specified in subsection
9 (b)(1), except as otherwise provided in this sec-
10 tion, enrolled individuals shall receive services
11 described in section 1905(t)(1) and may receive
12 additional items and services as described in
13 subparagraph (B).

14 “(B) ADDITIONAL BENEFITS.—The Sec-
15 retary may specify additional benefits for which
16 payment would not otherwise be made under
17 this title that may be available to individuals
18 enrolled in the program under this section (sub-
19 ject to an assessment by the care coordinator of
20 an individual’s circumstance and need for such
21 benefits) in order to encourage enrollment in, or
22 to improve the effectiveness of, such program.

23 “(2) CARE COORDINATION REQUIREMENT.—

24 Notwithstanding any other provision of this title, the
25 Secretary may provide that an individual enrolled in

1 the program under this section may be entitled to
2 payment under this title for any specified health
3 care items or services only if the items or services
4 have been furnished by the care coordinator, or co-
5 ordinated through the care coordination services pro-
6 gram. Under such provision, the Secretary shall pre-
7 scribe exceptions for emergency medical services as
8 described in section 1852(d)(3), and other excep-
9 tions determined by the Secretary for the delivery of
10 timely and needed care.

11 “(e) CARE COORDINATORS.—

12 “(1) CONDITIONS OF PARTICIPATION.—In order
13 to be qualified to furnish care coordination services
14 under this section, an individual or entity shall—

15 “(A) be a health care professional or entity
16 (which may include physicians, physician group
17 practices, or other health care professionals or
18 entities the Secretary may find appropriate)
19 meeting such conditions as the Secretary may
20 specify;

21 “(B) have entered into a care coordination
22 agreement; and

23 “(C) meet such criteria as the Secretary
24 may establish (which may include experience in

1 the provision of care coordination or primary
2 care physician's services).

3 “(2) AGREEMENT TERM; PAYMENT.—

4 “(A) DURATION AND RENEWAL.—A care
5 coordination agreement under this subsection
6 shall be for one year and may be renewed if the
7 Secretary is satisfied that the care coordinator
8 continues to meet the conditions of participa-
9 tion specified in paragraph (1).

10 “(B) PAYMENT FOR SERVICES.—The Sec-
11 retary may negotiate or otherwise establish pay-
12 ment terms and rates for services described in
13 subsection (d)(1).

14 “(C) LIABILITY.—Case coordinators shall
15 be subject to liability for actual health damages
16 which may be suffered by recipients as a result
17 of the care coordinator's decisions, failure or
18 delay in making decisions, or other actions as
19 a care coordinator.

20 “(D) TERMS.—In addition to such other
21 terms as the Secretary may require, an agree-
22 ment under this section shall include the terms
23 specified in subparagraphs (A) through (C) of
24 section 1905(t)(3).

1 **“SEC. 2207. ADMINISTRATION AND MISCELLANEOUS.**

2 “(a) IN GENERAL.—Except as otherwise provided in
3 this title—

4 “(1) the Secretary shall enter into appropriate
5 contracts with providers of services, other health
6 care providers, carriers, and fiscal intermediaries,
7 taking into account the types of contracts used
8 under title XVIII with respect to such entities, to
9 administer the program under this title;

10 “(2) individuals enrolled under this title shall
11 be treated for purposes of title XVIII as though the
12 individual were entitled to benefits under part A and
13 enrolled under part B of such title;

14 “(3) benefits described in section 2202 that are
15 payable under this title to such individuals shall be
16 paid in a manner specified by the Secretary (taking
17 into account, and based to the greatest extent prac-
18 ticable upon, the manner in which they are provided
19 under title XVIII);

20 “(4) provider participation agreements under
21 title XVIII shall apply to enrollees and benefits
22 under this title in the same manner as they apply
23 to enrollees and benefits under title XVIII; and

24 “(5) individuals entitled to benefits under this
25 title may elect to receive such benefits under health
26 plans in a manner, specified by the Secretary, simi-

1 lar to the manner provided under part C of title
2 XVIII.

3 “(b) COORDINATION WITH MEDICAID AND
4 SCHIP.—Notwithstanding any other provision of law, in-
5 dividuals entitled to benefits for items and services under
6 this title who also qualify for benefits under title XIX or
7 XXI or any other Federally funded program may continue
8 to qualify and obtain benefits under such other title or
9 program, and in such case such an individual shall elect
10 either—

11 “(1) such other title or program to be primary
12 payor to benefits under this title, in which case no
13 benefits shall be payable under this title and the
14 monthly premium under section 2203 shall be \$0; or

15 “(2) benefits under this title shall be primary
16 payor to benefits provided under such program or
17 title, in which case the Secretary shall enter into
18 agreements with States as may be appropriate to
19 provide that, in the case of such individuals, the ben-
20 efits under titles XIX and XXI or such other pro-
21 gram (including reduction of cost-sharing) are pro-
22 vided on a ‘wrap-around’ basis to the benefits under
23 this title.”.

24 (b) CONFORMING AMENDMENTS TO SOCIAL SECU-
25 RITY ACT PROVISIONS.—

1 (1) Section 201(i)(1) of the Social Security Act
2 (42 U.S.C. 401(i)(1)) is amended by striking “or the
3 Federal Supplementary Medical Insurance Trust
4 Fund” and inserting “the Federal Supplementary
5 Medical Insurance Trust Fund, or the MediKids
6 Trust Fund”.

7 (2) Section 201(g)(1)(A) of such Act (42
8 U.S.C. 401(g)(1)(A)) is amended by striking “ and
9 the Federal Supplementary Medical Insurance Trust
10 Fund established by title XVIII” and inserting “,
11 the Federal Supplementary Medical Insurance Trust
12 Fund, and the MediKids Trust Fund established by
13 title XVIII”.

14 (3) Section 1853(c) of such Act (42 U.S.C.
15 1395w-23(c)) is amended—

16 (A) in paragraph (1), by striking “and
17 (7)” and inserting “, (7), and (8)”, and

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

19 “(8) ADJUSTMENT FOR MEDIKIDS.—In apply-
20 ing this subsection with respect to individuals enti-
21 tled to benefits under title XXII, the Secretary shall
22 provide for an appropriate adjustment in the
23 Medicare+Choice capitation rate as may be appro-
24 priate to reflect differences between the population

1 served under such title and the population under
2 parts A and B.”.

3 (c) MAINTENANCE OF MEDICAID ELIGIBILITY AND
4 BENEFITS FOR CHILDREN.—

5 (1) IN GENERAL.—In order for a State to con-
6 tinue to be eligible for payments under section
7 1903(a) of the Social Security Act (42 U.S.C.
8 1396b(a))—

9 (A) the State may not reduce standards of
10 eligibility, or benefits, provided under its State
11 medicaid plan under title XIX of the Social Se-
12 curity Act or under its State child health plan
13 under title XXI of such Act for individuals
14 under 23 years of age below such standards of
15 eligibility, and benefits, in effect on the date of
16 the enactment of this Act; and

17 (B) the State shall demonstrate to the sat-
18 isfaction of the Secretary of Health and Human
19 Services that any savings in State expenditures
20 under title XIX or XXI of the Social Security
21 Act that results from children from enrolling
22 under title XXII of such Act shall be used in
23 a manner that improves services to beneficiaries
24 under title XIX of such Act, such as through
25 increases in provider payment rates, expansion

1 of eligibility, improved nurse and nurse aide
2 staffing and improved inspections of nursing fa-
3 cilities, and coverage of additional services.

4 (2) MEDIKIDS AS PRIMARY PAYOR.—In apply-
5 ing title XIX of the Social Security Act, the
6 MediKids program under title XXII of such Act
7 shall be treated as a primary payor in cases in which
8 the election described in section 2207(b)(2) of such
9 Act, as added by subsection (a), has been made.

10 (d) EXPANSION OF MEDPAC MEMBERSHIP TO 19.—

11 (1) IN GENERAL.—Section 1805(c) of the So-
12 cial Security Act (42 U.S.C. 1395b–6(c)) is amend-
13 ed—

14 (A) in paragraph (1), by striking “17” and
15 inserting “19”; and

16 (B) in paragraph (2)(B), by inserting “ex-
17 perts in children’s health,” after “other health
18 professionals,”.

19 (2) INITIAL TERMS OF ADDITIONAL MEM-
20 BERS.—

21 (A) IN GENERAL.—For purposes of stag-
22 gering the initial terms of members of the
23 Medicare Payment Advisory Commission under
24 section 1805(c)(3) of the Social Security Act
25 (42 U.S.C. 1395b–6(c)(3)), the initial terms of

1 the 2 additional members of the Commission
 2 provided for by the amendment under sub-
 3 section (a)(1) are as follows:

4 (i) One member shall be appointed for
 5 1 year.

6 (ii) One member shall be appointed
 7 for 2 years.

8 (B) COMMENCEMENT OF TERMS.—Such
 9 terms shall begin on January 1, 2004.

10 **SEC. 1003. MEDIKIDS PREMIUM.**

11 (a) GENERAL RULE.—Subchapter A of chapter 1 of
 12 the Internal Revenue Code of 1986 (relating to determina-
 13 tion of tax liability) is amended by adding at the end the
 14 following new part:

15 **“PART VIII—MEDIKIDS PREMIUM**

“Sec. 59B. MediKids premium.

16 **“SEC. 59B. MEDIKIDS PREMIUM.**

17 “(a) IMPOSITION OF TAX.—In the case of an indi-
 18 vidual to whom this section applies, there is hereby im-
 19 posed (in addition to any other tax imposed by this sub-
 20 title) a MediKids premium for the taxable year.

21 “(b) INDIVIDUALS SUBJECT TO PREMIUM.—

22 “(1) IN GENERAL.—This section shall apply to
 23 an individual if the taxpayer has a MediKid at any
 24 time during the taxable year.

1 “(2) MEDIKID.—For purposes of this section,
2 the term ‘MediKid’ means, with respect to a tax-
3 payer, any individual with respect to whom the tax-
4 payer is required to pay a premium under section
5 2203(e) of the Social Security Act for any month of
6 the taxable year.

7 “(c) AMOUNT OF PREMIUM.—For purposes of this
8 section, the MediKids premium for a taxable year is the
9 sum of the monthly premiums under section 2203 of the
10 Social Security Act for months in the taxable year.

11 “(d) EXCEPTIONS BASED ON ADJUSTED GROSS IN-
12 COME.—

13 “(1) EXEMPTION FOR VERY LOW-INCOME TAX-
14 PAYERS.—

15 “(A) IN GENERAL.—No premium shall be
16 imposed by this section on any taxpayer having
17 an adjusted gross income not in excess of the
18 exemption amount.

19 “(B) EXEMPTION AMOUNT.—For purposes
20 of this paragraph, with respect to a family, the
21 exemption amount is the amount equal to 150
22 percent of the income official poverty line (as
23 defined by the Office of Management and
24 Budget, and revised annually in accordance
25 with section 673(2) of the Omnibus Budget

1 Reconciliation Act of 1981) applicable to a fam-
2 ily of the size involved.

3 “(C) PHASEOUT OF EXEMPTION.—In the
4 case of a taxpayer having an adjusted gross in-
5 come which exceeds the exemption amount but
6 does not exceed twice the exemption amount,
7 the premium shall be the amount which bears
8 the same ratio to the premium which would
9 (but for this subparagraph) apply to the tax-
10 payer as such excess bears to the exemption
11 amount.

12 “(2) PREMIUM LIMITED TO 5 PERCENT OF AD-
13 JUSTED GROSS INCOME.—In no event shall any tax-
14 payer be required to pay a premium under this sec-
15 tion in excess of an amount equal to 5 percent of the
16 taxpayer’s adjusted gross income.

17 “(e) COORDINATION WITH OTHER PROVISIONS.—

18 “(1) NOT TREATED AS MEDICAL EXPENSE.—
19 For purposes of this chapter, any premium paid
20 under this section shall not be treated as expense for
21 medical care.

22 “(2) NOT TREATED AS TAX FOR CERTAIN PUR-
23 POSES.—The premium paid under this section shall
24 not be treated as a tax imposed by this chapter for
25 purposes of determining—

1 “(A) the amount of any credit allowable
2 under this chapter, or

3 “(B) the amount of the minimum tax im-
4 posed by section 55.

5 “(3) TREATMENT UNDER SUBTITLE F.—For
6 purposes of subtitle F, the premium paid under this
7 section shall be treated as if it were a tax imposed
8 by section 1.”.

9 (b) TECHNICAL AMENDMENTS.—

10 (1) Subsection (a) of section 6012 of such Code
11 is amended by inserting after paragraph (9) the fol-
12 lowing new paragraph:

13 “(10) Every individual liable for a premium
14 under section 59B.”.

15 (2) The table of parts for subchapter A of chap-
16 ter 1 of such Code is amended by adding at the end
17 the following new item:

 “Part VIII. MediKids premium.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to months beginning after Decem-
20 ber 2004, in taxable years ending after such date.

21 **SEC. 1004. REFUNDABLE CREDIT FOR COST-SHARING EX-**
22 **PENSES UNDER MEDIKIDS PROGRAM.**

23 (a) IN GENERAL.—Subpart C of part IV of sub-
24 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to refundable credits) is amended by insert-
2 ing after section 35 the following new section:

3 **“SEC. 35A. COST-SHARING EXPENSES UNDER MEDIKIDS**
4 **PROGRAM.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual who has a MediKid (as defined in section 59B)
7 at any time during the taxable year, there shall be allowed
8 as a credit against the tax imposed by this subtitle an
9 amount equal to 50 percent of the amount paid by the
10 taxpayer during the taxable year as cost-sharing under
11 section 2202(b)(4) of the Social Security Act.

12 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
13 COME.—The amount of the credit which would (but for
14 this subsection) be allowed under this section for the tax-
15 able year shall be reduced (but not below zero) by an
16 amount which bears the same ratio to such amount of
17 credit as the excess of the taxpayer’s adjusted gross in-
18 come for such taxable year over the exemption amount (as
19 defined in section 59B(d)) bears to such exemption
20 amount.”.

21 (b) TECHNICAL AMENDMENTS.—

22 (1) Paragraph (2) of section 1324(b) of title
23 31, United States Code, is amended by inserting “or
24 35A” after “35”.

1 (2) The table of sections for subpart C of part
 2 IV of subchapter A of chapter 1 of such Code is
 3 amended by inserting after the item relating to sec-
 4 tion 25 the following new item:

 “Sec. 35A. Cost-sharing expenses under MediKids program.”.

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2004.

8 **SEC. 1005. REPORT ON LONG-TERM REVENUES.**

9 Within 1 year after the date of enactment of this
 10 title, the Secretary of the Treasury shall propose a gradual
 11 schedule of progressive tax changes to fund the program
 12 under title XXII of the Social Security Act, as the number
 13 of enrollees grows in the out-years.

14 **Subtitle B—Children’s Health In-**
 15 **surance Eligibility Expansion**
 16 **and Enrollment Improvements**

17 **CHAPTER 1—ELIGIBILITY EXPANSIONS**

18 **Subchapter A—Medicaid and SCHIP**

19 **SEC. 1101. EXPANSION OF CHILDREN’S ELIGIBILITY FOR**
 20 **MEDICAID AND SCHIP.**

21 (a) EXPANSION OF INCOME ELIGIBILITY UNDER
 22 SCHIP.—Section 2110(c)(4) of the Social Security Act
 23 (42 U.S.C. 42 U.S.C. 1397jj(c)(4)) is amended by striking
 24 “200” and inserting “300”.

25 (b) MANDATORY BUY-IN COVERAGE.—

1 (1) MEDICAID.—

2 (A) IN GENERAL.—Section
3 1902(a)(10)(A)(i) of the Social Security Act
4 (42 U.S.C. 1396a(a)(10)(A)(i)) is amended—

5 (i) by striking “or” at the end of sub-
6 clause (VI);

7 (ii) by striking the semicolon at the
8 end of subclause (VII) and insert “, or”;
9 and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(VIII) who are children in fami-
13 lies whose income exceeds 300 percent
14 of the income official poverty line (as
15 defined by the Office of Management
16 and Budget, and revised annually in
17 accordance with section 673(2) of the
18 Omnibus Budget Reconciliation Act of
19 1981) applicable to a family of the
20 size involved subject, notwithstanding
21 section 1916, to payment of premiums
22 or other cost-sharing charges (set on
23 a sliding scale based on income) that
24 the State may determine;”.

1 (B) CONFORMING AMENDMENT.—Section
 2 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4))
 3 is amended by inserting
 4 “1902(a)(10)(A)(i)(VIII),” after
 5 “1902(a)(10)(A)(i)(VII),”.

6 (2) SCHIP.—Section 2107(e)(1) of such Act
 7 (42 U.S.C. 1397gg(e)(1)) is amended by adding at
 8 the end the following new subparagraph:

9 “(E) Section 1902(a)(10)(A)(i)(VIII) (re-
 10 lating to buy-in coverage for children whose
 11 family income exceeds 300 percent of the pov-
 12 erty line).”.

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section apply to medical assistance and child health
 15 assistance provided on or after October 1, 2003.

16 **SEC. 1102. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**
 17 **UNDER THE MEDICAID PROGRAM AND TITLE**
 18 **XXI.**

19 (a) MEDICAID PROGRAM.—Section 1903(v) of the
 20 Social Security Act (42 U.S.C. 1396b(v)) is amended—

21 (1) in paragraph (1), by striking “paragraph
 22 (2)” and inserting “paragraphs (2) and (4)”; and
 23 (2) by adding at the end the following:

24 “(4)(A) A State may elect (in a plan amendment
 25 under this title) to provide medical assistance under this

1 title for aliens who are lawfully residing in the United
2 States (including battered aliens described in section
3 431(e) of the Personal Responsibility and Work Oppor-
4 tunity Reconciliation Act of 1996) and who are otherwise
5 eligible for such assistance, within any of the following eli-
6 gibility categories:

7 “(i) PREGNANT WOMEN.—Women during preg-
8 nancy (and during the 60-day period beginning on
9 the last day of the pregnancy).

10 “(ii) CHILDREN.—Children (as defined under
11 such plan), including optional targeted low-income
12 children described in section 1905(u)(2)(B).

13 “(B)(i) In the case of a State that has elected to pro-
14 vide medical assistance to a category of aliens under sub-
15 paragraph (A), no debt shall accrue under an affidavit of
16 support against any sponsor of such an alien on the basis
17 of provision of assistance to such category and the cost
18 of such assistance shall not be considered as an unreim-
19 bursed cost.

20 “(ii) The provisions of sections 401(a), 402(b), 403,
21 and 421 of the Personal Responsibility and Work Oppor-
22 tunity Reconciliation Act of 1996 shall not apply to a
23 State that makes an election under subparagraph (A).”.

1 (b) TITLE XXI.—Section 2107(e)(1) of the Social
 2 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-
 3 ing at the end the following:

4 “(E) Section 1903(v)(4) (relating to op-
 5 tional coverage of permanent resident alien chil-
 6 dren), but only if the State has elected to apply
 7 such section to that category of children under
 8 title XIX.”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section take effect on October 1, 2003, and apply to
 11 medical assistance and child health assistance furnished
 12 on or after such date.

13 **Subchapter B—Family Opportunity Act**

14 **SEC. 1111. SHORT TITLE; AMENDMENTS TO SOCIAL SECU-** 15 **RITY ACT.**

16 (a) SHORT TITLE.—This subchapter may be cited as
 17 the “Family Opportunity Act of 2003” or the “Dylan Lee
 18 James Act”.

19 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-
 20 cept as otherwise specifically provided, whenever in this
 21 Act an amendment is expressed in terms of an amendment
 22 to or repeal of a section or other provision, the reference
 23 shall be considered to be made to that section or other
 24 provision of the Social Security Act.

1 **SEC. 1112. OPPORTUNITY FOR FAMILIES OF DISABLED**
 2 **CHILDREN TO PURCHASE MEDICAID COV-**
 3 **ERAGE FOR SUCH CHILDREN.**

4 (a) STATE OPTION TO ALLOW FAMILIES OF DIS-
 5 ABLED CHILDREN TO PURCHASE MEDICAID COVERAGE
 6 FOR SUCH CHILDREN.—

7 (1) IN GENERAL.—Section 1902 (42 U.S.C.
 8 1396a) is amended—

9 (A) in subsection (a)(10)(A)(ii)—

10 (i) by striking “or” at the end of sub-
 11 clause (XVII);

12 (ii) by adding “or” at the end of sub-
 13 clause (XVIII); and

14 (iii) by adding at the end the fol-
 15 lowing new subclause:

16 “(XIX) who are disabled children
 17 described in subsection (cc)(1);”;

18 (B) by adding at the end the following new
 19 subsection:

20 “(cc)(1) Individuals described in this paragraph are
 21 individuals—

22 “(A) who have not attained 18 years of age;

23 “(B) who would be considered disabled under
 24 section 1614(a)(3)(C) (determined without regard to
 25 the reference to age in that section) but for having
 26 earnings or deemed income or resources (as deter-

1 mined under title XVI for children) that exceed the
2 requirements for receipt of supplemental security in-
3 come benefits; and

4 “(C) whose family income does not exceed such
5 income level as the State establishes and does not
6 exceed—

7 “(i) 300 percent of the income official pov-
8 erty line (as defined by the Office of Manage-
9 ment and Budget, and revised annually in ac-
10 cordance with section 673(2) of the Omnibus
11 Budget Reconciliation Act of 1981) applicable
12 to a family of the size involved; or

13 “(ii) such higher percent of such poverty
14 line as a State may establish, except that no
15 Federal financial participation shall be provided
16 under section 1903(a) for any medical assist-
17 ance provided to an individual who would not be
18 described in this subsection but for this
19 clause.”.

20 (2) INTERACTION WITH EMPLOYER-SPONSORED
21 FAMILY COVERAGE.—Section 1902(cc) (42 U.S.C.
22 1396a(cc)), as added by paragraph (1), is amended
23 by adding at the end the following new paragraph:

24 “(2)(A) If an employer of a parent of an individual
25 described in paragraph (1) offers family coverage under

1 a group health plan (as defined in section 2791(a) of the
2 Public Health Service Act), the State may—

3 “(i) require such parent to apply for, enroll in,
4 and pay premiums for, such coverage as a condition
5 of such parent’s child being or remaining eligible for
6 medical assistance under subsection
7 (a)(10)(A)(ii)(XIX) if the parent is determined eligi-
8 ble for such coverage and the employer contributes
9 at least 50 percent of the total cost of annual pre-
10 miums for such coverage; and

11 “(ii) if such coverage is obtained—

12 “(I) subject to paragraph (2) of section
13 1916(h), reduce the premium imposed by the
14 State under that section (if any) in an amount
15 that reasonably reflects the premium contribu-
16 tion made by the parent for private coverage on
17 behalf of a child with a disability; and

18 “(II) treat such coverage as a third party
19 liability under subsection (a)(25).

20 “(B) In the case of a parent to which subparagraph
21 (A) applies, if the family income of such parent does not
22 exceed 300 percent of the income official poverty line (re-
23 ferred to in paragraph (1)(C)(i)), a State may provide for
24 payment of any portion of the annual premium for such
25 family coverage that the parent is required to pay. Any

1 payments made by the State under this subparagraph
2 shall be considered, for purposes of section 1903(a), to
3 be payments for medical assistance.”.

4 (b) STATE OPTION TO IMPOSE INCOME-RELATED
5 PREMIUMS.—Section 1916 (42 U.S.C. 1396o) is amend-
6 ed—

7 (1) in subsection (a), by striking “subsection
8 (g)” and inserting “subsections (g) and (h)”; and

9 (2) by adding at the end the following new sub-
10 section:

11 “(h)(1) With respect to disabled children provided
12 medical assistance under section 1902(a)(10)(A)(ii)(XIX),
13 subject to paragraph (2), a State may (in a uniform man-
14 ner for such children) require the families of such children
15 to pay monthly premiums set on a sliding scale based on
16 family income.

17 “(2) A premium requirement imposed under para-
18 graph (1) may only apply to the extent that—

19 “(A) the aggregate amount of such premium
20 and any premium that the parent is required to pay
21 for family coverage under section 1902(cc)(2)(A)(i)
22 does not exceed 5 percent of the family’s income;
23 and

24 “(B) the requirement is imposed consistent with
25 section 1902(cc)(2)(A)(ii)(I).

1 “(3) A State shall not require prepayment of a pre-
 2 mium imposed pursuant to paragraph (1) and shall not
 3 terminate eligibility of a child under section
 4 1902(a)(10)(A)(ii)(XIX) for medical assistance under this
 5 title on the basis of failure to pay any such premium until
 6 such failure continues for a period of not less than 60 days
 7 from the date on which the premium became past due.
 8 The State may waive payment of any such premium in
 9 any case where the State determines that requiring such
 10 payment would create an undue hardship.”.

11 (c) CONFORMING AMENDMENT.—Section 1903(f)(4)
 12 (42 U.S.C. 1396b(f)(4)) is amended in the matter pre-
 13 ceding subparagraph (A) by inserting
 14 “1902(a)(10)(A)(ii)(XIX),” after
 15 “1902(a)(10)(A)(ii)(XVIII),”.

16 (d) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to medical assistance for items and
 18 services furnished on or after January 1, 2004.

19 **SEC. 1113. TREATMENT OF INPATIENT PSYCHIATRIC HOS-**
 20 **PITAL SERVICES FOR INDIVIDUALS UNDER**
 21 **AGE 21 IN HOME OR COMMUNITY-BASED**
 22 **SERVICES WAIVERS.**

23 (a) IN GENERAL.—Section 1915(c) (42 U.S.C.
 24 1396n(c)) is amended—

25 (1) in paragraph (1)—

1 (A) in the first sentence, by inserting “, or
2 inpatient psychiatric hospital services for indi-
3 viduals under age 21,” after “intermediate care
4 facility for the mentally retarded”; and

5 (B) in the second sentence, by inserting “,
6 or inpatient psychiatric hospital services for in-
7 dividuals under age 21” before the period;

8 (2) in paragraph (2)(B), by striking “or serv-
9 ices in an intermediate care facility for the mentally
10 retarded” each place it appears and inserting “,
11 services in an intermediate care facility for the men-
12 tally retarded, or inpatient psychiatric hospital serv-
13 ices for individuals under age 21”;

14 (3) by striking paragraph (2)(C) and inserting
15 the following:

16 “(C) such individuals who are determined to be
17 likely to require the level of care provided in a hos-
18 pital, nursing facility, or intermediate care facility
19 for the mentally retarded, or inpatient psychiatric
20 hospital services for individuals under age 21, are
21 informed of the feasible alternatives, if available
22 under the waiver, at the choice of such individuals,
23 to the provision of inpatient hospital services, nurs-
24 ing facility services, services in an intermediate care
25 facility for the mentally retarded, or inpatient psy-

1 chiatric hospital services for individuals under age
2 21;” and

3 (4) in paragraph (7)(A)—

4 (A) by inserting “, or inpatient psychiatric
5 hospital services for individuals under age 21,”
6 after “intermediate care facility for the men-
7 tally retarded”; and

8 (B) by inserting “, or who would require
9 inpatient psychiatric hospital services for indi-
10 viduals under age 21” before the period.

11 (b) EFFECTIVE DATE.—The amendments made by
12 subsection (a) apply with respect to medical assistance
13 provided on or after January 1, 2003.

14 **SEC. 1114. DEMONSTRATION OF COVERAGE UNDER THE**
15 **MEDICAID PROGRAM OF CHILDREN WITH PO-**
16 **TENTIALLY SEVERE DISABILITIES.**

17 (a) STATE APPLICATION.—A State may apply to the
18 Secretary of Health and Human Services (in this section
19 referred to as the “Secretary”) for approval of a dem-
20 onstration project (in this section referred to as a “dem-
21 onstration project”) under which up to a specified max-
22 imum number of children with a potentially severe dis-
23 ability (as defined in subsection (b)) are provided medical
24 assistance under the State medicaid plan under title XIX
25 of the Social Security Act (42 U.S.C. 1396 et seq.).

1 (b) CHILD WITH A POTENTIALLY SEVERE DIS-
2 ABILITY DEFINED.—

3 (1) IN GENERAL.—In this section, the term
4 “child with a potentially severe disability” means,
5 with respect to a demonstration project, an indi-
6 vidual who—

7 (A) has not attained 21 years of age;

8 (B) has a physical or mental condition,
9 disease, disorder (including a congenital birth
10 defect or a metabolic condition), injury, or de-
11 velopmental disability that was incurred before
12 the individual attained such age; and

13 (C) is reasonably expected, but for the re-
14 ceipt of medical assistance under the State
15 medicaid plan, to reach the level of disability
16 defined under section 1614(a)(3) of the Social
17 Security Act (42 U.S.C. 1382c(a)(3)), (deter-
18 mined without regard to the reference to age in
19 subparagraph (C) of that section).

20 (2) EXCEPTION.—Such term does not include
21 an individual who would be considered disabled
22 under section 1614(a)(3)(C) of the Social Security
23 Act (42 U.S.C. 1382c(a)(3)(C)) (determined without
24 regard to the reference to age in that section).

25 (c) APPROVAL OF DEMONSTRATION PROJECTS.—

1 (1) IN GENERAL.—Subject to paragraph (3),
2 the Secretary shall approve applications under sub-
3 section (a) that meet the requirements of paragraph
4 (2) and such additional terms and conditions as the
5 Secretary may require. The Secretary may waive the
6 requirement of section 1902(a)(1) of the Social Se-
7 curity Act (42 U.S.C. 1396a(a)(1)) to allow for sub-
8 State demonstrations.

9 (2) TERMS AND CONDITIONS OF DEMONSTRA-
10 TION PROJECTS.—The Secretary may not approve a
11 demonstration project under this section unless the
12 State provides assurances satisfactory to the Sec-
13 retary that the following conditions are or will be
14 met:

15 (A) INDEPENDENT EVALUATION.—The
16 State provides for an independent evaluation of
17 the project to be conducted during fiscal year
18 2006.

19 (B) CONSULTATION FOR DEVELOPMENT
20 OF CRITERIA.—The State consults with appro-
21 priate pediatric health professionals in estab-
22 lishing the criteria for determining whether a
23 child has a potentially severe disability.

24 (C) ANNUAL REPORT.—The State submits
25 an annual report to the Secretary (in a uniform

1 form and manner established by the Secretary)
2 on the use of funds provided under the grant
3 that includes the following:

4 (i) Enrollment and financial statistics

5 on—

6 (I) the total number of children
7 with a potentially severe disability en-
8 rolled in the demonstration project,
9 disaggregated by disability;

10 (II) the services provided by cat-
11 egory or code and the cost of each
12 service so categorized or coded; and

13 (III) the number of children en-
14 rolled in the demonstration project
15 who also receive services through pri-
16 vate insurance.

17 (ii) With respect to the report sub-
18 mitted for fiscal year 2008, the results of
19 the independent evaluation conducted
20 under subparagraph (A).

21 (iii) Such additional information as
22 the Secretary may require.

23 (3) LIMITATIONS ON FEDERAL FUNDING.—

24 (A) APPROPRIATION.—

1 (i) IN GENERAL.—Out of any funds in
2 the Treasury not otherwise appropriated,
3 there is appropriated to carry out this sec-
4 tion—

5 (I) \$16,666,000 for each of fiscal
6 years 2004 and 2005; and

7 (II) \$16,667,000 for each of fis-
8 cal years 2006 through 2009.

9 (ii) BUDGET AUTHORITY.—Clause (i)
10 constitutes budget authority in advance of
11 appropriations Acts and represents the ob-
12 ligation of the Federal Government to pro-
13 vide for the payment of the amounts ap-
14 propriated under clause (i).

15 (B) LIMITATION ON PAYMENTS.—In no
16 case may—

17 (i) the aggregate amount of payments
18 made by the Secretary to States under this
19 section exceed \$100,000,000;

20 (ii) the aggregate amount of payments
21 made by the Secretary to States for ad-
22 ministrative expenses relating to the eval-
23 uations and annual reports required under
24 subparagraphs (A) and (C) of paragraph

1 (2) exceed \$2,000,000 of such
2 \$100,000,000; or

3 (iii) payments be provided by the Sec-
4 retary for a fiscal year after fiscal year
5 2010.

6 (C) FUNDS ALLOCATED TO STATES.—

7 (i) IN GENERAL.—The Secretary shall
8 allocate funds to States based on their ap-
9 plications and the availability of funds. In
10 making such allocations, the Secretary
11 shall ensure an equitable distribution of
12 funds among States with large populations
13 and States with small populations.

14 (ii) AVAILABILITY.—Funds allocated
15 to a State under a grant made under this
16 section for a fiscal year shall remain avail-
17 able until expended.

18 (D) FUNDS NOT ALLOCATED TO STATES.—

19 Funds not allocated to States in the fiscal year
20 for which they are appropriated shall remain
21 available in succeeding fiscal years for alloca-
22 tion by the Secretary using the allocation for-
23 mula established under this section.

24 (E) PAYMENTS TO STATES.—The Sec-
25 retary shall pay to each State with a dem-

1 demonstration project approved under this section,
2 from its allocation under subparagraph (C), an
3 amount for each quarter equal to the Federal
4 medical assistance percentage (as defined in
5 section 1905(b) of the Social Security Act (42
6 U.S.C. 1395d(b))) of expenditures in the quar-
7 ter for medical assistance provided to children
8 with a potentially severe disability.

9 (d) RECOMMENDATION.—Not later than October 1,
10 2007, the Secretary shall submit a recommendation to the
11 Committee on Commerce of the House of Representatives
12 and the Committee on Finance of the Senate regarding
13 whether the demonstration project established under this
14 section should be continued after fiscal year 2009.

15 (e) STATE DEFINED.—In this section, the term
16 “State” has the meaning given such term for purposes of
17 title XIX of the Social Security Act (42 U.S.C. 1396 et
18 seq.).

19 **SEC. 1115. DEVELOPMENT AND SUPPORT OF FAMILY-TO-**
20 **FAMILY HEALTH INFORMATION CENTERS.**

21 Section 501 (42 U.S.C. 701) is amended by adding
22 at the end the following new subsection:

23 “(c)(1) In addition to amounts appropriated under
24 subsection (a) and retained under section 502(a)(1) for
25 the purpose of carrying out activities described in sub-

1 section (a)(2), there is appropriated to the Secretary, out
2 of any money in the Treasury not otherwise appropriated,
3 for the purpose of enabling the Secretary (through grants,
4 contracts, or otherwise) to provide for special projects of
5 regional and national significance for the development and
6 support of family-to-family health information centers de-
7 scribed in paragraph (2), \$10,000,000 for each of fiscal
8 years 2004 through 2009. Funds appropriated under this
9 paragraph shall remain available until expended.

10 “(2) The family-to-family health information centers
11 described in this paragraph are centers that—

12 “(A) assist families of children with disabilities
13 or special health care needs to make informed
14 choices about health care in order to promote good
15 treatment decisions, cost-effectiveness, and improved
16 health outcomes for such children;

17 “(B) provide information regarding the health
18 care needs of, and resources available for, children
19 with disabilities or special health care needs;

20 “(C) identify successful health delivery models
21 for such children;

22 “(D) develop with representatives of health care
23 providers, managed care organizations, health care
24 purchasers, and appropriate State agencies a model

1 for collaboration between families of such children
2 and health professionals;

3 “(E) provide training and guidance regarding
4 caring for such children;

5 “(F) conduct outreach activities to the families
6 of such children, health professionals, schools, and
7 other appropriate entities and individuals; and

8 “(G) are staffed by families of children with
9 disabilities or special health care needs who have ex-
10 pertise in Federal and State public and private
11 health care systems and health professionals.

12 “(3) The provisions of this title that are applicable
13 to the funds made available to the Secretary under section
14 502(a)(1) apply in the same manner to funds made avail-
15 able to the Secretary under paragraph (1).”.

16 **SEC. 1116. RESTORATION OF MEDICAID ELIGIBILITY FOR**
17 **CERTAIN SSI BENEFICIARIES.**

18 (a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42
19 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended—

20 (1) by inserting “(aa)” after “(II)”;

21 (2) by striking “or who are” and inserting “,
22 (bb) who are”; and

23 (3) by inserting before the comma at the end
24 the following: “, or (cc) who are under 21 years of
25 age and with respect to whom supplemental security

1 income benefits would be paid under title XVI if
 2 subparagraphs (A) and (B) of section 1611(c)(7)
 3 were applied without regard to the phrase ‘the first
 4 day of the month following’ ”.

5 (b) EFFECTIVE DATE.—The amendments made by
 6 subsection (a) shall apply to medical assistance for items
 7 and services furnished on or after the first day of the first
 8 calendar quarter that begins after the date of enactment
 9 of this Act.

10 **CHAPTER 2—ENROLLMENT**
 11 **IMPROVEMENTS**

12 **SEC. 1121. APPLICATION OF SIMPLIFIED TITLE XXI PROCE-**
 13 **DURES UNDER THE MEDICAID PROGRAM.**

14 (a) APPLICATION UNDER MEDICAID.—

15 (1) IN GENERAL.—Section 1902(l) of the Social
 16 Security Act (42 U.S.C. 1396a(l)) is amended—

17 (A) in paragraph (3), by inserting “subject
 18 to paragraph (5)”, after “Notwithstanding sub-
 19 section (a)(17),”; and

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

21 “(5) With respect to determining the eligibility of in-
 22 dividuals under 19 years of age (or such higher age as
 23 the State has elected under paragraph (1)(D)) for medical
 24 assistance under subsection (a)(10)(A) notwithstanding

1 any other provision of this title, if the State has estab-
2 lished a State child health plan under title XXI—

3 “(A) the State may not apply a resource stand-
4 ard;

5 “(B) the State shall use the same simplified eli-
6 gibility form (that in no case shall be more than 4
7 pages and that permits application other than in
8 person) as the State uses under such State child
9 health plan with respect to such individuals;

10 “(C) the State shall provide for initial eligibility
11 determinations and redeterminations of eligibility
12 using the same verification policies, forms, and fre-
13 quency as the State uses for such purposes under
14 such State child health plan with respect to such in-
15 dividuals;

16 “(D) the State shall not require a face-to-face
17 interview for purposes of initial eligibility determina-
18 tions and redeterminations and shall allow for self-
19 declaration of initial eligibility and recertification in-
20 formation; and

21 “(E) the State shall coordinate the enrollment
22 of children under this title and title XXI with the
23 enrollment of such children and their families in
24 other Federal means-tested public assistance pro-
25 grams, including child care programs, free or re-

1 duced price lunches or breakfasts under the Richard
2 B. Russell National School Lunch Act (42 U.S.C.
3 1751 et seq.), assistance under the special supple-
4 mental nutrition program for women, infants, and
5 children (WIC) under section 17 of the Child Nutri-
6 tion Act of 1966 (42 U.S.C. 1786), and benefits
7 under the Food Stamp Act of 1977.”.

8 (2) EFFECTIVE DATE.—The amendments made
9 by paragraph (1) apply to determinations of eligi-
10 bility made on or after the date that is 1 year after
11 the date of the enactment of this Act, whether or
12 not regulations implementing such amendments have
13 been issued.

14 (3) DEVELOPMENT OF UNIFORM APPLICA-
15 TION.—Not later than 1 year after the date of en-
16 actment of this Act, the Secretary of Health and
17 Human Services, in consultation with States and or-
18 ganizations with expertise in outreach to, and enroll-
19 ment of, children without health insurance, shall de-
20 velop a uniform application that meets the require-
21 ments of section 1902(1)(5) of the Social Security
22 Act, as added by paragraph (1), and may be used
23 in any State.

24 (b) PRESUMPTIVE ELIGIBILITY.—

1 (1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of
2 the Social Security Act (42 U.S.C. 1396r–
3 1a(b)(3)(A)(i)) is amended by inserting “a child care
4 resource and referral agency,” after “a State or trib-
5 al child support enforcement agency,”.

6 (2) APPLICATION TO PRESUMPTIVE ELIGIBILITY
7 FOR PREGNANT WOMEN UNDER MEDICAID.—Section
8 1920(b) of the Social Security Act (42 U.S.C.
9 1396r–1(b)) is amended by adding at the end after
10 and below paragraph (2) the following flush sen-
11 tence:

12 “The term ‘qualified provider’ includes a qualified entity
13 as defined in section 1920A(b)(3).”.

14 (3) APPLICATION UNDER TITLE XXI.—

15 (A) IN GENERAL.—Section 2107(e)(1)(D)
16 of the Social Security Act (42 U.S.C.
17 1397gg(e)(1)) is amended to read as follows:

18 “(D) Sections 1920 and 1920A (relating to
19 presumptive eligibility).”.

20 (B) EXCEPTION FROM LIMITATION ON AD-
21 MINISTRATIVE EXPENSES.—Section 2105(c)(2)
22 of such Act (42 U.S.C. 1397ee(c)(2)) is amend-
23 ed by adding at the end the following:

24 “(C) EXCEPTION FOR PRESUMPTIVE ELI-
25 GIBILITY EXPENDITURES.—The limitation

1 under subparagraph (A) on expenditures shall
2 not apply to expenditures attributable to the
3 application of section 1920 or 1920A (pursuant
4 to section 2107(e)(1)(D)), regardless of whether
5 the child is determined to be ineligible for the
6 program under this title or title XIX.”.

7 (C) CONFORMING ELIMINATION OF RE-
8 SOURCE TEST.—Section 2102(b)(1)(A) of such
9 Act (42 U.S.C. 1397bb(b)(1)(A)) is amended—

10 (i) by striking “and resources (includ-
11 ing any standards relating to spenddowns
12 and disposition of resources)”;

13 (ii) by adding at the end the fol-
14 lowing: “Effective 1 year after the date of
15 the enactment of the Leave No Child Be-
16 hind Act of 2003, such standards may not
17 include the application of a resource stand-
18 ard or test.”.

19 (c) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR
20 TITLE XXI AND MEDICAID BENEFITS FOR CHILDREN
21 LOSING MEDICAID OR TITLE XXI ELIGIBILITY.—

22 (1) LOSS OF MEDICAID ELIGIBILITY.—Section
23 1902(a) of the Social Security Act (42 U.S.C.
24 1396a(a)) is amended—

1 (A) by striking the period at the end of
2 paragraph (65) and inserting “; and”; and

3 (B) by inserting after paragraph (65) the
4 following:

5 “(66) provide, in the case of a State with a
6 State child health plan under title XXI, that before
7 medical assistance to a child (or a parent of a child)
8 is discontinued under this title, a determination of
9 whether the child (or parent) is eligible for benefits
10 under title XXI shall be made and, if determined to
11 be so eligible, the child (or parent) shall be auto-
12 matically enrolled in the program under such title
13 without the need for a new application.”.

14 (2) LOSS OF TITLE XXI ELIGIBILITY.—Section
15 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by
16 redesignating subparagraphs (D) and (E) as sub-
17 paragraphs (E) and (F), respectively, and by insert-
18 ing after subparagraph (C) the following:

19 “(D) that before health assistance to a
20 child (or a parent of a child) is discontinued
21 under this title, a determination of whether the
22 child (or parent) is eligible for benefits under
23 title XIX is made and, if determined to be so
24 eligible, the child (or parent) is automatically

1 enrolled in the program under such title with-
2 out the need for a new application;”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by paragraphs (1) and (2) apply to individuals who
5 lose eligibility under the medicaid program under
6 title XIX, or under a State child health insurance
7 plan under title XXI, respectively, of the Social Se-
8 curity Act on or after the date that is 60 days after
9 the date of the enactment of this Act.

10 (d) PROVISION OF MEDICAID AND SCHIP APPLICA-
11 TIONS AND INFORMATION UNDER THE SCHOOL LUNCH
12 PROGRAM.—Section 9(b)(2)(B) of the Richard B. Russell
13 National School Lunch Act (42 U.S.C. 1758(b)(2)(B)) is
14 amended—

15 (1) by striking “(B) Applications” and inserting
16 “(B)(i) Applications”; and

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

18 “(ii)(I) Applications for free and reduced price
19 lunches that are distributed pursuant to clause (i) to par-
20 ents or guardians of children in attendance at schools par-
21 ticipating in the school lunch program under this Act shall
22 also contain information on the availability of medical as-
23 sistance under title XIX of the Social Security Act (42
24 U.S.C. 1396 et seq.) (commonly referred to as the ‘med-
25 icaid program’) and of child health assistance under title

1 XXI of such Act (commonly referred to as ‘SCHIP’), in-
 2 cluding information on how to obtain an application for
 3 assistance under such program.

4 “(II) Information on the medicaid program and
 5 SCHIP under subclause (I) shall be provided on a form
 6 separate from the application form for free and reduced
 7 price lunches under clause (i).”.

8 (e) 12-MONTHS CONTINUOUS ELIGIBILITY.—

9 (1) MEDICAID.—Section 1902(e)(12) of the So-
 10 cial Security Act (42 U.S.C. 1396a(e)(12)) is
 11 amended—

12 (A) by striking “At the option of the State,
 13 the plan may” and inserting “The plan shall”;

14 (B) by striking “an age specified by the
 15 State (not to exceed 19 years of age)” and in-
 16 serting “19 years of age (or such higher age as
 17 the State has elected under subsection
 18 (l)(1)(D)) or who is eligible for medical assist-
 19 ance as the parent of such a child”;

20 (C) in subparagraph (A), by striking “a
 21 period (not to exceed 12 months)” and insert-
 22 ing “the 12-month period beginning on the
 23 date”; and

1 (D) in subparagraph (B), by inserting “or,
2 in the case of a parent of a child, the child)”
3 after “the individual”.

4 (2) TITLE XXI.—Section 2101(b)(2) of such
5 Act (42 U.S.C. 1397aa(b)(2)) is amended by adding
6 at the end the following: “Such methods shall pro-
7 vide 12-months continuous eligibility for children
8 and parents under this title in the same manner as
9 section 1902(e)(12) provides 12-months continuous
10 eligibility for individuals described in such section
11 under title XIX.”.

12 **SEC. 1122. AUTOMATIC ENROLLMENT OF CHILDREN BORN**
13 **TO TITLE XXI PARENTS.**

14 Section 2102(b)(1) of the Social Security Act (42
15 U.S.C. 1397bb(b)(1)) is amended by adding at the end
16 the following new subparagraph:

17 “(C) AUTOMATIC ELIGIBILITY OF CHIL-
18 DREN BORN TO A PARENT BEING PROVIDED
19 FAMILYCARE.—Such eligibility standards shall
20 provide for automatic coverage of a child born
21 to an individual who is provided assistance
22 under this title in the same manner as medical
23 assistance would be provided under section
24 1902(e)(4) to a child described in such sec-
25 tion.”.

1 **CHAPTER 3—EFFECTIVE DATE**

2 **SEC. 1131. EFFECTIVE DATE.**

3 (a) **IN GENERAL.**—Subject to subsection (b), the
4 amendments made by this subtitle take effect on the date
5 of enactment of this Act.

6 (b) **EXTENSION OF EFFECTIVE DATE FOR STATE**
7 **LAW AMENDMENT.**—In the case of a State plan under
8 title XIX or XXI of the Social Security Act which the Sec-
9 retary of Health and Human Services determines requires
10 State legislation in order for the plan to meet the addi-
11 tional requirements imposed by the amendments made by
12 this subtitle, such State plan shall not be regarded as fail-
13 ing to comply with such requirements solely on the basis
14 of its failure to meet the additional requirements before
15 the first day of the first calendar quarter beginning after
16 the close of the first regular session of the State legisla-
17 ture that begins after the date of enactment of this Act.
18 For purposes of the previous sentence, in the case of a
19 State that has a 2-year legislative session, each year of
20 the session is considered to be a separate regular session
21 of the State legislature.

1 **Subtitle C—Improving Access to**
2 **Care**

3 **CHAPTER 1—COMMISSION**

4 **SEC. 1201. COMMISSION ON CHILDREN'S ACCESS TO CARE.**

5 (a) ESTABLISHMENT.—There is established a Com-
6 mission on Children's Access to Care (in this section re-
7 ferred to as the "Commission").

8 (b) MEMBERSHIP.—

9 (1) COMPOSITION.—The Commission shall be
10 composed of 11 members of whom—

11 (A) 3 members shall be appointed by the
12 President;

13 (B) 2 members shall be appointed by the
14 Majority Leader of the Senate;

15 (C) 2 members shall be appointed by the
16 Speaker of the House of Representatives;

17 (D) 2 members shall be appointed by the
18 Minority Leader of the Senate; and

19 (E) 2 members shall be appointed by the
20 Minority Leader of the House of Representa-
21 tives.

22 (2) QUALIFICATIONS.—Members of the Com-
23 mission shall be appointed from among representa-
24 tives of children's advocacy groups and children's
25 health care providers.

1 (3) TIMING OF APPOINTMENTS.—Members of
2 the Commission shall be appointed not later than 6
3 months after the date of enactment of this Act.

4 (4) CHAIR.—

5 (A) IN GENERAL.—The Commission shall
6 select a Chair from among its members.

7 (B) DUTIES.—The Chair of the Commis-
8 sion shall be responsible for—

9 (i) the assignment of duties and re-
10 sponsibilities among staff personnel and
11 their continuing supervision; and

12 (ii) the use and expenditure of funds
13 available to the Commission.

14 (5) VACANCIES.—Any vacancy on the Commis-
15 sion shall be filled in the same manner as the origi-
16 nal incumbent was appointed.

17 (6) TRAVEL EXPENSES.—The members of the
18 Commission shall be allowed travel expenses, includ-
19 ing per diem in lieu of subsistence, at rates author-
20 ized for employees of agencies under subchapter I of
21 chapter 57 of title 5, United States Code, while
22 away from their homes or regular places of business
23 in the performance of services for the Commission.

24 (c) MEETINGS.—

1 (1) INITIAL MEETING.—Not later than 30 days
2 after the date on which all members of the Commis-
3 sion have been appointed, the Commission shall hold
4 its first meeting.

5 (2) TIME.—The Commission shall meet at the
6 call of the Chair.

7 (3) QUORUM.—A majority of the members of
8 the Commission shall constitute a quorum, but a
9 lesser number of members may hold hearings.

10 (d) DUTIES.—

11 (1) IN GENERAL.—The Commission shall con-
12 duct annual studies of children’s access to health
13 care.

14 (2) MATTERS STUDIED.—Each year the Com-
15 mission shall study—

16 (A) the impact of payment rates under the
17 medicaid and the State children’s health insur-
18 ance programs on access to health care and
19 provider participation in the delivery of health
20 care to children;

21 (B) the access to health care of children
22 with special health care needs, particularly
23 those in managed care delivery systems;

24 (C) the access to, and delivery of, preven-
25 tive health care to children;

1 (D) Federal and State government efforts
2 to collect data, report, evaluate, and monitor
3 children's access to health care, including Fed-
4 eral and State government deficiencies in as-
5 sessing children's access to health care;

6 (E) the needs for supplemental and ena-
7 bling services to improve children's access to
8 health care, including translation and transpor-
9 tation services; and

10 (F) other factors that impact the ability of
11 families with children to gain access to health
12 care services.

13 (3) REPORTS.—

14 (A) IN GENERAL.—Not later than 1 year
15 after the date of the initial meeting of the Com-
16 mission, and annually thereafter, the Commis-
17 sion shall submit to Congress and the President
18 a report.

19 (B) CONTENTS.—Each report shall contain
20 the results of the study conducted for that year
21 and the Commission's recommendations to im-
22 prove children's—

23 (i) health status; and

24 (ii) access to health care.

25 (e) POWERS OF THE COMMISSION.—

1 (1) HEARINGS.—The Commission may hold
2 hearings, sit and act at times and places, take testi-
3 mony, and receive evidence as the Commission con-
4 siders advisable to carry out this section.

5 (2) INFORMATION FROM FEDERAL AGENCIES.—
6 The Commission may secure directly from any Fed-
7 eral department or agency such information as the
8 Commission considers necessary to carry out this
9 section. Upon request of the Chair of the Commis-
10 sion, the head of such department or agency shall
11 furnish such information to the Commission.

12 (3) POSTAL SERVICES.—The Commission may
13 use the United States mails in the same manner and
14 under the same conditions as other departments and
15 agencies of the Federal Government.

16 (4) GIFTS.—The Commission may accept, use,
17 and dispose of gifts or donations of services or prop-
18 erty.

19 (f) STAFF AND ADMINISTRATIVE SUPPORT.—

20 (1) IN GENERAL.—The Chair of the Commis-
21 sion may, without regard to the civil service laws
22 and regulations, appoint and terminate an executive
23 director and such other additional personnel as may
24 be necessary to enable the Commission to perform

1 its duties. The employment of an executive director
2 shall be subject to confirmation by the Commission.

3 (2) COMPENSATION.—The Chair of the Com-
4 mission may fix the compensation of the executive
5 director and other personnel without regard to chap-
6 ter 51 and subchapter III of chapter 53 of title 5,
7 United States Code, relating to classification of posi-
8 tions and General Schedule pay rates, except that
9 the rate of pay for the executive director and other
10 personnel may not exceed the rate payable for level
11 V of the Executive Schedule under section 5316 of
12 title 5, United States Code.

13 (3) DETAIL OF GOVERNMENT EMPLOYEES.—
14 Any Federal Government employee may be detailed
15 to the Commission without reimbursement, and such
16 detail shall be without interruption or loss of civil
17 service status or privilege.

18 (4) PROCUREMENT OF TEMPORARY AND INTER-
19 MITTENT SERVICES.—The Chair of the Commission
20 may procure temporary and intermittent services
21 under section 3109(b) of title 5, United States Code,
22 at rates for individuals which do not exceed the daily
23 equivalent of the annual rate of basic pay prescribed
24 for level V of the Executive Schedule under section
25 5316 of title 5, United States Code.

1 **CHAPTER 2—CHILDREN’S HEALTH**
2 **INSURANCE ACCOUNTABILITY**

3 **SEC. 1211. SHORT TITLE.**

4 This chapter may be cited as the “Children’s Health
5 Insurance Accountability Act of 2003”.

6 **SEC. 1212. FINDINGS.**

7 Congress makes the following findings:

8 (1) Children have health and development needs
9 that are markedly different than those for the adult
10 population.

11 (2) Children experience complex and continuing
12 changes during the continuum from birth to adult-
13 hood in which appropriate health care is essential
14 for optimal development.

15 (3) The vast majority of work done on develop-
16 ment methods to assess the effectiveness of health
17 care services and the impact of medical care on pa-
18 tient outcomes and patient satisfaction has been fo-
19 cused on adults.

20 (4) Health outcome measures need to be age,
21 gender, and developmentally appropriate to be useful
22 to families and children.

23 (5) Costly disorders of adulthood often have
24 their origins in childhood, making early access to ef-
25 fective health services in childhood essential.

1 (6) More than 200 chronic conditions, disabil-
 2 ities and diseases affect children, including asthma,
 3 diabetes, sickle cell anemia, spina bifida, epilepsy,
 4 autism, cerebral palsy, congenital heart disease,
 5 mental retardation, and cystic fibrosis. These chil-
 6 dren need the services of specialists who have in
 7 depth knowledge about their particular condition.

8 (7) Children’s patterns of illness, disability and
 9 injury differ dramatically from adults.

10 **SEC. 1213. AMENDMENTS TO THE PUBLIC HEALTH SERVICE**

11 **ACT.**

12 (a) PATIENT PROTECTION STANDARDS.—Title
 13 XXVII of the Public Health Service Act (42 U.S.C. 300gg
 14 et seq.) is amended—

15 (1) by redesignating part C as part D; and

16 (2) by inserting after part B the following new
 17 part:

18 “PART C—CHILDREN’S HEALTH PROTECTION

19 STANDARDS

20 **“SEC. 2770. ACCESS TO CARE.**

21 “(a) ACCESS TO APPROPRIATE PRIMARY CARE PRO-
 22 VIDERS.—

23 “(1) IN GENERAL.—If a group health plan, or
 24 a health insurance issuer in connection with the pro-
 25 vision of health insurance coverage, requires or pro-

1 provides for an enrollee to designate a participating pri-
2 mary care provider for a child of such enrollee—

3 “(A) the plan or issuer shall permit the en-
4 rollee to designate a physician who specializes
5 in pediatrics as the child’s primary care pro-
6 vider; and

7 “(B) if such an enrollee has not designated
8 such a provider for the child, the plan or issuer
9 shall consider appropriate pediatric expertise in
10 mandatorily assigning such an enrollee to a pri-
11 mary care provider.

12 “(2) CONSTRUCTION.—Nothing in paragraph
13 (1) shall waive any requirements of coverage relating
14 to medical necessity or appropriateness with respect
15 to coverage of services.

16 “(b) ACCESS TO PEDIATRIC SPECIALTY SERVICES.—

17 “(1) REFERRAL TO SPECIALTY CARE FOR CHIL-
18 DREN REQUIRING TREATMENT BY SPECIALISTS.—

19 “(A) IN GENERAL.—In the case of a child
20 who is covered under a group health plan, or
21 health insurance coverage offered by a health
22 insurance issuer and who has a mental or phys-
23 ical condition, disability, or disease of sufficient
24 seriousness and complexity to require diagnosis,
25 evaluation or treatment by a specialist, the plan

1 or issuer shall make or provide for a referral
2 to a specialist who has extensive experience or
3 training, and is available and accessible to pro-
4 vide the treatment for such condition or dis-
5 ease, including the choice of a nonprimary care
6 physician specialist participating in the plan or
7 a referral to a nonparticipating provider as pro-
8 vided for under subparagraph (D) if such a pro-
9 vider is not available within the plan.

10 “(B) SPECIALIST DEFINED.—For purposes
11 of this subsection, the term ‘specialist’ means,
12 with respect to a condition, disability, or dis-
13 ease, a health care practitioner, facility, or cen-
14 ter (such as a center of excellence) that has ex-
15 tensive pediatric expertise through appropriate
16 training or experience to provide high quality
17 care in treating the condition, disability or dis-
18 ease.

19 “(C) REFERRALS TO PARTICIPATING PRO-
20 VIDERS.—A plan or issuer is not required under
21 subparagraph (A) to provide for a referral to a
22 specialist that is not a participating provider,
23 unless the plan or issuer does not have an ap-
24 propriate specialist that is available and acces-
25 sible to treat the enrollee’s condition and that

1 is a participating provider with respect to such
2 treatment.

3 “(D) TREATMENT OF NONPARTICIPATING
4 PROVIDERS.—If a plan or issuer refers a child
5 enrollee to a nonparticipating specialist, services
6 provided pursuant to the referral shall be pro-
7 vided at no additional cost to the enrollee be-
8 yond what the enrollee would otherwise pay for
9 services received by such a specialist that is a
10 participating provider.

11 “(E) SPECIALISTS AS PRIMARY CARE PRO-
12 VIDERS.—A plan or issuer shall have in place a
13 procedure under which a child who is covered
14 under health insurance coverage provided by
15 the plan or issuer who has a condition or dis-
16 ease that requires specialized medical care over
17 a prolonged period of time shall receive a refer-
18 ral to a pediatric specialist affiliated with the
19 plan, or if not available within the plan, to a
20 nonparticipating provider for such condition
21 and such specialist may be responsible for and
22 capable of providing and coordinating the
23 child’s primary and specialty care.

24 “(2) STANDING REFERRALS.—

1 “(A) IN GENERAL.—A group health plan,
2 or health insurance issuer in connection with
3 the provision of health insurance coverage of a
4 child, shall have a procedure by which a child
5 who has a condition, disability, or disease that
6 requires ongoing care from a specialist may re-
7 quest and obtain a standing referral to such
8 specialist for treatment of such condition. If the
9 primary care provider in consultation with the
10 medical director of the plan or issuer and the
11 specialist (if any), determines that such a
12 standing referral is appropriate, the plan or
13 issuer shall authorize such a referral to such a
14 specialist. Such standing referral shall be con-
15 sistent with a treatment plan.

16 “(B) TREATMENT PLANS.—A group health
17 plan, or health insurance issuer, with the par-
18 ticipation of the family and the health care pro-
19 viders of the child, shall develop a treatment
20 plan for a child who requires ongoing care that
21 covers a specified period of time (but in no
22 event less than a 6-month period). Services pro-
23 vided for under the treatment plan shall not re-
24 quire additional approvals or referrals through
25 a gatekeeper.

1 “(C) TERMS OF REFERRAL.—The provi-
2 sions of subparagraph (C) and (D) of para-
3 graph (1) shall apply with respect to referrals
4 under subparagraph (A) in the same manner as
5 they apply to referrals under paragraph (1)(A).

6 “(c) ADEQUACY OF ACCESS.—For purposes of sub-
7 sections (a) and (b), a group health plan or health insur-
8 ance issuer in connection with health insurance coverage
9 shall ensure that a sufficient number, distribution, and va-
10 riety of qualified participating health care providers are
11 available so as to ensure that all covered health care serv-
12 ices, including specialty services, are available and acces-
13 sible to all enrollees in a timely manner.

14 “(d) COVERAGE OF EMERGENCY SERVICES.—

15 “(1) IN GENERAL.—If a group health plan, or
16 health insurance coverage offered by a health insur-
17 ance issuer, provides any benefits for children with
18 respect to emergency services (as defined in para-
19 graph (2)(A)), the plan or issuer shall cover emer-
20 gency services furnished under the plan or cov-
21 erage—

22 “(A) without the need for any prior au-
23 thorization determination;

24 “(B) whether or not the physician or pro-
25 vider furnishing such services is a participating

1 physician or provider with respect to such serv-
2 ices; and

3 “(C) without regard to any other term or
4 condition of such coverage (other than exclusion
5 of benefits, or an affiliation or waiting period,
6 permitted under section 2701).

7 “(2) DEFINITIONS.—In this subsection:

8 “(A) EMERGENCY MEDICAL CONDITION
9 BASED ON PRUDENT LAYPERSON STANDARD.—
10 The term ‘emergency medical condition’ means
11 a medical condition manifesting itself by acute
12 symptoms of sufficient severity (including se-
13 vere pain) such that a prudent layperson, who
14 possesses an average knowledge of health and
15 medicine, could reasonably expect the absence
16 of immediate medical attention to result in a
17 condition described in clause (i), (ii), or (iii) of
18 section 1867(e)(1)(A) of the Social Security
19 Act.

20 “(B) EMERGENCY SERVICES.—The term
21 ‘emergency services’ means—

22 “(i) a medical screening examination
23 (as required under section 1867 of the So-
24 cial Security Act) that is within the capa-
25 bility of the emergency department of a

1 hospital, including ancillary services rou-
2 tinely available to the emergency depart-
3 ment to evaluate an emergency medical
4 condition (as defined in subparagraph
5 (A)); and

6 “(ii) within the capabilities of the
7 staff and facilities available at the hospital,
8 such further medical examination and
9 treatment as are required under section
10 1867 of such Act to stabilize the patient.

11 “(3) REIMBURSEMENT FOR MAINTENANCE
12 CARE AND POST-STABILIZATION CARE.—A group
13 health plan, and health insurance issuer offering
14 health insurance coverage, shall provide, in covering
15 services other than emergency services, for reim-
16 bursement with respect to services which are other-
17 wise covered and which are provided to an enrollee
18 other than through the plan or issuer if the services
19 are maintenance care or post-stabilization care cov-
20 ered under the guidelines established under section
21 1852(d) of the Social Security Act (relating to pro-
22 moting efficient and timely coordination of appro-
23 priate maintenance and post-stabilization care of an
24 enrollee after an enrollee has been determined to be
25 stable).

1 “(e) PROHIBITION ON FINANCIAL BARRIERS.—A
 2 health insurance issuer in connection with the provision
 3 of health insurance coverage may not impose any cost
 4 sharing for pediatric specialty services provided under
 5 such coverage to enrollee children in amounts that exceed
 6 the cost-sharing required for other specialty care under
 7 such coverage.

8 “(f) CHILDREN WITH SPECIAL HEALTH CARE
 9 NEEDS.—A health insurance issuer in connection with the
 10 provision of health insurance coverage shall ensure that
 11 such coverage provides special consideration for the provi-
 12 sion of services to enrollee children with special health care
 13 needs. Appropriate procedures shall be implemented to
 14 provide care for children with special health care needs.
 15 The development of such procedures shall include partici-
 16 pation by the families of such children.

17 “(g) DEFINITIONS.—In this part:

18 “(1) CHILD.—The term ‘child’ means an indi-
 19 vidual who is under 19 years of age.

20 “(2) CHILDREN WITH SPECIAL HEALTH CARE
 21 NEEDS.—The term ‘children with special health care
 22 needs’ means those children who have or are at ele-
 23 vated risk for chronic physical, developmental, be-
 24 havioral or emotional conditions and who also re-

1 quire health and related services of a type and
2 amount not usually required by children.

3 **“SEC. 2771. CONTINUITY OF CARE.**

4 “(a) IN GENERAL.—If a contract between a health
5 insurance issuer, in connection with the provision of health
6 insurance coverage, and a health care provider is termi-
7 nated (other than by the issuer for failure to meet applica-
8 ble quality standards or for fraud) and an enrollee is un-
9 dergoing a course of treatment from the provider at the
10 time of such termination, the issuer shall—

11 “(1) notify the enrollee of such termination,
12 and

13 “(2) subject to subsection (c), permit the en-
14 rollee to continue the course of treatment with the
15 provider during a transitional period (provided under
16 subsection (b)).

17 “(b) TRANSITIONAL PERIOD.—

18 “(1) IN GENERAL.—Except as provided in para-
19 graphs (2) through (4), the transitional period under
20 this subsection shall extend for at least—

21 “(A) 60 days from the date of the notice
22 to the enrollee of the provider’s termination in
23 the case of a primary care provider, or

24 “(B) 120 days from such date in the case
25 of another provider.

1 “(2) INSTITUTIONAL CARE.—The transitional
2 period under this subsection for institutional or in-
3 patient care from a provider shall extend until the
4 discharge or termination of the period of institu-
5 tionalization and shall include reasonable follow-up
6 care related to the institutionalization and shall also
7 include institutional care scheduled prior to the date
8 of termination of the provider status.

9 “(3) PREGNANCY.—If—

10 “(A) an enrollee has entered the second
11 trimester of pregnancy at the time of a pro-
12 vider’s termination of participation, and

13 “(B) the provider was treating the preg-
14 nancy before date of the termination,

15 the transitional period under this subsection with re-
16 spect to provider’s treatment of the pregnancy shall
17 extend through the provision of post-partum care di-
18 rectly related to the delivery.

19 “(4) TERMINAL ILLNESS.—

20 “(A) IN GENERAL.—If—

21 “(i) an enrollee was determined to be
22 terminally ill (as defined in subparagraph
23 (B)) at the time of a provider’s termi-
24 nation of participation, and

1 “(ii) the provider was treating the ter-
2 minal illness before the date of termi-
3 nation,

4 the transitional period under this subsection
5 shall extend for the remainder of the enrollee’s
6 life for care directly related to the treatment of
7 the terminal illness.

8 “(B) DEFINITION.—In subparagraph (A),
9 an enrollee is considered to be ‘terminally ill’ if
10 the enrollee has a medical prognosis that the
11 enrollee’s life expectancy is 6 months or less.

12 “(c) PERMISSIBLE TERMS AND CONDITIONS.—An
13 issuer may condition coverage of continued treatment by
14 a provider under subsection (a)(2) upon the provider
15 agreeing to the following terms and conditions:

16 “(1) The provider agrees to continue to accept
17 reimbursement from the issuer at the rates applica-
18 ble prior to the start of the transitional period as
19 payment in full.

20 “(2) The provider agrees to adhere to the
21 issuer’s quality assurance standards and to provide
22 to the issuer necessary medical information related
23 to the care provided.

24 “(3) The provider agrees otherwise to adhere to
25 the issuer’s policies and procedures, including proce-

1 dures regarding referrals and obtaining prior au-
2 thorization and providing services pursuant to a
3 treatment plan approved by the issuer.

4 **“SEC. 2772. CONTINUOUS QUALITY IMPROVEMENT.**

5 “(a) IN GENERAL.—A health insurance issuer that
6 offers health insurance coverage for children shall estab-
7 lish and maintain an ongoing, internal quality assurance
8 program that at a minimum meets the requirements of
9 subsection (b).

10 “(b) REQUIREMENTS.—The internal quality assur-
11 ance program of an issuer under subsection (a) shall—

12 “(1) establish and measure a set of health care,
13 functional assessments, structure, processes and out-
14 comes, and quality indicators that are unique to chil-
15 dren and based on nationally accepted standards or
16 guidelines of care;

17 “(2) maintain written protocols consistent with
18 recognized clinical guidelines or current consensus
19 on the pediatric field, to be used for purposes of in-
20 ternal utilization review, with periodic updating and
21 evaluation by pediatric specialists to determine effec-
22 tiveness in controlling utilization;

23 “(3) provide for peer review by health care pro-
24 fessionals of the structure, processes, and outcomes

1 related to the provision of health services, including
2 pediatric review of pediatric cases;

3 “(4) include in member satisfaction surveys,
4 questions on child and family satisfaction and expe-
5 rience of care, including care to children with special
6 needs;

7 “(5) monitor and evaluate the continuity of
8 care with respect to children;

9 “(6) include pediatric measures that are di-
10 rected at meeting the needs of at-risk children and
11 children with chronic conditions, disabilities and se-
12 vere illnesses;

13 “(7) maintain written guidelines to ensure the
14 availability of medications appropriate to children;

15 “(8) use focused studies of care received by
16 children with certain types of chronic conditions and
17 disabilities and focused studies of specialized services
18 used by children with chronic conditions and disabil-
19 ities;

20 “(9) monitor access to pediatric specialty serv-
21 ices; and

22 “(10) monitor child health care professional
23 satisfaction.

24 “(c) UTILIZATION REVIEW ACTIVITIES.—

25 “(1) COMPLIANCE WITH REQUIREMENTS.—

1 “(A) IN GENERAL.—A health insurance
2 issuer that offers health insurance coverage for
3 children shall conduct utilization review activi-
4 ties in connection with the provision of such
5 coverage only in accordance with a utilization
6 review program that meets at a minimum the
7 requirements of this subsection.

8 “(B) DEFINITIONS.—In this subsection:

9 “(i) CLINICAL PEERS.—The term
10 ‘clinical peer’ means, with respect to a re-
11 view, a physician or other health care pro-
12 fessional who holds a non-restricted license
13 in a State and in the same or similar spe-
14 cialty as typically manages the pediatric
15 medical condition, procedure, or treatment
16 under review.

17 “(ii) HEALTH CARE PROFESSIONAL.—
18 The term ‘health care professional’ means
19 a physician or other health care practi-
20 tioner licensed or certified under State law
21 to provide health care services and who is
22 operating within the scope of such licen-
23 sure or certification.

24 “(iii) UTILIZATION REVIEW.—The
25 terms ‘utilization review’ and ‘utilization

1 review activities' mean procedures used to
2 monitor or evaluate the clinical necessity,
3 appropriateness, efficacy, or efficiency of
4 health care services, procedures or settings
5 for children, and includes prospective re-
6 view, concurrent review, second opinions,
7 case management, discharge planning, or
8 retrospective review specific to children.

9 “(2) WRITTEN POLICIES AND CRITERIA.—

10 “(A) WRITTEN POLICIES.—A utilization
11 review program shall be conducted consistent
12 with written policies and procedures that govern
13 all aspects of the program.

14 “(B) USE OF WRITTEN CRITERIA.—A utili-
15 zation review program shall utilize written clin-
16 ical review criteria specific to children and de-
17 veloped pursuant to the program with the input
18 of appropriate physicians, including pediatri-
19 cians, nonprimary care pediatric specialists, and
20 other child health professionals.

21 “(C) ADMINISTRATION BY HEALTH CARE
22 PROFESSIONALS.—A utilization review program
23 shall be administered by qualified health care
24 professionals, including health care profes-

1 sionals with pediatric expertise who shall over-
2 see review decisions.

3 “(3) USE OF QUALIFIED, INDEPENDENT PER-
4 SONNEL.—

5 “(A) IN GENERAL.—A utilization review
6 program shall provide for the conduct of utiliza-
7 tion review activities only through personnel
8 who are qualified and, to the extent required,
9 who have received appropriate pediatric or child
10 health training in the conduct of such activities
11 under the program.

12 “(B) PEER REVIEW OF ADVERSE CLINICAL
13 DETERMINATIONS.—A utilization review pro-
14 gram shall provide that clinical peers shall
15 evaluate the clinical appropriateness of adverse
16 clinical determinations and divergent clinical
17 options.

18 **“SEC. 2773. APPEALS AND GRIEVANCE MECHANISMS FOR**
19 **CHILDREN.**

20 “(a) INTERNAL APPEALS PROCESS.—A health insur-
21 ance issuer in connection with the provision of health in-
22 surance coverage for children shall establish and maintain
23 a system to provide for the resolution of complaints and
24 appeals regarding all aspects of such coverage. Such a sys-
25 tem shall include an expedited procedure for appeals on

1 behalf of a child enrollee in situations in which the time
2 frame of a standard appeal would jeopardize the life,
3 health, or development of the child.

4 “(b) EXTERNAL APPEALS PROCESS.—A health in-
5 surance issuer in connection with the provision of health
6 insurance coverage for children shall provide for an inde-
7 pendent external review process that meets the following
8 requirements:

9 “(1) External appeal activities shall be con-
10 ducted through clinical peers, a physician or other
11 health care professional who is appropriately
12 credentialed in pediatrics with the same or similar
13 specialty and typically manages the condition, proce-
14 dure, or treatment under review or appeal.

15 “(2) External appeal activities shall be con-
16 ducted through an entity that has sufficient pedi-
17 atric expertise, including subspecialty expertise, and
18 staffing to conduct external appeal activities on a
19 timely basis.

20 “(3) Such a review process shall include an ex-
21 pedited procedure for appeals on behalf of a child
22 enrollee in which the time frame of a standard ap-
23 peal would jeopardize the life, health, or development
24 of the child.

1 **“SEC. 2774. ACCOUNTABILITY THROUGH DISTRIBUTION OF**
 2 **INFORMATION.**

3 “(a) IN GENERAL.—A health insurance issuer in con-
 4 nection with the provision of health insurance coverage for
 5 children shall submit to enrollees (and prospective enroll-
 6 ees), and make available to the public, in writing the
 7 health-related information described in subsection (b).

8 “(b) INFORMATION.—The information to be provided
 9 under subsection (a) shall include a report of measures
 10 of structures, processes, and outcomes regarding each
 11 health insurance product offered to participants and de-
 12 pendants in a manner that is separate for both the adult
 13 and child enrollees, using measures that are specific to
 14 each group.”.

15 (b) APPLICATION TO GROUP HEALTH INSURANCE
 16 COVERAGE.—

17 (1) IN GENERAL.—Subpart 2 of part A of title
 18 XXVII of the Public Health Service Act (42 U.S.C.
 19 300gg–4 et seq.) is amended by adding at the end
 20 the following new section:

21 **“SEC. 2707. CHILDREN’S HEALTH ACCOUNTABILITY STAND-**
 22 **ARDS.**

23 “(a) IN GENERAL.—Each health insurance issuer
 24 shall comply with children’s health accountability require-
 25 ment under part C with respect to group health insurance
 26 coverage it offers.

1 “(b) ASSURING COORDINATION.—The Secretary of
2 Health and Human Services and the Secretary of Labor
3 shall ensure, through the execution of an interagency
4 memorandum of understanding between such Secretaries,
5 that—

6 “(1) regulations, rulings, and interpretations
7 issued by such Secretaries relating to the same mat-
8 ter over which such Secretaries have responsibility
9 under part C (and this section) and section 714 of
10 the Employee Retirement Income Security Act of
11 1974 are administered so as to have the same effect
12 at all times; and

13 “(2) coordination of policies relating to enforce-
14 ing the same requirements through such Secretaries
15 in order to have a coordinated enforcement strategy
16 that avoids duplication of enforcement efforts and
17 assigns priorities in enforcement.”.

18 (2) CONFORMING AMENDMENT.—Section 2792
19 of the Public Health Service Act (42 U.S.C. 300gg-
20 92) is amended by inserting “and section 2707(b)”
21 after “of 1996”.

22 (c) APPLICATION TO INDIVIDUAL HEALTH INSUR-
23 ANCE COVERAGE.—Part B of title XXVII of the Public
24 Health Service Act (42 U.S.C. 300gg-41 et seq.) is amend-

1 ed by inserting after section 2752 the following new sec-
 2 tion:

3 **“SEC. 2753. CHILDREN’S HEALTH ACCOUNTABILITY STAND-**
 4 **ARDS.**

5 “Each health insurance issuer shall comply with chil-
 6 dren’s health accountability requirements under part C
 7 with respect to individual health insurance coverage it of-
 8 fers.”.

9 (d) MODIFICATION OF PREEMPTION STANDARDS.—

10 (1) GROUP HEALTH INSURANCE COVERAGE.—

11 Section 2723 of the Public Health Service Act (42
 12 U.S.C. 300gg–23) is amended—

13 (A) in subsection (a)(1), by striking “sub-
 14 section (b)” and inserting “subsections (b) and
 15 (c)”;

16 (B) by redesignating subsections (c) and
 17 (d) as subsections (d) and (e), respectively; and

18 (C) by inserting after subsection (b) the
 19 following new subsection:

20 “(c) SPECIAL RULES IN CASE OF CHILDREN’S
 21 HEALTH ACCOUNTABILITY REQUIREMENTS.—Subject to
 22 subsection (a)(2), the provisions of section 2707 and part
 23 C, and part D insofar as it applies to section 2707 or part
 24 C, shall not prevent a State from establishing require-
 25 ments relating to the subject matter of such provisions

1 so long as such requirements are at least as stringent on
2 health insurance issuers as the requirements imposed
3 under such provisions.”.

4 (2) INDIVIDUAL HEALTH INSURANCE COV-
5 ERAGE.—Section 2762 of the Public Health Service
6 Act (42 U.S.C. 300gg–62), as added by section
7 605(b)(3)(B) of Public Law 104–204, is amended—

8 (A) in subsection (a), by striking “sub-
9 section (b), nothing in this part” and inserting
10 “subsections (b) and (c), nothing in this part”,
11 and

12 (B) by adding at the end the following new
13 subsection:

14 “(c) SPECIAL RULES IN CASE OF CHILDREN’S
15 HEALTH ACCOUNTABILITY REQUIREMENTS.—Subject to
16 subsection (b), the provisions of section 2753 and part C,
17 and part D insofar as it applies to section 2753 or part
18 C, shall not prevent a State from establishing require-
19 ments relating to the subject matter of such provisions
20 so long as such requirements are at least as stringent on
21 health insurance issuers as the requirements imposed
22 under such section.”.

1 **SEC. 1214. AMENDMENTS TO THE EMPLOYEE RETIREMENT**
 2 **INCOME SECURITY ACT OF 1974.**

3 (a) IN GENERAL.—Subpart B of part 7 of subtitle
 4 B of title I of the Employee Retirement Income Security
 5 Act of 1974 (29 U.S.C. 1185 et seq.) is amended by add-
 6 ing at the end the following:

7 **“SEC. 714. CHILDREN’S HEALTH ACCOUNTABILITY STAND-**
 8 **ARDS.**

9 “(a) IN GENERAL.—Subject to subsection (b), the
 10 provisions of part C of title XXVII of the Public Health
 11 Service Act shall apply under this subpart and part to a
 12 group health plan (and group health insurance coverage
 13 offered in connection with a group health plan) as if such
 14 part C were incorporated in this section.

15 “(b) APPLICATION.—In applying subsection (a)
 16 under this subpart and part, any reference in such part
 17 C—

18 “(1) to health insurance coverage is deemed to
 19 be a reference only to group health insurance cov-
 20 erage offered in connection with a group health plan
 21 and to also be a reference to coverage under a group
 22 health plan;

23 “(2) to a health insurance issuer is deemed to
 24 be a reference only to such an issuer in relation to
 25 group health insurance coverage or, with respect to
 26 a group health plan, to the plan;

1 “(3) to the Secretary is deemed to be a ref-
2 erence to the Secretary of Labor;

3 “(4) to an applicable State authority is deemed
4 to be a reference to the Secretary of Labor; and

5 “(5) to an enrollee with respect to health insur-
6 ance coverage is deemed to include a reference to a
7 participant or beneficiary with respect to a group
8 health plan.”.

9 (b) MODIFICATION OF PREEMPTION STANDARDS.—
10 Section 731 of the Employee Retirement Income Security
11 Act of 1974 (29 U.S.C. 1191) is amended—

12 (1) in subsection (a)(1), by striking “subsection
13 (b)” and inserting “subsections (b) and (c)”;

14 (2) by redesignating subsections (c) and (d) as
15 subsections (d) and (e), respectively; and

16 (3) by inserting after subsection (b) the fol-
17 lowing new subsection:

18 “(c) SPECIAL RULES IN CASE OF PATIENT AC-
19 COUNTABILITY REQUIREMENTS.—Subject to subsection
20 (a)(2), the provisions of section 714 shall not prevent a
21 State from establishing requirements relating to the sub-
22 ject matter of such provisions so long as such require-
23 ments are at least as stringent on group health plans and
24 health insurance issuers in connection with group health

1 insurance coverage as the requirements imposed under
2 such provisions.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 732(a) of the Employee Retirement
5 Income Security Act of 1974 (29 U.S.C. 1191a(a))
6 is amended by striking “section 711” and inserting
7 “sections 711 and 714”.

8 (2) The table of contents in section 1 of the
9 Employee Retirement Income Security Act of 1974
10 is amended by inserting after the item relating to
11 section 713 the following new item:

“Sec. 714. Children’s health accountability standards.”.

12 **SEC. 1215. STUDIES.**

13 (a) BY SECRETARY.—Not later than 1 year after the
14 date of enactment of this Act, the Secretary of Health and
15 Human Services shall conduct a study, and prepare and
16 submit to Congress a report, concerning—

17 (1) the unique characteristics of patterns of ill-
18 ness, disability, and injury in children;

19 (2) the development of measures of quality of
20 care and outcomes related to the health care of chil-
21 dren; and

22 (3) the access of children to primary mental
23 health services and the coordination of managed be-
24 havioral health services.

25 (b) BY GAO.—

1 (1) MANAGED CARE.—Not later than 1 year
2 after the date of enactment of this Act, the General
3 Accounting Office shall conduct a study, and pre-
4 pare and submit to the Committee on Health, Edu-
5 cation, Labor, and Pensions of the Senate and the
6 Committee on Energy and Commerce of the House
7 of Representatives a report, concerning—

8 (A) an assessment of the structure and
9 performance of non-governmental health plans,
10 medicaid managed care organizations, plans
11 under title XIX of the Social Security Act (42
12 U.S.C. 1396 et seq.), and the program under
13 title XXI of the Social Security Act (42 U.S.C.
14 1397aa et seq.) serving the needs of children
15 with special health care needs;

16 (B) an assessment of the structure and
17 performance of non-governmental plans in serv-
18 ing the needs of children as compared to med-
19 icaid managed care organizations under title
20 XIX of the Social Security Act (42 U.S.C. 1396
21 et seq.); and

22 (C) the emphasis that private managed
23 care health plans place on primary care and the
24 control of services as it relates to care and serv-

1 ices provided to children with special health
2 care needs.

3 (2) **PLAN SURVEY.**—Not later than 1 year after
4 the date of enactment of this Act, the General Ac-
5 counting Office shall prepare and submit to the
6 Committee on Health, Education, Labor, and Pen-
7 sions of the Senate and the Committee on Energy
8 and Commerce of the House of Representatives a re-
9 port that contains a survey of health plan activities
10 that address the unique health needs of adolescents,
11 including quality measures for adolescents and inno-
12 vative practice arrangement.

13 **SEC. 1216. EFFECTIVE DATES.**

14 (a) **GROUP HEALTH INSURANCE COVERAGE.**—Sub-
15 ject to subsection (b), the amendments made by this chap-
16 ter shall apply with respect to group health plans and with
17 respect to health insurance coverage offered, sold, issued,
18 renewed, in effect, or operated in the individual market
19 for plan years beginning on or after January 1, 2004.

20 (b) **COLLECTIVE BARGAINING EXCEPTION.**—In the
21 case of a group health plan maintained pursuant to 1 or
22 more collective bargaining agreements between employee
23 representatives and 1 or more employers ratified before
24 the date of enactment of this Act, the amendments made

1 by this chapter shall not apply to plan years beginning
2 before the later of—

3 (1) the earliest date as of which all such collec-
4 tive bargaining agreements relating to the plan have
5 terminated (determined without regard to any exten-
6 sion thereof agreed to after the date of the enact-
7 ment of this Act), or

8 (2) January 1, 2004.

9 For purposes of paragraph (1), any plan amendment made
10 pursuant to a collective bargaining agreement relating to
11 the plan which amends the plan solely to conform to any
12 requirement added by this chapter shall not be treated as
13 a termination of such collective bargaining agreement.

14 **CHAPTER 3—EPSDT**

15 **SEC. 1221. COLLECTION OF DATA REGARDING THE DELIV-** 16 **ERY OF EPSDT SERVICES.**

17 Section 1902(a)(43) of the Social Security Act (42
18 U.S.C. 1396a(a)(43)) is amended—

19 (1) in subparagraph (C), by striking “and” at
20 the end;

21 (2) in subparagraph (D)(iv), by striking the
22 semicolon and inserting “, and”; and

23 (3) by inserting after subparagraph (D)(iv), the
24 following new subparagraph:

1 “(E) beginning with fiscal year 2005, re-
2 porting to the Secretary (in a uniform form and
3 manner established by the Secretary that does
4 not identify individual patients and that allows
5 for the comparison of data within and among
6 States) the following information relating to
7 early and periodic screening, diagnostic, and
8 treatment services provided to each child en-
9 rolled under the plan during each fiscal year:

10 “(i) as of the date of enrollment of
11 the child, the child’s—

12 “(I) age, State of residence, gen-
13 der, and race/ethnicity,

14 “(II) the basis for eligibility for
15 medical assistance,

16 “(III) immunization history,

17 “(IV) blood-lead level,

18 “(V) weight and height percentile
19 compared to the widely accepted
20 standard percentiles for the child’s
21 age,

22 “(VI) general health and any
23 chronic conditions or disabilities, and

24 “(VII) the primary service deliv-
25 ery arrangement (such as fee-for-serv-

1 ice, managed care, preferred provider
2 organization, or other provider prac-
3 tice arrangement); and

4 “(ii) throughout the fiscal year (at
5 such intervals as the Secretary shall speci-
6 fy)—

7 “(I) the number of medical
8 screenings the child received and a
9 specific description of the services per-
10 formed as part of such screenings
11 (such as the weighing and measuring
12 of the child and the administering of
13 a blood-lead level test),

14 “(II) the number of screenings
15 the child received for vision and hear-
16 ing problems,

17 “(III) the number of dental
18 screenings the child received,

19 “(IV) information regarding
20 whether a condition was discovered
21 from any of such screenings, whether
22 the child was referred for, and re-
23 ceived, further treatment, and if so,
24 the number of visits, and the treat-
25 ments received, and

1 “(V) the actual or estimated
2 costs of each of such screenings and
3 treatments,

4 “(VI) information regarding
5 whether such screenings and treat-
6 ments are more comprehensive than
7 similar screenings and treatments pro-
8 vided to adult individuals enrolled in
9 the plan, and

10 “(VII) the service delivery ar-
11 rangement for such screening and
12 treatment provided;”.

13 **Subtitle D—Reducing Public**
14 **Health Risks**

15 **CHAPTER 1—ASTHMA TREATMENTS**

16 **SEC. 1301. FINDINGS.**

17 Congress finds that—

18 (1)(A) asthma is 1 of the most common and
19 deadly diseases in the United States, affecting an es-
20 timated 14,000,000 to 15,000,000 individuals in the
21 United States, including almost 5,000,000 children;

22 (B) asthma is the most common chronic illness
23 in children, affecting an estimated 7 percent of chil-
24 dren in the United States;

1 (C) although asthma can occur at any age,
2 about 80 percent of the children who develop asthma
3 do so before starting school;

4 (D) asthma is the single greatest cause of
5 school absenteeism, with 10,100,000 days missed
6 from school per year in the United States; and

7 (E) according to a 1995 National Institutes of
8 Health workshop report, the cost of lost productivity
9 from missed school days for parents of children with
10 asthma is estimated at \$1,000,000,000 per year;
11 and

12 (2)(A) vision and hearing screening is an essen-
13 tial part of child health care;

14 (B) a vision or hearing deficit may undermine
15 a child's ability to learn;

16 (C) the Chicago public school system has deter-
17 mined through vision screening that a far higher
18 number of children identified as failing academically
19 suffer from vision impairment;

20 (D) students who have failed a grade 1 or more
21 times are even more likely to have a vision problem;

22 (E) more than 30 percent of students in Chi-
23 cago public schools who were retained during the
24 1998–1999 school year failed their school-based vi-

1 sion screening, a rate that is 50 percent higher than
2 children who were not failing;

3 (F) schools play a critical role in promoting a
4 clear link between visual and hearing acuity and
5 academic performance;

6 (G) providing vision and hearing screening in
7 schools helps children receive those essential health
8 care services in a timely fashion;

9 (H) many parents find it difficult to take time
10 off work in order to ensure that their children re-
11 ceive preventive or other nonemergency health care
12 services; and

13 (I) allowing children to receive nonemergency
14 health care services at school would ensure that the
15 children receive services that promote healthy lives
16 and better academic achievement.

17 **SEC. 1302. ASTHMA, VISION, AND HEARING SCREENING FOR**

18 **EARLY HEAD START AND HEAD START PRO-**

19 **GRAMS.**

20 (a) EARLY HEAD START PROGRAMS.—Section 645A
21 of the Head Start Act (42 U.S.C. 9840a) is amended by
22 adding at the end the following:

23 “(h) ASTHMA, VISION, AND HEARING SCREENING.—

1 “(1) IN GENERAL.—An entity that receives as-
2 sistance under this section may carry out a program
3 under which the entity—

4 “(A) determines whether a child eligible to
5 participate in the program described in sub-
6 section (a)(1) has received each of an asthma,
7 vision, and hearing screening test using a test
8 that is appropriate for age and risk factors on
9 the enrollment of the child in the program; and

10 “(B) in the case of a child who has not re-
11 ceived each of an asthma, and vision, and hear-
12 ing screening test, ensures that the enrolled
13 child receives such a test either by referral or
14 by performing the test (under contract or other-
15 wise).

16 “(2) REIMBURSEMENT.—

17 “(A) IN GENERAL.—On the request of an
18 entity that performs or arranges for the per-
19 formance of an asthma, vision, or hearing
20 screening test under paragraph (1) on a child
21 who is eligible for or receiving medical assist-
22 ance under a State plan under title XIX of the
23 Social Security Act (42 U.S.C. 1396 et seq.),
24 the Secretary of Health and Human Services,
25 notwithstanding any other provision of, or limi-

1 tation under, title XIX of the Social Security
2 Act, shall reimburse the entity, from funds that
3 are made available under that title, for 100 per-
4 cent of the cost of the test and data reporting.

5 “(B) COSTS.—The costs of a test con-
6 ducted under this subsection—

7 “(i) shall include reimbursement for
8 testing devices and associated supplies ap-
9 proved for sale by the Food and Drug Ad-
10 ministration and used in compliance with
11 section 353 of the Public Health Service
12 Act (42 U.S.C. 263a); and

13 “(ii) shall include reimbursement for
14 administering the tests and related serv-
15 ices, as determined appropriate by the
16 State agency.

17 “(3) HEAD START.—This subsection shall apply
18 to Head Start programs that include coverage, di-
19 rectly or indirectly, for infants and toddlers under
20 the age of 3 years.”.

21 (b) HEAD START PROGRAMS.—Section 642(b) of the
22 Head Start Act (42 U.S.C. 9837(b)) is amended—

23 (1) in paragraph (10), by striking “and” at the
24 end;

1 (2) in paragraph (11), by striking the period at
2 the end and inserting “; and”; and

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

4 “(12) with respect to an agency that elects to
5 carry out a program under section 645(h), comply
6 with the requirements of such section 645A(h) in the
7 case of each child eligible to participate in the Head
8 Start program to be carried out by the agency.”.

9 (c) PAYMENTS FOR SCREENING AND TREATMENT
10 PROVIDED TO CHILDREN ELIGIBLE UNDER MEDICAID OR
11 SCHIP.—

12 (1) MEDICAID.—Section 1903(c) of the Social
13 Security Act (42 U.S.C. 1396b(c)) is amended—

14 (A) by inserting “(1)” after “(c)”; and

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

16 “(2) Nothing in this title or any other provision of
17 law, including the payment limitation commonly known as
18 the ‘free care rule’, shall be construed as prohibiting or
19 restricting, or authorizing the Secretary to prohibit or re-
20 strict, payment under subsection (a) for medical assist-
21 ance for covered services furnished to a child who is eligi-
22 ble for or receiving medical assistance under the State
23 plan and who receives an asthma, vision, hearing, or other
24 health screening test, or is provided treatment, education
25 in disease management, corrective eyewear, or hearing

1 aids, through a public elementary or secondary school,
2 whether directly or indirectly, and regardless of whether
3 the school participates in a program established under
4 subsection (a) or (b) of section 320B of the Public Health
5 Service Act.”.

6 (2) SCHIP.—Section 2105 of the Social Secu-
7 rity Act (42 U.S.C. 1397ee) is amended by adding
8 at the end the following:

9 “(g) REQUIRED PAYMENT FOR CERTAIN SCHOOL-
10 BASED SERVICES.—Nothing in this title or any other pro-
11 vision of law (including the payment limitation under title
12 XIX commonly known as the ‘free care rule’ to the extent,
13 if any, such limitation applies to the program established
14 under this title), shall be construed as prohibiting or re-
15 stricting, or authorizing the Secretary to prohibit or re-
16 strict, payment under subsection (a) for child health as-
17 sistance for covered services furnished to a child who is
18 eligible for or receiving such assistance under the State
19 plan and who receives an asthma, vision, or hearing
20 screening test, or other health screening test that is avail-
21 able to children receiving assistance under the State plan,
22 or is provided treatment, education in disease manage-
23 ment, corrective eyewear, or hearing aids through a public
24 elementary or secondary school, whether directly or indi-
25 rectly, and regardless of whether the school participates

1 in a program established under subsection (a) or (b) of
 2 section 320B of the Public Health Service Act.”.

3 **SEC. 1303. ASTHMA, VISION, AND HEARING SCREENING AND**
 4 **TREATMENT FOR CHILDREN ENROLLED IN**
 5 **PUBLIC SCHOOLS.**

6 Part B of title III of the Public Health Service Act
 7 (42 U.S.C. 243 et seq.) is amended by adding at the end
 8 the following:

9 **“SEC. 320B. ASTHMA, VISION, AND HEARING SCREENING**
 10 **AND TREATMENT FOR CHILDREN ENROLLED**
 11 **IN PUBLIC SCHOOLS.**

12 **“(a) ASTHMA SCREENING AND CASE MANAGEMENT**
 13 **PROGRAM.—**

14 **“(1) IN GENERAL.—**The Secretary, in collabo-
 15 ration with the Secretary of Education, shall carry
 16 out an asthma screening and case management pro-
 17 gram under which local educational agencies shall be
 18 reimbursed for the provision of asthma screening
 19 and case management to children enrolled in public
 20 elementary schools and secondary schools located in
 21 areas with respect to which there is a high incidence
 22 of childhood asthma.

23 **“(2) PROGRAM ELEMENTS.—**Under the pro-
 24 gram, a local educational agency shall—

1 “(A) determine whether a child enrolled in
2 a school described in paragraph (1) has received
3 an asthma screening test using a test that is
4 appropriate for age and risk factors on the en-
5 rollment of the child in the school;

6 “(B) in the case of a child who has not re-
7 ceived an asthma screening test, ensure that
8 the child receives such a test either by referral
9 or by performing the test (under contract or
10 otherwise); and

11 “(C) in the case of a child determined to
12 have asthma, provide treatment or refer the
13 child for treatment (including case manage-
14 ment) and education in the management of
15 asthma.

16 “(3) AUTHORIZATION OF APPROPRIATIONS.—
17 There is authorized to be appropriated to carry out
18 this subsection with respect to a child, and any data
19 reporting with respect to the child, who is not eligi-
20 ble for coverage under title XIX or XXI of the So-
21 cial Security Act, or is not otherwise covered under
22 a health insurance plan, \$10,000,000 for each fiscal
23 year.

24 “(b) VISION AND HEARING SCREENING PROGRAM.—

1 “(1) IN GENERAL.—The Secretary shall carry
2 out a vision and hearing screening program under
3 which local educational agencies shall be reimbursed
4 for the provision of vision and hearing screening and
5 corrective eyewear and hearing aids to children en-
6 rolled in public elementary schools and secondary
7 schools.

8 “(2) PROGRAM ELEMENTS.—Under the pro-
9 gram, a local educational agency shall—

10 “(A) elect to provide vision and hearing
11 screening tests—

12 “(i) to all children enrolled in a school
13 who are most likely to suffer from vision or
14 hearing loss; or

15 “(ii) to all children enrolled in a
16 school;

17 “(B) ensure that the category of children
18 elected under subparagraph (A) receive such
19 tests, either by referral or by performing the
20 test (under contract or otherwise), that are ap-
21 propriate for the age and risk factors of the
22 children, based on the enrollment of the chil-
23 dren in the school; and

24 “(C) in the case of any child determined to
25 have a vision or hearing impairment, provide

1 the child with such eyewear and hearing aids as
2 are appropriate to correct the child's vision or
3 hearing, to the extent that such correction is
4 feasible.

5 “(3) AUTHORIZATION OF APPROPRIATIONS.—

6 There is authorized to be appropriated to carry out
7 this subsection with respect to a child, and any data
8 reporting with respect to the child, who is not eligi-
9 ble for coverage under title XIX or XXI of the So-
10 cial Security Act, or is not otherwise covered under
11 a health insurance plan, \$10,000,000 for each fiscal
12 year.

13 “(c) REIMBURSEMENT.—

14 “(1) CHILDREN ENROLLED IN OR ELIGIBLE
15 FOR MEDICAID.—

16 “(A) IN GENERAL.—With respect to a
17 child who is eligible for or receiving medical as-
18 sistance under a State plan under title XIX of
19 the Social Security Act (42 U.S.C. 1396 et
20 seq.) and who receives, or is provided, a test,
21 treatment, education, corrective eyewear, or
22 hearing aid under a program established under
23 subsection (a) or (b), the Secretary, notwith-
24 standing any other provision of, or limitation
25 under, such title XIX, including the payment

1 limitation commonly known as the ‘free care
2 rule’, shall reimburse the local educational
3 agency administering such program from funds
4 that are made available under such title XIX
5 for 100 percent of the cost of the performance,
6 arrangement, or provision and data reporting.

7 “(B) COSTS.—The costs of a test con-
8 ducted under this section shall include reim-
9 bursement for—

10 “(i) testing devices and associated
11 supplies approved for sale by the Food and
12 Drug Administration and used in compli-
13 ance with section 353; and

14 “(ii) administering the tests and re-
15 lated services, as determined appropriate
16 by the State agency responsible for the ad-
17 ministration of title XIX of the Social Se-
18 curity Act (42 U.S.C. 1396 et seq.).

19 “(2) CHILDREN ENROLLED IN OR ELIGIBLE
20 FOR SCHIP.—

21 “(A) IN GENERAL.—With respect to a
22 child who is eligible for or receiving child health
23 assistance under a State plan under title XXI
24 of the Social Security Act (42 U.S.C. 1397aa et
25 seq.) and who receives, or is provided, a test,

1 treatment, education, corrective eyewear, or
2 hearing aid under a program established under
3 subsection (a) or (b), the Secretary, notwith-
4 standing any other provision of, or limitation
5 under, such title XXI, or any other provision of
6 law (including the payment limitation under
7 title XIX commonly known as the ‘free care
8 rule’ to the extent, if any, such limitation ap-
9 plies to the State children’s health insurance
10 program established under title XXI of that
11 Act), shall reimburse the local educational agen-
12 cy administering such program from funds that
13 are made available under such title XXI for
14 100 percent of the cost of the performance, ar-
15 rangement, or provision and data reporting.

16 “(B) COSTS.—The costs shall include the
17 costs described in paragraph (1)(B).

18 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion shall be construed to require that a local educational
20 agency participate in a program carried out by the Sec-
21 retary under this section.

22 “(e) DEFINITIONS.—In this section, the terms ‘local
23 educational agency’, ‘elementary school’, and ‘secondary
24 school’ have the meanings given such terms in section

1 9101 of the Elementary and Secondary Education Act of
2 1965 (20 U.S.C. 7801).”.

3 **SEC. 1304. GENERAL EFFECTIVE DATE.**

4 (a) IN GENERAL.—Except as provided in subsection
5 (b), the amendments made by this chapter take effect on
6 the date that is 18 months after the date of enactment
7 of this Act.

8 (b) HEAD START WAIVERS.—

9 (1) IN GENERAL.—An entity carrying out ac-
10 tivities under section 642 or 645A of the Head Start
11 Act (42 U.S.C. 9837, 9840a), may be awarded a
12 waiver from the amendments made by section 1302
13 if the State where the entity is located establishes to
14 the satisfaction of the Secretary of Health and
15 Human Services, in accordance with requirements
16 and procedures recommended in accordance with
17 paragraph (2) to the Secretary by the Director of
18 the Centers for Disease Control and Prevention a
19 plan for increasing the number of asthma, vision,
20 and hearing screening tests of children enrolled in
21 the Early Head Start and Head Start programs in
22 the State.

23 (2) DEVELOPMENT OF WAIVER PROCEDURES
24 AND REQUIREMENTS.—Not later than 1 year after
25 the date of enactment of this Act, the Director of

1 the Centers for Disease Control and Prevention shall
 2 develop and recommend to the Secretary of Health
 3 and Human Services criteria and procedures (includ-
 4 ing a timetable for the submission of the State plan
 5 described in paragraph (1)) for the awarding of
 6 waivers under that paragraph.

7 **CHAPTER 2—INCREASE IN FUNDING FOR**
 8 **HUD PROGRAMS**

9 **SEC. 1311. LEAD-BASED PAINT HAZARD CONTROL GRANTS.**

10 Section 1011(p) of the Residential Lead-Based Paint
 11 Hazard Reduction Act of 1992 (42 U.S.C. 4852) is
 12 amended by striking “appropriated” and all that follows
 13 through the period and inserting “appropriated—

14 “(1) \$125,000,000 for fiscal year 1993 and
 15 \$250,000,000 for fiscal year 1994;

16 “(2) \$200,000,000 for fiscal year 2004;

17 “(3) \$250,000,000 for fiscal year 2005; and

18 “(4) \$300,000,000 beginning with fiscal year
 19 2006 and fiscal years thereafter.”.

20 **SEC. 1312. HEALTHY HOMES INITIATIVE PROGRAM.**

21 There are authorized to be appropriated for the
 22 Healthy Homes Initiative program established under sec-
 23 tions 501 and 502 of the Housing and Urban Develop-
 24 ment Act of 1970 (12 U.S.C. 1701z-1; 1701z-2), for
 25 which funds were provided under title II of the Depart-

1 ments of Veterans Affairs and Housing and Urban Devel-
 2 opment, Independent Agencies Appropriations Act,
 3 2000—

4 (1) \$100,000,000 for fiscal year 2004; and

5 (2) \$150,000,000 beginning with fiscal year
 6 2005 and fiscal years thereafter.

7 **CHAPTER 3—YOUTH SMOKING CESSATION**
 8 **AND EDUCATION**

9 **SEC. 1321. SHORT TITLE.**

10 This chapter may be cited as the “Kids Deserve Free-
 11 dom from Tobacco Act of 2003” or the “KIDS Act”.

12 **Subchapter A—Protection of Children From**
 13 **Tobacco**

14 **PART I—FOOD AND DRUG ADMINISTRATION**

15 **JURISDICTION AND GENERAL AUTHORITY**

16 **SEC. 1331. REFERENCE.**

17 Whenever in this subchapter an amendment or repeal
 18 is expressed in terms of an amendment to, or repeal of,
 19 a section or other provision, the reference shall be consid-
 20 ered to be made to a section or other provision of the Fed-
 21 eral Food, Drug, and Cosmetic Act (21 U.S.C. 301 et
 22 seq.).

23 **SEC. 1332. STATEMENT OF GENERAL AUTHORITY.**

24 The regulations promulgated by the Secretary in the
 25 rule dated August 28, 1996 (Vol. 61, No. 168 C.F.R.),

1 adding part 897 to title 21, Code of Federal Regulations,
2 shall be deemed to have been lawfully promulgated under
3 the Food, Drug, and Cosmetic Act as amended by this
4 subchapter. Such regulations shall apply to all tobacco
5 products.

6 **SEC. 1333. NONAPPLICABILITY TO OTHER DRUGS OR DE-**
7 **VICES.**

8 Nothing in this subchapter, or an amendment made
9 by this subchapter, shall be construed to affect the regula-
10 tion of drugs and devices that are not tobacco products
11 by the Secretary under the Federal Food, Drug, and Cos-
12 metic Act.

13 **SEC. 1334. CONFORMING AMENDMENTS TO CONFIRM JU-**
14 **RISDICTION.**

15 (a) DEFINITIONS.—

16 (1) DRUG.—Section 201(g)(1) (21 U.S.C.
17 321(g)(1)) is amended by striking “; and (D)” and
18 inserting “; (D) nicotine in tobacco products; and
19 (E)”.

20 (2) DEVICES.—Section 201(h) (21 U.S.C.
21 321(h)) is amended by adding at the end the fol-
22 lowing: “Such term includes a tobacco product.”.

23 (3) OTHER DEFINITIONS.—Section 201 (21
24 U.S.C. 321) is amended by adding at the end the
25 following:

1 “(nn) The term ‘tobacco product’ means any
2 product made or derived from tobacco that is in-
3 tended for human consumption.”.

4 (b) PROHIBITED ACTS.—Section 301 (21 U.S.C.
5 331) is amended by adding at the end the following:

6 “(hh) The manufacture, labeling, distribution, adver-
7 tising and sale of any adulterated or misbranded tobacco
8 product in violation of—

9 “(1) regulations issued under this Act; or

10 “(2) the KIDS Act, or regulations issued under
11 such Act.”.

12 (c) ADULTERATED DRUGS AND DEVICES.—

13 (1) IN GENERAL.—Section 501 of the Federal
14 Food, Drug, and Cosmetic Act (21 U.S.C. 351) is
15 amended by adding at the end the following:

16 “(j) If it is a tobacco product and it does not comply
17 with the provisions of subchapter D of this chapter or the
18 KIDS Act.”.

19 (2) MISBRANDING.—Section 502(q) (21 U.S.C.
20 352(q)) is amended—

21 (A) by striking “or (2)” and inserting in
22 lieu thereof “(2)”; and

23 (B) by inserting before the period the fol-
24 lowing: “, or (3) in the case of a tobacco prod-
25 uct, it is sold, distributed, advertised, labeled,

1 or used in violation of this Act or the KIDS
2 Act, or regulations prescribed under such
3 Acts”.

4 (d) RESTRICTED DEVICE.—Section 520(e) (21
5 U.S.C. 360j(e)) is amended—

6 (1) in paragraph (1), by striking “or use—”
7 and inserting “or use, including restrictions on the
8 access to, and the advertising and promotion of, to-
9 bacco products—”; and

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

11 “(3) Tobacco products are a restricted device under
12 this paragraph.”.

13 (e) REGULATORY AUTHORITY.—Section 503(g) (21
14 U.S.C. 353(g)) is amended by adding at the end the fol-
15 lowing:

16 “(6) The Secretary may regulate any tobacco product
17 as a drug, device, or both, and may designate the office
18 of the Administration that shall be responsible for regu-
19 lating such products.”.

20 **SEC. 1335. GENERAL RULE.**

21 Section 513(a)(1)(B) (21 U.S.C. 360e(a)(1)(B)) is
22 amended by adding at the end the following: “The sale
23 of tobacco products to adults that comply with perform-
24 ance standards established for these products under sec-
25 tion 514 and other provisions of this Act and any regula-

1 tions prescribed under this Act shall not be prohibited by
 2 the Secretary, notwithstanding sections 502(j), 516, and
 3 518.”.

4 **SEC. 1336. SAFETY AND EFFICACY STANDARD AND RECALL**
 5 **AUTHORITY.**

6 (a) SAFETY AND EFFICACY STANDARD.—Section
 7 513(a) (21 U.S.C. 360c(a)) is amended—

8 (1) in paragraph (1)(B), by inserting after the
 9 first sentence the following: “For a device which is
 10 a tobacco product, the assurance in the previous sen-
 11 tence need not be found if the Secretary finds that
 12 special controls achieve the best public health re-
 13 sult.”; and

14 (2) in paragraph (2)—

15 (A) by redesignating subparagraphs (A),
 16 (B) and (C) as clauses (i), (ii) and (iii), respec-
 17 tively;

18 (B) by striking “(2) For” and inserting
 19 “(2)(A) For”; and

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

21 “(B) For purposes of paragraph (1)(B), subsections
 22 (c)(2)(C), (d)(2)(B), (e)(2)(A), (f)(3)(B)(i), and
 23 (f)(3)(C)(i), and sections 514, 519(a), 520(e), and 520(f),
 24 the safety and effectiveness of a device that is a tobacco
 25 product need not be found if the Secretary finds that the

1 action to be taken under any such provision would achieve
2 the best public health result. The finding as to whether
3 the best public health result has been achieved shall be
4 determined with respect to the risks and benefits to the
5 population as a whole, including users and non-users of
6 the tobacco product, and taking into account—

7 “(i) the increased or decreased likelihood that
8 existing consumers of tobacco products will stop
9 using such products; and

10 “(ii) the increased or decreased likelihood that
11 those who do not use tobacco products will start
12 using such products.”.

13 (b) **RECALL AUTHORITY.**—Section 518(e)(1) (21
14 U.S.C. 360h(e)(1)) is amended by inserting after “adverse
15 health consequences or death,” the following: “and for to-
16 bacco products that the best public health result would
17 be achieved,”.

18 **PART II—REGULATION OF TOBACCO PRODUCTS**

19 **SEC. 1341. PERFORMANCE STANDARDS.**

20 Section 514(a) (21 U.S.C. 60d(a)) is amended—

21 (1) in paragraph (2), by striking “device” and
22 inserting “nontobacco product device”;

23 (2) by redesignating paragraphs (3) and (4) as
24 paragraphs (5) and (6), respectively; and

1 (3) by inserting after paragraph (2) the fol-
2 lowing:

3 “(3) The Secretary may adopt a performance stand-
4 ard under section 514(a)(2) for a tobacco product regard-
5 less of whether the product has been classified under sec-
6 tion 513. Such standard may—

7 “(A) include provisions to achieve the best pub-
8 lic health result;

9 “(B) where necessary to achieve the best public
10 health result, include—

11 “(i) provisions respecting the construction,
12 components, constituents, ingredients, and
13 properties of the tobacco product device, includ-
14 ing the reduction or elimination (or both) of
15 nicotine and the other components, ingredients,
16 and constituents of the tobacco product, its
17 components and its by-products, based upon the
18 best available technology;

19 “(ii) provisions for the testing (on a sam-
20 ple basis or, if necessary, on an individual
21 basis) of the tobacco product device or, if it is
22 determined that no other more practicable
23 means are available to the Secretary to assure
24 the conformity of the tobacco product device to
25 such standard, provisions for the testing (on a

1 sample basis or, if necessary, on an individual
2 basis) by the Secretary or by another person at
3 the direction of the Secretary;

4 “(iii) provisions for the measurement of
5 the performance characteristics of the tobacco
6 product device;

7 “(iv) provisions requiring that the results
8 of each test or of certain tests of the tobacco
9 product device required to be made under
10 clause (ii) demonstrate that the tobacco product
11 device is in conformity with the portions of the
12 standard for which the test or tests were re-
13 quired; and

14 “(v) a provision that the sale and distribu-
15 tion of the tobacco product device be restricted
16 but only to the extent that the sale and dis-
17 tribution of a tobacco product device may other-
18 wise be restricted under this Act; and

19 “(C) where appropriate, require the use and
20 prescribe the form and content of labeling for the
21 use of the tobacco product device.

22 “(4) Not later than 1 year after the date of enact-
23 ment of the KIDS Act, the Secretary (acting through the
24 Commissioner of Food and Drugs) shall establish a Sci-
25 entific Advisory Committee to evaluate whether a level or

1 range of levels exists at which nicotine yields do not
2 produce drug-dependence. The Advisory Committee shall
3 also review any other safety, dependence or health issue
4 assigned to it by the Secretary. The Secretary need not
5 promulgate regulations to establish the Committee.”.

6 **SEC. 1342. APPLICATION OF FEDERAL FOOD, DRUG, AND**
7 **COSMETIC ACT TO TOBACCO PRODUCTS.**

8 (a) TOBACCO PRODUCTS REGULATION.—Chapter V
9 (21 U.S.C. 351 et seq.) is amended by adding at the end
10 the following:

11 “SUBCHAPTER F—TOBACCO PRODUCT DEVEL-
12 OPMENT, MANUFACTURING, AND ACCESS
13 RESTRICTIONS

14 **“SEC. 570. PROMULGATION OF REGULATIONS.**

15 “Any regulations necessary to implement this sub-
16 chapter shall be promulgated not later than 12 months
17 after the date of enactment of this subchapter using notice
18 and comment rulemaking (in accordance with chapter 5
19 of title 5, United States Code). Such regulations may be
20 revised thereafter as determined necessary by the Sec-
21 retary.

22 **“SEC. 571. MAIL-ORDER SALES.**

23 “(a) IN GENERAL.—Not later than 2 years after the
24 date of enactment of this subchapter, the Secretary shall
25 review and determine whether persons under the age of

1 18 years are obtaining tobacco products by means of the
2 mail.

3 “(b) RESTRICTIONS.—Based solely upon the review
4 conducted under subsection (a), the Secretary may take
5 regulatory and administrative action to restrict or elimi-
6 nate mail order sales of tobacco products.

7 **“SEC. 572. IMPLEMENTATION OF THE PROPOSED RESOLU-**
8 **TION.**

9 “(a) ADDITIONAL RESTRICTIONS ON MARKETING,
10 ADVERTISING, AND ACCESS.—Not later than 18 months
11 after the date of the enactment of this subchapter, the
12 Secretary shall revise the regulations related to tobacco
13 products promulgated by the Secretary on August 28,
14 1996 (61 Fed. Reg. 44396) to include the additional re-
15 strictions on marketing, advertising, and access described
16 in Title IA and Title IC of the Proposed Resolution en-
17 tered into by the tobacco manufacturers and the State at-
18 torneys general on June 20, 1997, except that the Sec-
19 retary shall not include an additional restriction on mar-
20 keting or advertising in such regulations if its inclusion
21 would violate the First Amendment to the Constitution.

22 “(b) WARNINGS.—Not later than 18 months after the
23 date of the enactment of this subchapter, the Secretary
24 shall promulgate regulations to require warnings on ciga-
25 rette and smokeless tobacco labeling and advertisements.

1 The content, format, and rotation of warnings shall con-
2 form to the specifications described in Title IB of the Pro-
3 posed Resolution entered into by the tobacco manufactur-
4 ers and the State attorneys general on June 20, 1997.

5 “(c) RULES OF CONSTRUCTION.—

6 “(1) IN GENERAL.—Nothing in this section
7 shall be construed to limit the ability of the Sec-
8 retary to change the text or layout of any of the
9 warning statements, or any of the labeling provi-
10 sions, under the regulations promulgated under sub-
11 section (b) and other provisions of this Act, if deter-
12 mined necessary by the Secretary in order to make
13 such statements or labels larger, more prominent,
14 more conspicuous, or more effective.

15 “(2) UNFAIR ACTS.—Nothing in this section
16 (other than the requirements of subsections (a) and
17 (b)) shall be construed to limit or restrict the au-
18 thority of the Federal Trade Commission with re-
19 spect to unfair or deceptive acts or practices in the
20 advertising of tobacco products.

21 “(d) LIMITED PREEMPTION.—

22 “(1) STATE AND LOCAL ACTION.—No warning
23 label with respect to tobacco products, or any other
24 tobacco product for which warning labels have been
25 required under this section, other than the warning

1 labels required under this Act, shall be required by
2 any State or local statute or regulation to be in-
3 cluded on any package of a tobacco product.

4 “(2) EFFECT ON LIABILITY LAW.—Nothing in
5 this section shall relieve any person from liability at
6 common law or under State statutory law to any
7 other person.

8 “(e) VIOLATION OF SECTION.—Any tobacco product
9 that is in violation of this section shall be deemed to be
10 misbranded.

11 **“SEC. 573. GENERAL RESPONSIBILITIES OF MANUFACTUR-**
12 **ERS, DISTRIBUTORS AND RETAILERS.**

13 “Each manufacturer, distributor, and retailer shall
14 ensure that the tobacco products it manufactures, labels,
15 advertises, packages, distributes, sells, or otherwise holds
16 for sale comply with all applicable requirements of this
17 Act.

18 **“SEC. 574. DISCLOSURE AND REPORTING OF TOBACCO AND**
19 **NONTOBACCO INGREDIENTS AND CONSTITU-**
20 **ENTS.**

21 “(a) DISCLOSURE OF ALL INGREDIENTS.—

22 “(1) IMMEDIATE AND ANNUAL DISCLOSURE.—
23 Not later than 30 days after the date of enactment
24 of this subchapter, and annually thereafter, each
25 manufacturer of a tobacco product shall submit to

1 the Secretary an ingredient list for each brand of to-
2 bacco product it manufactures that contains the in-
3 formation described in paragraph (2).

4 “(2) REQUIREMENTS.—The list described in
5 paragraph (1) shall, with respect to each brand or
6 variety of tobacco product of a manufacturer, in-
7 clude—

8 “(A) a list of all ingredients, constituents,
9 substances, and compounds that are found in or
10 added to the tobacco or tobacco product (in-
11 cluding the paper, filter, or packaging of the
12 product if applicable) in the manufacture of the
13 tobacco product, for each brand or variety of to-
14 bacco product so manufactured, including, if
15 determined necessary by the Secretary, any ma-
16 terial added to the tobacco used in the product
17 prior to harvesting;

18 “(B) the quantity of the ingredients, con-
19 stituents, substances, and compounds that are
20 listed under subparagraph (A) in each brand or
21 variety of tobacco product;

22 “(C) the nicotine content of the product,
23 measured in milligrams of nicotine;

24 “(D) for each brand or variety of ciga-
25 rettes—

1 “(i) the filter ventilation percentage
2 (the level of air dilution in the cigarette as
3 provided by the ventilation holes in the fil-
4 ter, described as a percentage);

5 “(ii) the pH level of the smoke of the
6 cigarette; and

7 “(iii) the tar, unionized (free) nico-
8 tine, and carbon monoxide delivery level
9 and any other smoking conditions estab-
10 lished by the Secretary, reported in milli-
11 grams of tar, nicotine, and carbon mon-
12 oxide per cigarette;

13 “(E) for each brand or variety of smoke-
14 less tobacco products—

15 “(i) the pH level of the tobacco;

16 “(ii) the moisture content of the to-
17 bacco expressed as a percentage of the
18 weight of the tobacco; and

19 “(iii) the nicotine content—

20 “(I) for each gram of the prod-
21 uct, measured in milligrams of nico-
22 tine;

23 “(II) expressed as a percentage
24 of the dry weight of the tobacco; and

1 “(III) with respect to unionized
2 (free) nicotine, expressed as a percent-
3 age per gram of the tobacco and ex-
4 pressed in milligrams per gram of the
5 tobacco; and

6 “(F) any other information determined ap-
7 propriate by the Secretary.

8 “(3) METHODS.—The Secretary shall have the
9 authority to promulgate regulations to establish the
10 methods to be used by manufacturers in making the
11 determinations required under paragraph (2).

12 “(4) OTHER TOBACCO PRODUCTS.—The Sec-
13 retary shall prescribe such regulations as may be
14 necessary to establish information disclosure proce-
15 dures for other tobacco products.

16 “(b) SAFETY ASSESSMENTS.—

17 “(1) APPLICATION TO NEW INGREDIENTS.—

18 “(A) IN GENERAL.—Not later than 1 year
19 after the date of enactment of this subchapter,
20 and annually thereafter, each manufacturer
21 shall submit to the Secretary a safety assess-
22 ment for each new ingredient, constituent, sub-
23 stance, or compound that such manufacturer
24 desires to make a part of a tobacco product.
25 Such new ingredient, constituent, substance, or

1 compound shall not be included in a tobacco
2 product prior to approval by the Secretary of
3 such a safety assessment.

4 “(B) METHOD OF FILING.—A safety as-
5 sessment submitted under subparagraph (A)
6 shall be signed by an officer of the manufac-
7 turer who is acting on behalf of the manufac-
8 turer and who has the authority to bind the
9 manufacturer, and contain a statement that en-
10 sures that the information contained in the as-
11 sessment is true, complete and accurate.

12 “(C) DEFINITION OF NEW INGREDIENT.—
13 For purposes of subparagraph (A), the term
14 ‘new ingredient, constituent, substance, or com-
15 pound’ means an ingredient, constituent, sub-
16 stance, or compound listed under subsection
17 (a)(1) that was not used in the brand or variety
18 of tobacco product involved prior to January 1,
19 1998.

20 “(2) APPLICATION TO OTHER INGREDIENTS.—
21 With respect to the application of this section to in-
22 gredients, constituents substances, or compounds
23 listed under subsection (a) to which paragraph (1)
24 does not apply, all such ingredients, constituents,
25 substances, or compounds shall be reviewed through

1 the safety assessment process within the 5-year pe-
2 riod beginning on the date of enactment of this sub-
3 chapter. The Secretary shall develop a procedure for
4 the submission of safety assessments of such ingre-
5 dients, constituents, substances, or compounds that
6 staggers such safety assessments within the 5-year
7 period.

8 “(3) BASIS OF ASSESSMENT.—The safety as-
9 sessment of an ingredient, constituent, substance, or
10 compound described in paragraphs (1) and (2)
11 shall—

12 “(A) be based on the best scientific evi-
13 dence available at the time of the submission of
14 the assessment; and

15 “(B) demonstrate that there is a reason-
16 able certainty among experts qualified by sci-
17 entific training and experience who are con-
18 sulted, that the ingredient, constituent, sub-
19 stance, or compound will not present any risk
20 to consumers or the public in the quantities
21 used under the intended conditions of use.

22 “(c) PROHIBITION.—

23 “(1) REGULATIONS.—Not later than 12 months
24 after the date of enactment of this subchapter, the
25 Secretary shall promulgate regulations to prohibit

1 the use of any ingredient, constituent, substance, or
2 compound in the tobacco product of a manufac-
3 turer—

4 “(A) if no safety assessment has been sub-
5 mitted by the manufacturer for the ingredient,
6 constituent, substance, or compound as other-
7 wise required under this section; or

8 “(B) if the Secretary finds that the manu-
9 facturer has failed to demonstrate the safety of
10 the ingredient, constituent, substance, or com-
11 pound that was the subject of the assessment
12 under paragraph (2).

13 “(2) REVIEW OF ASSESSMENTS.—

14 “(A) GENERAL REVIEW.—Not later than
15 180 days after the receipt of a safety assess-
16 ment under subsection (b), the Secretary shall
17 review the findings contained in such assess-
18 ment and approve or disapprove of the safety of
19 the ingredient, constituent, substance, or com-
20 pound that was the subject of the assessment.
21 The Secretary may, for good cause, extend the
22 period for such review. The Secretary shall pro-
23 vide notice to the manufacturer of an action
24 under this subparagraph.

1 “(B) INACTION BY SECRETARY.—If the
2 Secretary fails to act with respect to an assess-
3 ment of an existing ingredient, constituent, sub-
4 stance, or additive during the period referred to
5 in subparagraph (A), the manufacturer of the
6 tobacco product involved may continue to use
7 the ingredient, constituent, substance, or com-
8 pound involved until such time as the Secretary
9 makes a determination with respect to the as-
10 sessment.

11 “(d) RIGHT TO KNOW; FULL DISCLOSURE OF IN-
12 GREDIENTS TO THE PUBLIC.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (3), a package of a tobacco product shall dis-
15 close all ingredients, constituents, substances, or
16 compounds contained in the product in accordance
17 with regulations promulgated under section 701(a)
18 by the Secretary.

19 “(2) DISCLOSURE OF PERCENTAGE OF DOMES-
20 TIC AND FOREIGN TOBACCO.—The regulations re-
21 ferred to in paragraph (1) shall require that the
22 package of a tobacco product disclose, with respect
23 to the tobacco contained in the product—

24 “(A) the percentage that is domestic to-
25 bacco; and

1 “(B) the percentage that is foreign to-
2 bacco.

3 “(3) HEALTH DISCLOSURE.—Notwithstanding
4 section 301(j), the Secretary may require the public
5 disclosure of any ingredient, constituent, substance,
6 or compound contained in a tobacco product that re-
7 lates to a trade secret or other matter referred to in
8 section 1905 of title 18, United States Code, if the
9 Secretary determines that such disclosure will pro-
10 mote the public health.

11 **“SEC. 575. REDUCED RISK PRODUCTS.**

12 “(a) PROHIBITION.—

13 “(1) IN GENERAL.—No manufacturer, dis-
14 tributor or retailer of tobacco products may make
15 any direct or implied statement in advertising or on
16 a product package that could reasonably be inter-
17 preted to state or imply a reduced health risk associ-
18 ated with a tobacco product unless the manufacturer
19 demonstrates to the Secretary, in such form as the
20 Secretary may require, that based on the best avail-
21 able scientific evidence the product significantly re-
22 duces the overall health risk to the public when com-
23 pared to other tobacco products.

24 “(2) SUBMISSION TO SECRETARY.—Prior to
25 making any statement described in paragraph (1), a

1 manufacturer, distributor or retailer shall submit
2 such statement to the Secretary, who shall review
3 such statement to ensure its accuracy and, in the
4 case of advertising, to prevent such statement from
5 increasing, or preventing the contraction of, the size
6 of the overall market for tobacco products.

7 “(b) DETERMINATION BY SECRETARY.—If the Sec-
8 retary determines that a statement described in subsection
9 (a)(2) is permissible because the tobacco product does
10 present a significantly reduced overall health risk to the
11 public, the Secretary may permit such statement to be
12 made.

13 “(c) DEVELOPMENT OR ACQUISITION OF REDUCED
14 RISK TECHNOLOGY.—

15 “(1) IN GENERAL.—Any manufacturer that de-
16 velops or acquires any technology that the manufac-
17 turer reasonably believes will reduce the risk from
18 tobacco products shall notify the Secretary of the de-
19 velopment or acquisition of the technology. Such no-
20 tice shall be in such form and within such time as
21 the Secretary shall require.

22 “(2) CONFIDENTIALITY.—With respect to any
23 technology described in paragraph (1) that is in the
24 early stages of development (as determined by the
25 Secretary), the Secretary shall establish protections

1 to ensure the confidentiality of any proprietary in-
2 formation submitted to the Secretary under this sub-
3 section during such development.

4 **“SEC. 576. ACCESS TO COMPANY INFORMATION.**

5 “(a) COMPLIANCE PROCEDURES.—Each manufac-
6 turer of tobacco products shall establish procedures to en-
7 sure compliance with this Act.

8 “(b) REQUIREMENT.—In addition to any other dis-
9 closure obligations under this Act, the KIDS Act, or any
10 other law, each manufacturer of tobacco products shall,
11 not later than 90 days after the date of the enactment
12 of the KIDS Act and thereafter as required by the Sec-
13 retary, disclose to the Secretary all nonpublic information
14 and research in its possession or control relating to the
15 addiction or dependency, or the health or safety of tobacco
16 products, including (without limitation) all research relat-
17 ing to processes to make tobacco products less hazardous
18 to consumers and the research and documents described
19 in subsection (c).

20 “(c) RESEARCH AND DOCUMENTS.—The documents
21 described in this section include any documents concerning
22 tobacco product research relating to—

23 “(1) nicotine, including—

24 “(A) the interaction between nicotine and
25 other components in tobacco products including

1 ingredients in the tobacco and smoke compo-
2 nents;

3 “(B) the role of nicotine in product design
4 and manufacture, including product charters,
5 and parameters in product development, the to-
6 bacco blend, filter technology, and paper;

7 “(C) the role of nicotine in tobacco leaf
8 purchasing;

9 “(D) reverse engineering activities involv-
10 ing nicotine (such as analyzing the products of
11 other companies);

12 “(E) an analysis of nicotine delivery; and

13 “(F) the biology, psychopharmacology and
14 any other health effects of nicotine;

15 “(2) other ingredients, including—

16 “(A) the identification of ingredients in to-
17 bacco products and constituents in smoke, in-
18 cluding additives used in product components
19 such as paper, filter, and wrapper;

20 “(B) any research on the health effects of
21 ingredients; and

22 “(C) any research or other information ex-
23 plaining what happens to ingredients when they
24 are heated and burned;

1 “(3) less hazardous or safer products, including
2 any research or product development information on
3 activities involving reduced risk, less hazardous, low-
4 tar or reduced-tar, low-nicotine or reduced-nicotine
5 or nicotine-free products; and

6 “(4) tobacco product advertising, marketing
7 and promotion, including—

8 “(A) documents related to the design of
9 advertising campaigns, including the desired de-
10 mographics for individual products on the mar-
11 ket or being tested;

12 “(B) documents concerning the age of ini-
13 tiation of tobacco use, general tobacco use be-
14 havior, beginning smokers, pre-smokers, and
15 new smokers;

16 “(C) documents concerning the effects of
17 advertising; and

18 “(D) documents concerning future mar-
19 keting options or plans in light of the require-
20 ments and regulations to be imposed under this
21 subchapter or the KIDS Act.

22 “(d) AUTHORITY OF SECRETARY.—With respect to
23 tobacco product manufacturers, the Secretary shall have
24 the same access to records and information and inspection

1 authority as is available with respect to manufacturers of
2 other medical devices.

3 **“SEC. 577. OVERSIGHT OF TOBACCO PRODUCT MANUFAC-**
4 **TURING.**

5 “The Secretary shall by regulation prescribe good
6 manufacturing practice standards for tobacco products.
7 Such regulations shall be modeled after good manufac-
8 turing practice regulations for medical devices, food, and
9 other items under section 520(f). Such standards shall be
10 directed specifically toward tobacco products, and shall in-
11 clude—

12 “(1) a quality control system, to ensure that to-
13 bacco products comply with such standards;

14 “(2) a system for inspecting tobacco product
15 materials to ensure their compliance with such
16 standards;

17 “(3) requirements for the proper handling of
18 finished tobacco products;

19 “(4) strict tolerances for pesticide chemical resi-
20 dues in or on tobacco or tobacco product commod-
21 ities in the possession of the manufacturer, except
22 that nothing in this paragraph shall be construed to
23 affect any authority of the Environmental Protection
24 Agency;

1 “(5) authority for officers or employees of the
2 Secretary to inspect any factory, warehouse, or other
3 establishment of any tobacco product manufacturer,
4 and to have access to records, files, papers, proc-
5 esses, controls and facilities related to tobacco prod-
6 uct manufacturing, in accordance with appropriate
7 authority and rules promulgated under this Act; and

8 “(6) a requirement that the tobacco product
9 manufacturer maintain such files and records as the
10 Secretary may specify, as well as that the manufac-
11 turer report to the Secretary such information as
12 the Secretary shall require, in accordance with sec-
13 tion 519.

14 **“SEC. 578. PRESERVATION OF STATE AND LOCAL AUTHOR-**
15 **ITY.**

16 “Notwithstanding section 521 and except as other-
17 wise provided for in section 572(e), nothing in this sub-
18 chapter shall be construed as prohibiting a State or local-
19 ity from imposing requirements, prohibitions, penalties or
20 other measures to further the purposes of this subchapter
21 that are in addition to the requirements, prohibitions, or
22 penalties required under this subchapter. State and local
23 governments may impose additional tobacco product con-
24 trol measures to further restrict or limit the use of such
25 products.”.

1 **SEC. 1343. FUNDING.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—There
3 are authorized to be appropriated such sums as may be
4 necessary to carry out this part (and the amendments
5 made by this part).

6 (b) TRIGGER.—No expenditures shall be made under
7 this part (or the amendments made by this part) during
8 any fiscal year in which the annual amount appropriated
9 for the Food and Drug Administration is less than the
10 amount so appropriated for the prior fiscal year.

11 **SEC. 1344. REPEALS.**

12 The following provisions of law are repealed:

13 (1) The Federal Cigarette Labeling and Adver-
14 tising Act (15 U.S.C. 1331 et seq.), except for sec-
15 tions 5(d)(1) and (2) and 6.

16 (2) The Comprehensive Smokeless Tobacco
17 Health Education Act of 1986 (15 U.S.C. 4401 et
18 seq.), except for sections 3(f) and 8(a) and (b).

19 (3) The Comprehensive Smoking Education Act
20 of 1964 (Public Law 98–474).

21 **Subchapter B—Miscellaneous Provisions**

22 **SEC. 1351. NONAPPLICATION TO TOBACCO PRODUCERS.**

23 (a) IN GENERAL.—This chapter and the amendments
24 made by this chapter shall not apply to the producers of
25 tobacco leaf, including tobacco growers, tobacco ware-
26 houses, and tobacco grower cooperatives.

1 (b) RULE OF CONSTRUCTION.—Nothing in this chap-
2 ter, or an amendment made by this chapter, shall be con-
3 strued to provide the Secretary of Health and Human
4 Services with the authority to—

5 (1) enter onto a farm owned by a producer of
6 tobacco leaf without the written consent of such pro-
7 ducer; or

8 (2) promulgate regulations on any matter that
9 involves the production of tobacco leaf or a producer
10 thereof, other than activities by a manufacturer that
11 affect production.

12 (c) MANUFACTURER ACTING AS PRODUCER.—Not-
13 withstanding any other provision of this section, if a pro-
14 ducer of tobacco leaf is also a tobacco product manufac-
15 turer or is owned or controlled by a tobacco product manu-
16 facturer, the producer shall be subject to the provisions
17 of this chapter, and the amendments made by this chap-
18 ter, in the producer's capacity as a manufacturer.

19 (d) DEFINITION.—In this section, the term “con-
20 trolled by” means a producer that is a member of the same
21 controlled group of corporations, as that term is used for
22 purposes of section 52(a) of the Internal Revenue Code
23 of 1986, or under common control within the meaning of
24 the regulations promulgated under section 52(b) of such
25 Code.

1 **SEC. 1352. EQUAL TREATMENT OF RETAIL OUTLETS.**

2 The Secretary of Health and Human Services shall
3 promulgate regulations to require that retail establish-
4 ments that are accessible to individuals under the age of
5 18, for which the predominant business is the sale of to-
6 bacco products, comply with any advertising restrictions
7 applicable to such establishments.

8 **CHAPTER 4—COVERAGE OF CHILDHOOD**
9 **IMMUNIZATIONS**

10 **SEC. 1361. SHORT TITLE.**

11 This chapter be cited as the “Comprehensive Insur-
12 ance Coverage of Childhood Immunization Act of 2003”.

13 **SEC. 1362. AMENDMENTS TO THE EMPLOYEE RETIREMENT**
14 **INCOME SECURITY ACT OF 1974.**

15 (a) IN GENERAL.—Subpart B of part 7 of subtitle
16 B of title I of the Employee Retirement Income Security
17 Act of 1974 (29 U.S.C. 1185 et seq.), as amended by sec-
18 tion 1214, is further amended by adding at the end the
19 following:

20 **“SEC. 715. STANDARD RELATING TO COVERAGE OF CHILD-**
21 **HOOD IMMUNIZATION.**

22 “(a) IN GENERAL.—A group health plan, and a
23 health insurance issuer offering health insurance coverage
24 in connection with a group health plan, shall provide for
25 each plan year comprehensive coverage for routine immu-
26 nizations for each individual who is a dependent of a par-

1 ticipant or beneficiary under the plan and is under 19
2 years of age.

3 “(b) COMPREHENSIVE COVERAGE.—For purposes of
4 this section, comprehensive coverage for routine immuni-
5 zations for a plan year consists of coverage, without
6 deductibles, coinsurance, or other cost-sharing, for immu-
7 nizations (including the vaccine itself) in accordance with
8 the most recent version of the Recommended Childhood
9 Immunization Schedule issued prior to such plan year by
10 the Advisory Committee on Immunization Practices of the
11 Centers for Disease Control and Prevention.”.

12 (b) CONFORMING AMENDMENT.—The table of con-
13 tents in section 1 of the Employee Retirement Income Se-
14 curity Act of 1974, as amended by section 1214, is further
15 amended by inserting after the item relating to section
16 714 the following new item:

“Sec. 715. Standard relating to coverage of childhood immunization.”.

17 **SEC. 1363. AMENDMENTS TO THE PUBLIC HEALTH SERVICE**
18 **ACT.**

19 (a) GROUP MARKET.—Subpart 2 of part A of title
20 XXVII of the Public Health Service Act (42 U.S.C.
21 300gg–4 et seq.), as amended by section 1213(b), is fur-
22 ther amended by adding at the end the following:

1 **“SEC. 2708. STANDARD RELATING TO COVERAGE OF CHILD-**
2 **HOOD IMMUNIZATION.**

3 “(a) IN GENERAL.—A group health plan, and a
4 health insurance issuer offering health insurance coverage
5 in connection with a group health plan, shall provide for
6 each plan year comprehensive coverage for routine immu-
7 nizations for each individual who is a dependent of a par-
8 ticipant or beneficiary under the plan and is under 19
9 years of age.

10 “(b) COMPREHENSIVE COVERAGE.—For purposes of
11 this section, comprehensive coverage for routine immuni-
12 zations for a plan year consists of coverage, without
13 deductibles, coinsurance, or other cost-sharing, for immu-
14 nizations (including the vaccine itself) in accordance with
15 the most recent version of the Recommended Childhood
16 Immunization Schedule issued prior to such plan year by
17 the Advisory Committee on Immunization Practices of the
18 Centers for Disease Control and Prevention.”.

19 (b) INDIVIDUAL MARKET.—The first subpart 3 of
20 part B of title XXVII of the Public Health Service Act
21 (42 U.S.C. 300gg–51 et seq.) (relating to other require-
22 ments) (42 U.S.C. 300gg–51 et seq.) is amended—

23 (1) by redesignating such subpart as subpart 2;

24 and

25 (2) by inserting after section 2753, as added by
26 section 1213(c), the following:

1 **“SEC. 2754. STANDARD RELATING TO COVERAGE OF CHILD-**
 2 **HOOD IMMUNIZATION.**

3 “The provisions of section 2708 shall apply to health
 4 insurance coverage offered by a health insurance issuer
 5 in the individual market in the same manner as they apply
 6 to health insurance coverage offered by a health insurance
 7 issuer in connection with a group health plan in the small
 8 or large group market.”.

9 **SEC. 1364. AMENDMENTS TO THE INTERNAL REVENUE**
 10 **CODE OF 1986.**

11 Subchapter B of chapter 100 of the Internal Revenue
 12 Code of 1986 is amended—

13 (1) in the table of sections, by inserting after
 14 the item relating to section 9812 the following new
 15 item:

“Sec. 9813. Standard relating to coverage of childhood immuni-
 zation.”;

16 and

17 (2) by inserting after section 9812 the fol-
 18 lowing:

19 **“SEC. 9813. STANDARD RELATING TO COVERAGE OF CHILD-**
 20 **HOOD IMMUNIZATION.**

21 “(a) IN GENERAL.—A group health plan shall pro-
 22 vide for each plan year comprehensive coverage for routine
 23 immunizations for each individual who is a dependent of

1 a participant or beneficiary under the plan and is under
2 19 years of age.

3 “(b) COMPREHENSIVE COVERAGE.—For purposes of
4 this section, comprehensive coverage for routine immuni-
5 zations for a plan year consists of coverage, without
6 deductibles, coinsurance, or other cost-sharing, for immu-
7 nizations (including the vaccine itself) in accordance with
8 the most recent version of the Recommended Childhood
9 Immunization Schedule issued prior to such plan year by
10 the Advisory Committee on Immunization Practices of the
11 Centers for Disease Control and Prevention.”.

12 **SEC. 1365. EFFECTIVE DATES.**

13 (a) GROUP HEALTH INSURANCE COVERAGE.—Sub-
14 ject to subsection (c), the amendments made by sections
15 1362, 1363(a), and 1364 apply with respect to group
16 health plans for plan years beginning on or after January
17 1, 2004.

18 (b) INDIVIDUAL HEALTH INSURANCE COVERAGE.—
19 The amendment made by section 1363(b) applies with re-
20 spect to health insurance coverage offered, sold, issued,
21 renewed, in effect, or operated in the individual market
22 on or after such date.

23 (c) COLLECTIVE BARGAINING EXCEPTION.—In the
24 case of a group health plan maintained pursuant to 1 or
25 more collective bargaining agreements between employee

1 representatives and 1 or more employers ratified before
2 the date of enactment of this Act, the amendments made
3 sections 1362, 1363(a), and 1364 shall not apply to plan
4 years beginning before the later of—

5 (1) the earliest date as of which all such collec-
6 tive bargaining agreements relating to the plan have
7 terminated (determined without regard to any exten-
8 sion thereof agreed to after the date of the enact-
9 ment of this Act), or

10 (2) January 1, 2004.

11 For purposes of paragraph (1), any plan amendment made
12 pursuant to a collective bargaining agreement relating to
13 the plan which amends the plan solely to conform to any
14 requirement added by sections 1362, 1363(a), and 1364
15 shall not be treated as a termination of such collective bar-
16 gaining agreement.

17 **Subtitle E—Reducing**
18 **Environmental Health Risks**

19 **CHAPTER 1—ENVIRONMENTAL**
20 **PROTECTION OF CHILDREN**

21 **SEC. 1401. SHORT TITLE.**

22 This chapter may be cited as the “Children’s Envi-
23 ronmental Protection Act”.

1 **SEC. 1402. ENVIRONMENTAL PROTECTION FOR CHILDREN**
2 **AND OTHER VULNERABLE SUBPOPULATIONS.**

3 The Toxic Substances Control Act (15 U.S.C. 2601
4 et seq.) is amended by adding at the end the following:

5 **“TITLE V—ENVIRONMENTAL**
6 **PROTECTION FOR CHILDREN**
7 **AND OTHER VULNERABLE**
8 **SUBPOPULATIONS**

9 **“SEC. 501. FINDINGS AND POLICY.**

10 “(a) FINDINGS.—Congress finds that—

11 “(1) the protection of public health and safety
12 depends on individuals and government officials
13 being aware of the pollution dangers that exist in
14 their homes, schools, and communities, and whether
15 those dangers present special threats to the health
16 of children and other vulnerable subpopulations;

17 “(2) children spend much of their young lives
18 in schools and day care centers, and may face sig-
19 nificant exposure to pesticides and other environ-
20 mental pollutants in those locations;

21 “(3) the metabolism, physiology, and diet of
22 children, and exposure patterns of children to envi-
23 ronmental pollutants, differ from those of adults,
24 and those differences and the inherent nature of im-
25 mature and developing systems of children can make

1 children more susceptible than adults to the harmful
2 effects of environmental pollutants;

3 “(4) a study conducted by the National Acad-
4 emy of Sciences that particularly considered the ef-
5 fects of pesticides on children concluded that current
6 approaches to assessing pesticide risks typically do
7 not consider risks to children and, as a result, cur-
8 rent standards and tolerances often fail to ade-
9 quately protect children;

10 “(5) there are often insufficient data to enable
11 the Administrator, when establishing an environ-
12 mental and public health standard for an environ-
13 mental pollutant, to evaluate the special suscepti-
14 bility or exposure of children to environmental pol-
15 lutants;

16 “(6) when data are lacking to evaluate the spe-
17 cial susceptibility or exposure of children to an envi-
18 ronmental pollutant, the Administrator generally—

19 “(A) does not presume that the environ-
20 mental pollutant presents a special risk to chil-
21 dren; and

22 “(B) does not apply a special or additional
23 margin of safety to protect the health of chil-
24 dren in establishing an environmental or public
25 health standard for that pollutant; and

1 “(7) safeguarding children from environmental
2 pollutants requires the systematic collection of data
3 concerning the special susceptibility and exposure of
4 children to those pollutants, and the adoption of an
5 additional safety factor of at least 10-fold in the es-
6 tablishment of environmental and public health
7 standards where reliable data are not available.

8 “(b) POLICY.—It is the policy of the United States
9 that—

10 “(1) the public has the right to be informed
11 about the pollution dangers to which children are
12 being exposed in their homes, schools and commu-
13 nities, and how those dangers may present special
14 health threats to children and other vulnerable sub-
15 populations;

16 “(2) each environmental and public health
17 standard for an environmental pollutant established
18 by the Administrator must, with an adequate margin
19 of safety, protect children and other vulnerable sub-
20 populations;

21 “(3) where data sufficient to evaluate the spe-
22 cial susceptibility and exposure of children (including
23 exposure in utero) to an environmental pollutant are
24 lacking, the Administrator should presume that the
25 environmental pollutant poses a special risk to chil-

1 dren and should apply an appropriate additional
2 margin of safety of at least 10-fold in establishing
3 an environmental or public health standard for that
4 environmental pollutant;

5 “(4) since it is difficult to identify all conceiv-
6 able risks and address all uncertainties associated
7 with pesticide use, the use of dangerous pesticides in
8 schools and day care centers should be eliminated;
9 and

10 “(5) the Environmental Protection Agency, the
11 Department of Health and Human Services (includ-
12 ing the National Institute of Environmental Health
13 Sciences and the Agency for Toxic Substances and
14 Disease Registry), the National Institutes of Health,
15 and other Federal agencies should support research
16 on the short-term and long-term health effects of cu-
17 mulative and synergistic exposures of children and
18 other vulnerable subpopulations to environmental
19 pollutants.

20 **“SEC. 502. DEFINITIONS.**

21 “In this title:

22 “(1) CHILD.—The term ‘child’ means an indi-
23 vidual 18 years of age or younger.

24 “(2) COMMITTEE.—The term ‘Committee’
25 means the Children’s Environmental Health Protec-

1 tion Advisory Committee established under section
2 506.

3 “(3) DAY CARE CENTER.—The term ‘day care
4 center’ means a center-based child care provider that
5 is licensed, regulated, or registered under applicable
6 State or local law.

7 “(4) ENVIRONMENTAL POLLUTANT.—The term
8 ‘environmental pollutant’ includes—

9 “(A) a hazardous substance (as defined in
10 section 101 of the Comprehensive Environ-
11 mental Response, Compensation, and Liability
12 Act of 1980 (42 U.S.C. 9601));

13 “(B) a contaminant (as defined in section
14 1401 of the Safe Drinking Water Act (42
15 U.S.C. 300f))

16 “(C) an air pollutant subject to regulation
17 under the Clean Air Act (42 U.S.C. 7401 et
18 seq.);

19 “(D) a water pollutant subject to regula-
20 tion under the Federal Water Pollution Control
21 Act (33 U.S.C. 1251 et seq.); and

22 “(E) a pesticide subject to regulation
23 under the Federal Insecticide, Fungicide, and
24 Rodenticide Act (7 U.S.C. 136 et seq.).

1 “(5) PESTICIDE.—The term ‘pesticide’ has the
2 meaning given the term in section 2 of the Federal
3 Insecticide, Fungicide, and Rodenticide Act (7
4 U.S.C. 136).

5 “(6) SCHOOL.—The term ‘school’ means an ele-
6 mentary school (as defined in section 9101 of the
7 Elementary and Secondary Education Act of 1965
8 (20 U.S.C. 7801)), a secondary school (as defined in
9 section 9101 of that Act), a kindergarten, or a nurs-
10 ery school that is public or receives Federal funding.

11 “(7) VULNERABLE SUBPOPULATION.—The
12 term ‘vulnerable subpopulation’ means—

13 “(A) children;

14 “(B) pregnant women;

15 “(C) the elderly;

16 “(D) individuals with a history of serious
17 illness; and

18 “(E) any other subpopulation identified by
19 the Administrator as being likely to experience
20 special health risks from environmental pollut-
21 ants.

22 **“SEC. 503. SAFEGUARDING CHILDREN AND OTHER VULNER-**
23 **ABLE SUBPOPULATIONS.**

24 “(a) IN GENERAL.—The Administrator shall—

1 “(1) ensure that each environmental and public
2 health standard for an environmental pollutant pro-
3 tects children and other vulnerable subpopulations
4 with an adequate margin of safety;

5 “(2) explicitly evaluate data concerning the spe-
6 cial susceptibility and exposure of children to any
7 environmental pollutant for which an environmental
8 or public health standard is established; and

9 “(3) adopt an additional margin of safety of at
10 least 10-fold in the establishment of an environ-
11 mental or public health standard for an environ-
12 mental pollutant in the absence of reliable data on
13 toxicity and exposure of the child to an environ-
14 mental pollutant or if there is a lack of reliable data
15 on the susceptibility of the child to an environmental
16 pollutant for which the environmental and public
17 health standard is being established.

18 “(b) ESTABLISHING, MODIFYING, OR REEVALUATING
19 ENVIRONMENTAL AND PUBLIC HEALTH STANDARDS.—

20 “(1) IN GENERAL.—In establishing, modifying,
21 or reevaluating any environmental or public health
22 standard for an environmental pollutant under any
23 law administered by the Administrator, the Adminis-
24 trator shall take into consideration available infor-
25 mation concerning—

1 “(A) all routes of exposure of children to
2 that environmental pollutant; and

3 “(B) the special susceptibility of children
4 to the environmental pollutant, including—

5 “(i) neurological differences between
6 children and adults;

7 “(ii) the effect of exposure to that en-
8 vironmental pollutant in utero; and

9 “(iii) the cumulative effect on a child
10 of exposure to that environmental pollutant
11 and any other substance having a common
12 toxicological mechanism.

13 “(2) ADDITIONAL SAFETY MARGIN.—If any of
14 the data described in paragraph (1) are not avail-
15 able, the Administrator shall, in completing a risk
16 assessment, risk characterization, or other assess-
17 ment of risk underlying an environmental or public
18 health standard, adopt an additional margin of safe-
19 ty of at least 10-fold to take into account—

20 “(A) potential pre-natal and post-natal
21 toxicity of an environmental pollutant; and

22 “(B) the completeness of data concerning
23 the exposure and toxicity of the environmental
24 pollutant to children.

1 “(c) IDENTIFICATION AND REVISION OF CURRENT
2 ENVIRONMENTAL AND PUBLIC HEALTH STANDARDS
3 THAT PRESENT SPECIAL RISKS TO CHILDREN.—

4 “(1) IN GENERAL.—Not later than 1 year after
5 the date of enactment of this title and annually
6 thereafter, based on the recommendations of the
7 Committee, the Administrator shall—

8 “(A) repromulgate, in accordance with this
9 section, at least 3 of the environmental and
10 public health standards identified by the Com-
11 mittee as posing a special risk to children; or

12 “(B) publish a finding in the Federal Reg-
13 ister that provides the reasons of the Adminis-
14 trator for declining to repromulgate at least 3
15 of the environmental and public health stand-
16 ards identified by the Committee as posing a
17 special risk to children.

18 “(2) DETERMINATION BY ADMINISTRATOR.—If
19 the Administrator makes the finding described in
20 paragraph (1)(B), the Administrator shall repromul-
21 gate in accordance with this section at least 3 envi-
22 ronmental and public health standards determined
23 to pose a greater risk to children’s health than the
24 environmental and public health standards identified

1 by the Children’s Environmental Health Protection
2 Advisory Committee.

3 “(3) REPORT.—Not later than 1 year after the
4 date of enactment of this title and annually there-
5 after, the Administrator shall submit a report to
6 Congress describing the progress made by the Ad-
7 ministrator in carrying out this subsection.

8 **“SEC. 504. SAFER ENVIRONMENT FOR CHILDREN.**

9 “Not later than 1 year after the date of enactment
10 of this title, the Administrator shall—

11 “(1) identify environmental pollutants com-
12 monly used or found in areas that are reasonably ac-
13 cessible to children;

14 “(2) create a scientifically peer-reviewed list of
15 substances identified under paragraph (1) with
16 known, likely, or suspected health risks to children;

17 “(3) develop a scientifically peer reviewed list of
18 safer-for-children substances and products rec-
19 ommended by the Administrator for use in areas
20 that are reasonably accessible to children that, when
21 applied as recommended by the manufacturer, will
22 minimize potential risks to children from exposure to
23 environmental pollutants;

24 “(4) establish guidelines to help reduce and
25 eliminate exposure of children to environmental pol-

1 lutants in areas reasonably accessible to children, in-
2 cluding advice on how to establish an integrated pest
3 management program;

4 “(5) develop a family right-to-know information
5 kit that includes a summary of helpful information
6 and guidance to families, such as—

7 “(A) the information developed under
8 paragraph (3);

9 “(B) the guidelines established under para-
10 graph (4);

11 “(C) information on the potential health
12 effects of environmental pollutants;

13 “(D) practical suggestions on how parents
14 may reduce the exposure of their children to en-
15 vironmental pollutants; and

16 “(E) other information determined to be
17 relevant by the Administrator, in cooperation
18 with the Director of the Centers for Disease
19 Control and Prevention;

20 “(6) make all information developed under this
21 subsection available to Federal and State agencies,
22 to the public, and on the Internet; and

23 “(7) review and update the lists developed
24 under paragraphs (2) and (3) at least annually.

1 **“SEC. 505. RESEARCH TO IMPROVE INFORMATION ON THE**
2 **EFFECTS OF ENVIRONMENTAL POLLUTANTS**
3 **ON CHILDREN.**

4 “(a) EXPOSURE AND TOXICITY DATA.—The Admin-
5 istrator, the Secretary of Agriculture, and the Secretary
6 of Health and Human Services shall coordinate and sup-
7 port the development and implementation of basic and ap-
8 plied research initiatives to examine—

9 “(1) the health effects and toxicity of pesticides
10 (including active and inert ingredients) and other
11 environmental pollutants on children and other vul-
12 nerable subpopulations; and

13 “(2) the exposure of children and other vulner-
14 able subpopulations to environmental pollutants.

15 “(b) BIENNIAL REPORTS.—The Administrator, the
16 Secretary of Agriculture, and the Secretary of Health and
17 Human Services shall submit biennial reports to Congress
18 describing actions taken to carry out this section.

19 **“SEC. 506. CHILDREN’S ENVIRONMENTAL HEALTH PROTEC-**
20 **TION ADVISORY COMMITTEE.**

21 “(a) ESTABLISHMENT.—The Administrator shall es-
22 tablish a Children’s Environmental Health Protection Ad-
23 visory Committee to assist the Administrator in carrying
24 out this title.

25 “(b) COMPOSITION.—The Committee shall be com-
26 prised of—

1 “(1) medical professionals specializing in pedi-
2 atric health;

3 “(2) educators;

4 “(3) representatives of community groups;

5 “(4) representatives of environmental and pub-
6 lic health nonprofit organizations;

7 “(5) industry representatives; and

8 “(6) representatives of State environmental and
9 public health departments.

10 “(c) DUTIES.—Not later than 2 years after the date
11 of enactment of this title and annually thereafter, the
12 Committee shall develop a list of standards that merit re-
13 evaluation by the Administrator in order to better protect
14 the health of children.

15 “(d) TERMINATION.—The Committee shall terminate
16 not later than 15 years after the date on which the Com-
17 mittee is established.

18 **“SEC. 507. AUTHORIZATION OF APPROPRIATIONS.**

19 There are authorized to be appropriated such sums
20 as are necessary to carry out this title.”.

21 **SEC. 1403. CONFORMING AMENDMENT.**

22 The table of contents in section 1 of the Toxic Sub-
23 stances Control Act (15 U.S.C. prec. 2601) is amended
24 by adding at the end the following:

“TITLE V—ENVIRONMENTAL PROTECTION FOR CHILDREN AND
OTHER VULNERABLE SUBPOPULATIONS

“Sec. 501. Findings and policy.

“Sec. 502. Definitions.

“Sec. 503. Safeguarding children and other vulnerable subpopulations.

“Sec. 504. Safer environment for children.

“Sec. 505. Research to improve information on the effects of environmental pollutants on children.

“Sec. 506. Children’s environmental health protection advisory committee.

“Sec. 507. Authorization of appropriations.”.

1 **CHAPTER 2—SCHOOL ENVIRONMENTAL**
 2 **PROTECTION**

3 **SEC. 1411. SHORT TITLE.**

4 This chapter may be cited as the “School Environ-
 5 ment Protection Act”.

6 **SEC. 1412. INTEGRATED PEST MANAGEMENT SYSTEMS FOR**
 7 **SCHOOLS.**

8 The Federal Insecticide, Fungicide, and Rodenticide
 9 Act is amended—

10 (1) by redesignating sections 33 and 34 (7
 11 U.S.C. 136x, 136y) as sections 34 and 35, respec-
 12 tively; and

13 (2) by inserting after section 32 (7 U.S.C.
 14 136w–7) the following:

15 **“SEC. 33. INTEGRATED PEST MANAGEMENT SYSTEMS FOR**
 16 **SCHOOLS.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) BOARD.—The term ‘Board’ means the Na-
 19 tional School Integrated Pest Management Advisory
 20 Board established under subsection (c).

1 “(2) CONTACT PERSON.—The term ‘contact
2 person’ means an individual who is—

3 “(A) knowledgeable about integrated pest
4 management systems; and

5 “(B) designated by a local educational
6 agency as the contact person under subsection
7 (f).

8 “(3) CRACK AND CREVICE TREATMENT.—The
9 term ‘crack and crevice treatment’ means the appli-
10 cation of small quantities of a pesticide in a building
11 into openings such as those commonly found at ex-
12 pansion joints, between levels of construction, and
13 between equipment and floors.

14 “(4) EMERGENCY.—The term ‘emergency’
15 means an urgent need to mitigate or eliminate a
16 pest that threatens the health or safety of a student
17 or staff member.

18 “(5) FUND.—The term ‘Fund’ means the Inte-
19 grated Pest Management Trust Fund established
20 under subsection (m).

21 “(6) INTEGRATED PEST MANAGEMENT SYS-
22 TEM.—The term ‘integrated pest management sys-
23 tem’ means a managed pest control system that—

24 “(A) eliminates or mitigates economic,
25 health, and aesthetic damage caused by pests;

- 1 “(B) uses—
- 2 “(i) integrated methods;
- 3 “(ii) site or pest inspections;
- 4 “(iii) pest population monitoring;
- 5 “(iv) an evaluation of the need for
- 6 pest control; and
- 7 “(v) 1 or more pest control methods,
- 8 including sanitation, structural repair, me-
- 9 chanical and biological controls, other non-
- 10 chemical methods, and (if nontoxic options
- 11 are unreasonable and have been exhausted)
- 12 least toxic pesticides; and
- 13 “(C) minimizes—
- 14 “(i) the use of pesticides; and
- 15 “(ii) the risk to human health and the
- 16 environment associated with pesticide ap-
- 17 plications.
- 18 “(7) LEAST TOXIC PESTICIDES.—
- 19 “(A) IN GENERAL.—The term ‘least toxic
- 20 pesticides’ means—
- 21 “(i) boric acid and disodium
- 22 octoborate tetrahydrate;
- 23 “(ii) silica gels;
- 24 “(iii) diatomaceous earth;

1 “(iv) nonvolatile insect and rodent
2 baits in tamper resistant containers or for
3 crack and crevice treatment only;

4 “(v) microbe-based insecticides;

5 “(vi) botanical insecticides (not in-
6 cluding synthetic pyrethroids) without toxic
7 synergists;

8 “(vii) biological, living control agents;
9 and

10 “(viii) materials for which the inert
11 ingredients are nontoxic and disclosed.

12 “(B) EXCLUSIONS.—The term ‘least toxic
13 pesticides’ does not include a pesticide that is
14 determined by the Administrator to be an
15 acutely or moderately toxic pesticide, car-
16 cinogen, mutagen, teratogen, reproductive toxin,
17 developmental neurotoxin, endocrine disrupter,
18 or immune system toxin, and any application of
19 the pesticide using a broadcast spray, dust,
20 tenting, fogging, or baseboard spray applica-
21 tion.

22 “(8) LIST.—The term ‘list’ means the list of
23 least toxic pesticides established under subsection
24 (d).

1 “(9) LOCAL EDUCATIONAL AGENCY.—The term
2 ‘local educational agency’ has the meaning given the
3 term in section 9101 of the Elementary and Sec-
4 ondary Education Act of 1965 (20 U.S.C. 7801).

5 “(10) OFFICIAL.—The term ‘official’ means the
6 official appointed by the Administrator under sub-
7 section (e).

8 “(11) PERSON.—The term ‘person’ means—

9 “(A) an individual that attends, has chil-
10 dren enrolled in, works at, or uses a school;

11 “(B) a resident of a school district; and

12 “(C) any other individual that may be af-
13 fected by pest management activities of a
14 school.

15 “(12) PESTICIDE.—

16 “(A) IN GENERAL.—The term ‘pesticide’
17 means any substance or mixture of substances,
18 including herbicides and bait stations, intended
19 for—

20 “(i) preventing, destroying, repelling,
21 or mitigating any pest;

22 “(ii) use as a plant regulator, defo-
23 liant, or desiccant; or

24 “(iii) use as a spray adjuvant such as
25 a wetting agent or adhesive.

1 “(B) EXCLUSION.—The term ‘pesticide’
2 does not include antimicrobial agents such as
3 disinfectants or deodorizers used for cleaning
4 products.

5 “(13) SCHOOL.—The term ‘school’ means a
6 public—

7 “(A) elementary school (as defined in sec-
8 tion 9101 of the Elementary and Secondary
9 Education Act of 1965 (20 U.S.C. 7801));

10 “(B) secondary school (as defined in sec-
11 tion 9101 of that Act); or

12 “(C) kindergarten or nursery school.

13 “(14) SCHOOL GROUNDS.—

14 “(A) IN GENERAL.—The term ‘school
15 grounds’ means the area outside of the school
16 buildings controlled, managed, or owned by the
17 school or school district.

18 “(B) INCLUSIONS.—The term ‘school
19 grounds’ includes a lawn, playground, sports
20 field, and any other property or facility con-
21 trolled, managed, owned, or leased for use for
22 a school-sponsored event, by a school.

23 “(15) SPACE SPRAYING.—

24 “(A) IN GENERAL.—The term ‘space
25 spraying’ means application of a pesticide by

1 discharge into the air throughout an inside
2 area.

3 “(B) INCLUSION.—The term ‘space spray-
4 ing’ includes the application of a pesticide using
5 a broadcast spray, dust, tenting, or fogging.

6 “(C) EXCLUSION.—The term ‘space spray-
7 ing’ does not include crack and crevice treat-
8 ment.

9 “(16) STAFF MEMBER.—

10 “(A) IN GENERAL.—The term ‘staff mem-
11 ber’ means an employee of a school or local
12 educational agency.

13 “(B) INCLUSIONS.—The term ‘staff mem-
14 ber’ includes an administrator, teacher, and
15 other person that is regularly employed by a
16 school or local educational agency.

17 “(C) EXCLUSIONS.—The term ‘staff mem-
18 ber’ does not include—

19 “(i) an employee hired by a school,
20 local educational agency, or State to apply
21 a pesticide; or

22 “(ii) a person assisting in the applica-
23 tion of a pesticide.

24 “(17) STATE EDUCATIONAL AGENCY.—The
25 term ‘State educational agency’ has the meaning

1 given the term in section 14101 of the Elementary
2 and Secondary Education Act of 1965 (20 U.S.C.
3 8801).

4 “(18) UNIVERSAL NOTIFICATION.—The term
5 ‘universal notification’ means notice provided by a
6 local educational agency or school to—

7 “(A) all parents or guardians of children
8 attending the school; and

9 “(B) staff members of the school or local
10 educational agency.

11 “(b) INTEGRATED PEST MANAGEMENT SYSTEMS.—

12 “(1) IN GENERAL.—The Administrator, in con-
13 sultation with the Secretary of Education, shall es-
14 tablish a National School Integrated Pest Manage-
15 ment Advisory System to develop and update uni-
16 form standards and criteria for implementing inte-
17 grated pest management systems in schools.

18 “(2) IMPLEMENTATION.—Not later than 18
19 months after the date of enactment of this sub-
20 section, each local educational agency of a school
21 district shall develop and implement in each of the
22 schools in the school district an integrated pest man-
23 agement system that complies with this section.

24 “(3) STATE PROGRAMS.—If, on the date of en-
25 actment of this section, a State maintains an inte-

1 grated pest management system that meets the
 2 standards and criteria established under paragraph
 3 (1) (as determined by the Board), a local edu-
 4 cational agency in the State may continue to imple-
 5 ment the system in a school or in the school district
 6 in accordance with paragraph (2).

7 “(4) APPLICATION TO SCHOOLS AND SCHOOL
 8 GROUNDS.—The requirements of this section that
 9 apply to a school, including the requirement to im-
 10 plement an integrated management system, apply to
 11 pesticide application in a school building and on the
 12 school grounds.

13 “(5) APPLICATION OF PESTICIDES WHEN
 14 SCHOOLS IN USE.—A school shall prohibit—

15 “(A) the application of a pesticide when a
 16 school or school grounds are occupied or in use;
 17 or

18 “(B) the use of an area or room treated by
 19 a pesticide, other than a least toxic pesticide,
 20 during the 24-hour period beginning at the end
 21 of the treatment.

22 “(c) NATIONAL SCHOOL INTEGRATED PEST MAN-
 23 AGEMENT ADVISORY BOARD.—

24 “(1) IN GENERAL.—The Administrator, in con-
 25 sultation with the Secretary of Education, shall es-

1 establish a National School Integrated Pest Manage-
2 ment Advisory Board to—

3 “(A) establish uniform standards and cri-
4 teria for developing integrated pest manage-
5 ment systems and policies in schools;

6 “(B) develop standards for the use of least
7 toxic pesticides in schools; and

8 “(C) advise the Administrator on any other
9 aspects of the implementation of this section.

10 “(2) COMPOSITION OF BOARD.—The Board
11 shall be composed of 12 members and include 1 rep-
12 resentative from each of the following groups:

13 “(A) Parents.

14 “(B) Public health care professionals.

15 “(C) Medical professionals.

16 “(D) State integrated pest management
17 system coordinators.

18 “(E) Independent integrated pest manage-
19 ment specialists that have carried out school in-
20 tegrated pest management programs.

21 “(F) Environmental advocacy groups.

22 “(G) Children’s health advocacy groups.

23 “(H) Trade organization for pest control
24 operators.

25 “(I) Teachers and staff members.

1 “(J) School maintenance staff.

2 “(K) School administrators.

3 “(L) School board members.

4 “(3) APPOINTMENT.—Not later than 180 days
5 after the date of enactment of this section, the Ad-
6 ministrator shall appoint members of the Board
7 from nominations received from Parent Teacher As-
8 sociations, school districts, States, and other inter-
9 ested persons and organizations.

10 “(4) TERM.—

11 “(A) IN GENERAL.—A member of the
12 Board shall serve for a term of 5 years, except
13 that the Administrator may shorten the terms
14 of the original members of the Board in order
15 to provide for a staggered term of appointment
16 for all members of the Board.

17 “(B) CONSECUTIVE TERMS.—Subject to
18 subparagraph (C), a member of the Board shall
19 not serve consecutive terms unless the term of
20 the member has been reduced by the Adminis-
21 trator.

22 “(C) MAXIMUM TERM.—In no event may a
23 member of the Board serve for more than 6
24 consecutive years.

1 “(5) MEETINGS.—The Administrator shall con-
2 vene—

3 “(A) an initial meeting of the Board not
4 later than 60 days after the appointment of the
5 members; and

6 “(B) subsequent meetings on a periodic
7 basis, but not less often than 2 times each year.

8 “(6) COMPENSATION.—A member of the Board
9 shall serve without compensation, but may be reim-
10 bursed by the Administrator for expenses (in accord-
11 ance with section 5703 of title 5, United States
12 Code) incurred in performing duties as a member of
13 the Board.

14 “(7) CHAIRPERSON.—The Board shall select a
15 Chairperson for the Board.

16 “(8) QUORUM.—A majority of the members of
17 the Board shall constitute a quorum for the purpose
18 of conducting business.

19 “(9) DECISIVE VOTES.—Two-thirds of the votes
20 cast at a meeting of the Board at which a quorum
21 is present shall be decisive for any motion.

22 “(10) ADMINISTRATION.—The Administrator—
23 “(A) shall—

24 “(i) authorize the Board to hire a
25 staff director; and

1 “(ii) detail staff of the Environmental
2 Protection Agency, or allow for the hiring
3 of staff for the Board; and

4 “(B) subject to the availability of appro-
5 priations, may pay necessary expenses incurred
6 by the Board in carrying out this subtitle, as
7 determined appropriate by the Administrator.

8 “(11) RESPONSIBILITIES OF THE BOARD.—

9 “(A) IN GENERAL.—The Board shall pro-
10 vide recommendations to the Administrator re-
11 garding the implementation of this section.

12 “(B) LIST OF LEAST TOXIC PESTICIDES.—
13 Not later than 1 year after the initial meeting
14 of the Board, the Board shall—

15 “(i) review implementation of this sec-
16 tion (including use of least toxic pes-
17 ticides); and

18 “(ii) review and make recommenda-
19 tions to the Administrator with respect to
20 new proposed active and inert ingredients
21 or proposed amendments to the list in ac-
22 cordance with subsection (d).

23 “(C) TECHNICAL ADVISORY PANELS.—

24 “(i) IN GENERAL.—The Board shall
25 convene technical advisory panels to pro-

1 vide scientific evaluations of the materials
2 considered for inclusion on the list.

3 “(ii) COMPOSITION.—A panel de-
4 scribed in clause (i) shall include experts
5 on integrated pest management, children’s
6 health, entomology, health sciences, and
7 other relevant disciplines.

8 “(D) SPECIAL REVIEW.—

9 “(i) IN GENERAL.—Not later than 2
10 years after the initial meeting of the
11 Board, the Board shall review, with the as-
12 sistance of a technical advisory panel, pes-
13 ticides used in school buildings and on
14 school grounds for their acute toxicity and
15 chronic effects, including cancer,
16 mutations, birth defects, reproductive dys-
17 function, neurological and immune system
18 effects, and endocrine system disruption.

19 “(ii) DETERMINATION.—The Board—

20 “(I) shall determine whether the
21 use of pesticides described in clause
22 (i) may endanger the health of chil-
23 dren; and

24 “(II) may recommend to the Ad-
25 ministrators restrictions on pesticide

1 use in school buildings and on school
2 grounds.

3 “(12) REQUIREMENTS.—In establishing the
4 proposed list, the Board shall—

5 “(A) review available information from the
6 Environmental Protection Agency, the National
7 Institute of Environmental Health Studies,
8 medical and scientific literature, and such other
9 sources as appropriate, concerning the potential
10 for adverse human and environmental effects of
11 substances considered for inclusion in the pro-
12 posed list; and

13 “(B) cooperate with manufacturers of sub-
14 stances considered for inclusion in the proposed
15 list to obtain a complete list of ingredients and
16 determine that such substances contain inert
17 ingredients that are generally recognized as
18 safe.

19 “(13) PETITIONS.—The Board shall establish
20 procedures under which individuals may petition the
21 Board for the purpose of evaluating substances for
22 inclusion on the list.

23 “(14) PERIODIC REVIEW.—

1 “(A) IN GENERAL.—The Board shall re-
2 view each substance included on the list at least
3 once during each 5-year period beginning on—

4 “(i) the date that the substance was
5 initially included on the list; or

6 “(ii) the date of the last review of the
7 substance under this subsection.

8 “(B) SUBMISSION TO ADMINISTRATOR.—
9 The Board shall submit the results of a review
10 under subparagraph (A) to the Administrator
11 with a recommendation as to whether the sub-
12 stance should continue to be included on the
13 list.

14 “(15) CONFIDENTIALITY.—Any business sen-
15 sitive material obtained by the Board in carrying out
16 this section shall be treated as confidential business
17 information by the Board and shall not be released
18 to the public.

19 “(d) LIST OF LEAST TOXIC PESTICIDES; PESTICIDE
20 REVIEW.—

21 “(1) IN GENERAL.—The Board shall rec-
22 ommend to the Administrator a list of least toxic
23 pesticides (including the pesticides described in sub-
24 section (a)(7)) that may be used as least toxic pes-
25 ticides, any restrictions on the use of the listed pes-

1 pesticides, and any recommendations regarding restric-
2 tions on all other pesticides, in accordance with this
3 section.

4 “(2) PROCEDURE FOR EVALUATING PESTICIDE
5 USE.—

6 “(A) LIST OF LEAST TOXIC PESTICIDES.—

7 “(i) IN GENERAL.—The Administrator
8 shall establish a list of least toxic pes-
9 ticides that may be used in school build-
10 ings and on school grounds, including any
11 restrictions on the use of the pesticides,
12 that is based on the list prepared by the
13 Board.

14 “(ii) REGULATORY REVIEW.—The Ad-
15 ministrator shall initiate regulatory review
16 of all other pesticides recommended for re-
17 striction by the Board.

18 “(B) RECOMMENDATIONS.—Not later than
19 1 year after receiving the proposed list and re-
20 strictions, and recommended restrictions on all
21 other pesticides from the Board, the Adminis-
22 trator shall—

23 “(i) publish the proposed list and re-
24 strictions and all other proposed pesticide
25 restrictions in the Federal Register and

1 seek public comment on the proposed pro-
2 posals; and

3 “(ii) after evaluating all comments re-
4 ceived concerning the proposed list and re-
5 strictions, but not later than 1 year after
6 the close of the period during which public
7 comments are accepted, publish the final
8 list and restrictions in the Federal Reg-
9 ister, together with a discussion of com-
10 ments received.

11 “(C) FINDINGS.—Not later than 2 years
12 after publication of the final list and restric-
13 tions, the Administrator shall make a deter-
14 mination and issue findings on whether use of
15 registered pesticides in school buildings and on
16 school grounds may endanger the health of chil-
17 dren.

18 “(D) NOTICE AND COMMENT.—

19 “(i) IN GENERAL.—Prior to estab-
20 lishing or making amendments to the list,
21 the Administrator shall publish the pro-
22 posed list or any proposed amendments to
23 the list in the Federal Register and seek
24 public comment on the proposals.

1 “(ii) RECOMMENDATIONS.—The Ad-
2 ministrator shall include in any publication
3 described in clause (i) any changes or
4 amendments to the proposed list that are
5 recommended to and by the Administrator.

6 “(E) PUBLICATION OF LIST.—After evalu-
7 ating all comments received concerning the pro-
8 posed list or proposed amendments to the list,
9 the Administrator shall publish the final list in
10 the Federal Register, together with a descrip-
11 tion of comments received.

12 “(e) OFFICE OF PESTICIDE PROGRAMS.—

13 “(1) ESTABLISHMENT.—The Administrator
14 shall appoint an official for school pest management
15 within the Office of Pesticide Programs of the Envi-
16 ronmental Protection Agency to coordinate the de-
17 velopment and implementation of integrated pest
18 management systems in schools.

19 “(2) DUTIES.—The official shall—

20 “(A) coordinate the development of school
21 integrated pest management systems and poli-
22 cies;

23 “(B) consult with schools concerning—

24 “(i) issues related to the integrated
25 pest management systems of schools;

1 “(ii) the use of least toxic pesticides;

2 and

3 “(iii) the registration of pesticides,

4 and amendments to the registrations, as

5 the registrations and amendments relate to

6 the use of integrated pest management

7 systems in schools; and

8 “(C) support and provide technical assist-

9 ance to the Board.

10 “(f) CONTACT PERSON.—

11 “(1) IN GENERAL.—Each local educational

12 agency of a school district shall designate a contact

13 person for carrying out an integrated pest manage-

14 ment system in schools in the school district.

15 “(2) DUTIES.—The contact person of a school

16 district shall—

17 “(A) maintain information about pesticide

18 applications inside and outside schools within

19 the school district, in school buildings, and on

20 school grounds;

21 “(B) act as a contact for inquiries about

22 the integrated pest management system;

23 “(C) maintain material safety data sheets

24 and labels for all pesticides that may be used in

25 the school district;

1 “(D) be informed of Federal and State
2 chemical health and safety information and con-
3 tact information;

4 “(E) maintain scheduling of all pesticide
5 usage for schools in the school district;

6 “(F) maintain contact with Federal and
7 State integrated pest management system ex-
8 perts; and

9 “(G) obtain periodic updates and training
10 from State integrated pest management system
11 experts.

12 “(3) PESTICIDE USE DATA.—A local edu-
13 cational agency of a school district shall—

14 “(A) maintain all pesticide use data for
15 each school in the school district; and

16 “(B) on request, make the data available
17 to the public for review.

18 “(g) NOTICE OF INTEGRATED PEST MANAGEMENT
19 SYSTEM.—

20 “(1) IN GENERAL.—At the beginning of each
21 school year, each local educational agency or school
22 of a school district shall include a notice of the inte-
23 grated pest management system of the school dis-
24 trict in school calendars or other forms of universal
25 notification.

1 “(2) CONTENTS.—The notice shall include a de-
2 scription of—

3 “(A) the integrated pest management sys-
4 tem of the school district;

5 “(B) any pesticide (including any least
6 toxic pesticide) or bait station that may be used
7 in a school building or on school grounds as
8 part of the integrated pest management system;

9 “(C) the name, address, and telephone
10 number of the contact person of the school dis-
11 trict;

12 “(D) a statement that—

13 “(i) the contact person maintains the
14 product label and material safety data
15 sheet of each pesticide (including each
16 least toxic pesticide) and bait station that
17 may be used by a school in buildings or on
18 school grounds;

19 “(ii) the label and data sheet is avail-
20 able for review by a parent, guardian, staff
21 member, or student attending the school;
22 and

23 “(iii) the contact person is available to
24 parents, guardians, and staff members for
25 information and comment; and

1 “(E) the time and place of any meetings
2 that will be held under subsection (g)(1).

3 “(3) USE OF PESTICIDES.—A local educational
4 agency or school may use a pesticide during a school
5 year only if the use of the pesticide has been dis-
6 closed in the notice required under paragraph (1) at
7 the beginning of the school year.

8 “(4) NEW EMPLOYEES AND STUDENTS.—After
9 the beginning of each school year, a local educational
10 agency or school of a school district shall provide the
11 notice required under this subsection to—

12 “(A) each new staff member who is em-
13 ployed during the school year; and

14 “(B) the parent or guardian of each new
15 student enrolled during the school year.

16 “(h) USE OF PESTICIDES.—

17 “(1) IN GENERAL.—If a local educational agen-
18 cy or school determines that a pest in the school or
19 on school grounds cannot be controlled after having
20 used the integrated pest management system of the
21 school or school district and least toxic pesticides,
22 the school may use a pesticide (other than space
23 spraying of the pesticide) to control the pest in ac-
24 cordance with this subsection.

1 “(2) PRIOR NOTIFICATION OF PARENTS,
2 GUARDIANS, AND STAFF MEMBERS.—

3 “(A) IN GENERAL.—Subject to paragraphs
4 (4) and (5), not less than 72 hours before a
5 pesticide (other than a least toxic pesticide) is
6 used by a school, the school shall provide to a
7 parent or guardian of each student enrolled at
8 the school and each staff member of the school,
9 notice that includes—

10 “(i) the common name, trade name,
11 and Environmental Protection Agency reg-
12 istration number of the pesticide;

13 “(ii) a description of the location of
14 the application of the pesticide;

15 “(iii) a description of the date and
16 time of application, except that, in the case
17 of outdoor pesticide applications, 1 notice
18 shall include 3 dates, in chronological
19 order, that the outdoor pesticide applica-
20 tions may take place if the preceding date
21 is canceled;

22 “(iv) a statement that ‘The Office of
23 Pesticide Programs of the United States
24 Environmental Protection Agency has stat-
25 ed: ‘Where possible, persons who poten-

1 tially are sensitive, such as pregnant
2 women and infants (less than 2 years old),
3 should avoid any unnecessary pesticide ex-
4 posure.’;

5 “(v) a description of potential adverse
6 effects of the pesticide based on the mate-
7 rial safety data sheet of the pesticide;

8 “(vi) a description of the reasons for
9 the application of the pesticide;

10 “(vii) the name and telephone number
11 of the contact person of the school district;
12 and

13 “(viii) any additional warning infor-
14 mation related to the pesticide.

15 “(B) METHOD OF NOTIFICATION.—The
16 school may provide the notice required by sub-
17 paragraph (A) by—

18 “(i) written notice sent home with the
19 student and provided to the staff member;

20 “(ii) a telephone call;

21 “(iii) direct contact; or

22 “(iv) written notice mailed at least 1
23 week before the application.

24 “(C) REISSUANCE.—If the date of the ap-
25 plication of the pesticide needs to be extended

1 beyond the period required for notice under this
2 paragraph, the school shall reissue the notice
3 under this paragraph for the new date of appli-
4 cation.

5 “(3) POSTING OF SIGNS.—

6 “(A) IN GENERAL.—Subject to paragraphs
7 (4) and (5), at least 72 hours before a pesticide
8 (other than a least toxic pesticide) is used by a
9 school, the school shall post a sign that provides
10 notice of the application of the pesticide—

11 “(i) in a prominent place that is in or
12 adjacent to the location to be treated; and

13 “(ii) at each entrance to the building
14 or school grounds to be treated.

15 “(B) ADMINISTRATION.—A sign required
16 under subparagraph (A) for the application of
17 a pesticide shall—

18 “(i) remain posted for at least 72
19 hours after the end of the treatment;

20 “(ii) be at least 8 ½ inches by 11
21 inches; and

22 “(iii) state the same information as
23 that required for prior notification of the
24 application under paragraph (2).

1 “(C) OUTDOOR PESTICIDE APPLICA-
2 TIONS.—

3 “(i) IN GENERAL.—In the case of out-
4 door pesticide applications, each sign shall
5 include 3 dates, in chronological order,
6 that the outdoor pesticide application may
7 take place if the preceding date is canceled
8 due to weather.

9 “(ii) DURATION OF POSTING.—A sign
10 described in clause (i) shall be posted after
11 an outdoor pesticide application in accord-
12 ance with subparagraph (B).

13 “(4) ADMINISTRATION.—

14 “(A) APPLICATORS.—Paragraphs (2) and
15 (3) shall apply to any person that applies a pes-
16 ticide in a school or on school grounds, includ-
17 ing a custodian, staff member, or commercial
18 applicator.

19 “(B) TIME OF YEAR.—Paragraphs (2) and
20 (3) shall apply to a school—

21 “(i) during the school year; and

22 “(ii) during holidays and the summer
23 months, if the school is in use, with notice
24 provided to all staff members and the par-

1 ents or guardians of the students that are
2 using the school in an authorized manner.

3 “(5) EMERGENCIES.—

4 “(A) IN GENERAL.—A school may apply a
5 pesticide (other than a least toxic pesticide) in
6 the school or on school grounds without com-
7 plying with paragraphs (2) and (3) in an emer-
8 gency, subject to subparagraph (B).

9 “(B) SUBSEQUENT NOTIFICATION OF PAR-
10 ENTS, GUARDIANS, AND STAFF MEMBERS.—Not
11 later than the earlier of the time that is 24
12 hours after a school applies a pesticide under
13 this paragraph or on the morning of the next
14 school day, the school shall provide to each par-
15 ent or guardian of a student enrolled at the
16 school, and staff member of the school, notice
17 of the application of the pesticide for emergency
18 pest control that includes—

19 “(i) the information required for a no-
20 tice under paragraph (2)(A);

21 “(ii) a description of the problem and
22 the factors that qualified the problem as
23 an emergency that threatened the health or
24 safety of a student or staff member; and

1 “(iii) a description of the steps the
2 school will take in the future to avoid
3 emergency application of a pesticide under
4 this paragraph.

5 “(C) METHOD OF NOTIFICATION.—The
6 school may provide the notice required by sub-
7 paragraph (B) by—

8 “(i) written notice sent home with the
9 student and provided to the staff member;

10 “(ii) a telephone call; or

11 “(iii) direct contact.

12 “(D) POSTING OF SIGNS.—A school apply-
13 ing a pesticide under this paragraph shall post
14 a sign warning of the pesticide application in
15 accordance with paragraph (3).

16 “(E) MODIFICATION OF INTEGRATED PEST
17 MANAGEMENT PLANS.—If a school in a school
18 district applies a pesticide under this para-
19 graph, the local educational agency of the
20 school district shall modify the integrated pest
21 management plan of the school district to mini-
22 mize the future applications of pesticides under
23 this paragraph.

24 “(6) DRIFT OF PESTICIDES ONTO SCHOOL
25 GROUND.—Each local educational agency, State

1 pesticide lead agency, and the Administrator are en-
2 couraged to—

3 “(A) identify sources of pesticides that
4 drift from treated land to school grounds of the
5 educational agency; and

6 “(B) take steps necessary to create an in-
7 door and outdoor school environment that are
8 protected from pesticides described in subpara-
9 graph (A).

10 “(i) MEETINGS.—

11 “(1) IN GENERAL.—Before the beginning of a
12 school year, at the beginning of each new calendar
13 year, and at a regularly scheduled meeting of a
14 school board, each local educational agency shall
15 provide an opportunity for the contact person des-
16 ignated under subsection (d) to receive and address
17 public comments regarding the integrated pest man-
18 agement system of the school district.

19 “(2) EMERGENCY MEETINGS.—An emergency
20 meeting of a school board to address a pesticide ap-
21 plication may be called under locally appropriate
22 procedures for convening emergency meetings.

23 “(j) INVESTIGATIONS AND ORDERS.—

1 “(1) IN GENERAL.—Not later than 60 days
2 after receiving a complaint of a violation of this sec-
3 tion, the Administrator shall—

4 “(A) conduct an investigation of the com-
5 plaint;

6 “(B) determine whether it is reasonable to
7 believe the complaint has merit; and

8 “(C) notify the complainant and the per-
9 son alleged to have committed the violation of
10 the findings of the Administrator.

11 “(2) PRELIMINARY ORDER.—If the Adminis-
12 trator determines it is reasonable to believe a viola-
13 tion occurred, the Administrator shall issue a pre-
14 liminary order (that includes findings) to impose the
15 penalty described in subsection (j).

16 “(3) OBJECTIONS TO PRELIMINARY ORDER.—

17 “(A) IN GENERAL.—Not later than 30
18 days after the preliminary order is issued under
19 paragraph (2), the complainant and the person
20 alleged to have committed the violation may—

21 “(i) file objections to the preliminary
22 order (including findings); and

23 “(ii) request a hearing on the record.

24 “(B) FINAL ORDER.—If a hearing is not
25 requested within 30 days after the preliminary

1 order is issued, the preliminary order shall be
2 final and not subject to judicial review.

3 “(4) HEARING.—A hearing under this sub-
4 section shall be conducted expeditiously.

5 “(5) FINAL ORDER.—Not later than 120 days
6 after the end of the hearing, the Administrator shall
7 issue a final order.

8 “(6) SETTLEMENT AGREEMENT.—Before the
9 final order is issued, the proceeding may be termi-
10 nated by a settlement agreement, which shall remain
11 open, entered into by the Administrator, the com-
12 plainant, and the person alleged to have committed
13 the violation.

14 “(7) COSTS.—

15 “(A) IN GENERAL.—If the Administrator
16 issues a final order against a school or school
17 district for violation of this section and the
18 complainant requests, the Administrator may
19 assess against the person against whom the
20 order is issued the costs (including attorney’s
21 fees) reasonably incurred by the complainant in
22 bringing the complaint.

23 “(B) AMOUNT.—The Administrator shall
24 determine the amount of the costs that were
25 reasonably incurred by the complainant.

1 “(8) JUDICIAL REVIEW AND VENUE.—

2 “(A) IN GENERAL.—A person adversely af-
3 fected by an order issued after a hearing under
4 this subsection may file a petition for review
5 not later than 60 days after the date that the
6 order is issued, in a district court of the United
7 States or other United States court for any dis-
8 trict in which a local educational agency or
9 school is found, resides, or transacts business.

10 “(B) TIMING.—The review shall be heard
11 and decided expeditiously.

12 “(C) COLLATERAL REVIEW.—An order of
13 the Administrator subject to review under this
14 paragraph shall not be subject to judicial review
15 in a criminal or other civil proceeding.

16 “(k) CIVIL PENALTY.—

17 “(1) IN GENERAL.—Any local educational agen-
18 cy, school, or person that violates this section may
19 be assessed a civil penalty by the Administrator
20 under subsections (h) and (i), respectively, of not
21 more than \$10,000 for each offense.

22 “(2) TRANSFER TO TRUST FUND.—Except as
23 provided in subsection (i)(4)(B), civil penalties col-
24 lected under paragraph (1) shall be deposited in the
25 Fund.

1 “(1) INTEGRATED PEST MANAGEMENT TRUST
2 FUND.—

3 “(1) ESTABLISHMENT.—There is established in
4 the Treasury of the United States a trust fund to
5 be known as the ‘Integrated Pest Management
6 Trust Fund’, consisting of—

7 “(A) amounts deposited in the Fund under
8 subsection (j)(2);

9 “(B) amounts transferred to the Secretary
10 of the Treasury for deposit into the Fund under
11 paragraph (5); and

12 “(C) any interest earned on investment of
13 amounts in the Fund under paragraph (3).

14 “(2) EXPENDITURES FROM FUND.—

15 “(A) IN GENERAL.—Subject to subpara-
16 graph (B), on request by the Administrator, the
17 Secretary of the Treasury shall transfer from
18 the Fund to the Administrator, without further
19 appropriation, such amounts as the Secretary
20 determines are necessary to provide funds to
21 each State educational agency of a State, in
22 proportion to the amount of civil penalties col-
23 lected in the State under subsection (j)(1), to
24 carry out education, training, propagation, and
25 development activities under integrated pest

1 management systems of schools in the State to
2 remedy the harmful effects of actions taken by
3 the persons that paid the civil penalties.

4 “(B) ADMINISTRATIVE EXPENSES.—An
5 amount not to exceed 6 percent of the amounts
6 in the Fund shall be available for each fiscal
7 year to pay the administrative expenses nec-
8 essary to carry out this subsection.

9 “(3) INVESTMENT OF AMOUNTS.—

10 “(A) IN GENERAL.—The Secretary of the
11 Treasury shall invest such portion of the Fund
12 as is not, in the judgment of the Secretary of
13 the Treasury, required to meet current with-
14 drawals. Investments may be made only in in-
15 terest-bearing obligations of the United States.

16 “(B) ACQUISITION OF OBLIGATIONS.—For
17 the purpose of investments under subparagraph
18 (A), obligations may be acquired—

19 “(i) on original issue at the issue
20 price; or

21 “(ii) by purchase of outstanding obli-
22 gations at the market price.

23 “(C) SALE OF OBLIGATIONS.—Any obliga-
24 tion acquired by the Fund may be sold by the
25 Secretary of the Treasury at the market price.

1 “(D) CREDITS TO FUND.—The interest on,
2 and the proceeds from the sale or redemption
3 of, any obligations held in the Fund shall be
4 credited to and form a part of the Fund.

5 “(4) TRANSFERS OF AMOUNTS.—

6 “(A) IN GENERAL.—The amounts required
7 to be transferred to the Fund under this sub-
8 section shall be transferred at least monthly
9 from the general fund of the Treasury to the
10 Fund on the basis of estimates made by the
11 Secretary of the Treasury.

12 “(B) ADJUSTMENTS.—Proper adjustment
13 shall be made in amounts subsequently trans-
14 ferred to the extent prior estimates were in ex-
15 cess of or less than the amounts required to be
16 transferred.

17 “(5) ACCEPTANCE AND USE OF DONATIONS.—

18 The Secretary may accept and use donations to
19 carry out paragraph (2)(A). Amounts received by
20 the Secretary in the form of donations shall be
21 transferred to the Secretary of the Treasury for de-
22 posit into the Fund.

23 “(m) EMPLOYEE PROTECTION.—

24 “(1) IN GENERAL.—No local educational agen-
25 cy, school, or person may harass, prosecute, hold lia-

1 ble, or discriminate against any employee or other
2 person because the employee or other person—

3 “(A) is assisting or demonstrating an in-
4 tent to assist in achieving compliance with this
5 section (including any regulation);

6 “(B) is refusing to violate or assist in the
7 violation of this section (including any regula-
8 tion); or

9 “(C) has commenced, caused to be com-
10 menced, or is about to commence a proceeding,
11 has testified or is about to testify at a pro-
12 ceeding, or has assisted or participated or is
13 about to participate in any manner in such a
14 proceeding or in any other action to carry out
15 this section.

16 “(2) COMPLAINTS.—Not later than 1 year after
17 an alleged violation occurred, an employee or other
18 person alleging a violation of this section, or another
19 person at the request of the employee, may file a
20 complaint with the Administrator.

21 “(3) REMEDIAL ACTION.—If the Administrator
22 decides, on the basis of a complaint, that a local
23 educational agency, school, or person violated para-
24 graph (1), the Administrator shall order the local
25 educational agency, school, or person to—

1 “(A) take affirmative action to abate the
2 violation;

3 “(B) reinstate the complainant to the
4 former position with the same pay and terms
5 and privileges of employment; and

6 “(C) pay compensatory damages, including
7 back pay.

8 “(n) GRANTS.—

9 “(1) IN GENERAL.—The Administrator, in con-
10 sultation with the Secretary of Education, shall pro-
11 vide grants to local educational agencies to develop
12 and implement integrated pest management systems
13 in schools in the school district of the local edu-
14 cational agencies.

15 “(2) AMOUNT.—The amount of a grant pro-
16 vided to a local educational agency of a school dis-
17 trict under paragraph (1) shall be based on the ratio
18 that the number of students enrolled in schools in
19 the school district bears to the total number of stu-
20 dents enrolled in schools in all school districts in the
21 United States.

22 “(o) RELATIONSHIP TO STATE AND LOCAL REQUIRE-
23 MENTS.—This section (including regulations promulgated
24 under this section) shall not preempt requirements im-
25 posed on local educational agencies and schools related to

1 the use of integrated pest management by State or local
 2 law (including regulations) that are more stringent than
 3 the requirements imposed under this section.

4 “(p) REGULATIONS.—Subject to subsection (m), the
 5 Administrator shall promulgate such regulations as are
 6 necessary to carry out this section.

7 “(q) RESTRICTION ON PESTICIDE USE.—Not later
 8 than 6 years after the date of enactment of this section,
 9 no pesticide, other than a pesticide that is defined as a
 10 least toxic pesticide under this subsection, shall be used
 11 in a school or on school grounds unless the Administrator
 12 has met the deadlines and requirements of this section.

13 “(r) AUTHORIZATION OF APPROPRIATIONS.—There
 14 are authorized to be appropriated to carry out this section
 15 \$7,000,000 for each of fiscal years 2004 through 2008.”.

16 **SEC. 1413. CONFORMING AMENDMENT.**

17 The table of contents in section 1(b) of the Federal
 18 Insecticide, Fungicide, and Rodenticide Act (7 U.S.C.
 19 prec. 121) is amended by striking the items relating to
 20 sections 30 through 32 and inserting the following:

“Sec. 30. Minimum requirements for training of maintenance applicators and
 service technicians.

“Sec. 31. Environmental Protection Agency minor use program.

“Sec. 32. Department of Agriculture minor use program.

“(a) In general.

“(b)(1) Minor use pesticide data.

“(2) Minor Use Pesticide Data Revolving Fund.

“Sec. 33. Integrated pest management systems for schools.

“(a) Definitions.

“(1) Board.

“(2) Contact person.

“(3) Crack and crevice treatment.

- “(4) Emergency.
- “(5) Fund.
- “(6) Integrated pest management system.
- “(7) Least toxic pesticides.
- “(8) List.
- “(9) Local educational agency.
- “(10) Official.
- “(11) Person.
- “(12) Pesticide.
- “(13) School.
- “(14) School grounds.
- “(15) Space spraying.
- “(16) Staff member.
- “(17) State educational agency.
- “(18) Universal notification.
- “(b) Integrated pest management systems.
 - “(1) In general.
 - “(2) Implementation.
 - “(3) State programs.
 - “(4) Application to schools and school grounds.
 - “(5) Application of pesticides when schools in use.
- “(c) National School Integrated Pest Management Advisory Board.
 - “(1) In general.
 - “(2) Composition of Board.
 - “(3) Appointment.
 - “(4) Term.
 - “(5) Meetings.
 - “(6) Compensation.
 - “(7) Chairperson.
 - “(8) Quorum.
 - “(9) Decisive votes.
 - “(10) Administration.
 - “(11) Responsibilities of the Board.
 - “(12) Requirements.
 - “(13) Petitions.
 - “(14) Periodic review.
 - “(15) Confidentiality.
- “(d) List of least toxic pesticides.
 - “(1) In general.
 - “(2) Procedure for evaluating pesticide use.
- “(e) Office of Pesticide Programs.
 - “(1) Establishment.
 - “(2) Duties.
- “(f) Contact person.
 - “(1) In general.
 - “(2) Duties.
 - “(3) Pesticide use data.
- “(g) Notice of integrated pest management system.
 - “(1) In general.
 - “(2) Contents.
 - “(3) Use of pesticides.
 - “(4) New employees and students.
- “(h) Use of pesticides.
 - “(1) In general.
 - “(2) Prior notification of parents, guardians, and staff members.

- “(3) Posting of signs.
 - “(4) Administration.
 - “(5) Emergencies.
 - “(6) Drift of pesticides onto school grounds.
 - “(i) Meetings.
 - “(1) In general.
 - “(2) Emergency meetings.
 - “(j) Investigations and orders.
 - “(1) In general.
 - “(2) Preliminary order.
 - “(3) Objections to preliminary order.
 - “(4) Hearing.
 - “(5) Final order.
 - “(6) Settlement agreement.
 - “(7) Costs.
 - “(8) Judicial review and venue.
 - “(k) Civil penalty.
 - “(1) In general.
 - “(2) Transfer to Trust Fund.
 - “(l) Integrated Pest Management Trust Fund.
 - “(1) Establishment.
 - “(2) Expenditures from Fund.
 - “(3) Investment of amounts.
 - “(4) Transfers of amounts.
 - “(5) Acceptance and use of donations.
 - “(m) Employee protection.
 - “(1) In general.
 - “(2) Complaints.
 - “(3) Remedial action.
 - “(n) Grants.
 - “(1) In general.
 - “(2) Amount.
 - “(o) Relationship to State and local requirements.
 - “(p) Regulations.
 - “(q) Restriction on pesticide use.
 - “(r) Authorization of appropriations.
- “Sec. 34. Severability.
- “Sec. 35. Authorization of appropriations.”.

1 SEC. 1414. EFFECTIVE DATE.

- 2 This chapter and the amendments made by this chap-
- 3 ter take effect on October 1, 2003.

1 **TITLE II—HEALTHY START—SUP-**
2 **PORT FOR HEALTHY DEVEL-**
3 **OPMENT**

4 **Subtitle A—Promotion of State and**
5 **Local Support**

6 **SEC. 2001. STATE AND LOCAL PARENTING SUPPORT AND**
7 **EDUCATION GRANT PROGRAM.**

8 (a) STATE ALLOTMENTS.—

9 (1) IN GENERAL.—The Secretary of Health and
10 Human Services (referred to in this section as the
11 “Secretary”) shall make grants, from allotments
12 made under paragraph (2), to eligible States to sup-
13 port parenting support and education programs.

14 (2) ALLOTMENTS.—From the funds appro-
15 priated under subsection (h) for a fiscal year, the
16 Secretary shall allot to each State an amount that
17 bears the same relationship to the funds as the total
18 number of children in the State bears to the total
19 number of children in all States, but no State shall
20 receive less than $\frac{1}{2}$ of 1 percent of the funds.

21 (3) RESERVATION.—

22 (A) IN GENERAL.—For each State in
23 which the population of Indians (including Alas-
24 ka Natives) is more than 2 percent of the popu-
25 lation of the State, the Governor of the State

1 shall reserve for Indian tribes 2 percent of the
2 funds received through an allotment made
3 under paragraph (2).

4 (B) DISTRIBUTION.—

5 (i) IN GENERAL.—Except as described
6 in clause (ii), from the funds reserved
7 under subparagraph (A), the Governor
8 shall allocate to each Indian tribe in the
9 State an amount that bears the same rela-
10 tionship to the funds as the total number
11 of children in the tribe bears to the total
12 number of children in all Indian tribes in
13 the State.

14 (ii) ALASKA.—The Governor of Alas-
15 ka shall allocate the funds reserved under
16 subparagraph (A) for Indian tribes in
17 Alaska to the nonprofit entities described
18 in section 419(4)(B) of the Social Security
19 Act (42 U.S.C. 619(4)(B)). The Governor
20 shall allocate to each region of the State,
21 for such entities, an amount that bears the
22 same relationship to the funds as the total
23 number of Alaska Native children in the
24 region bears to the total number of Alaska
25 Native children in all regions of the State.

1 (C) DEFINITIONS.—In this paragraph:

2 (i) ALASKA NATIVE.—The term
3 “Alaska Native” has the meaning given
4 the term “Native” in section 3 of the Alas-
5 ka Native Claims Settlement Act (43
6 U.S.C. 1602).

7 (ii) INDIAN; INDIAN TRIBE.—The
8 terms ‘Indian’ and ‘Indian tribe’ have the
9 meanings given the terms in section 4 of
10 the Indian Self-Determination and Edu-
11 cation Assistance Act (25 U.S.C. 450b).

12 (b) STATE PARENTING SUPPORT AND EDUCATION
13 COUNCILS.—

14 (1) IN GENERAL.—To be eligible to receive a
15 grant under subsection (a), the Governor of each
16 State shall appoint or designate an existing entity
17 (as of the date of the appointment or designation)
18 to serve as a State Parenting Support and Edu-
19 cation Council (referred to in this section as the
20 “Council”), which shall include—

21 (A) representatives of parents;

22 (B) representatives of the State govern-
23 ment;

24 (C) bipartisan representation from the
25 State legislature;

1 (D) representatives from communities; and

2 (E) representatives of children's organiza-
3 tions interested in promoting parenting support
4 and education programs.

5 (2) RESPONSIBILITIES.—

6 (A) ASSESSMENT.—The Council shall con-
7 duct a needs and resources assessment of par-
8 enting support and education programs in the
9 State to—

10 (i) determine areas in which such pro-
11 grams are lacking or inadequate; and

12 (ii) identify the additional programs
13 that are needed and the programs that re-
14 quire additional resources.

15 (B) GRANTS.—On completion of the as-
16 sessment, the Council for a State may use the
17 grant received by the State under subsection (a)
18 to make grants under subsection (c) in a man-
19 ner that takes into account the results of the
20 assessment.

21 (c) GRANTS TO STATE AND LOCAL AGENCIES AND
22 ENTITIES.—

23 (1) IN GENERAL.—The Council may carry out
24 a program under which the Council makes grants to
25 State agencies to provide parenting support and edu-

1 cation programs on a statewide basis, or to local
2 agencies (including schools) and nonprofit service
3 providers (including faith-based organizations) to
4 provide parenting support and education programs.

5 (2) APPLICATIONS.—To be eligible to receive a
6 grant under this subsection, an agency or entity
7 shall submit an application to a Council at such
8 time, in such manner, and containing such informa-
9 tion as the Council may require.

10 (d) LOCAL USE OF FUNDS.—An agency or entity
11 that receives a grant under subsection (c) may use the
12 funds made available through the grant to carry out par-
13 enting support and education programs that—

14 (1) provide parenting support to promote early
15 brain development and childhood development and
16 education, including—

17 (A) providing assistance to schools to offer
18 classroom instruction on brain stimulation,
19 child development, and early childhood edu-
20 cation;

21 (B) distributing materials developed by en-
22 tities that reflect best parenting practices;

23 (C) developing and distributing referral in-
24 formation on programs and services available to

1 children and families at the local level, includ-
2 ing information on eligibility criteria;

3 (D) conducting voluntary hospital visits for
4 postpartum women and in-home visits for fami-
5 lies with infants, toddlers, or newly adopted
6 children to provide hands-on training and one-
7 on-one instruction on brain stimulation, child
8 development, and early childhood education;
9 and

10 (E) carrying out parenting education pro-
11 grams, including training programs, with re-
12 spect to best parenting practices;

13 (2) provide parenting support for parents of
14 adolescents and youth, including providing funds for
15 services and support for parents and other care-
16 givers of adolescents and youth being served by a
17 range of education, social service, mental health,
18 health, runaway, and homeless youth programs,
19 which parenting support—

20 (A) may be provided by the Boys and Girls
21 Club, the YMCA, the YWCA, entities that pro-
22 vide after school programs, entities that provide
23 4-H programs, or other community based orga-
24 nizations; and

1 (B) may include providing parent-caregiver
2 support groups, peer support groups, parent
3 education classes, seminars or discussion groups
4 on problems facing adolescents and youth, or
5 advocates and mentors to help parents under-
6 stand and work with schools, the courts, and
7 various treatment programs; or

8 (3) provide parenting support and education re-
9 source centers, including—

10 (A) centers that may serve as a single
11 point of contact for the provision to children
12 and their families of comprehensive services,
13 which—

14 (i) shall include services available to
15 children from Federal, State, and local
16 government agencies and nonprofit organi-
17 zations; and

18 (ii) may include child care, respite
19 care, pediatric care, child abuse prevention
20 programs, nutrition programs, parent
21 training, infant and child cardiopulmonary
22 resuscitation programs, safety training,
23 caregiver training and education, and other
24 related programs;

1 (B) centers that provide a national toll-free
2 parent hotline that provides 24-hour consulta-
3 tion and advice, on an anonymous basis, includ-
4 ing referrals to local community-based services;
5 and

6 (C) centers that provide respite care for
7 parents with children with special needs, single
8 mothers, and parents with at-risk youth.

9 (e) REPORTING.—Each agency or entity that receives
10 a grant under this section shall prepare and submit to the
11 Council every 2 years a report describing the program that
12 the agency or entity carried out under this section, the
13 number of parents and children served, and the success
14 of the program in supporting and educating parents using
15 specific performance measures.

16 (f) ADMINISTRATIVE COSTS.—Not more than 5 per-
17 cent of the amount made available through a grant re-
18 ceived by a State under subsection (a) may be used for
19 the administrative expenses of the State Council in imple-
20 menting the grant program described in subsection (c).

21 (g) SUPPLEMENT NOT SUPPLANT.—Funds appro-
22 priated pursuant to this section shall be used to supple-
23 ment and not supplant other Federal, State, and local
24 public funds expended for parenting support and edu-
25 cation programs.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 \$100,000,000 for each of fiscal years 2004 and 2005,
4 \$200,000,000 for each of fiscal years 2006 and 2007, and
5 \$300,000,000 for fiscal year 2008.

6 (i) DEFINITION.—In this section, the term “child”
7 means an individual who is younger than age 18.

8 **Subtitle B—Family and Medical** 9 **Leave Expansion**

10 **SEC. 2101. SHORT TITLE.**

11 This subtitle may be cited as the “Family and Med-
12 ical Leave Expansion Act”.

13 **SEC. 2102. FINDINGS.**

14 Congress makes the following findings:

15 (1) Since the enactment of the Family and
16 Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.),
17 more than 35,000,000 Americans have taken leave
18 for family or medical reasons.

19 (2) Of those taking leave under the Family and
20 Medical Leave Act of 1993, 52 percent took the
21 leave for their own serious health conditions, and 26
22 percent took the leave to care for a new child or for
23 maternity disability reasons.

24 (3) While the leave provided by the Family and
25 Medical Leave Act of 1993 has proven to be a crit-

1 ical resource for millions of Americans, too many
2 people are left behind because the Act provides only
3 unpaid leave.

4 (4) According to a 2000 Department of Labor
5 survey—

6 (A) 3,500,000 Americans needed family
7 and medical leave but could not afford to take
8 time off without pay;

9 (B) nearly four-fifths (78 percent) of those
10 surveyed who needed the leave but did not take
11 it said they could not afford unpaid leave;

12 (C) nine percent of those taking family and
13 medical leave and receiving less than full pay
14 during their longest period of the leave had to
15 go on public assistance to cover their lost
16 wages; and

17 (D) seventy-three percent of those taking
18 family and medical leave had incomes above
19 \$30,000.

20 (5) In 1970, only 27 percent of mothers with
21 infants under age 1 were in the labor force.

22 (6) In 1999, nearly 60 percent of mothers with
23 infants under age 1 were working.

24 (7) Worldwide, 128 countries of the 172 re-
25 sponding to an International Social Security Asso-

1 ciation survey in 1999 provided at least some paid
2 and job protected maternity leave, and, on average,
3 provided 16 weeks of basic paid maternity leave. In
4 some countries, paid maternity leave is mandatory
5 and in others it is voluntary.

6 (8) A European Union directive mandating 14
7 weeks of paid maternity leave was adopted as a
8 health and safety measure in 1992.

9 (9) Among the 29 Organization for Economic
10 Cooperation and Development (OECD) countries,
11 the most advanced industrialized countries, the aver-
12 age period of childbirth-related leave (including ma-
13 ternity, paternity, and parental leaves) is 44 weeks
14 (10 months) with additional time provided in some
15 countries for leave to care for a sick child. In those
16 countries, the average duration of paid childbirth-re-
17 lated leave is 36 weeks.

18 (10) In more than half of the OECD countries
19 (16 countries), the cash benefit provided while on
20 the paid childbirth-related leave replaces between 70
21 and 100 percent of prior wages.

22 (11) Among the OECD countries, adoptive
23 mothers and adoptive parents are increasingly eligi-
24 ble for the paid childbirth-related leave.

1 **CHAPTER 1—FAMILY INCOME TO**
2 **RESPOND TO SIGNIFICANT TRANSITIONS**

3 **SEC. 2111. SHORT TITLE.**

4 This chapter may be cited as the “Family Income to
5 Respond to Significant Transitions Insurance Act”.

6 **SEC. 2112. PURPOSES.**

7 The purposes of this chapter are—

8 (1) to establish a demonstration program that
9 supports the efforts of States and political subdivi-
10 sions to provide partial or full wage replacement,
11 often referred to as FIRST insurance, to new par-
12 ents so that the new parents are able to spend time
13 with a new infant or newly adopted child, and to
14 other employees; and

15 (2) to learn about the most effective mecha-
16 nisms for providing the wage replacement assistance.

17 **SEC. 2113. DEFINITIONS.**

18 In this chapter:

19 (1) EMPLOYER; SON OR DAUGHTER; STATE.—
20 The terms “employer”, “son or daughter”, and
21 “State” have the meanings given the terms in sec-
22 tion 101 of the Family and Medical Leave Act of
23 1993 (29 U.S.C. 2611).

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Labor, acting after consultation
3 with the Secretary of Health and Human Services.

4 **SEC. 2114. DEMONSTRATION PROJECTS.**

5 (a) GRANTS.—

6 (1) IN GENERAL.—The Secretary shall make
7 grants to eligible entities to pay for the Federal
8 share of the cost of carrying out projects that assist
9 families by providing, through various mechanisms,
10 wage replacement for eligible individuals who are re-
11 sponding to—

12 (A) caregiving needs resulting from the
13 birth or adoption of a son or daughter; or

14 (B) other family caregiving needs.

15 (2) PERIODS.—The Secretary shall make the
16 grants for periods of 5 years.

17 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
18 grant under this section, an entity shall be a State or polit-
19 ical subdivision of a State.

20 (c) USE OF FUNDS.—

21 (1) IN GENERAL.—An entity that receives a
22 grant under this section may use the funds made
23 available through the grant to provide partial or full
24 wage replacement as described in subsection (a) to
25 eligible individuals—

1 (A) directly;

2 (B) through an insurance program, such
3 as a State temporary disability insurance pro-
4 gram or the State unemployment compensation
5 benefit program;

6 (C) through a private disability or other
7 insurance plan, or another mechanism provided
8 by a private employer; or

9 (D) through another mechanism.

10 (2) PERIOD.—In carrying out a project under
11 this section, the entity shall provide partial or full
12 wage replacement to eligible individuals for not less
13 than 6 weeks during a period of leave, or an absence
14 from employment, described in subsection (d)(2),
15 during any 12-month period. Wage replacement
16 available to an individual under this paragraph shall
17 be in addition to any compensation from annual or
18 sick leave that the individual may elect to use during
19 a period of leave, or an absence from employment,
20 described in subsection (d)(2), during any 12-month
21 period.

22 (3) ADMINISTRATIVE COSTS.—No entity may
23 use more than 10 percent of the total funds made
24 available through the grant during the 5-year period

1 of the grant to pay for the administrative costs re-
2 lating to a project described in subsection (a).

3 (d) ELIGIBLE INDIVIDUALS.—To be eligible to re-
4 ceive wage replacement under subsection (a), an individual
5 shall—

6 (1) meet such eligibility criteria as the eligible
7 entity providing the wage replacement may specify
8 in an application described in subsection (e); and

9 (2) be—

10 (A) an individual who is taking leave,
11 under the Family and Medical Leave Act of
12 1993 (29 U.S.C. 2601 et seq.), other Federal,
13 State, or local law, or a private plan, for a rea-
14 son described in subparagraph (A) or (B) of
15 section 102(a)(1) of the Family and Medical
16 Leave Act of 1993 (29 U.S.C. 2612(a)(1));

17 (B) at the option of the eligible entity, an
18 individual who—

19 (i) is taking leave, under that Act,
20 other Federal, State, or local law, or a pri-
21 vate plan, for a reason described in sub-
22 paragraph (C), (D), (E), or (F) of section
23 102(a)(1) of the Family and Medical
24 Leave Act of 1993 (29 U.S.C. 2612(a)(1));
25 or

1 (ii) leaves employment, and has an ab-
2 sence from employment, because the indi-
3 vidual has elected to care for a son or
4 daughter under age 1; or

5 (C) at the option of the eligible entity, an
6 individual who has an absence from employ-
7 ment and has other characteristics specified by
8 the eligible entity in an application described in
9 subsection (e).

10 (e) APPLICATION.—To be eligible to receive a grant
11 under this section, an entity shall submit an application
12 to the Secretary, at such time, in such manner, and con-
13 taining such information as the Secretary may require, in-
14 cluding, at a minimum—

15 (1) a plan for the project to be carried out with
16 the grant;

17 (2) information demonstrating that the appli-
18 cant consulted representatives of employers and em-
19 ployees, including labor organizations, in developing
20 the plan;

21 (3) estimates of the costs and benefits of the
22 project;

23 (4)(A) information on the number and type of
24 families to be covered by the project, and the extent

1 of such coverage in the area served under the grant;
2 and

3 (B) information on any criteria or characteris-
4 tics that the entity will use to determine whether an
5 individual is eligible for wage replacement under
6 subsection (a), as described in paragraphs (1) and
7 (2)(C) of subsection (d);

8 (5) if the project will expand on State and pri-
9 vate systems of wage replacement for eligible indi-
10 viduals, information on the manner in which the
11 project will expand on the systems;

12 (6) information demonstrating the manner in
13 which the wage replacement assistance provided
14 through the project will assist families in which an
15 individual takes leave or is absent from employment
16 as described in subsection (d)(2); and

17 (7) an assurance that the applicant will partici-
18 pate in efforts to evaluate the effectiveness of the
19 project.

20 (f) SELECTION CRITERIA.—In selecting entities to re-
21 ceive grants for projects under this section, the Secretary
22 shall—

23 (1) take into consideration—

24 (A) the scope of the proposed projects;

1 (B) the cost-effectiveness, feasibility, and
2 financial soundness of the proposed projects;

3 (C) the extent to which the proposed
4 projects would expand access to wage replace-
5 ment in response to family caregiving needs,
6 particularly for low-wage employees, in the area
7 served by the grant; and

8 (D) the benefits that would be offered to
9 families and children through the proposed
10 projects; and

11 (2) to the extent feasible, select entities pro-
12 posing projects that utilize diverse mechanisms, in-
13 cluding expansion of State unemployment compensa-
14 tion benefit programs, and establishment or expan-
15 sion of State temporary disability insurance pro-
16 grams, to provide the wage replacement.

17 (g) FEDERAL SHARE.—

18 (1) IN GENERAL.—The Federal share of the
19 cost described in subsection (a) shall be—

20 (A) 50 percent for the first year of the
21 grant period;

22 (B) 40 percent for the second year of that
23 period;

24 (C) 30 percent for the third year of that
25 period; and

1 (D) 20 percent for each subsequent year.

2 (2) NON-FEDERAL SHARE.—The non-Federal
3 share of the cost may be in cash or in kind, fairly
4 evaluated, including plant, equipment, and services
5 and may be provided from State, local, or private
6 sources, or Federal sources other than this chapter.

7 (h) SUPPLEMENT NOT SUPPLANT.—Funds appro-
8 priated pursuant to the authority of this chapter shall be
9 used to supplement and not supplant other Federal, State,
10 and local public funds and private funds expended to pro-
11 vide wage replacement.

12 (i) EFFECT ON EXISTING RIGHTS.—Nothing in this
13 chapter shall be construed to supersede, preempt, or other-
14 wise infringe on the provisions of any collective bargaining
15 agreement or any employment benefit program or plan
16 that provides greater rights to employees than the rights
17 established under this chapter.

18 **SEC. 2115. NOTIFICATION.**

19 An eligible entity that provides partial or full wage
20 replacement to an eligible individual under this chapter
21 shall notify (in a form and manner prescribed by the Sec-
22 retary)—

23 (1) the employer of the individual of the
24 amount of the wage replacement provided; and

1 (2) the individual and the employer of the indi-
2 vidual that the employer shall count an appropriate
3 period of leave, calculated under section 102(g) of
4 the Family and Medical Leave Act of 1993 (29
5 U.S.C. 2612(g)), as added by section 2118, against
6 the total amount of leave (if any) to which the em-
7 ployee is entitled under section 102(a)(1) of that Act
8 (29 U.S.C. 2612(a)(1)).

9 **SEC. 2116. EVALUATIONS AND REPORTS.**

10 (a) AVAILABLE FUNDS.—The Secretary shall use not
11 more than 2 percent of the funds made available under
12 section 2117 to carry out this section.

13 (b) EVALUATIONS.—The Secretary shall, directly or
14 by contract, evaluate the effectiveness of projects carried
15 out with grants made under section 2114, including con-
16 ducting—

17 (1) research relating to the projects, including
18 research comparing—

19 (A) the scope of the projects, including the
20 type of insurance or other wage replacement
21 mechanism used, the method of financing used,
22 the eligibility requirements, the level of the
23 wage replacement benefit provided (such as the
24 percentage of salary replaced), and the length
25 of the benefit provided, for the projects;

1 (B) the utilization of the projects, includ-
2 ing the characteristics of individuals who ben-
3 efit from the projects, particularly low-wage
4 workers, and factors that determine the ability
5 of eligible individuals to obtain wage replace-
6 ment through the projects; and

7 (C) the costs of and savings achieved by
8 the projects, including the cost-effectiveness of
9 the projects and their benefits for children and
10 families;

11 (2) analysis of the overall need for wage re-
12 placement; and

13 (3) analysis of the impact of the projects on the
14 overall availability of wage replacement.

15 (c) REPORTS.—

16 (1) INITIAL REPORT.—Not later than 3 years
17 after the beginning of the grant period for the first
18 grant made under section 2114, the Secretary shall
19 prepare and submit to Congress a report that con-
20 tains information resulting from the evaluations con-
21 ducted under subsection (b).

22 (2) SUBSEQUENT REPORTS.—Not later than 4
23 years after the beginning of that grant period, and
24 annually thereafter, the Secretary shall prepare and
25 submit to Congress a report that contains—

1 (A) information resulting from the evalua-
2 tions conducted under subsection (b); and

3 (B) usage data for the demonstration
4 projects, for the most recent year for which the
5 data are available.

6 **SEC. 2117. AUTHORIZATION OF APPROPRIATIONS.**

7 There are authorized to be appropriated to carry out
8 this chapter \$400,000,000 for fiscal year 2004 and such
9 sums as may be necessary for each subsequent fiscal year.

10 **SEC. 2118. TECHNICAL AND CONFORMING AMENDMENTS.**

11 (a) IN GENERAL.—Section 102 of the Family and
12 Medical Leave Act of 1993 (29 U.S.C. 2612) is amended
13 by adding at the end the following:

14 “(g) RELATIONSHIP TO FIRST INSURANCE.—

15 “(1) FULL WAGE REPLACEMENT.—If an eligible
16 entity provides full wage replacement to an employee
17 for a period under chapter 1 of the Family and Med-
18 ical Leave Expansion Act, the employee’s employer
19 shall count an amount of leave, equal to that period,
20 against the total amount of leave (if any) to which
21 the employee is entitled under subsection (a)(1).

22 “(2) PARTIAL WAGE REPLACEMENT.—If an eli-
23 gible entity provides partial wage replacement to an
24 employee for a period under chapter 1 of the Family

1 and Medical Leave Expansion Act, the employee’s
2 employer shall—

3 “(A) total the amount of partial wage re-
4 placement provided for that period;

5 “(B) convert the total into a corresponding
6 amount of full wage replacement provided for a
7 proportionately reduced period; and

8 “(C) count an amount of leave, equal to
9 the period described in subparagraph (B),
10 against the total amount of leave (if any) to
11 which the employee is entitled under subsection
12 (a)(1).”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
14 Section 102(d)(2) of the Family and Medical Leave Act
15 of 1993 (29 U.S.C. 2612(d)(2)) is amended by striking
16 “for leave” and inserting “for any unpaid leave”.

17 **CHAPTER 2—FAMILY FRIENDLY**
18 **WORKPLACES**

19 **SEC. 2121. SHORT TITLE.**

20 This chapter may be cited as the “Family and Med-
21 ical Leave Fairness Act of 2003”.

22 **SEC. 2122. COVERAGE OF EMPLOYEES.**

23 Paragraphs (2)(B)(ii) and (4)(A)(i) of section 101 of
24 the Family and Medical Leave Act of 1993 (29 U.S.C.

1 2611(2)(B)(ii) and (4)(A)(i) are amended by striking
 2 “50” each place it appears and inserting “25”.

3 **CHAPTER 3—EMPLOYMENT PROTECTION**
 4 **FOR BATTERED WOMEN**

5 **SEC. 2131. ENTITLEMENT TO LEAVE FOR ADDRESSING DO-**
 6 **MESTIC VIOLENCE FOR NON-FEDERAL EM-**
 7 **PLOYEES.**

8 (a) DEFINITIONS.—Section 101 of the Family and
 9 Medical Leave Act of 1993 (29 U.S.C. 2611) is amended
 10 by adding at the end the following:

11 “(14) ADDRESSING DOMESTIC VIOLENCE AND
 12 ITS EFFECTS.—The term ‘addressing domestic vio-
 13 lence and its effects’ means—

14 “(A) being unable to attend or perform
 15 work due to an incident of domestic violence;

16 “(B) seeking medical attention for or re-
 17 covering from injuries caused by domestic vio-
 18 lence;

19 “(C) seeking legal assistance or remedies,
 20 including communicating with the police or an
 21 attorney, or participating in any legal pro-
 22 ceeding, related to domestic violence;

23 “(D) obtaining services from a domestic vi-
 24 olence shelter or program or rape crisis center
 25 as a result of domestic violence;

1 “(E) obtaining psychological counseling re-
2 lated to experiences of domestic violence;

3 “(F) participating in safety planning and
4 other actions to increase safety from future do-
5 mestic violence, including temporary or perma-
6 nent relocation; and

7 “(G) participating in any other activity ne-
8 cessitated by domestic violence that must be un-
9 dertaken during the hours of employment in-
10 volved.

11 “(15) DOMESTIC VIOLENCE.—The term ‘domes-
12 tic violence’ means domestic violence, and dating vio-
13 lence, as such terms are defined in section 2105 of
14 the Omnibus Crime Control and Safe Streets Act of
15 1968 (42 U.S.C. 3796hh-4).”.

16 (b) LEAVE REQUIREMENT.—Section 102 of the Fam-
17 ily and Medical Leave Act of 1993 (29 U.S.C. 2612) is
18 amended—

19 (1) in subsection (a)(1), by adding at the end
20 the following:

21 “(E) In order to care for the son, daugh-
22 ter, or parent of the employee, if such son,
23 daughter, or parent is addressing domestic vio-
24 lence and its effects.

1 “(F) Because the employee is addressing
2 domestic violence and its effects, which make
3 the employee unable to perform the functions of
4 the position of such employee.”;

5 (2) in subsection (b), by adding at the end the
6 following:

7 “(3) DOMESTIC VIOLENCE.—Leave under sub-
8 paragraph (E) or (F) of subsection (a)(1) may be
9 taken by an eligible employee intermittently or on a
10 reduced leave schedule. The taking of leave intermit-
11 tently or on a reduced leave schedule pursuant to
12 this paragraph shall not result in a reduction in the
13 total amount of leave to which the employee is enti-
14 tled under subsection (a) beyond the amount of leave
15 actually taken.”; and

16 (3) in subsection (d)(2)(B), by striking “(C) or
17 (D)” and inserting “(C), (D), (E), or (F)”.

18 (c) CERTIFICATION.—Section 103 of the Family and
19 Medical Leave Act of 1993 (29 U.S.C. 2613) is amend-
20 ed—

21 (1) in the title of the section, by inserting be-
22 fore the period the following: “; **CONFIDEN-**
23 **TIALITY**”; and

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

1 “(f) DOMESTIC VIOLENCE.—In determining if an em-
2 ployee meets the requirements of subparagraph (E) or (F)
3 of section 102(a)(1), the employer of an employee may re-
4 quire the employee to provide—

5 “(1) a written statement describing the domes-
6 tic violence and its effects;

7 “(2) documentation of the domestic violence in-
8 volved, such as a police or court record, or docu-
9 mentation from a shelter worker, an employee of a
10 domestic violence program, an attorney, a member
11 of the clergy, or a medical or other professional,
12 from whom the employee has sought assistance in
13 addressing domestic violence and its effects; or

14 “(3) other corroborating evidence, such as a
15 statement from any other individual with knowledge
16 of the circumstances that provide the basis for the
17 claim of domestic violence, or physical evidence of
18 domestic violence, such as a photograph, torn or
19 bloody clothing, or any other damaged property.

20 “(g) CONFIDENTIALITY.—All evidence provided to
21 the employer under subsection (f) of domestic violence ex-
22 perienced by an employee or the son, daughter, or parent
23 of an employee, including a statement of an employee, any
24 other documentation or corroborating evidence, and the
25 fact that an employee has requested leave for the purpose

1 of addressing, or caring for a son, daughter, or parent who
 2 is addressing, domestic violence and its effects, shall be
 3 retained in the strictest confidence by the employer, except
 4 to the extent that disclosure is requested, or consented to,
 5 by the employee for the purpose of—

6 “(1) protecting the safety of the employee or a
 7 family member or co-worker of the employee; or

8 “(2) assisting in documenting domestic violence
 9 for a court or agency.”.

10 (d) TABLE OF CONTENTS.—The table of contents in
 11 section 1(b) of the Family and Medical Leave Act of 1993
 12 (29 U.S.C. prec. 2601) is amended by striking the item
 13 relating to section 103 and inserting the following:

“Sec. 103. Certification; confidentiality.”.

14 **SEC. 2132. ENTITLEMENT TO LEAVE FOR ADDRESSING DO-**
 15 **MESTIC VIOLENCE FOR FEDERAL EMPLOY-**
 16 **EES.**

17 (a) DEFINITIONS.—Section 6381 of title 5, United
 18 States Code, is amended—

19 (1) at the end of paragraph (5), by striking
 20 “and”;

21 (2) in paragraph (6), by striking the period and
 22 inserting a semicolon; and

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

24 “(7) the term ‘addressing domestic violence and
 25 its effects’ has the meaning given the term in section

1 101 of the Family and Medical Leave Act of 1993
2 (29 U.S.C. 2611); and

3 “(8) the term ‘domestic violence’ means domes-
4 tic violence, and dating violence, as such terms are
5 defined in section 2105 of the Omnibus Crime Con-
6 trol and Safe Streets Act of 1968 (42 U.S.C.
7 3796hh-4).”.

8 (b) LEAVE REQUIREMENT.—Section 6382 of title 5,
9 United States Code, is amended—

10 (1) in subsection (a)(1), by adding at the end
11 the following:

12 “(E) In order to care for the son, daughter, or
13 parent of the employee, if such son, daughter, or
14 parent is addressing domestic violence and its ef-
15 fects.

16 “(F) Because the employee is addressing do-
17 mestic violence and its effects, which make the em-
18 ployee unable to perform the functions of the posi-
19 tion of such employee.”;

20 (2) in subsection (b), by adding at the end the
21 following:

22 “(3) DOMESTIC VIOLENCE.—Leave under sub-
23 paragraph (E) or (F) of subsection (a)(1) may be
24 taken by an employee intermittently or on a reduced
25 leave schedule. The taking of leave intermittently or

1 on a reduced leave schedule pursuant to this para-
2 graph shall not result in a reduction in the total
3 amount of leave to which the employee is entitled
4 under subsection (a) beyond the amount of leave ac-
5 tually taken.”; and

6 (3) in subsection (d), by striking “(C), or (D)”
7 and inserting “(C), (D), (E), or (F)”.

8 (c) CERTIFICATION.—Section 6383 of title 5, United
9 States Code, is amended—

10 (1) in the title of the section, by adding at the
11 end the following: “; **confidentiality**”; and

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

13 “(f) In determining if an employee meets the require-
14 ments of subparagraph (E) or (F) of section 6382(a)(1),
15 the employing agency of an employee may require the em-
16 ployee to provide—

17 “(1) a written statement describing the domes-
18 tic violence and its effects;

19 “(2) documentation of the domestic violence in-
20 volved, such as a police or court record, or docu-
21 mentation from a shelter worker, an employee of a
22 domestic violence program, an attorney, a member
23 of the clergy, or a medical or other professional,
24 from whom the employee has sought assistance in
25 addressing domestic violence and its effects; or

1 “(3) other corroborating evidence, such as a
2 statement from any other individual with knowledge
3 of the circumstances that provide the basis for the
4 claim of domestic violence, or physical evidence of
5 domestic violence, such as a photograph, torn or
6 bloody clothing, or other damaged property.

7 “(g) All evidence provided to the employing agency
8 under subsection (f) of domestic violence experienced by
9 an employee or the son, daughter, or parent of an em-
10 ployee, including a statement of an employee, any other
11 documentation or corroborating evidence, and the fact
12 that an employee has requested leave for the purpose of
13 addressing, or caring for a son, daughter, or parent who
14 is addressing, domestic violence and its effects, shall be
15 retained in the strictest confidence by the employing agen-
16 cy, except to the extent that disclosure is requested, or
17 consented to, by the employee for the purpose of—

18 “(1) protecting the safety of the employee or a
19 family member or co-worker of the employee; or

20 “(2) assisting in documenting domestic violence
21 for a court or agency.”.

22 (d) TABLE OF SECTIONS.—The table of sections for
23 chapter 63 of title 5, United States Code, is amended by
24 striking the item relating to section 6383 and inserting
25 the following:

“6383. Certification; confidentiality.”.

1 **SEC. 2133. EXISTING LEAVE USABLE FOR DOMESTIC VIO-**
2 **LENCE.**

3 (a) DEFINITIONS.—In this section:

4 (1) ADDRESSING DOMESTIC VIOLENCE AND ITS
5 EFFECTS.—The term “addressing domestic violence
6 and its effects” has the meaning given the term in
7 section 101 of the Family and Medical Leave Act of
8 1993 (29 U.S.C. 2611), as amended by section
9 2131(a).

10 (2) EMPLOYEE.—The term “employee” means
11 any person employed by an employer. In the case of
12 an individual employed by a public agency, such
13 term means an individual employed as described in
14 section 3(e) of the Fair Labor Standards Act of
15 1938 (29 U.S.C. 203(e)).

16 (3) EMPLOYER.—The term “employer”—

17 (A) means any person engaged in com-
18 merce or in any industry or activity affecting
19 commerce who employs individuals, if such per-
20 son is also subject to the Family and Medical
21 Leave Act of 1993 (29 U.S.C. 2601 et seq.) or
22 to any provision of a State or local law, collec-
23 tive bargaining agreement, or employment bene-
24 fits program or plan, addressing paid or unpaid
25 leave from employment (including family, med-

1 ical, sick, annual, personal, or similar leave);
2 and

3 (B) includes any person acting directly or
4 indirectly in the interest of an employer in rela-
5 tion to any employee, and includes a public
6 agency, who is subject to a law, agreement, pro-
7 gram, or plan described in subparagraph (A),
8 but does not include any labor organization
9 (other than when acting as an employer) or
10 anyone acting in the capacity of officer or agent
11 of such labor organization.

12 (4) EMPLOYMENT BENEFITS.—The term “em-
13 ployment benefits” has the meaning given the term
14 in section 101 of the Family and Medical Leave Act
15 of 1993 (29 U.S.C. 2611).

16 (5) PARENT; SON OR DAUGHTER.—The terms
17 “parent” and “son or daughter” have the meanings
18 given the terms in section 101 of the Family and
19 Medical Leave Act of 1993 (29 U.S.C. 2611).

20 (6) PUBLIC AGENCY.—The term “public agen-
21 cy” has the meaning given the term in section 3 of
22 the Fair Labor Standards Act of 1938 (29 U.S.C.
23 203).

24 (b) USE OF EXISTING LEAVE.—An employee who is
25 entitled to take paid or unpaid leave (including family,

1 medical, sick, annual, personal, or similar leave) from em-
2 ployment, pursuant to State or local law, a collective bar-
3 gaining agreement, or an employment benefits program or
4 plan, shall be permitted to use such leave for the purpose
5 of addressing domestic violence and its effects, or for the
6 purpose of caring for a son or daughter or parent of the
7 employee, if such son or daughter or parent is addressing
8 domestic violence and its effects.

9 (c) CERTIFICATION.—In determining whether an em-
10 ployee qualifies to use leave as described in subsection (b),
11 an employer may require a written statement, documenta-
12 tion of domestic violence, or corroborating evidence con-
13 sistent with section 103(f) of the Family and Medical
14 Leave Act of 1993 (29 U.S.C. 2613(f)), as amended by
15 section 2131(c).

16 (d) CONFIDENTIALITY.—All evidence provided to the
17 employer under subsection (c) of domestic violence experi-
18 enced by an employee or the son or daughter or parent
19 of the employee, including a statement of an employee,
20 any other documentation or corroborating evidence, and
21 the fact that an employee has requested leave for the pur-
22 pose of addressing, or caring for a son or daughter or par-
23 ent who is addressing, domestic violence and its effects,
24 shall be retained in the strictest confidence by the em-

1 ployer, except to the extent that disclosure is requested,
2 or consented to, by the employee for the purpose of—

3 (1) protecting the safety of the employee or a
4 family member or co-worker of the employee; or

5 (2) assisting in documenting domestic violence
6 for a court or agency.

7 (e) PROHIBITED ACTS.—

8 (1) INTERFERENCE WITH RIGHTS.—

9 (A) EXERCISE OF RIGHTS.—It shall be un-
10 lawful for any employer to interfere with, re-
11 strain, or deny the exercise of or the attempt to
12 exercise, any right provided under this section.

13 (B) DISCRIMINATION.—It shall be unlaw-
14 ful for any employer to discharge or in any
15 other manner discriminate against an individual
16 for opposing any practice made unlawful by this
17 section.

18 (2) INTERFERENCE WITH PROCEEDINGS OR IN-
19 QUIRIES.—It shall be unlawful for any person to dis-
20 charge or in any other manner discriminate against
21 any individual because such individual—

22 (A) has filed any charge, or had instituted
23 or caused to be instituted any proceeding,
24 under or related to this section;

1 (B) has given, or is about to give, any in-
2 formation in connection with any inquiry or
3 proceeding relating to any right provided under
4 this section; or

5 (C) has testified, or is about to testify, in
6 any inquiry or proceeding relating to any right
7 provided under this section.

8 (f) ENFORCEMENT.—

9 (1) PUBLIC ENFORCEMENT.—The Secretary of
10 Labor shall have the powers set forth in subsections
11 (b), (c), (d), and (e) of section 107 of the Family
12 and Medical Leave Act of 1993 (29 U.S.C. 2617)
13 for the purpose of public agency enforcement of any
14 alleged violation of subsection (e) against any em-
15 ployer.

16 (2) PRIVATE ENFORCEMENT.—The remedies
17 and procedures set forth in section 107(a) of the
18 Family and Medical Leave Act of 1993 (29 U.S.C.
19 2617(a)) shall be the remedies and procedures pur-
20 suant to which an employee may initiate a legal ac-
21 tion against an employer for alleged violations of
22 subsection (e).

23 (3) REFERENCES.—For purposes of paragraph
24 (1) and (2), references in section 107 of the Family
25 and Medical Leave Act of 1993 (29 U.S.C. 2617) to

1 section 105 of such Act (29 U.S.C. 2615) shall be
2 considered to be references to subsection (e).

3 (4) EMPLOYER LIABILITY UNDER OTHER
4 LAWS.—Nothing in this section shall be construed to
5 limit the liability of an employer to an employee for
6 harm suffered relating to the employee’s experience
7 of domestic violence pursuant to any other Federal
8 or State law, including a law providing for a legal
9 remedy.

10 **CHAPTER 4—FEDERAL EMPLOYEES PAID**
11 **PARENTAL LEAVE**

12 **SEC. 2141. SHORT TITLE.**

13 This chapter may be cited as the “Federal Employees
14 Paid Parental Leave Act of 2003”.

15 **SEC. 2142. DEMONSTRATION PROJECT.**

16 Subchapter V of chapter 63 of title 5, United States
17 Code, is amended—

18 (1) by redesignating section 6387 as section
19 6388; and

20 (2) by inserting after section 6386 the fol-
21 lowing:

22 **“§ 6387. Paid leave demonstration project**

23 “(a) The Office of Personnel Management may,
24 through an agreement or contract with 1 or more employ-
25 ing agencies described in subsection (b), conduct under

1 section 4703 a demonstration project that assists families
2 by providing paid leave for eligible individuals who are re-
3 sponding to—

4 “(1) caregiving needs resulting from the birth
5 or adoption of a son or daughter; or

6 “(2) other family caregiving needs.

7 “(b) In carrying out a project under this section, an
8 employing agency of 1 or more employees shall provide
9 partial or full paid leave to eligible individuals for not less
10 than 6 weeks during a period of leave, or an absence from
11 employment, described in subsection (c)(2), during any
12 12-month period. Paid leave available to an individual
13 under this subsection shall be in addition to any annual
14 or sick leave that the individual may elect to use during
15 a period of leave, or an absence from employment, de-
16 scribed in subsection (c)(2), during any 12-month period.

17 “(c) To be eligible to receive paid leave under sub-
18 section (a), an individual shall—

19 “(1) be an employee who meets such eligibility
20 criteria as the Office of Personnel Management may
21 specify in a plan described in section 4703(b); and

22 “(2) be—

23 “(A) an individual who is taking leave,
24 under this subchapter, or other Federal law, for

1 a reason described in subparagraph (A) or (B)
2 of section 6382(a)(1);

3 “(B) at the option of the Office of Per-
4 sonnel Management, an individual who—

5 “(i) is taking leave, under this sub-
6 chapter, or other Federal law, for a reason
7 described in subparagraph (C), (D), (E),
8 or (F) of section 6382(a)(1); or

9 “(ii) leaves employment, and has an
10 absence from employment, because the in-
11 dividual has elected to care for a son or
12 daughter under age 1; or

13 “(C) at the option of the Office of Per-
14 sonnel Management, an individual who has an
15 absence from employment and has other char-
16 acteristics specified by the Office of Personnel
17 Management in a plan described in section
18 4703(b).

19 “(d) An employing agency that provides partial or
20 full paid leave to an eligible individual under this section
21 shall notify (in a form and manner prescribed by the Of-
22 fice of Personnel Management) the individual that the em-
23 ploying agency shall count an appropriate period of leave,
24 calculated under section 6382(f), against the total amount

1 of leave (if any) to which the employee is entitled under
2 section 6382(a)(1).

3 “(e)(1) A demonstration project conducted under this
4 section shall not be counted toward the 10-project limit
5 established in section 4703(d)(2).

6 “(2) The Office of Personnel Management may pro-
7 vide a waiver for the demonstration project in accordance
8 with section 4703, except that section 4703(c)(1) shall not
9 apply to such a waiver.

10 “(f)(1) There are authorized to be appropriated to
11 carry out this section \$400,000,000 for fiscal year 2004
12 and such sums as may be necessary for each subsequent
13 fiscal year.

14 “(2) Funds appropriated under paragraph (1) may
15 be allocated as described in section 4704.”.

16 **SEC. 2143. TECHNICAL AND CONFORMING AMENDMENTS.**

17 (a) IN GENERAL.—Section 6382 of title 5, United
18 States Code, is amended by adding at the end the fol-
19 lowing:

20 “(f)(1) If an employing agency provides an amount
21 of full paid leave to an employee for a period under section
22 6387, the employing agency shall count an amount of
23 leave, equal to that period, against the total amount of
24 leave (if any) to which the employee is entitled under sub-
25 section (a)(1).

1 “(2) If an employing agency provides an amount of
2 partial paid leave to an employee for a period under sec-
3 tion 6387, the employing agency shall—

4 “(A) total the amount of partial paid leave
5 provided for that period;

6 “(B) convert the total into a corresponding
7 amount of full paid leave provided for a propor-
8 tionately reduced period; and

9 “(C) count an amount of leave, equal to
10 the period described in subparagraph (B),
11 against the total amount of leave (if any) to
12 which the employee is entitled under subsection
13 (a)(1).”.

14 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
15 Section 6382 of title 5, United States Code, is amended—

16 (1) in subsection (c), by striking “(d),” and in-
17 serting “(d) or section 6387,”; and

18 (2) in subsection (d), by inserting “any unpaid”
19 after “substitute for”.

20 (c) TABLE OF SECTIONS.—The table of sections for
21 chapter 63 of title 5, United States Code, is amended by
22 striking the item relating to section 6387 and inserting
23 the following:

“6387. Paid leave demonstration project.

“6388. Regulations.”.

1 **SEC. 2144. EFFECTIVE DATE.**

2 The amendments made by this chapter shall not be
3 effective with respect to any birth or placement occurring
4 before the end of the 6-month period beginning on the
5 date of enactment of this Act.

6 **CHAPTER 5—TIME FOR SCHOOLS**

7 **SEC. 2151. SHORT TITLE.**

8 This chapter may be cited as the “Time for Schools
9 Act of 2003”.

10 **SEC. 2152. GENERAL REQUIREMENTS FOR LEAVE.**

11 (a) ENTITLEMENT TO LEAVE.—Section 102(a) of the
12 Family and Medical Leave Act of 1993 (29 U.S.C.
13 2612(a)) is amended by adding at the end the following:

14 “(3) ENTITLEMENT TO SCHOOL INVOLVEMENT
15 LEAVE.—

16 “(A) IN GENERAL.—Subject to section
17 103(h), an eligible employee shall be entitled to
18 a total of 24 hours of leave during any 12-
19 month period to participate in an academic ac-
20 tivity of a school of a son or daughter of the
21 employee, such as a parent-teacher conference
22 or an interview for a school, or to participate in
23 literacy training under a family literacy pro-
24 gram.

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

1 “(i) FAMILY LITERACY PROGRAM.—

2 The term ‘family literacy program’ means
3 a program of services that are of sufficient
4 intensity in terms of hours, and of suffi-
5 cient duration, to make sustainable
6 changes in a family and that integrate all
7 of the following activities:

8 “(I) Interactive literacy activities
9 between parents and their sons and
10 daughters.

11 “(II) Training for parents on
12 how to be the primary teacher for
13 their sons and daughters and full
14 partners in the education of their sons
15 and daughters.

16 “(III) Parent literacy training.

17 “(IV) An age-appropriate edu-
18 cation program for sons and daugh-
19 ters.

20 “(ii) LITERACY.—The term ‘literacy’,
21 used with respect to an individual, means
22 the ability of the individual to speak, read,
23 and write English, and compute and solve
24 problems, at levels of proficiency nec-
25 essary—

1 “(I) to function on the job, in the
2 family of the individual, and in soci-
3 ety;

4 “(II) to achieve the goals of the
5 individual; and

6 “(III) to develop the knowledge
7 potential of the individual.

8 “(iii) SCHOOL.—The term ‘school’
9 means an elementary school or secondary
10 school (as such terms are defined in sec-
11 tion 9101 of the Elementary and Sec-
12 ondary Education Act of 1965 (20 U.S.C.
13 7801)), a Head Start program assisted
14 under the Head Start Act (42 U.S.C. 9831
15 et seq.), and a child care facility operated
16 by a provider who meets the applicable
17 State or local government licensing, certifi-
18 cation, approval, or registration require-
19 ments, if any.

20 “(4) LIMITATION.—No employee may take
21 more than a total of 12 workweeks of leave under
22 paragraphs (1) and (3) during any 12-month pe-
23 riod.”.

24 (b) SCHEDULE.—Section 102(b)(1) of such Act (29
25 U.S.C. 2612(b)(1)) is amended by inserting after the sec-

1 ond sentence the following: “Leave under subsection
2 (a)(3) may be taken intermittently or on a reduced leave
3 schedule.”.

4 (c) SUBSTITUTION OF PAID LEAVE.—Section
5 102(d)(2)(A) of such Act (29 U.S.C. 2612(d)(2)(A)) is
6 amended by inserting before the period the following: “,
7 or for leave provided under subsection (a)(3) for any part
8 of the 24-hour period of such leave under such sub-
9 section”.

10 (d) NOTICE.—Section 102(e) of such Act (29 U.S.C.
11 2612(e)) is amended by adding at the end the following:

12 “(3) NOTICE FOR SCHOOL INVOLVEMENT
13 LEAVE.—In any case in which the necessity for leave
14 under subsection (a)(3) is foreseeable, the employee
15 shall provide the employer with not less than 7 days’
16 notice, before the date the leave is to begin, of the
17 employee’s intention to take leave under such sub-
18 section. If the necessity for the leave is not foresee-
19 able, the employee shall provide such notice as is
20 practicable.”.

21 (e) CERTIFICATION.—Section 103 of such Act (29
22 U.S.C. 2613), as amended by section 2131(e), is further
23 amended by adding at the end the following:

24 “(h) CERTIFICATION FOR SCHOOL INVOLVEMENT
25 LEAVE.—An employer may require that a request for

1 leave under section 102(a)(3) be supported by a certifi-
2 cation issued at such time and in such manner as the Sec-
3 retary may by regulation prescribe.”.

4 **SEC. 2153. SCHOOL INVOLVEMENT LEAVE FOR CIVIL SERV-**
5 **ICE EMPLOYEES.**

6 (a) ENTITLEMENT TO LEAVE.—Section 6382(a) of
7 title 5, United States Code, is amended by adding at the
8 end the following:

9 “(3)(A) Subject to section 6383(h), an employee shall
10 be entitled to a total of 24 hours of leave during any 12-
11 month period to participate in an academic activity of a
12 school of a son or daughter of the employee, such as a
13 parent-teacher conference or an interview for a school, or
14 to participate in literacy training under a family literacy
15 program.

16 “(B) In this paragraph:

17 “(i) The term ‘family literacy program’ means
18 a program of services that are of sufficient intensity
19 in terms of hours, and of sufficient duration, to
20 make sustainable changes in a family and that inte-
21 grate all of the following activities:

22 “(I) Interactive literacy activities between
23 parents and their sons and daughters.

24 “(II) Training for parents on how to be
25 the primary teacher for their sons and daugh-

1 ters and full partners in the education of their
2 sons and daughters.

3 “(III) Parent literacy training.

4 “(IV) An age-appropriate education pro-
5 gram for sons and daughters.

6 “(ii) The term ‘literacy’, used with respect to
7 an individual, means the ability of the individual to
8 speak, read, and write English, and compute and
9 solve problems, at levels of proficiency necessary—

10 “(I) to function on the job, in the family
11 of the individual, and in society;

12 “(II) to achieve the goals of the individual;
13 and

14 “(III) to develop the knowledge potential
15 of the individual.

16 “(iii) The term ‘school’ means an elementary
17 school or secondary school (as such terms are de-
18 fined in section 9101 of the Elementary and Sec-
19 ondary Education Act of 1965 (20 U.S.C. 7801)), a
20 Head Start program assisted under the Head Start
21 Act (42 U.S.C. 9831 et seq.), and a child care facil-
22 ity operated by a provider who meets the applicable
23 State or local government licensing, certification, ap-
24 proval, or registration requirements, if any.

1 “(4) No employee may take more than a total of 12
2 workweeks of leave under paragraphs (1) and (3) during
3 any 12-month period.”.

4 (b) SCHEDULE.—Section 6382(b)(1) of such title is
5 amended by inserting after the second sentence the fol-
6 lowing: “Leave under subsection (a)(3) may be taken
7 intermittently or on a reduced leave schedule.”.

8 (c) SUBSTITUTION OF PAID LEAVE.—Section
9 6382(d) of such title is amended by inserting before “,
10 except” the following: “, or for leave provided under sub-
11 section (a)(3) any of the employee’s accrued or accumu-
12 lated annual leave under subchapter I for any part of the
13 24-hour period of such leave under such subsection”.

14 (d) NOTICE.—Section 6382(e) of such title is amend-
15 ed by adding at the end the following:

16 “(3) In any case in which the necessity for leave
17 under subsection (a)(3) is foreseeable, the employee shall
18 provide the employing agency with not less than 7 days’
19 notice, before the date the leave is to begin, of the employ-
20 ee’s intention to take leave under such subsection. If the
21 necessity for the leave is not foreseeable, the employee
22 shall provide such notice as is practicable.”.

23 (e) CERTIFICATION.—Section 6383 of such title, as
24 amended by section 2132(c), is further amended by adding
25 at the end the following:

1 “(h) An employing agency may require that a request
 2 for leave under section 6382(a)(3) be supported by a cer-
 3 tification issued at such time and in such manner as the
 4 Office of Personnel Management may by regulation pre-
 5 scribe.”.

6 **SEC. 2154. EFFECTIVE DATE.**

7 This chapter takes effect 120 days after the date of
 8 enactment of this Act.

9 **Subtitle C—Health Care for the**
 10 **Uninsured**

11 **SEC. 2201. FAMILYCARE COVERAGE OF PARENTS UNDER**
 12 **THE MEDICAID PROGRAM AND TITLE XXI.**

13 (a) INCENTIVES TO IMPLEMENT FAMILYCARE COV-
 14 ERAGE.—

15 (1) UNDER MEDICAID.—

16 (A) ESTABLISHMENT OF NEW OPTIONAL
 17 ELIGIBILITY CATEGORY.—Section
 18 1902(a)(10)(A)(ii) of the Social Security Act
 19 (42 U.S.C. 1396a(a)(10)(A)(ii)), as amended by
 20 section 1112(a)(1)(A), is amended—

21 (i) by striking “or” at the end of sub-
 22 clause (XVIII);

23 (ii) by adding “or” at the end of sub-
 24 clause (XIX); and

1 (iii) by adding at the end the fol-
2 lowing new subclause:

3 “(XX) who are parents described
4 in subsection (k)(1), but only if the
5 State meets the conditions described
6 in subsection (k)(2);”.

7 (B) CONDITIONS FOR COVERAGE.—Section
8 1902 of such Act is further amended by insert-
9 ing after subsection (j) the following new sub-
10 section:

11 “(k)(1)(A) Parents described in this paragraph are
12 the parents of an individual who is under 19 years of age
13 (or such higher age as the State may have elected under
14 section 1902(l)(1)(D)) and who is eligible and enrolled for
15 medical assistance under subsection (a)(10)(A), if—

16 “(i) such parents are not otherwise eligible for
17 such assistance under such subsection; and

18 “(ii) the income of the family that includes such
19 parents does not exceed an income level specified by
20 the State consistent with paragraph (2)(B).

21 “(B) In this subsection, the term ‘parent’ has the
22 meaning given the term ‘caretaker’ for purposes of car-
23 rying out section 1931, and such additional meaning as
24 defined by the State and approved by the Secretary.

1 “(2) The conditions for a State to provide medical
2 assistance under subsection (a)(10)(A)(ii)(XX) are as fol-
3 lows:

4 “(A) The State has a State child health plan
5 under title XXI which (whether implemented under
6 such title or under this title)—

7 “(i) has an income standard (or will estab-
8 lish an income standard that is effective at the
9 time additional allotments are available to the
10 State under section 2104(d), as amended by the
11 Leave No Child Behind Act of 2003) for chil-
12 dren that is at least 200 percent of the poverty
13 line; and

14 “(ii) does not limit the acceptance of appli-
15 cations, does not use a waiting list for children
16 who meet eligibility standards to qualify for as-
17 sistance, and provides benefits to all children in
18 the State who apply for and meet eligibility
19 standards.

20 “(B) The income level specified under para-
21 graph (1)(A)(ii) for parents in a family exceeds the
22 income level applicable under section 1931 but does
23 not exceed the highest income level applicable to a
24 child in the family under this title. A State may not

1 cover such parents with higher family income with-
 2 out covering parents with a lower family income.

3 “(3) In the case of a parent described in paragraph
 4 (1) who is also the parent of a child who is eligible and
 5 enrolled for child health assistance under title XXI, the
 6 State may elect (on a uniform basis) to cover all such par-
 7 ents under section 2111 or under subsection (a)(10)(A).”.

8 (C) ENHANCED MATCHING FUNDS AVAIL-
 9 ABLE.—Section 1905 of such Act (42 U.S.C.
 10 1396d) is amended—

11 (i) in the fourth sentence of sub-
 12 section (b), by striking “or subsection
 13 (u)(3)” and inserting “, (u)(3), or (u)(4)”;
 14 and

15 (ii) in subsection (u)—

16 (I) by redesignating paragraph
 17 (4) as paragraph (6), and

18 (II) by inserting after paragraph
 19 (3) the following new paragraph:

20 “(4) For purposes of subsection (b) and section
 21 2105(a)(1):

22 “(A) FAMILYCARE PARENTS.—The expendi-
 23 tures described in this subparagraph are the fol-
 24 lowing:

1 “(i) PARENTS.—Expenditures for medical
2 assistance made available under section 1931,
3 or under section 1902(a)(10)(A)(ii)(XX) for
4 parents described in section 1902(k)(1), in a
5 family the income of which exceeds the income
6 level applicable under such section 1931 to a
7 family of the size involved as of January 1,
8 2003.

9 “(ii) CERTAIN PREGNANT WOMEN.—Ex-
10 penditures for medical assistance for pregnant
11 women under section 1902(l)(1)(A) in a family
12 the income of which exceeds the income level
13 applicable under section 1902(l)(2)(A) to a
14 family of the size involved as of January 1,
15 2003.”.

16 (D) APPROPRIATION FROM TITLE XXI AL-
17 LOTMENT FOR CERTAIN MEDICAID EXPANSION
18 COSTS.—Section 2105(a)(1)(C) of such Act (42
19 U.S.C. 1397ee(a)(1)(C))) is amended by insert-
20 ing “and for medical assistance that is attrib-
21 utable to expenditures described in section
22 1905(u)(4)(A)” before the semicolon.

23 (E) ONLY COUNTING ENHANCED PORTION
24 FOR COVERAGE OF ADDITIONAL PREGNANT

1 WOMEN.—Section 1905 of such Act (42 U.S.C.
2 1396d) is amended—

3 (i) in the fourth sentence of sub-
4 section (b), by inserting “(except in the
5 case of expenditures described in sub-
6 section (u)(5))” after “do not exceed”;

7 (ii) in subsection (u), by inserting
8 after paragraph (4) (as inserted by sub-
9 paragraph (C)), the following new para-
10 graph:

11 “(5) For purposes of the fourth sentence of sub-
12 section (b) and section 2105(a), the following payments
13 under this title do not count against a State’s allotment
14 under section 2104:

15 “(A) REGULAR FMAP FOR EXPENDITURES FOR
16 PREGNANT WOMEN WITH INCOME ABOVE JANUARY
17 1, 2003 INCOME LEVEL AND BELOW 185 PERCENT OF
18 POVERTY.—The portion of the payments made for
19 expenditures described in paragraph (4)(A)(ii) that
20 represents the amount that would have been paid if
21 the enhanced FMAP had not been substituted for
22 the Federal medical assistance percentage.”.

23 (2) UNDER TITLE XXI.—

1 (A) FAMILYCARE COVERAGE.—Title XXI
2 of such Act is amended by adding at the end
3 the following new section:

4 **“SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PAR-**
5 **ENTS OF TARGETED LOW-INCOME CHILDREN.**

6 “(a) OPTIONAL COVERAGE.—Notwithstanding any
7 other provision of this title, a State child health plan may
8 provide for coverage, through an amendment to its State
9 child health plan under section 2102, of FamilyCare as-
10 sistance for targeted low-income parents in accordance
11 with this section, but only if—

12 “(1) the State meets the conditions described in
13 section 1902(k)(2); and

14 “(2) the State elects to provide medical assist-
15 ance under section 1902(a)(10)(A)(ii)(XX) and
16 elects an applicable income limit that is not lower
17 than the limit described in subsection (b)(2)(A).

18 “(b) DEFINITIONS.—For purposes of this section:

19 “(1) FAMILYCARE ASSISTANCE.—The term
20 ‘FamilyCare assistance’ has the meaning given the
21 term child health assistance in section 2110(a) as if
22 any reference to targeted low-income children were
23 a reference to targeted low-income parents.

24 “(2) TARGETED LOW-INCOME PARENT.—The
25 term ‘targeted low-income parent’ has the meaning

1 given the term targeted low-income child in section
2 2110(b) as if the reference to a child were deemed
3 a reference to a parent (as defined in paragraph (3))
4 of the child; except that in applying such section—

5 “(A) there shall be substituted for the in-
6 come limit described in paragraph (1)(B)(ii)(I)
7 the applicable income limit in effect for a tar-
8 geted low-income child;

9 “(B) in paragraph (3), January 1, 2003,
10 shall be substituted for July 1, 1997; and

11 “(C) in paragraph (4), January 1, 2003,
12 shall be substituted for March 31, 1997.

13 “(3) PARENT.—The term ‘parent’ has the
14 meaning given the term ‘caretaker’ for purposes of
15 carrying out section 1931, and such additional
16 meaning as defined by the State and approved by
17 the Secretary.

18 “(4) OPTIONAL TREATMENT OF PREGNANT
19 WOMEN AS PARENTS.—A State child health plan
20 may treat a pregnant woman who is not otherwise
21 a parent as a targeted low-income parent for pur-
22 poses of this section but only if the State has estab-
23 lished an income level under section 1902(l)(2)(A)(i)
24 for pregnant women that is at least 185 percent of

1 the income official poverty line described in such sec-
2 tion.

3 “(c) REFERENCES TO TERMS AND SPECIAL
4 RULES.—In the case of, and with respect to, a State pro-
5 viding for coverage of FamilyCare assistance to targeted
6 low-income parents under subsection (a), the following
7 special rules apply:

8 “(1) Any reference in this title (other than sub-
9 section (b)) to a targeted low-income child is deemed
10 to include a reference to a targeted low-income par-
11 ent.

12 “(2) Any such reference to child health assist-
13 ance with respect to such parents is deemed a ref-
14 erence to FamilyCare assistance.

15 “(3) In applying section 2103(e)(3)(B) in the
16 case of a family provided coverage under this sec-
17 tion, the limitation on total annual aggregate cost-
18 sharing shall be applied to the entire family.

19 “(4) In applying section 2110(b)(4), any ref-
20 erence to ‘section 1902(l)(2) or 1905(n)(2) (as se-
21 lected by a State)’ is deemed a reference to the in-
22 come level applicable to parents under section 1931,
23 or, in the case of a pregnant woman described in
24 subsection (b)(4), the income level established under
25 section 1902(l)(2)(A).”.

1 (B) ADDITIONAL ALLOTMENT FOR STATES
 2 PROVIDING FAMILYCARE.—

3 (i) IN GENERAL.—Section 2104 of
 4 such Act (42 U.S.C. 1397dd) is amended
 5 by inserting after subsection (e) the fol-
 6 lowing new subsection:

7 “(d) ADDITIONAL ALLOTMENTS FOR STATE PRO-
 8 VIDING FAMILYCARE.—

9 “(1) APPROPRIATION; TOTAL ALLOTMENT.—

10 For the purpose of providing additional allotments
 11 to States electing to provide FamilyCare coverage
 12 under section 2111, there is appropriated, out of any
 13 money in the Treasury not otherwise appropriated—

14 “(A) for fiscal year 2004, \$2,000,000,000;

15 “(B) for fiscal year 2005, \$2,000,000,000;

16 “(C) for fiscal year 2006, \$3,000,000,000;

17 “(D) for fiscal year 2007, \$3,000,000,000;

18 “(E) for fiscal year 2008, \$6,000,000,000;

19 “(F) for fiscal year 2009, \$7,000,000,000;

20 “(G) for fiscal year 2010, \$8,000,000,000;

21 “(H) for fiscal year 2011, \$9,000,000,000;

22 “(I) for fiscal year 2012, \$10,000,000,000;

23 and

24 “(J) for fiscal year 2013 and each fiscal

25 year thereafter, the amount of the allotment

1 provided under this paragraph for the preceding
2 fiscal year increased by the percentage increase
3 (if any) in the medical care expenditure cat-
4 egory of the Consumer Price Index for All
5 Urban Consumers (United States city average).

6 “(2) STATE AND TERRITORIAL ALLOTMENTS.—

7 “(A) IN GENERAL.—In addition to the al-
8 lotments provided under subsections (b) and
9 (c), subject to paragraph (3), of the amount
10 available for the additional allotments under
11 paragraph (1) for a fiscal year, the Secretary
12 shall allot to each State with a State child
13 health plan approved under this title and which
14 has elected to provide coverage under section
15 2111 during the fiscal year—

16 “(i) in the case of such a State other
17 than a commonwealth or territory de-
18 scribed in clause (ii), the same proportion
19 as the proportion of the State’s allotment
20 under section 2104(b) (determined without
21 regard to section 2104(f)) to 98.95 percent
22 of the total amount of the allotments
23 under such section for such States eligible
24 for an allotment under this subparagraph
25 for such fiscal year; and

1 “(ii) in the case of a commonwealth or
2 territory described in section 2104(c)(3),
3 the same proportion as the proportion of
4 the commonwealth’s or territory’s allot-
5 ment under section 2104(c) (determined
6 without regard to section 2104(f)) to 1.05
7 percent of the total amount of the allot-
8 ments under such section for common-
9 wealths and territories eligible for an allot-
10 ment under this subparagraph for such fis-
11 cal year.

12 “(B) REDISTRIBUTION OF UNUSED ALLOT-
13 MENTS.—In applying subsection (f) with re-
14 spect to additional allotments made available
15 under this subsection, the procedures estab-
16 lished under such subsection shall ensure such
17 additional allotments are only made available to
18 States which have elected to provide coverage
19 under section 2111.

20 “(3) USE OF ADDITIONAL ALLOTMENT.—Addi-
21 tional allotments provided under this subsection are
22 not available for amounts expended before October
23 1, 2003. Such amounts are available for amounts ex-
24 pended on or after such date for child health assist-

1 ance for targeted low-income children, as well as for
2 FamilyCare assistance.”.

3 (ii) CONFORMING AMENDMENTS.—

4 Section 2104 of such Act (42 U.S.C.
5 1397dd) is further amended—

6 (I) in subsection (a), by inserting
7 “subject to subsection (d),” after
8 “under this section,”;

9 (II) in subsection (b)(1), by in-
10 serting “and subsection (d)” after
11 “Subject to paragraph (4)”; and

12 (III) in subsection (c)(1), by in-
13 serting “subject to subsection (d),”
14 after “for a fiscal year.”.

15 (C) NO COST-SHARING FOR PREGNANCY-
16 RELATED BENEFITS.—Section 2103(e)(2) of
17 such Act (42 U.S.C. 1397cc(e)(2)) is amend-
18 ed—

19 (i) in the heading, by inserting “AND
20 PREGNANCY-RELATED SERVICES” after
21 “PREVENTIVE SERVICES”; and

22 (ii) by inserting before the period at
23 the end the following: “and for pregnancy-
24 related services”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection apply to items and services fur-
3 nished on or after October 1, 2003.

4 (b) RULES FOR IMPLEMENTATION BEGINNING WITH
5 FISCAL YEAR 2008.—

6 (1) REQUIRED COVERAGE OF FAMILYCARE PAR-
7 ENTS.—Section 1902(a)(10)(A)(i) of the Social Se-
8 curity Act (42 U.S.C. 1396a(a)(10)(A)(i)), as
9 amended by section 1101(b)(1)(A)(iii), is amended—

10 (A) by striking “or” at the end of sub-
11 clause (VII);

12 (B) by striking the semicolon at the end of
13 subclause (VIII) and insert “, or”; and

14 (C) by adding at the end the following new
15 subclause:

16 “(IX) who would be parents de-
17 scribed in subsection (k)(1) if the in-
18 come level specified in subsection
19 (k)(2)(B) were equal to at least 100
20 percent of the poverty line referred to
21 in such subsection;”.

22 (2) EXPANSION OF AVAILABILITY OF EN-
23 HANCED MATCH UNDER MEDICAID FOR PRE-CHIP
24 EXPANSIONS.—Paragraph (4) of section 1905(u) of

1 such Act (42 U.S.C. 1396d(u)), as inserted by sub-
2 section (a)(1)(C), is amended—

3 (A) by amending clause (ii) of subpara-
4 graph (A) to read as follows:

5 “(ii) CERTAIN PREGNANT WOMEN.—Ex-
6 penditures for medical assistance for pregnant
7 women under section 1902(l)(1)(A) in a family
8 the income of which exceeds the 133 percent of
9 the income official poverty line.”; and

10 (B) by adding at the end the following new
11 subparagraphs:

12 “(B) PARENTS WITH INCOME ABOVE 100 PER-
13 CENT OF POVERTY BUT BELOW JANUARY 1, 2003 IN-
14 COME LEVEL.—The expenditures described in this
15 subparagraph are expenditures for medical assist-
16 ance made available for any parents described in
17 section 1902(a)(10)(A)(i)(VIII), whose income ex-
18 ceeds 100 percent of the income official poverty line
19 applicable to a family of the size involved but does
20 not exceed the applicable income level established
21 under this title (under section 1931 or otherwise) for
22 a parent in a family of the size involved as of Janu-
23 ary 1, 2003.

24 “(C) CHILDREN IN FAMILIES WITH INCOME
25 ABOVE MEDICAID MANDATORY LEVEL NOT PRE-

1 VIIOUSLY DESCRIBED.—The expenditures described
 2 in this subparagraph are expenditures (other than
 3 expenditures described in paragraph (2) or (3)) for
 4 medical assistance made available to any child who
 5 is eligible for assistance under section
 6 1902(a)(10)(A) and the income of whose family ex-
 7 ceeds the minimum income level required under sub-
 8 section 1902(l)(2) for a child of the age involved
 9 (treating any child who is 19 or 20 years of age as
 10 being 18 years of age).”.

11 (3) OFFSET OF ADDITIONAL EXPENDITURES
 12 FOR ENHANCED MATCH FOR PRE-CHIP EXPANSION;
 13 ELIMINATION OF OFFSET FOR REQUIRED COVERAGE
 14 OF FAMILYCARE PARENTS.—

15 (A) IN GENERAL.—Section 1905(u)(5) of
 16 such Act (42 U.S.C. 1396d(u)(5)), as added by
 17 subsection (a)(1)(E), is amended—

18 (i) by amending subparagraph (A) to
 19 read as follows:

20 “(A) REGULAR FMAP FOR EXPENDITURES FOR
 21 PREGNANT WOMEN WITH INCOME ABOVE 133 PER-
 22 CENT OF POVERTY.—The portion of the payments
 23 made for expenditures described in paragraph
 24 (4)(A)(ii) that represents the amount that would
 25 have been paid if the enhanced FMAP had not been

1 substituted for the Federal medical assistance per-
2 centage.”; and

3 (ii) by adding at the end the following
4 new subparagraphs:

5 “(B) FAMILYCARE PARENTS UNDER 100 PER-
6 CENT OF POVERTY.—Payments for expenditures de-
7 scribed in paragraph (4)(A)(i) in the case of parents
8 whose income does not exceed 100 percent of the in-
9 come official poverty line applicable to a family of
10 the size involved.

11 “(C) REGULAR FMAP FOR EXPENDITURES FOR
12 PARENTS WITH INCOME ABOVE 100 PERCENT OF
13 POVERTY BUT BELOW JANUARY 1, 2003 INCOME
14 LEVEL.—The portion of the payments made for ex-
15 penditures described in paragraph (4)(B) that rep-
16 represents the amount that would have been paid if the
17 enhanced FMAP had not been substituted for the
18 Federal medical assistance percentage.

19 “(D) REGULAR FMAP FOR EXPENDITURES FOR
20 CERTAIN CHILDREN IN FAMILIES WITH INCOME
21 ABOVE MEDICAID MANDATORY LEVEL.—The portion
22 of the payments made for expenditures described in
23 paragraph (4)(C) that represents the amount that
24 would have been paid if the enhanced FMAP had

1 not been substituted for the Federal medical assist-
2 ance percentage.”.

3 (B) CONFORMING AMENDMENTS.—Section
4 2105(a)(1)(C) of such Act (42 U.S.C.
5 1397ee(1)(1)(C)), as amended by subsection
6 (a)(1)(D), is amended by striking “and for
7 medical assistance that is attributable to ex-
8 penditures described in section 1905(u)(4)(A)”
9 and inserting “and for medical assistance that
10 is attributable to expenditures described in sec-
11 tion 1905(u)(4), except as provided in section
12 1905(u)(5)”.

13 (3) EFFECTIVE DATE.—The amendments made
14 by this subsection apply as of October 1, 2007, to
15 fiscal years beginning on or after such date and to
16 expenditures under the State plan on and after such
17 date.

18 (c) MAKING TITLE XXI BASE ALLOTMENTS PERMA-
19 NENT.—Section 2104(a) of such Act (42 U.S.C.
20 1397dd(a)) is amended—

21 (1) by striking “and” at the end of paragraph
22 (9);

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

1 (3) by adding at the end the following new
2 paragraph:

3 “(11) for fiscal year 2008 and each fiscal year
4 thereafter, the amount of the allotment provided
5 under this subsection for the preceding fiscal year
6 increased by the percentage increase (if any) in the
7 medical care expenditure category of the Consumer
8 Price Index for All Urban Consumers (United States
9 city average).”.

10 (d) OPTIONAL APPLICATION OF PRESUMPTIVE ELI-
11 GIBILITY PROVISIONS TO PARENTS.—Section 1920A of
12 such Act (42 U.S.C. 1396r–1a) is amended by adding at
13 the end the following new subsection:

14 “(e) In accordance with regulations, a State may
15 elect to apply the previous provisions of this section to pro-
16 vide for a period of presumptive eligibility for medical as-
17 sistance for a parent of a child with respect to whom such
18 a period is provided under this section.”.

19 (e) CONFORMING AMENDMENTS.—

20 (1) ELIGIBILITY CATEGORIES.—Section
21 1905(a) of such Act (42 U.S.C. 1396d(a)) is amend-
22 ed, in the matter before paragraph (1)—

23 (A) by striking “or” at the end of clause
24 (xi);

1 (B) by inserting “or” at the end of clause
2 (xii); and

3 (C) by inserting after clause (xii) the fol-
4 lowing new clause:

5 “(xiii) who are parents described (or treated as
6 if described) in section 1902(k)(1),”.

7 (2) INCOME LIMITATIONS.—Section 1903(f)(4)
8 of such Act (42 U.S.C. 1396b(f)(4)) is amended—

9 (A) effective October 1, 2007, by inserting
10 “1902(a)(10)(A)(i)(IX),” after

11 “1902(a)(10)(A)(i)(VIII),”; and

12 (B) by inserting
13 “1902(a)(10)(A)(ii)(XX),” after

14 “1902(a)(10)(A)(ii)(XIX),”.

15 (3) CONFORMING AMENDMENT RELATING TO
16 NO WAITING PERIOD FOR CERTAIN WOMEN.—Section
17 2102(b)(1)(B) of such Act (42 U.S.C.
18 1397bb(b)(1)(B)) is amended—

19 (A) by striking “, and” at the end of
20 clause (i) and inserting a semicolon;

21 (B) by striking the period at the end of
22 clause (ii) and inserting “; and”; and

23 (C) by adding at the end the following new
24 clause:

1 “(iii) may not apply a waiting period
2 (including a waiting period to carry out
3 paragraph (3)(C)) in the case of targeted
4 low-income women who are pregnant.”.

5 **Subtitle D—Awareness of**
6 **Environmental Risks to Children**

7 **SEC. 2301. SHORT TITLE.**

8 This subtitle may be cited as the “Children’s Envi-
9 ronmental Protection and Right to Know Act”.

10 **SEC. 2302. FINDING.**

11 Congress finds that requirements to disclose informa-
12 tion about environmental risks will improve health and
13 safety by—

14 (1) prompting persons causing those risks to re-
15 duce the risks; and

16 (2) enabling individuals to take actions to pro-
17 tect themselves from those risks.

18 **CHAPTER 1—CHILDREN’S**
19 **ENVIRONMENTAL PROTECTION**

20 **Subchapter A—Disclosure of Industrial Re-**
21 **leases That Present a Significant Risk to**
22 **Children**

23 **SEC. 2311. REPORTING REQUIREMENTS.**

24 (a) IN GENERAL.—Section 313(f) of the Emergency
25 Planning and Community Right-To-Know Act of 1986 (42

1 U.S.C. 11023(f) is amended by striking paragraph (1)
2 and inserting the following:

3 “(1) IN GENERAL.—

4 “(A) TOXIC CHEMICAL THRESHOLD QUAN-
5 TITY.—The threshold quantities for purposes of
6 reporting toxic chemicals under this section are
7 as follows:

8 “(i) TOXIC CHEMICALS USED AT FA-
9 CILITIES.—The threshold quantity of a
10 toxic chemical used at a facility shall be
11 10,000 pounds of the toxic chemical per
12 year.

13 “(ii) MANUFACTURED OR PROCESSED
14 TOXIC CHEMICALS.—The threshold quan-
15 tity of a toxic chemical manufactured or
16 processed at a facility shall be—

17 “(I) 75,000 pounds of a toxic
18 chemical per year, for any toxic chem-
19 ical for which a toxic chemical release
20 form is required to be submitted
21 under this section on or before July 1,
22 1988;

23 “(II) 50,000 pounds of a toxic
24 chemical per year, for any toxic chem-
25 ical for which a toxic chemical release

1 form is required to be submitted dur-
2 ing the period beginning July 2, 1988,
3 and ending July 1, 1989; and

4 “(III) 25,000 pounds of a toxic
5 chemical per year, for any toxic chem-
6 ical for which any toxic release form
7 is required to be submitted on or after
8 July 2, 1989.

9 “(B) TOXIC CHEMICALS RELEASED FROM
10 FACILITIES.—

11 “(i) TOXIC CHEMICAL THRESHOLD
12 PROGRAM.—

13 “(I) ESTABLISHMENT.—Not
14 later than 2 years after the date of
15 enactment of the Children’s Environ-
16 mental Protection and Right to Know
17 Act, subject to clause (ii) and in addi-
18 tion to the reporting thresholds for
19 the toxic chemicals specified in sub-
20 clause (II), the Administrator shall es-
21 tablish a reporting threshold for each
22 toxic chemical that the Administrator
23 determines may present a significant
24 risk to children’s health or the envi-

1 ronment due to, as determined by
2 the—

3 “(aa) the persistent use or
4 existence of the toxic chemical in
5 the environment;

6 “(bb) the potential of the
7 toxic chemical to bioaccumulate
8 or disrupt endocrine systems; or

9 “(cc) other characteristics of
10 the toxic chemical.

11 “(II) TOXIC CHEMICALS IN-
12 CLUDED.—The Administrator shall
13 establish a reporting threshold under
14 subclause (I) for—

15 “(aa) lead;

16 “(bb) mercury;

17 “(cc) dioxin;

18 “(dd) cadmium;

19 “(ee) chromium; and

20 “(ff) each substance identi-
21 fied as a bioaccumulative chem-
22 ical of concern in the final rule
23 promulgated by the Adminis-
24 trator entitled ‘Water Quality
25 Guidance for the Great Lakes

1 System, Part III' (60 Fed. Reg.
2 15336 (March 23, 1995)).

3 “(ii) THRESHOLD QUANTITY.—The
4 Administrator shall establish by regulation
5 each threshold quantity for a toxic chem-
6 ical described in clause (i) at a level that,
7 as determined by the Administrator, will
8 ensure reporting of at least 80 percent of
9 the aggregate of all releases of the toxic
10 chemical from facilities that—

11 “(I) have 10 or more full-time
12 employees; and

13 “(II) are designated with any of
14 Standard Industrial Classification
15 Codes 20 through 39 or any of the
16 Standard Industrial Classification
17 Codes added under subsection
18 (b)(1)(B).”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 313 of the Emergency Planning and
21 Community Right-To-Know Act of 1986 (42 U.S.C.
22 11023) is amended—

23 (A) in subsections (a) and (b)(1)(A), by
24 striking “or otherwise used” each place it ap-

1 pears and inserting “otherwise used, or re-
2 leased”;

3 (B) in subsection (c)—

4 (i) by striking “are those chemicals”
5 and inserting the following: “are—
6 “(1) those chemicals”;

7 (ii) by striking the period at the end
8 and inserting “; and”; and

9 (iii) by adding at the end the fol-
10 lowing:

11 “(2) dioxin and each other substance identified
12 as a bioaccumulative chemical of concern in the final
13 rule promulgated by the Administrator entitled
14 ‘Water Quality Guidance for the Great Lakes Sys-
15 tem, Part III’ (60 Fed. Reg. 15336 (March 23,
16 1995)).”;

17 (C) in the first sentence of subsection
18 (f)(2), by striking “paragraph (1)’ and insert-
19 ing “subparagraph (A) or (B) of paragraph
20 (1)”.

21 (2) Section 326(a)(1)(B) of the Emergency
22 Planning and Community Right-To-Know Act of
23 1986 (42 U.S.C. 11046(a)(1)(B)) is amended by
24 adding at the end the following:

1 “(vii) Establish reporting thresholds for chemi-
2 cals referred to in section 313(f)(1)(C).”.

3 **Subchapter B—Disclosure of High Health**
4 **Risk Chemicals in Children’s Consumer**
5 **Products**

6 **SEC. 2321. LIST OF TOXIC CHEMICALS.**

7 (a) DEFINITION OF ELIGIBLE PRODUCT.—Section 2
8 of the Federal Hazardous Substances Act (15 U.S.C.
9 1261) is amended by adding at the end the following:

10 “(u) ELIGIBLE PRODUCT.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graph (2), the term ‘eligible product’ means any toy
13 or other article intended for use by children.

14 “(2) EXCEPTION.—On and after the date that
15 is 3 years after the date of enactment of this sub-
16 section, the term ‘eligible product’ means any con-
17 sumer product (as defined in section 3 of the Con-
18 sumer Product Safety Act (15 U.S.C. 2052)).”.

19 (b) LIST OF TOXIC CHEMICALS.—Section 3 of the
20 Federal Hazardous Substances Act (15 U.S.C. 1262) is
21 amended by adding at the end the following:

22 “(k) LIST OF TOXIC CHEMICALS.—

23 “(1) DEFINITIONS.—In this subsection:

1 “(A) ADMINISTRATOR.—The term ‘Admin-
2 istrator’ means the Administrator of the Envi-
3 ronmental Protection Agency.

4 “(B) CHAIRMAN.—The term ‘Chairman’
5 means the Chairman of the Consumer Product
6 Safety Commission.

7 “(2) LIST.—Not later than 1 year after the
8 date of enactment of this subsection, the Adminis-
9 trator, acting jointly with the Chairman, shall pub-
10 lish in the Federal Register a list of substances or
11 mixtures of substances that have been determined by
12 the Administrator and the Chairman to be toxic to
13 children due to their carcinogenic, neurotoxic, or re-
14 productive toxic effects.

15 “(3) SUBSTANCES AND INFORMATION TO BE
16 INCLUDED.—The list under that paragraph shall in-
17 clude—

18 “(A)(i) any chemical that has been identi-
19 fied by a Federal agency as being a carcinogen,
20 neurotoxin, or reproductive toxin;

21 “(ii) each chemical identified as a Group A
22 or Group B carcinogen in the notice published
23 by the Administrator entitled ‘Regulation of
24 Pesticides in Food: Addressing the Delaney

1 Paradox Policy Statement' (53 Fed. Reg.
2 41118 (October 19, 1988));

3 "(iii) each chemical that adversely affects
4 the nervous system of children, as identified in
5 criteria documents of the National Institute for
6 Occupational Safety and Health;

7 "(iv) each chemical identified by the Con-
8 sumer Product Safety Commission as having
9 sufficient evidence to demonstrate—

10 "(I) carcinogenicity in humans or ani-
11 mals;

12 "(II) neurotoxicity in humans or ani-
13 mals;

14 "(III) human developmental toxicity;
15 or

16 "(IV) male or female reproductive tox-
17 icity in humans or animals;

18 "(v) each chemical regulated as a
19 neurotoxin, reproductive toxin, or developmental
20 toxin by the Administrator; and

21 "(vi) each chemical on the Biennial List of
22 Carcinogens submitted to Congress by the Sec-
23 retary of Health and Human Services; and

24 "(B) such reasonably available information
25 on adverse health effects of any substance or

1 mixture of substances as was used to determine
2 whether to include the substance or mixture on
3 the list required under paragraph (2).

4 “(4) DATA.—In carrying out paragraph (3), the
5 Secretary and the Chairman shall require manufac-
6 turers and importers of substances and mixtures of
7 substances on the list required under paragraph (2)
8 to generate, and shall obtain from any Federal,
9 State, or local government, such data as are suffi-
10 cient to identify substances or mixtures of sub-
11 stances—

12 “(A) that are toxic within the meaning of
13 paragraph (2); and

14 “(B) to which infants and young children
15 are exposed.

16 “(1) CHEMICAL TESTING AND RISK ASSESSMENT.—
17 As soon as practicable after the date of enactment of this
18 subsection, the Administrator of the Environmental Pro-
19 tection Agency, in consultation with experts in pediatric
20 toxicology and exposure, shall develop and implement new
21 short-term and long-term strategies for more comprehen-
22 sive chemical testing and risk assessment to ensure that
23 risks of exposure to children (including exposure to chil-
24 dren *in utero*) are, to the maximum extent practicable,
25 fully understood.”.

1 **SEC. 2322. REPORTING OF TOXIC CHEMICALS IN CON-**
2 **SUMER PRODUCTS.**

3 (a) REPORTING.—The Federal Hazardous Sub-
4 stances Act (15 U.S.C. 1261 et seq.) is amended by add-
5 ing at the end the following:

6 **“SEC. 25. REPORTING OF TOXIC CHEMICALS.**

7 “(a) IN GENERAL.—A manufacturer or importer of
8 any eligible product that contains, or is composed of, a
9 substance or mixture of substances listed under section
10 3(k) shall submit to the Commission a report that de-
11 scribes each of the following:

12 “(1) The identity of the manufacturer or im-
13 porter of the eligible product.

14 “(2) A description of the eligible product (in-
15 cluding any model name and model number of the
16 eligible product).

17 “(3) The identity of the substance or mixture
18 of substances listed under section 3(k) (including the
19 concentration of the substance or mixture in the eli-
20 gible product).

21 “(4) Any information known to the manufac-
22 turer or importer that would support a determina-
23 tion that the eligible product is not a misbranded
24 hazardous substance or a banned hazardous sub-
25 stance.

1 “(5) Such data as are generated by the manu-
2 facturer or importer as are sufficient to identify any
3 substances or mixtures of substances manufactured
4 or imported that are toxic to children, as described
5 in section 3(k)(2).

6 “(b) PUBLICATION.—The Commission shall annually
7 publish in the Federal Register, and make available to the
8 public in an electronic format, the information submitted
9 under subsection (a).

10 “(c) REGULATIONS.—The Commission shall promul-
11 gate such regulations as necessary to carry out this sec-
12 tion.

13 “(d) APPLICATION OF SECTION.—Subsection (a)
14 shall apply to a substance or mixture of substances listed
15 under section 3(k) beginning on the date that is 1 year
16 after the date on which the substance or mixture of sub-
17 stances is listed under that section.”.

18 (b) PROHIBITED ACTS.—

19 (1) IN GENERAL.—Section 4 of the Federal
20 Hazardous Substances Act (15 U.S.C. 1263) is
21 amended by adding at the end the following:

22 “(l) The failure to report as required under section
23 25.”.

24 (2) CONFORMING AMENDMENT.—Section
25 5(c)(1) of the Federal Hazardous Substances Act

1 (15 U.S.C. 1264(c)(1)) is amended in the second
2 sentence by striking “and (k)” and inserting “(k),
3 and (l)”.

4 **SEC. 2323. EXEMPTIONS.**

5 (a) IN GENERAL.—Section 3(c) of the Federal Haz-
6 ardous Substances Act (15 U.S.C. 1262(c)) is amended—

7 (1) by striking “(c) If the Commission finds”
8 and inserting the following:

9 “(c) EXEMPTION FROM REQUIREMENTS BY REGULA-
10 TION.—

11 “(1) IN GENERAL.—If the Commission deter-
12 mines”; and

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

14 “(2) ADDITIONAL REGULATIONS.—In addition
15 to regulations promulgated under paragraph (1), the
16 Commission may promulgate regulations exempting
17 from the reporting requirements of section 25 any
18 substance or mixture of substances.

19 “(3) APPLICABILITY.—This subsection shall not
20 apply to any substance or mixture of substances un-
21 less the Commission determines that the substance
22 or mixture would not, by reason of containing a sub-
23 stance or mixture of substances listed under section
24 3(k), cause substantial personal injury or substantial
25 illness during, or as a proximate result of, any cus-

1 tomary or reasonably foreseeable handling or use
2 (including reasonably foreseeable ingestion by chil-
3 dren).”.

4 (b) CONFORMING AMENDMENT.—Section 3(d) of the
5 Federal Hazardous Substances Act (15 U.S.C. 1262(d))
6 is amended by striking “adequate requirements satisfying
7 the purposes of” and inserting “requirements at least as
8 stringent as”.

9 **SEC. 2324. PRIVATE CITIZEN ENFORCEMENT.**

10 The Federal Hazardous Substances Act (15 U.S.C.
11 1261 et seq.) (as amended by section 2322(a)) is amended
12 by adding at the end the following:

13 **“SEC. 26. PRIVATE CITIZEN ENFORCEMENT.**

14 “(a) IN GENERAL.—Subject to subsection (c), any
15 person other than the Commission may bring a civil action
16 in United States district court—

17 “(1) against any person, for violation of sub-
18 section (a), (b), or (l) of section 4; or

19 “(2) against the Commission, for a failure of
20 the Commission to perform any nondiscretionary act
21 or duty under the amendments made by the Chil-
22 dren’s Environmental Protection and Right to Know
23 Act.

24 “(b) JURISDICTION.—In the case of a civil action
25 under subsection (a)—

1 “(1) the United States district courts shall have
2 jurisdiction over the civil action without regard to
3 the amount in controversy or the citizenship of the
4 parties; and

5 “(2) the court may apply any appropriate civil
6 penalties under section 5 or order the Commission to
7 perform any nondiscretionary act or duty that the
8 Commission failed to perform.

9 “(c) ACTIONS PROHIBITED.—No action may be com-
10 menced under this section unless—

11 “(1) not later than 60 days before the date on
12 which the action is filed, the plaintiff gives notice of
13 the intent to bring the action—

14 “(A) to the Commission; and

15 “(B) in the case of an action for a viola-
16 tion of section 4, to the person that is alleged
17 to have violated that section; and

18 “(2) in the case of an action for a violation of
19 section 4, the Commission has not commenced and
20 is not diligently pursuing a civil action on behalf of
21 the United States.

22 “(d) INTERVENTION.—In any action on behalf of the
23 United States following receipt of a notice under sub-
24 section (d)(1), the person providing the notice may inter-
25 vene as of right as a plaintiff in the action.

1 “(e) COSTS.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2), in any action under subsection (a), the
4 costs of litigation (including reasonable attorney
5 fees) may be awarded to—

6 “(A) any substantially prevailing plaintiff;

7 and

8 “(B) in any action under subsection (c),
9 the party intervening under subsection (c), if
10 that party contributed significantly to the suc-
11 cess of the plaintiff.

12 “(2) WAIVER.—The award of costs under para-
13 graph (1) may be fully or partially waived by a court
14 if the court finds such an award to be inappropriate
15 under the circumstances.

16 “(f) BURDEN OF PROOF.—In any action under sub-
17 section (a)(1), if the person alleged to have violated section
18 4 asserts that a substance or mixture of substances is not
19 a hazardous substance by reason of containing a substance
20 or mixture of substances listed under section 3(k), the
21 burden of proof shall be the alleged violator to establish
22 that the substance or mixture of substances is not a haz-
23 ardous substance.

24 “(g) PENALTY FUND.—

1 “(1) ESTABLISHMENT.—There is established in
2 the Treasury of the United States a fund to be used
3 in carrying out this section (referred to in this sec-
4 tion as the ‘Fund’).

5 “(2) DEPOSIT OF ASSESSED PENALTIES.—A
6 penalty assessed as a result of a civil action under
7 subsection (a) shall be deposited in the Fund.

8 “(3) USE OF FUNDS.—On request by the Com-
9 mission, the Secretary of the Treasury shall transfer
10 from the Fund to the Commission such amounts as
11 the Commission determines are necessary to finance
12 compliance and enforcement activities under this
13 Act.

14 “(4) AVAILABILITY.—Amounts in the Fund
15 shall remain available for use by the Commission
16 until expended, without further appropriation.

17 “(5) REPORTS.—The Commission shall submit
18 to Congress an annual report that describes—

19 “(A) any funds deposited into the Fund
20 during the year for which the report is sub-
21 mitted (including the sources of those funds);
22 and

23 “(B) the actual and proposed uses of the
24 funds.

1 “(h) OTHER PROJECTS.—Notwithstanding sub-
 2 section (g), in lieu of being deposited in the Fund, any
 3 civil penalty assessed may, at the option of the court (after
 4 consultation with the Commission), be used to fund
 5 projects of the Commission that are—

6 “(1) consistent with this Act; and

7 “(2) designed to enhance public awareness of—

8 “(A) the health effects of toxic substances
 9 or mixtures of toxic substances in eligible prod-
 10 ucts; and

11 “(B) the potential for exposure of children
 12 to toxic substances or mixtures of toxic sub-
 13 stances in eligible products.”.

14 **CHAPTER 2—PUBLIC RIGHT TO KNOW**
 15 **ABOUT TOXIC CHEMICAL USE**

16 **SEC. 2331. DISCLOSURE OF TOXIC CHEMICAL USE BY COM-**
 17 **PARABLE FACILITIES.**

18 Section 313(b)(1)(B) of the Emergency Planning and
 19 Community Right-To-Know Act of 1986 (42 U.S.C.
 20 11023(b)(1)(B)) is amended—

21 (1) by striking “(B) The Administrator” and
 22 inserting the following:

23 “(B) MODIFICATIONS TO COVERED FACILI-
 24 TIES.—

1 “(i) MODIFICATION BY THE ADMINIS-
2 TRATOR.—The Administrator”;

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

4 “(ii) MODIFICATIONS BEGINNING
5 WITH 2004 REPORTING YEAR.—Effective
6 beginning with the 2004 reporting year,
7 any facility identified by the Standard In-
8 dustrial Classification Codes specified in
9 the proposed rule entitled ‘Addition of Fa-
10 cilities in Certain Industry Sectors; Toxic
11 Chemical Release Reporting; Community
12 Right-to-Know, Part II’ (61 Fed. Reg.
13 33588 (June 27, 1996)) shall be subject to
14 the requirements of this section.

15 “(iii) REGULATIONS TO ADD ADDI-
16 TIONAL CATEGORIES OF FACILITIES.—

17 “(I) IN GENERAL.—Not later
18 than 2 years after the date of enact-
19 ment of this clause, subject to sub-
20 clause (II), the Administrator shall
21 promulgate final regulations to re-
22 quire compliance with this section by
23 all additional categories of facilities
24 that use or release toxic chemicals in
25 volumes similar to the volumes used

1 or released by facilities that are cov-
2 ered by this section as of the date of
3 enactment of this clause.

4 “(II) INAPPLICABILITY TO
5 FARMS.—Subclause (I) shall not apply
6 to any farm.”.

7 **SEC. 2332. DISCLOSURE OF TOXIC CHEMICAL USE.**

8 (a) IN GENERAL.—Section 313 of the Emergency
9 Planning and Community Right-To-Know Act of 1986 (42
10 U.S.C. 11023) is amended—

11 (1) in the second sentence of subsection (a), by
12 striking “releases” and inserting “toxic chemical
13 uses and releases”;

14 (2) in subsection (g)(1)(C)—

15 (A) by inserting “for the preceding cal-
16 endar year” after “items of information”;

17 (B) in clause (ii), by striking “the pre-
18 ceding calendar year” and inserting “the cal-
19 endar year”; and

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

21 “(v)(I) The number of employees, including
22 contractors, at the facility.

23 “(II) The number of employees, including con-
24 tractors, at the facility that were exposed to the
25 toxic chemical.

1 “(III) An estimate of the quantity and level of
2 occupational exposures to the toxic chemical.

3 “(vi)(I) The following materials accounting in-
4 formation:

5 “(aa) A description of the uses of the toxic
6 chemical at the facility.

7 “(bb) The starting inventory of the toxic
8 chemical at the facility.

9 “(cc) The quantity of the toxic chemical
10 produced at the facility.

11 “(dd) The quantity of the toxic chemical
12 transported into the facility and the mode of
13 transportation.

14 “(ee) The quantity of the toxic chemical
15 consumed at the facility.

16 “(ff) The quantity of the toxic chemical
17 transported out of the facility as products or in
18 products, and the quantity intended for—

19 “(AA) industrial use;

20 “(BB) commercial use;

21 “(CC) consumer use; and

22 “(DD) any additional category of use
23 that the Administrator may designate.

24 “(gg) The quantity of the toxic chemical
25 entering any waste stream (or otherwise re-

1 leased into the environment) before recycling,
2 treatment, or disposal.

3 “(hh) The ending inventory of the toxic
4 chemical at the facility.

5 “(ii) The quantity of the toxic chemical re-
6 cycled at the facility that is subsequently used
7 at the facility.

8 “(jj) The quantity of the toxic chemical
9 used, which shall be calculated with respect to
10 a toxic chemical by adding the quantities re-
11 ported under items (bb), (cc), (dd), and (ii)
12 with respect to the toxic chemical and sub-
13 tracting the quantity reported under subclause
14 (hh) with respect to the toxic chemical.

15 “(II) Each quantity reported under this clause
16 shall be complete and verifiable by computations
17 using conventional materials accounting practices.

18 “(III) If the sum of the quantities reported
19 under items (bb), (cc), (dd), and (ii) of subclause (I)
20 does not equal the sum of the quantities reported
21 under subclauses (ee), (ff), (gg), and (hh) of that
22 subclause, the form shall provide an explanation of
23 the difference in the sums.

24 “(vii) The quantity of the reduction, from the
25 year prior to the preceding calendar year, in the

1 quantity of the toxic chemical entering any waste
2 stream (or otherwise released into the environment)
3 before recycling, treatment, or disposal (as reported
4 under section 6607(b)(1) of the Pollution Prevention
5 Act of 1990 (42 U.S.C. 13106(b)(1)), as a result
6 of—

7 “(I) equipment or technology modifica-
8 tions;

9 “(II) process or procedure modifications;

10 “(III) reformulation or redesign of prod-
11 ucts;

12 “(IV) substitution of raw materials; and

13 “(V) improvements in housekeeping, main-
14 tenance, training, or inventory control.

15 “(viii) The quantity of the reduction, from the
16 year prior to the preceding calendar year, in the
17 quantity of the toxic chemical used as determined
18 under clause (vi)(I)(jj) as a result of all activities
19 specified in clause (vii).”; and

20 (3) in the second sentence of subsection (h), by
21 inserting “uses of toxic chemicals at covered facili-
22 ties and” after “inform persons about”.

23 (b) REGULATIONS.—Not later than 2 years after the
24 date of enactment of this Act, the Administrator of the
25 Environmental Protection Agency shall promulgate regu-

1 lations concerning the information to be provided under
2 section 313(g)(1)(C)(v) of the Emergency Planning and
3 Community Right-To-Know Act of 1986 (42 U.S.C.
4 11023(g)(1)(C)(v)).

5 **SEC. 2333. STREAMLINED DATA COLLECTION AND DISSEMI-**
6 **NATION.**

7 Section 313 of the Emergency Planning and Commu-
8 nity Right-To-Know Act of 1986 (42 U.S.C. 11023) is
9 amended by adding at the end the following:

10 “(m) STREAMLINED DATA COLLECTION AND DIS-
11 SEMINATION.—

12 “(1) IN GENERAL.—To enhance public access
13 and use of information resources, to facilitate com-
14 pliance with reporting requirements, and to promote
15 multimedia permitting, reporting, and pollution pre-
16 vention, the Administrator shall, not later than 3
17 years after the date of enactment of this sub-
18 section—

19 “(A) establish standard data formats for
20 management of information collected under this
21 title and other Federal environmental laws;

22 “(B) integrate information collected under
23 this title and other Federal environmental laws,
24 using—

1 “(i) common company, facility, indus-
2 try, geographic, and chemical identifiers;
3 and

4 “(ii) other identifiers as the Adminis-
5 trator determines to be appropriate;

6 “(C) establish a system for indexing, locat-
7 ing, and obtaining agency-held information
8 about parent companies, facilities, industries,
9 chemicals, geographic locations, ecological indi-
10 cators, and the regulatory status of chemicals
11 and entities subject to regulation under this
12 title and other Federal environmental laws;

13 “(D) consolidate all annual reporting re-
14 quirements, under this title and other Federal
15 environmental laws, for small business concerns
16 (as defined in section 3 of the Small Business
17 Act (15 U.S.C. 632)) in a manner that allows
18 reporting to 1 point of contact using 1 form or
19 electronic reporting system; and

20 “(E) provide members of the public 1 point
21 of contact for access to all publicly available in-
22 formation collected by the Administrator for
23 any 1 regulated entity.

24 “(2) CONSOLIDATION.—Not later than 5 years
25 after the date of enactment of this subsection, the

1 Administrator shall consolidate all annual reporting
2 under this title and other Federal environmental
3 laws, for each entity subject to such reporting, in a
4 manner that allows reporting to 1 point of contact
5 using 1 form or electronic reporting system.

6 “(3) UNDERSTANDABLE LANGUAGE.—In im-
7 proving the means by which the Administrator pro-
8 vides information to the public and requires informa-
9 tion be reported by regulated entities, as required by
10 paragraphs (1) and (2), the Administrator shall use
11 language and methods of communication that the
12 Administrator finds to be clear and understandable
13 by a member of the public of average intelligence,
14 education, and experience.”.

15 **SEC. 2334. TRADE SECRET PROTECTION.**

16 Section 322 of the Emergency Planning and Commu-
17 nity Right-To-Know Act of 1986 (42 U.S.C. 11042) is
18 amended—

19 (1) in subsection (a)(1), by adding at the end
20 the following:

21 “(C) WITHHOLDING OF MATERIALS AC-
22 COUNTING INFORMATION.—

23 “(i) IN GENERAL.—Subject to clause
24 (ii), any person required to submit mate-
25 rials accounting information under section

1 313(g)(1)(C)(vi) may withhold any item of
2 that information (as determined under reg-
3 ulations promulgated by the Administrator
4 under subsection (c)) if the person com-
5 plies with paragraph (2) with respect to
6 the information to be withheld.

7 “(ii) LIMITATION.—Clause (i) does
8 not provide authority to withhold any in-
9 formation covered by the Pollution Preven-
10 tion Act of 1990 (42 U.S.C. 13101 et
11 seq.).”;

12 (2) in subsection (b)(4), by inserting “or other
13 information withheld” after “The chemical identity”;

14 (3) in subsection (d)—

15 (A) in the first sentence of paragraph (1),
16 by inserting “, or other information withheld
17 under subsection (a)(1),” after “toxic chem-
18 ical”; and

19 (B) in paragraphs (2) through (4), by in-
20 serting “or other information withheld” after
21 “chemical identity” each place it appears;

22 (4) in subsection (f), by inserting “or other in-
23 formation withheld under subsection (a)(1)” after
24 “chemical identity”; and

25 (5) in subsection (h)—

1 (A) in paragraph (1), by inserting “, or
 2 other information withheld under subsection
 3 (a)(1),” before “is claimed as”; and

4 (B) in paragraph (2), by inserting “, or
 5 other information withheld under subsection
 6 (a)(1),” after “identity of a toxic chemical”.

7 **Subtitle E—Promoting Responsible** 8 **Fatherhood**

9 **CHAPTER 1—BLOCK GRANTS**

10 **SEC. 2401. BLOCK GRANTS TO STATES TO ENCOURAGE** 11 **MEDIA CAMPAIGNS.**

12 (a) IN GENERAL.—Part D of title IV of the Social
 13 Security Act (42 U.S.C. 651 et seq.) is amended by adding
 14 at the end the following:

15 **“SEC. 469C. BLOCK GRANTS TO STATES FOR MEDIA CAM-** 16 **PAIGNS PROMOTING RESPONSIBLE FATHER-** 17 **HOOD.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) BROADCAST ADVERTISEMENT.—The term
 20 ‘broadcast advertisement’ means a communication
 21 intended to be aired by a television or radio broad-
 22 cast station, including a communication intended to
 23 be transmitted through a cable channel.

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

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

9 “(4) PRINTED OR OTHER ADVERTISEMENT.—
10 The term ‘printed or other advertisement’ includes
11 any communication intended to be distributed
12 through a newspaper, magazine, outdoor advertising
13 facility, mailing, or any other type of general public
14 advertising, but does not include any broadcast ad-
15 vertisement.

16 “(5) STATE.—The term ‘State’ means each of
17 the 50 States, the District of Columbia, the Com-
18 monwealth of Puerto Rico, the United States Virgin
19 Islands, Guam, American Samoa, and the Common-
20 wealth of the Northern Mariana Islands.

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

23 “(b) STATE CERTIFICATIONS.—Not later than Octo-
24 ber 1 of each fiscal year for which a State desires to re-
25 ceive an allotment under this section, the chief executive

1 officer of the State shall submit to the Secretary a certifi-
2 cation that the State will—

3 “(1) use such funds to promote the formation
4 and maintenance of married 2-parent families,
5 strengthen fragile families, and promote responsible
6 fatherhood through media campaigns conducted in
7 accordance with the requirements of subsection (d);

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

11 “(3) comply with the reporting requirements
12 under subsection (f).

13 “(c) PAYMENTS TO STATES.—For each of fiscal years
14 2004 through 2008, the Secretary shall pay to each State
15 that submits a certification under subsection (b), from any
16 funds appropriated under subsection (h), for the fiscal
17 year an amount equal to the amount of the allotment de-
18 termined for the fiscal year under subsection (g).

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

23 “(1) CONDUCT OF MEDIA CAMPAIGNS.—

24 “(A) RADIO AND TELEVISION MEDIA CAM-
25 PAIGNS.—

1 “(i) PRODUCTION OF BROADCAST AD-
2 VERTISEMENTS.—At the option of the
3 State, to produce broadcast advertisements
4 that promote the formation and mainte-
5 nance of married 2-parent families,
6 strengthen fragile families, and promote
7 responsible fatherhood.

8 “(ii) AIR TIME CHALLENGE PRO-
9 GRAM.—At the option of the State, to es-
10 tablish an air time challenge program
11 under which the State may spend amounts
12 allotted under this section to purchase time
13 from a broadcast station to air a broadcast
14 advertisement produced under subpara-
15 graph (A), but only if the State obtains an
16 amount of time of the same class and dur-
17 ing a comparable period to air the adver-
18 tisement using non-Federal contributions.

19 “(B) OTHER MEDIA CAMPAIGNS.—At the
20 option of the State, to conduct a media cam-
21 paign that consists of the production and dis-
22 tribution of printed or other advertisements
23 that promote the formation and maintenance of
24 married 2-parent families, strengthen fragile
25 families, and promote responsible fatherhood.

1 “(2) ADMINISTRATION OF MEDIA CAMPAIGNS.—

2 A State may administer media campaigns funded
3 under this section directly or through grants, con-
4 tracts, or cooperative agreements with public agen-
5 cies, local governments, or private entities, including
6 charitable and religious organizations.

7 “(3) CONSULTATION WITH DOMESTIC VIO-

8 LENCE ASSISTANCE CENTERS.—In developing broad-
9 cast and printed advertisements to be used in the
10 media campaigns conducted under paragraph (1),
11 the State or other entity administering the campaign
12 shall consult with representatives of State and local
13 domestic violence centers.

14 “(4) NON-FEDERAL CONTRIBUTIONS.—In this

15 subsection, the term ‘non-Federal contributions’ in-
16 cludes contributions by the State and by public and
17 private entities. Such contributions may be in cash
18 or in kind. Such term does not include any amounts
19 provided by the Federal Government, or services as-
20 sisted or subsidized to any significant extent by the
21 Federal Government, or any amount expended by a
22 State before October 1, 2004.

23 “(e) RECONCILIATION PROCESS.—

24 “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-
25 LOTTED.—Each State that receives an allotment

1 under this section shall return to the Secretary any
2 unused portion of the amount allotted to a State
3 under this section for a fiscal year not later than the
4 last day of the second succeeding fiscal year together
5 with any earnings on such unused portion.

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

11 “(A) returned to the Secretary by States
12 under paragraph (1); or

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

17 “(f) REPORTING REQUIREMENTS.—

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

1 “(2) ANNUAL REPORTS.—Not less frequently
2 than annually, each State receiving an allotment
3 under this section for a fiscal year shall submit to
4 the Secretary reports on the media campaigns con-
5 ducted under this section at such time, in such man-
6 ner, and containing such information as the Sec-
7 retary may require.

8 “(g) AMOUNT OF ALLOTMENTS.—

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

15 “(A) the amount that bears the same ratio
16 to 50 percent of such funds as the number of
17 young children in the State (as determined by
18 the Secretary based on the most recent March
19 supplement to the Current Population Survey
20 of the Bureau of the Census before the begin-
21 ning of the calendar year in which such fiscal
22 year begins) as bears to the number of such
23 children in all States; and

24 “(B) the amount that bears the same ratio
25 to 50 percent of such funds as the number of

1 children at risk in the State (as determined by
2 the Secretary based on the most recent March
3 supplement to the Current Population Survey
4 of the Bureau of the Census before the begin-
5 ning of the calendar year in which such fiscal
6 year begins) bears to the number of such chil-
7 dren in all States.

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

11 “(A) in the case of a State other than the
12 Commonwealth of Puerto Rico, the United
13 States Virgin Islands, Guam, American Samoa,
14 and the Commonwealth of the Northern Mar-
15 iana Islands, 1 percent of the amount appro-
16 priated for the fiscal year under subsection (h);
17 and

18 “(B) in the case of the Commonwealth of
19 Puerto Rico, the United States Virgin Islands,
20 Guam, American Samoa, and the Common-
21 wealth of the Northern Mariana Islands, 0.5
22 percent of such amount.

23 “(3) PRO RATA REDUCTIONS.—The Secretary
24 shall make such pro rata reductions to the allot-
25 ments determined under paragraph (1) as are nec-

1 essary to comply with the requirements of paragraph
2 (2).

3 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated \$25,000,000 for each of
5 fiscal years 2004 through 2008 for purposes of making
6 allotments to States under this section.”.

7 (b) EVALUATION.—

8 (1) IN GENERAL.—The Secretary of Health and
9 Human Services shall conduct an evaluation of the
10 impact of the media campaigns funded under section
11 469C of the Social Security Act, as added by sub-
12 section (a).

13 (2) REPORT.—Not later than December 31,
14 2006, the Secretary of Health and Human Services
15 shall report to Congress the results of the evaluation
16 under paragraph (1).

17 (3) AUTHORIZATION OF APPROPRIATIONS.—
18 There is authorized to be appropriated \$1,000,000
19 for fiscal year 2004 for purposes of conducting the
20 evaluation required under this subsection, to remain
21 available until expended.

22 **SEC. 2402. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

23 (a) IN GENERAL.—Part D of title IV of the Social
24 Security Act (42 U.S.C. 651 et seq.), as amended by sec-
25 tion 2401, is amended by adding at the end the following:

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

2 “(a) DEFINITIONS.—In this section:

3 “(1) CHILD AT RISK.—The term ‘child at risk’
4 has the meaning given such term in section
5 469C(a)(2).

6 “(2) POVERTY LINE.—The term ‘poverty line’
7 has the meaning given such term in section
8 469C(a)(3).

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

11 “(4) YOUNG CHILD.—The term ‘young child’
12 has the meaning given such term in section
13 469C(a)(6).

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

19 “(1) comply with the matching requirements
20 under subsection (c)(2);

21 “(2) use such funds to promote responsible fa-
22 therhood in accordance with the requirements of
23 subsection (d);

24 “(3) use such funds to promote or sustain mar-
25 riage in accordance with subparagraph (A) or (B) of
26 subsection (d)(2);

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

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

6 “(c) PAYMENTS TO STATES.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 for each of fiscal years 2004 through 2008, the Sec-
9 retary shall pay to each State that submits a certifi-
10 cation described in subsection (b), from any funds
11 appropriated under subsection (h), for the fiscal year
12 an amount equal to the amount of the allotment de-
13 termined under subsection (g).

14 “(2) MATCHING REQUIREMENT.—The Sec-
15 retary may not make a payment to a State under
16 paragraph (1) unless the State agrees that, with re-
17 spect to the costs to be incurred by the State in sup-
18 porting the programs described in subsection (d),
19 the State will make available non-Federal contribu-
20 tions in an amount equal to 25 percent of the
21 amount of Federal funds paid to the State under
22 such clause.

23 “(3) NON-FEDERAL CONTRIBUTIONS.—In this
24 subsection, the term ‘non-Federal contributions’ in-
25 cludes contributions by the State and by public and

1 private entities. Such contributions may be in cash
2 or in kind. Such term does not include any amounts
3 provided by the Federal Government, or services as-
4 sisted or subsidized to any significant extent by the
5 Federal Government or any amount expended by a
6 State before October 1, 2004.

7 “(d) RESPONSIBLE FATHERHOOD PROGRAMS.—

8 “(1) SUPPORT OF PROGRAMS.—A State shall
9 use the allotments received under this section to
10 support programs described in paragraph (2) di-
11 rectly or through a grant, contract, or cooperative
12 agreement with any public agency, local government,
13 or private entity (including any charitable or reli-
14 gious organization) with experience in administering
15 such a program.

16 “(2) PROGRAMS DESCRIBED.—Responsible Fa-
17 therhood programs include programs that—

18 “(A) promote marriage through such ac-
19 tivities as counseling, mentoring, disseminating
20 information about the benefits of marriage and
21 2-parent involvement for children, enhancing re-
22 lationship skills, teaching on how to control ag-
23 gressive behavior, and disseminating informa-
24 tion on the causes of domestic violence and
25 child abuse;

1 “(B) sustain marriages through marriage
2 preparation programs, premarital counseling,
3 marital inventories, skills-based marriage edu-
4 cation, financial planning seminars, programs
5 to help parents improve their economic status,
6 and divorce education and reduction programs,
7 including mediation and counseling;

8 “(C) promote responsible parenting
9 through such activities as counseling, men-
10 toring, disseminating information about good
11 parenting practices, skills-based parenting edu-
12 cation, encouraging child support payments,
13 and other methods; and

14 “(D) help fathers and their families avoid
15 or leave cash welfare and improve their eco-
16 nomic status by providing such activities as
17 work first services, job search, job training,
18 subsidized employment, job retention, job en-
19 hancement, and encouraging education, includ-
20 ing career-advancing education, dissemination
21 of employment materials, coordination with ex-
22 isting employment services such as Welfare to
23 Work and referrals to local employment train-
24 ing initiatives, and other methods.

1 “(3) TARGETED LOW-INCOME PARTICIPANTS.—

2 Not less than 50 percent of the participants in each
3 program supported under paragraph (1) shall be—

4 “(A) parents of a child who is, or within
5 the past 24 months has been, a recipient of as-
6 sistance or services under a State program
7 funded under this part; or

8 “(B) parents, including an expectant par-
9 ent or a married parent, whose income (after
10 adjustment for court-ordered child support paid
11 or received) does not exceed 150 percent of the
12 poverty line.

13 “(4) CONSULTATION WITH DOMESTIC VIO-
14 LENCE ASSISTANCE CENTERS.—Each State or entity
15 administering a program supported under paragraph
16 (1) shall consult with representatives of State and
17 local domestic violence centers.

18 “(5) SUPPLEMENT NOT SUPPLANT.—Amounts
19 allotted to a State under this section shall be used
20 to supplement and not supplant other Federal,
21 State, or local funds provided to the State under this
22 part or any other provision of law that are used to
23 support programs and activities similar to the re-
24 sponsible fatherhood program described in para-
25 graph (2).

1 “(6) RESTRICTIONS ON USE.—No amount allotted
2 ted under this section may be used for court proceedings
3 on matters of child visitation or child custody,
4 or for legislative advocacy.

5 “(e) RECONCILIATION PROCESS.—

6 “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-
7 LOTTED.—Each State that receives an allotment
8 under this section shall return to the Secretary any
9 unused portion of the amount allotted to a State
10 under this section for a fiscal year not later than the
11 last day of the second succeeding fiscal year, together
12 with any earnings on such unused portion.

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

18 “(A) returned to the Secretary by States
19 under paragraph (1); or

20 “(B) not allotted to a State under this section
21 because the State did not submit a certification
22 under subsection (b) by October 1 of a
23 fiscal year.

24 “(f) REPORTING REQUIREMENTS.—

1 “(1) MONITORING AND EVALUATION.—Each
2 State receiving an allotment under this section shall
3 monitor and evaluate the programs supported using
4 funds made available under this section in such
5 manner as the Secretary, in consultation with the
6 States, determines appropriate.

7 “(2) ANNUAL REPORTS.—Not less frequently
8 than annually, each State receiving an allotment
9 under this section for a fiscal year shall submit to
10 the Secretary reports on the programs supported
11 under this section at such time, in such manner, and
12 containing such information as the Secretary may
13 reasonably require.

14 “(g) AMOUNT OF ALLOTMENTS.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), of the amount appropriated for the pur-
17 pose of making allotments under this section for a
18 fiscal year the Secretary shall allot to each State
19 that submits a certification under subsection (b) for
20 that fiscal year an amount equal to the sum of—

21 “(A) the amount that bears the same ratio
22 to 50 percent of such funds as the number of
23 young children in the State (as determined by
24 the Secretary based on the most recent March
25 supplement to the Current Population Survey

1 of the Bureau of the Census before the begin-
2 ning of the calendar year in which such fiscal
3 year begins) as bears to the number of such
4 children in all States; and

5 “(B) the amount that bears the same ratio
6 to 50 percent of such funds as the number of
7 children at risk in the State (as determined by
8 the Secretary based on the most recent March
9 supplement to the Current Population Survey
10 of the Bureau of the Census before the begin-
11 ning of the calendar year in which such fiscal
12 year begins) bears to the number of such chil-
13 dren in all States.

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

17 “(A) in the case of a State other than the
18 Commonwealth of Puerto Rico, the United
19 States Virgin Islands, Guam, American Samoa,
20 and the Commonwealth of the Northern Mar-
21 iana Islands, 1 percent of the amount appro-
22 priated for the fiscal year under subsection (h);
23 and

24 “(B) in the case of the Commonwealth of
25 Puerto Rico, the United States Virgin Islands,

1 Guam, American Samoa, and the Common-
2 wealth of the Northern Mariana Islands, 0.5
3 percent of such amount.

4 “(3) PRO RATA REDUCTIONS.—The Secretary
5 shall make such pro rata reductions to the allot-
6 ments determined under paragraph (1) as are nec-
7 essary to comply with the requirements of paragraph
8 (2).

9 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
10 is authorized to be appropriated \$50,000,000 for each of
11 fiscal years 2004 through 2008 for purposes of making
12 allotments to States under this section.”.

13 (b) EVALUATION AND REPORT.—

14 (1) EVALUATION.—

15 (A) IN GENERAL.—The Secretary of
16 Health and Human Services (in this subsection
17 referred to as the “Secretary”), in consultation
18 with the Secretary of Labor, shall, directly or
19 through a grant, contract, or interagency agree-
20 ment, conduct an evaluation of the projects
21 funded under section 469D of the Social Secu-
22 rity Act (as added by subsection (a)).

23 (B) OUTCOMES ASSESSMENT.—The eval-
24 uation conducted under subparagraph (A) shall
25 assess, among other outcomes selected by the

1 Secretary, effects of the projects on marriage,
2 parenting, employment, earnings, payment of
3 child support, and incidence of domestic vio-
4 lence and child abuse.

5 (C) PROJECT SELECTION.—In selecting
6 projects for the evaluation, the Secretary should
7 include projects that are most likely to further
8 the purposes of this section.

9 (D) RANDOM ASSIGNMENT.—In conducting
10 the evaluation, random assignment should be
11 used wherever possible.

12 (2) REPORT.—Not later than December 31,
13 2006, the Secretary shall submit to Congress a re-
14 port on the results of the evaluation conducted
15 under paragraph (1).

16 (3) AUTHORIZATION OF APPROPRIATIONS.—
17 There is authorized to be appropriated \$1,000,000
18 for each of fiscal years 2004 through 2008 to carry
19 out this subsection.

20 **CHAPTER 2—NATIONAL CLEARINGHOUSE**

21 **SEC. 2411. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE**

22 **FATHERHOOD PROGRAMS.**

23 Part D of title IV of the Social Security Act (42
24 U.S.C. 651), as amended by section 2402, is amended by
25 adding at the end the following:

1 **“SEC. 469E. MEDIA CAMPAIGN NATIONAL CLEARINGHOUSE**
2 **FOR RESPONSIBLE FATHERHOOD.**

3 “(a) MEDIA CAMPAIGN AND NATIONAL CLEARING-
4 HOUSE.—

5 “(1) IN GENERAL.—From any funds appro-
6 priated under subsection (c), the Secretary shall con-
7 tract with a nationally recognized, nonprofit father-
8 hood promotion organization described in subsection
9 (b) to—

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

18 “(B) develop a national clearinghouse to
19 assist States and communities in efforts to pro-
20 mote and support marriage and responsible fa-
21 therhood by collecting, evaluating, and making
22 available (through the Internet and by other
23 means) to other States information regarding
24 the media campaigns established under section
25 469C.

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

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

15 “(1) designing and disseminating a national
16 public education campaign, including the production
17 and successful placement of television, radio, and
18 print public service announcements that promote the
19 importance of responsible fatherhood; and

20 “(2) providing consultation and training to
21 community-based organizations interested in imple-
22 menting fatherhood outreach, support, or skill devel-
23 opment programs with an emphasis on promoting
24 married fatherhood as the ideal.

1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated \$2,000,000 for each of
3 fiscal years 2004 through 2008 to carry out this section.”.

4 **TITLE III—HEAD START AND**
5 **CHILD CARE**

6 **Subtitle A—Infants and Toddlers**

7 **SEC. 3001. RESERVATION OF HEAD START ACT FUNDS FOR**
8 **INFANTS AND TODDLERS.**

9 Section 640(a)(6) of the Head Start Act (42 U.S.C.
10 9835(a)(6)) is amended—

11 (1) by striking subparagraph (A) and inserting
12 the following:

13 “(A) Except as provided in subparagraph (B), from
14 amounts reserved and allotted pursuant to paragraphs (2)
15 and (4), the Secretary shall use, for grants for programs
16 described in section 645A(a), a portion of the combined
17 total of such amounts equal to—

18 “(i) 11 percent of the funds appropriated pur-
19 suant to section 639(a) for fiscal year 2004;

20 “(ii) 12 percent of such funds for fiscal year
21 2005;

22 “(iii) 13 percent of such funds for fiscal year
23 2006;

24 “(iv) 14 percent of such funds for fiscal year
25 2007;

1 “(v) 15 percent of such funds for fiscal year
2 2008;

3 “(vi) 20 percent of such funds for fiscal year
4 2009;

5 “(vii) 25 percent of such funds for fiscal year
6 2010;

7 “(viii) 30 percent of such funds for fiscal year
8 2011;

9 “(ix) 35 percent of such funds for fiscal year
10 2012; and

11 “(x) 41 percent of such funds for fiscal year
12 2013.”; and

13 (2) in subparagraph (B)—

14 (A) by striking clause (i); and

15 (B) by redesignating clauses (ii) and (iii)

16 as clauses (i) and (ii), respectively.

17 **SEC. 3002. RESERVATION OF CHILD CARE AND DEVELOP-**

18 **MENT BLOCK GRANT FUNDS FOR INFANTS**

19 **AND TODDLERS.**

20 Section 658G of the Child Care and Development
21 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

22 (1) by striking the heading and inserting the
23 following:

1 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
2 **CHILD CARE AND ACTIVITIES FOR INFANTS**
3 **AND TODDLERS.”;**

4 (2) by inserting before “A State” the following:

5 “(a) ACTIVITIES TO IMPROVE THE QUALITY OF
6 CHILD CARE.—”; and

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

8 “(b) ACTIVITIES FOR INFANTS AND TODDLERS.—A
9 State that receives funds to carry out this subchapter
10 (other than section 658H) for a fiscal year shall use, for
11 activities that are designed to improve and expand child
12 care for children from birth through age 3, not less than—

13 “(1) 5 percent of such funds for fiscal year
14 2004;

15 “(2) 6 percent of such funds for fiscal year
16 2005;

17 “(3) 7 percent of such funds for fiscal year
18 2006;

19 “(4) 8 percent of such funds for fiscal year
20 2007;

21 “(5) 9 percent of such funds for fiscal year
22 2008; and

23 “(6) 10 percent of such funds for fiscal year
24 2009.”.

1 **Subtitle B—Child Care Access**
2 **CHAPTER 1—IMPROVING ACCESS TO**
3 **CHILD CARE**

4 **SEC. 3011. INCENTIVE GRANTS TO STATES.**

5 The Child Care and Development Block Grant Act
6 of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting
7 after section 658G the following:

8 **“SEC. 658H. INCENTIVE GRANTS TO STATES.**

9 “(a) **AUTHORITY.—**

10 “(1) **IN GENERAL.—**The Secretary shall use the
11 amount made available under section 658B(b) for a
12 fiscal year to make grants to eligible States, and In-
13 dian tribes and tribal organizations, in accordance
14 with this section.

15 “(2) **ANNUAL PAYMENTS.—**The Secretary shall
16 make an annual payment for such a grant to each
17 eligible State, and for Indian tribes and tribal orga-
18 nizations, out of the corresponding allotment deter-
19 mined under subsection (b).

20 “(b) **ALLOTMENTS.—**For each fiscal year, the Sec-
21 retary shall allot to each eligible State (and to Indian
22 tribes and tribal organizations) an amount that bears the
23 same ratio to the amount made available under section
24 658B(b) for the fiscal year as the amount the State (or
25 the Indian tribes and tribal organizations) receive under

1 section 658O for the fiscal year bears to the total amount
2 received by all eligible States (and Indian tribes and tribal
3 organizations) under that section for the fiscal year.

4 “(c) ELIGIBLE STATES.—

5 “(1) IN GENERAL.—To be eligible to receive a
6 grant under this section, a State shall—

7 “(A) have conducted a survey of the mar-
8 ket rates for child care services in the State
9 within the 2 years preceding the date of the
10 submission of an application under paragraph
11 (2); and

12 “(B) submit an application in accordance
13 with paragraph (2).

14 “(2) APPLICATION.—

15 “(A) IN GENERAL.—To be eligible to re-
16 ceive a grant under this section, a State shall
17 submit an application to the Secretary at such
18 time, in such manner, and accompanied by such
19 information, in addition to the information re-
20 quired under subparagraph (B), as the Sec-
21 retary may require.

22 “(B) INFORMATION REQUIRED.—Each ap-
23 plication submitted for a grant under this sec-
24 tion shall—

1 “(i) detail the methodology and re-
2 sults of the State market rates survey con-
3 ducted pursuant to paragraph (1)(A);

4 “(ii) describe the State’s plan to in-
5 crease payment rates from the initial base-
6 line determined under clause (i);

7 “(iii) describe how the State will in-
8 crease payment rates in accordance with
9 the market survey results, for all types of
10 child care providers who provide services
11 for which assistance is made available
12 under this subchapter;

13 “(iv) describe how payment rates will
14 be set to reflect the variations in the cost
15 of providing care for children of different
16 ages and different types of care; and

17 “(v) describe how the State will
18 prioritize increasing payment rates for—

19 “(I) care of higher-than-average
20 quality, such as care by accredited
21 providers or care that includes the
22 provision of comprehensive services;
23 and

24 “(II) care that is difficult to find,
25 such as care provided at nonstandard

1 hours, care for children with special
2 needs, care in low-income and rural
3 communities, and care of a type that
4 is in short supply.

5 “(3) CONTINUING ELIGIBILITY REQUIRE-
6 MENT.—

7 “(A) SECOND AND SUBSEQUENT PAY-
8 MENTS.—A State shall be eligible to receive a
9 second or subsequent annual payment under
10 this section only if the Secretary determines
11 that the State has made progress, through the
12 activities assisted under this subchapter, in
13 maintaining increased payment rates.

14 “(B) THIRD AND SUBSEQUENT PAY-
15 MENTS.—A State shall be eligible to receive a
16 third or subsequent annual payment under this
17 section only if the State has conducted, at least
18 once every 2 years, an update of the survey de-
19 scribed in paragraph (1)(A).

20 “(4) REQUIREMENT OF MATCHING FUNDS.—

21 “(A) IN GENERAL.—To be eligible to re-
22 ceive a grant under this section, a State shall
23 agree to make available State contributions
24 from State sources toward the costs of the ac-
25 tivities to be carried out by the State pursuant

1 to subsection (d) in an amount that is not less
2 than 20 percent of such costs.

3 “(B) DETERMINATION OF STATE CON-
4 TRIBUTIONS.—The State contributions shall be
5 in cash. Amounts provided by the Federal Gov-
6 ernment may not be included in determining
7 the amount of such State contributions.

8 “(d) USE OF FUNDS.—An eligible State that receives
9 funds through a grant made under this section shall use
10 the funds to significantly increase the payment rate for
11 the provision of child care services for which assistance
12 is provided under this subchapter, up to the 150th per-
13 centile of the market rate determined under the market
14 rate survey described in subsection (c)(1)(A).

15 “(e) EVALUATIONS AND REPORTS.—

16 “(1) STATE EVALUATIONS.—Each eligible State
17 shall submit to the Secretary, at such time and in
18 such form and manner as the Secretary may require,
19 information regarding the State’s efforts to increase
20 payment rates and the impact increased payment
21 rates are having on the quality of, and accessibility
22 to, child care in the State.

23 “(2) REPORTS TO CONGRESS.—The Secretary
24 shall submit biennial reports to Congress on the in-
25 formation described in paragraph (1). Such reports

1 shall include data from the applications submitted
2 under subsection (c)(2) as a baseline for determining
3 the progress of each eligible State in maintaining in-
4 creased payment rates.

5 “(f) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—
6 The Secretary shall determine the manner in which and
7 the extent to which the provisions of this section apply
8 to Indian tribes and tribal organizations.

9 “(g) PAYMENT RATE.—In this section, the term ‘pay-
10 ment rate’ means the rate of reimbursement to providers
11 for subsidized child care.”.

12 **SEC. 3012. PAYMENT RATES.**

13 Section 658E(c)(4) of the Child Care and Develop-
14 ment Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4))
15 is amended—

16 (1) by redesignating subparagraph (B) as sub-
17 paragraph (C);

18 (2) in subparagraph (A), by striking “to com-
19 parable child care services” and inserting “to child
20 care services that are comparable (in terms of qual-
21 ity and types of services provided) to child care serv-
22 ices”; and

23 (3) by inserting after subparagraph (A) the fol-
24 lowing:

25 “(B) PAYMENT RATES.—

1 “(i) SURVEYS.—In order to provide
2 the certification described in subparagraph
3 (A), the State shall conduct market rate
4 surveys (that reflect variations in the cost
5 of child care services by locality) not less
6 often than at 2-year intervals, and use the
7 results of such surveys to implement pay-
8 ment rates described in subparagraph (A)
9 that ensure equal access to comparable
10 services as required by subparagraph (A).

11 “(ii) COST OF LIVING ADJUST-
12 MENTS.—The State shall adjust the pay-
13 ment rates at intervals between such sur-
14 veys to reflect increases in the cost of liv-
15 ing, in such manner as the Secretary may
16 specify.

17 “(iii) RATES FOR DIFFERENT AGES
18 AND TYPES OF CARE.—The State shall en-
19 sure that the payment rates reflect vari-
20 ations in the cost of providing child care
21 services for children of different ages and
22 providing different types of care.”.

1 **CHAPTER 2—IMPROVEMENTS IN ACCESS**
2 **TO CHILD CARE**

3 **SEC. 3111. GOALS.**

4 Section 658A(b) of the Child Care and Development
5 Block Grant Act of 1990 (42 U.S.C. 9801 note) is amend-
6 ed—

7 (1) in paragraph (4), by striking “assistance;
8 and” and inserting “assistance, and to other low-in-
9 come parents;”;

10 (2) in paragraph (5)—

11 (A) by inserting “training,” after “safe-
12 ty,”; and

13 (B) by striking the period and inserting “;
14 and”; and

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

16 “(6) to assist States to provide access to high
17 quality child care that promotes early learning and
18 facilitates school readiness for all children, including
19 children with disabilities or other special needs.”.

20 **SEC. 3112. AUTHORIZATION OF APPROPRIATIONS.**

21 (a) CHILD CARE AND DEVELOPMENT BLOCK GRANT
22 ACT OF 1990.—Section 658B of the Child Care and De-
23 velopment Block Grant Act of 1990 (42 U.S.C. 9858) is
24 amended to read as follows:

1 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) IN GENERAL.—There are authorized to be ap-
3 propriated to carry out this subchapter (other than section
4 658H)—

5 “(1) \$3,500,000,000 for fiscal year 2004;

6 “(2) \$4,400,000,000 for fiscal year 2005;

7 “(3) \$5,300,000,000 for fiscal year 2006;

8 “(4) \$6,200,000,000 for fiscal year 2007;

9 “(5) \$7,550,000,000 for fiscal year 2008;

10 “(6) \$8,900,000,000 for fiscal year 2009;

11 “(7) \$10,700,000,000 for fiscal year 2010;

12 “(8) \$12,950,000,000 for fiscal year 2011;

13 “(9) \$16,100,000,000 for fiscal year 2012; and

14 “(10) \$20,159,000,000 for fiscal year 2013.

15 “(b) AUTHORIZATION FOR PAYMENT RATES.—There
16 are authorized to be appropriated to carry out section
17 658H \$500,000,000 for fiscal year 2004 and such sums
18 as may be necessary for each of fiscal years 2005 through
19 2013.”.

20 (b) SOCIAL SECURITY ACT.—Section 418(a)(3) of
21 the Social Security Act (42 U.S.C. 618(a)(3)) is amended
22 by striking subparagraphs (A) through (F) and inserting
23 the following:

24 “(A) \$3,817,000,000 for fiscal year 2004;

25 “(B) \$4,917,000,000 for fiscal year 2005;

26 “(C) \$6,017,000,000 for fiscal year 2006;

1 “(D) \$7,117,000,000 for fiscal year 2007;
 2 “(E) \$8,767,000,000 for fiscal year 2008;
 3 “(F) \$10,417,000,000 for fiscal year 2009;
 4 “(G) \$12,617,000,000 for fiscal year 2010;
 5 “(H) \$15,367,000,000 for fiscal year
 6 2011;
 7 “(I) \$19,217,000,000 for fiscal year 2012;
 8 and
 9 “(J) \$24,178,000,000 for fiscal year
 10 2013.”.

11 **SEC. 3113. STATE PLAN REQUIREMENTS.**

12 Section 658E(c) of the Child Care and Development
 13 Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amend-
 14 ed—

15 (1) in paragraph (2), by striking subparagraph
 16 (D) and inserting the following:

17 “(D) CONSUMER AND CHILD CARE PRO-
 18 VIDER INFORMATION.—

19 “(i) CERTIFICATION.—Certify that
 20 the State will collect and disseminate,
 21 through organizations (including organiza-
 22 tions that provide resource and referral
 23 services) and through other means as de-
 24 termined appropriate by the State, to par-
 25 ents of eligible children and the general

1 public, consumer education information
2 that will promote informed child care
3 choices, including information about qual-
4 ity child care that meets the social, emo-
5 tional, physical, and cognitive develop-
6 mental needs of children.

7 “(ii) DESCRIPTION.—Describe how
8 the State will—

9 “(I) ensure that staff from the
10 lead agency will coordinate activities
11 with the staff of the State program
12 funded under part A of title IV of the
13 Social Security Act (42 U.S.C. 601 et
14 seq.) to inform parents who are apply-
15 ing for, receiving, or ending assistance
16 under the State program about eligi-
17 bility for assistance under this sub-
18 chapter and local resource and refer-
19 ral services; and

20 “(II) inform other low-income
21 parents about such eligibility and
22 services.”; and

23 (C) by adding at the end the following new
24 subparagraphs:

1 “(I) ENHANCEMENT OF PARENTAL AC-
2 CESS.—Describe how the State will improve pa-
3 rental access to eligibility procedures during the
4 process of establishing eligibility in order to ob-
5 tain or retain assistance under this subchapter,
6 including improving access by simplifying appli-
7 cations for assistance and otherwise simplifying
8 the process by adopting procedures and prac-
9 tices such as—

10 “(i) posting eligibility forms and infor-
11 mation about needed documentation on
12 State websites and in other places fre-
13 quented by parents with children such as
14 libraries, health care facilities, schools, and
15 offices of the special supplemental nutri-
16 tion program for women, infants, and chil-
17 dren established by section 17 of the Child
18 Nutrition Act of 1966 (42 U.S.C. 1786);

19 “(ii) minimizing requests for docu-
20 mentation, and utilizing documents already
21 on file;

22 “(iii) providing applications at mul-
23 tiple sites;

24 “(iv) offering nonconventional hours
25 of operation at eligibility offices and pro-

1 viding toll-free telephone lines, including
2 during evening and weekend hours, to han-
3 dle eligibility issues;

4 “(v) providing expedited procedures
5 for changing child care providers;

6 “(vi) calculating eligibility in a way
7 that permits the averaging of hours of em-
8 ployment or participation in a job training
9 or educational program, or of income,
10 across a number of months, in order to
11 provide for continuing eligibility without
12 the necessity for frequent reporting of
13 small changes in family circumstances; and

14 “(vii) establishing a coordinated,
15 seamless eligibility system so that, regard-
16 less of the source of funding for the assist-
17 ance, families do not have to file additional
18 applications and the assistance is provided
19 in a way that does not disrupt families and
20 supports continuity of care.

21 “(J) ELIGIBILITY REDETERMINATION.—

22 “(i) REDETERMINATION PROCESS.—
23 Demonstrate that for the purposes of rede-
24 termination of eligibility of a child under
25 this subchapter, and for the reporting of

1 changes as provided for in clauses (iii) and
2 (iv), the State will have in place procedures
3 that allow a working parent access to the
4 redetermination process and allow for the
5 reporting of changes without unduly dis-
6 rupting the parent's employment, which
7 procedures may include—

8 “(I) the provision of extended of-
9 fice hours such as office hours before
10 8 a.m., after 6 p.m., or on the week-
11 end; and

12 “(II) the use of postal mail or
13 electronic communications such as
14 communications by telephone, fax, or
15 electronic mail, and provision of a re-
16 ceipt providing confirmation.

17 “(ii) MINIMUM PERIOD.—Dem-
18 onstrate that each child that receives as-
19 sistance under this subchapter in the State
20 will receive such assistance for not less
21 than 1 year before the State redetermines
22 the eligibility of the child under this sub-
23 chapter, except as provided in clauses (iii)
24 and (iv).

1 “(iii) CHILD NO LONGER LIVING IN
2 THE HOME.—Demonstrate that the State
3 will ensure that policies and procedures are
4 in place to require that a parent report to
5 the lead agency, during the period prior to
6 redetermination, if the family no longer
7 needs assistance under this subchapter for
8 a child because the child is no longer in
9 the home.

10 “(iv) PARENT NO LONGER ENGAGED
11 IN WORK-RELATED ACTIVITIES.—

12 “(I) IN GENERAL.—Demonstrate
13 that the State will ensure that policies
14 and procedures are in place to require
15 that a parent report to the lead agen-
16 cy, during the period prior to redeter-
17 mination, the loss of work or cessation
18 of attendance of a job training or edu-
19 cational program for which the family
20 was receiving assistance under this
21 subchapter.

22 “(II) PERIOD BEFORE TERMI-
23 NATION.—At the option of the State,
24 demonstrate that the State will not
25 terminate the assistance based on the

1 loss of work or cessation of attend-
2 ance without continuing the assistance
3 for a reasonable period of time, of not
4 less than 1 month, after such loss or
5 cessation in order for the parent to
6 engage in a job search and resume
7 work, or resume attendance of a job
8 training or educational program, as
9 soon as possible.

10 “(K) INFORMATION ON FOOD PRO-
11 GRAMS.—Certify that the State will collect and
12 disseminate, to each child care provider that
13 provides services for which assistance is made
14 available under this subchapter, materials that
15 include—

16 “(i) an explanation of the benefits,
17 and the importance to children and pro-
18 viders, of the child and adult care food
19 program established under section 17 of
20 the Richard B. Russell National School
21 Lunch Act (42 U.S.C. 1766); and

22 “(ii) information concerning how ben-
23 efits under the program may be obtained.

24 “(L) NO SUPPLANTING OF PRIOR SPEND-
25 ING.—

1 “(i) REPORT.—Report the amount of
2 Federal funds (other than funds made
3 available under this subchapter or section
4 418 of the Social Security Act (42 U.S.C.
5 618)), State funds, and local funds (to the
6 extent such local funds were counted to-
7 ward State matching or maintenance of ef-
8 fort obligations under this subchapter or
9 that section 418), that were expended in
10 the State to provide assistance for child
11 care services and to improve the quality of
12 child care services provided in the State
13 during fiscal year 2002.

14 “(ii) ASSURANCE.—Provide an assur-
15 ance that funds made available to the
16 State under this subchapter or that section
17 418 will be used to supplement and not
18 supplant the Federal funds (other than
19 funds made available under this sub-
20 chapter or that section 418), State funds,
21 and local funds (to the extent such local
22 funds were counted toward State matching
23 or maintenance of effort obligations under
24 this subchapter or that section 418), that
25 were expended in the State to provide as-

1 sistance for such services and to improve
 2 the quality of such services provided in the
 3 State during fiscal year 2002.”.

4 **SEC. 3114. FUNDS FOR INDIAN TRIBES.**

5 (a) INCREASE IN RESERVATION.—Section
 6 6580(a)(2) of the Child Care and Development Block
 7 Grant Act of 1990 (42 U.S.C. 9858m(a)(2)) is amended
 8 by striking “1 percent, and not more than 2 percent,” and
 9 inserting “2 percent”.

10 (b) PAYMENTS FOR THE BENEFIT OF INDIAN CHIL-
 11 DREN.—

12 (1) CHILD CARE SERVICES REQUIREMENTS.—
 13 Section 6580(c)(2) of the Child Care and Develop-
 14 ment Block Grant Act of 1990 (42 U.S.C.
 15 9858m(c)(2)) is amended by adding at the end the
 16 following:

17 “(D) CHILD CARE SERVICES REQUIRE-
 18 MENTS.—The applicant will—

19 “(i) establish requirements applicable
 20 to child care services (including require-
 21 ments designed to protect the health and
 22 safety of children), which shall—

23 “(I) be stated in the application;
 24 and

1 “(II) notwithstanding any other
2 provision of law, including subpara-
3 graphs (E), (F), and (G) of section
4 658E(c)(2), be the child care services
5 requirements applicable to child care
6 providers that receive funds from the
7 applicant to provide services under
8 this subchapter; and

9 “(ii) submit such reports to the Sec-
10 retary concerning compliance with the re-
11 quirements as the Secretary may require.”.

12 (2) NEGOTIATED RULEMAKING.—Section
13 658O(c) of the Child Care and Development Block
14 Grant Act of 1990 (42 U.S.C. 9858m(c)) is amend-
15 ed—

16 (A) by redesignating paragraphs (4), (5),
17 and (6) as paragraphs (5), (6), and (7), respec-
18 tively; and

19 (B) by inserting after paragraph (3) the
20 following:

21 “(4) NEGOTIATED RULEMAKING.—In deter-
22 mining the amount of the base amount provided to
23 Indian tribes and tribal organizations under this
24 subsection, the Secretary shall conduct a negotiated
25 rulemaking. The Secretary shall include in the nego-

1 tiated rulemaking committee representatives of the
2 Indian tribes and tribal organizations that the Sec-
3 retary determines to be eligible to receive grants or
4 contracts under this subsection. The Secretary shall
5 conduct the negotiated rulemaking in accordance
6 with subchapter III of chapter 5 of title 5, United
7 States Code, as in effect on November 28, 1996.”.

8 (3) CONSTRUCTION OR RENOVATION.—Para-
9 graph (7)(C) of section 6580(c) of the Child Care
10 and Development Block Grant Act of 1990 (as re-
11 designated by paragraph (2)(A)) is amended—

12 (A) by striking “The” and inserting the
13 following:

14 “(i) IN GENERAL.—Except as pro-
15 vided in clause (ii), the”; and

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

17 “(ii) TEMPORARY DECREASE.—The
18 Secretary may permit an Indian tribe or
19 tribal organization to use amounts pro-
20 vided under this subsection for construc-
21 tion or renovation even if such use will re-
22 sult in a temporary decrease described in
23 clause (i), if—

24 “(I) the Secretary determines
25 that the construction or renovation

1 will enable the tribe or organization to
 2 increase, in fiscal years subsequent to
 3 the year for which the determination
 4 under subparagraph (B) is made, the
 5 level of child care services provided by
 6 the tribe or organization as compared
 7 to the level of such services provided
 8 by the tribe or organization in the fis-
 9 cal year for which the determination
 10 is made; and

11 “(II) the tribe or organization
 12 submits to the Secretary, and obtains
 13 approval of, a multi-year plan for the
 14 construction or renovation.”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) Section 658E(c)(2)(E) of the Child Care
 17 and Development Block Grant Act of 1990 (42
 18 U.S.C. 9858c(e)(2)(E) is amended—

19 (A) by striking the following:

20 “(E) COMPLIANCE WITH STATE LICENSING
 21 REQUIREMENTS.—

22 “(i) IN GENERAL.—Certify” and in-
 23 sserting the following:

24 “(E) COMPLIANCE WITH STATE LICENSING
 25 REQUIREMENTS.—Certify”; and

1 (B) by striking clause (ii).

2 (2) Section 658F(b)(1) of the Child Care and
3 Development Block Grant Act of 1990 (42 U.S.C.
4 9858d(b)(1)) is amended by striking “658O(c)(6)”
5 and inserting “658O(c)(7)”.

6 **SEC. 3115. DEFINITIONS.**

7 Section 658P(4)(C) of the Child Care and Develop-
8 ment Block Grant Act of 1990 (42 U.S.C. 9858n(4)(C))
9 is amended—

10 (1) in clause (i), by striking “or” at the end;

11 (2) in clause (ii), by striking the period and in-
12 serting “; or”; and

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

14 “(iii) is a foster child.”.

15 **Subtitle C—Child Care Quality**
16 **Improvement**

17 **CHAPTER 1—FOCUS ON COMMITTED AND**
18 **UNDERPAID STAFF FOR CHILDREN’S**
19 **SAKE**

20 **SEC. 3201. SHORT TITLE.**

21 This chapter may be cited as the “Focus On Com-
22 mitted and Underpaid Staff for Children’s Sake Act” or
23 as the “FOCUS Act”.

1 **SEC. 3202. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Research on early brain development and
5 early childhood demonstrates that the experiences
6 children have and the attachments children form
7 early in life have a decisive, long-lasting impact on
8 their later development and learning.

9 (2) High-quality, developmentally appropriate
10 child care beginning in early childhood and con-
11 tinuing through the years that children are in school
12 improves the scholastic success and educational at-
13 tainment of children, and the success and attain-
14 ment persist into adulthood.

15 (3) According to a growing body of research,
16 the single most important determinant of child care
17 quality is the presence of consistent, sensitive, well-
18 trained, and well-compensated child care providers.
19 However, child care programs nationwide experience
20 high turnover in teaching staff, fueled by poor com-
21 pensation and few opportunities for advancement.

22 (4) The Department of Labor reports that, in
23 2001, the average wage for a child care provider was
24 \$8.16 per hour, or \$16,980 annually. For full-time,
25 full-year work, the average annual wage for a child
26 care provider was not much above the 2001 poverty

1 line of \$14,630 for a family consisting of a parent
2 and 2 children. Family child care providers earned
3 even less. The median weekly wage of a family child
4 care provider in 2001 was \$264, which equals an an-
5 nual wage of \$13,728.

6 (5) Despite the important role child care pro-
7 viders may play in early child development and
8 learning, on average, a child care provider earns less
9 in a year than a bus driver (\$29,430), barber
10 (\$21,190), or janitor (\$19,800).

11 (6) Employer-sponsored benefits are minimal
12 for most child care staff. Even for child care pro-
13 viders at child care centers, the availability of health
14 care coverage for staff remains woefully inadequate.

15 (7) To offer compensation that would be suffi-
16 cient to attract and retain qualified child care pro-
17 viders, child care programs would have to charge
18 parents fees that many parents could not afford. For
19 programs that serve low-income children whose fami-
20 lies qualify for Federal and State child care sub-
21 sidies, the reimbursement rates set by the State
22 strongly influence the level of compensation that
23 staff receive. Current reimbursement rates for cen-
24 ter-based child care services and family child care
25 services are insufficient to recruit and retain quali-

1 fied child care providers and to ensure high-quality
2 services for children.

3 (8) Teachers leaving the profession are being
4 replaced by staff with less education and formal
5 training in early child development.

6 (9) As a result of low wages and limited bene-
7 fits, many child care providers do not work for long
8 periods in the child care field. Approximately 30 per-
9 cent of all teaching staff employed at child care cen-
10 ters leaves employment with a child care center each
11 year.

12 (10) Child care providers, as well as the chil-
13 dren, families, and businesses that depend upon the
14 providers, suffer the consequences of inadequate
15 compensation. This is true, with few exceptions, for
16 providers in all types of programs, including sub-
17 sidized and nonsubsidized programs, programs of-
18 fered by for-profit and nonprofit entities, and pro-
19 grams in large and small child care settings.

20 (11) Because of the severe nationwide shortage
21 of qualified staff available for employment by child
22 care programs, several States have recently initiated
23 programs to improve the quality of child care by in-
24 creasing the training and compensation of child care
25 providers. Such programs encourage the training,

1 education, and increased retention of qualified child
2 care providers by offering financial incentives, in-
3 cluding scholarships and increases in compensation,
4 that range from \$350 to \$6,500 annually.

5 (b) PURPOSES.—The purposes of this chapter are—

6 (1) to establish the Child Care Provider Devel-
7 opment and Retention Grant Program and the Child
8 Care Provider Scholarship Program; and

9 (2) to help children receive the high quality
10 child care and early education the children need for
11 positive cognitive and social development, by reward-
12 ing and promoting the retention of committed, quali-
13 fied child care providers and by providing financial
14 assistance to improve the educational qualifications
15 of child care providers.

16 **SEC. 3203. DEFINITIONS.**

17 In this chapter:

18 (1) CHILD CARE PROVIDER.—The term “child
19 care provider” means an individual who provides a
20 service directly to a child on a person-to-person basis
21 for compensation for—

22 (A) a center-based child care provider that
23 is licensed or regulated under State or local law
24 and that satisfies the State and local require-

1 ments applicable to the child care services pro-
2 vided;

3 (B) a licensed or regulated family child
4 care provider that satisfies the State and local
5 requirements applicable to the child care serv-
6 ices provided; or

7 (C) an out-of-school time program that is
8 licensed or regulated under State or local law
9 and that satisfies the State and local require-
10 ments applicable to the child care services pro-
11 vided.

12 (2) FAMILY CHILD CARE PROVIDER.—The term
13 “family child care provider” has the meaning given
14 such term in section 658P of the Child Care and
15 Development Block Grant Act of 1990 (42 U.S.C.
16 9858n).

17 (3) INDIAN TRIBE.—The term “Indian tribe”
18 has the meaning given such term in section 4 of the
19 Indian Self-Determination and Education Assistance
20 Act (25 U.S.C. 450b).

21 (4) IN-KIND CONTRIBUTION.—The term “in-
22 kind contribution” means payment of the costs of
23 participation of eligible child care providers in health
24 insurance programs or retirement programs.

1 (5) LEAD AGENCY.—The term “lead agency”
2 means the agency designated under section 658D of
3 the Child Care and Development Block Grant Act of
4 1990 (42 U.S.C. 9858b).

5 (6) SECRETARY.—The term “Secretary” means
6 the Secretary of Health and Human Services.

7 (7) STATE.—The term “State” means any of
8 the several States, the District of Columbia, the
9 Commonwealth of Puerto Rico, Guam, American
10 Samoa, or the Commonwealth of the Northern Mar-
11 iana Islands.

12 (8) TRIBAL ORGANIZATION.—The term “tribal
13 organization” has the meaning given the term in
14 section 4 of the Indian Self-Determination and Edu-
15 cation Assistance Act (25 U.S.C. 450b).

16 **SEC. 3204. FUNDS FOR CHILD CARE PROVIDER DEVELOP-**
17 **MENT AND RETENTION GRANTS AND FOR**
18 **CHILD CARE PROVIDER SCHOLARSHIPS.**

19 (a) IN GENERAL.—The Secretary may allot and dis-
20 tribute funds appropriated to carry out this chapter to eli-
21 gible States and Indian tribes and tribal organizations to
22 pay for the Federal share of the cost of making grants
23 under sections 3207 and 3208 to eligible child care pro-
24 viders.

1 (b) ALLOTMENTS.—The funds shall be allotted and
2 distributed by the Secretary in accordance with section
3 3205, and expended by the States (directly, or at the op-
4 tion of the States, through units of general purpose local
5 government), and by Indian tribes and tribal organiza-
6 tions, in accordance with this chapter.

7 **SEC. 3205. ALLOTMENTS TO STATES.**

8 (a) AMOUNTS RESERVED.—

9 (1) TERRITORIES AND POSSESSIONS.—The Sec-
10 retary shall reserve not more than $\frac{1}{2}$ of 1 percent
11 of the funds appropriated to carry out this chapter
12 for any fiscal year for distribution to Guam, Amer-
13 ican Samoa, and the Commonwealth of the Northern
14 Mariana Islands, to be allotted in accordance with
15 their respective needs, to plan and carry out pro-
16 grams and activities to encourage child care pro-
17 viders to improve their qualifications and to retain
18 qualified child care providers in the child care field.

19 (2) INDIAN TRIBES AND TRIBAL ORGANIZA-
20 TIONS.—The Secretary shall reserve not more than
21 3 percent of the funds appropriated to carry out this
22 chapter for any fiscal year for payments to Indian
23 tribes and tribal organizations with applications ap-
24 proved under subsection (c), to plan and carry out
25 programs and activities to encourage child care pro-

1 viders to improve their qualifications and to retain
2 qualified child care providers in the child care field.

3 (b) ALLOTMENTS TO REMAINING STATES.—

4 (1) GENERAL AUTHORITY.—From the funds
5 appropriated to carry out this chapter for any fiscal
6 year and remaining after the reservations made
7 under subsection (a), the Secretary shall allot to
8 each State (excluding Guam, American Samoa, and
9 the Commonwealth of the Northern Mariana Is-
10 lands) an amount equal to the sum of—

11 (A) an amount that bears the same ratio
12 to 50 percent of such remainder as the product
13 of the young child factor of the State and the
14 allotment percentage of the State bears to the
15 sum of the corresponding products for all
16 States; and

17 (B) an amount that bears the same ratio
18 to 50 percent of such remainder as the product
19 of the school lunch factor of the State and the
20 allotment percentage of the State bears to the
21 sum of the corresponding products for all
22 States.

23 (2) YOUNG CHILD FACTOR.—In this subsection,
24 the term “young child factor” means the ratio of the
25 number of children under 5 years of age in the State

1 to the number of such children in all the States, as
2 determined according to the most recent annual esti-
3 mates of population in the States, as provided by the
4 Bureau of the Census.

5 (3) SCHOOL LUNCH FACTOR.—In this sub-
6 section, the term “school lunch factor” means the
7 ratio of the number of children who are receiving
8 free or reduced price lunches under the school lunch
9 program established under the Richard B. Russell
10 National School Lunch Act (42 U.S.C. 1751 et seq.)
11 in the State to the number of such children in all
12 the States, as determined annually by the Depart-
13 ment of Agriculture.

14 (4) ALLOTMENT PERCENTAGE.—

15 (A) IN GENERAL.—Except as provided in
16 subparagraph (B), for purposes of this sub-
17 section, the allotment percentage for a State
18 shall be determined by dividing the per capita
19 income of all individuals in the United States,
20 by the per capita income of all individuals in
21 the State.

22 (B) LIMITATIONS.—For purposes of this
23 subsection, if an allotment percentage deter-
24 mined under subparagraph (A)—

1 (i) is more than 1.2 percent, the allot-
2 ment percentage of that State shall be con-
3 sidered to be 1.2 percent; and

4 (ii) is less than 0.8 percent, the allot-
5 ment percentage of the State shall be con-
6 sidered to be 0.8 percent.

7 (C) PER CAPITA INCOME.—For purposes
8 of subparagraph (A), per capita income shall
9 be—

10 (i) determined at 2-year intervals;

11 (ii) applied for the 2-year period be-
12 ginning on October 1 of the first fiscal
13 year beginning after the date such deter-
14 mination is made; and

15 (iii) equal to the average of the an-
16 nual per capita incomes for the most re-
17 cent period of 3 consecutive years for
18 which satisfactory data are available from
19 the Department of Commerce at the time
20 such determination is made.

21 (c) PAYMENTS TO INDIAN TRIBES AND TRIBAL OR-
22 GANIZATIONS.—

23 (1) RESERVATION OF FUNDS.—From amounts
24 reserved under subsection (a)(2), the Secretary may
25 make grants to or enter into contracts with Indian

1 tribes and tribal organizations that submit applica-
2 tions under this subsection, to plan and carry out
3 programs and activities to encourage child care pro-
4 viders to improve their qualifications and to retain
5 qualified child care providers in the child care field.

6 (2) APPLICATIONS AND REQUIREMENTS.—To
7 be eligible to receive a grant or contract under this
8 subsection, an Indian tribe or tribal organization
9 shall submit an application to the Secretary at such
10 time, in such manner, and containing such informa-
11 tion as the Secretary may require. The application
12 shall provide that the applicant—

13 (A) will coordinate the programs and ac-
14 tivities involved, to the maximum extent prac-
15 ticable, with the lead agency in each State in
16 which the applicant will carry out such pro-
17 grams and activities; and

18 (B) will make such reports on, and conduct
19 such audits of the funds made available through
20 the grant or contract for, programs and activi-
21 ties under this chapter as the Secretary may re-
22 quire.

23 (d) DATA AND INFORMATION.—The Secretary shall
24 obtain from each appropriate Federal agency, the most re-

1 cent data and information necessary to determine the al-
2 lotments provided for in subsection (b).

3 (e) REALLOTMENTS.—

4 (1) IN GENERAL.—Any portion of the allotment
5 under subsection (b) to a State for a fiscal year that
6 the Secretary determines will not be distributed to
7 the State for such fiscal year shall be reallocated by
8 the Secretary to other States in proportion to the
9 original allotments made under such subsection to
10 such States for such fiscal year.

11 (2) LIMITATIONS.—

12 (A) REDUCTION.—The amount of any re-
13 allotment to which a State is entitled under this
14 subsection shall be reduced to the extent that
15 such amount exceeds the amount that the Sec-
16 retary estimates will be distributed to the State
17 to make grants under this chapter.

18 (B) REALLOTMENTS.—The amount of
19 such reduction shall be reallocated to States for
20 which no reduction in an allotment, or in a real-
21 lotment, is required by this subsection, in pro-
22 portion to the original allotments made under
23 subsection (b) to such States for such fiscal
24 year.

1 (3) AMOUNTS REALLOTTED.—For purposes of
2 this chapter (other than this subsection and sub-
3 section (b)), any amount reallocated to a State under
4 this subsection shall be considered to be part of the
5 allotment made under subsection (b) to the State.

6 (f) COST-SHARING.—

7 (1) FEDERAL SHARE.—The Federal share of
8 the cost of making grants under sections 3207 and
9 3208, with funds allotted under this section and dis-
10 tributed by the Secretary to a State, shall be—

11 (A) not more than 90 percent of the cost
12 of each grant made under such sections, in the
13 1st fiscal year for which the State receives such
14 funds;

15 (B) not more than 85 percent of the cost
16 of each grant made under such sections, in the
17 2d fiscal year for which the State receives such
18 funds;

19 (C) not more than 80 percent of the cost
20 of each grant made under such sections, in the
21 3d fiscal year for which the State receives such
22 funds; and

23 (D) not more than 75 percent of the cost
24 of each grant made under such sections, in any

1 subsequent fiscal year for which the State re-
2 ceives such funds.

3 (2) STATE SHARE.—The non-Federal share of
4 the cost of making such grants shall be paid by the
5 State in cash or in the form of an in-kind contribu-
6 tion, fairly evaluated by the Secretary.

7 (g) AVAILABILITY OF ALLOTTED FUNDS DISTRIB-
8 UTED TO STATES.—Of the funds allotted under this sec-
9 tion and distributed by the Secretary to a State for a fiscal
10 year—

11 (1) not less than 67.5 percent shall be available
12 to the State for grants under section 3207;

13 (2) not less than 22.5 percent shall be available
14 to the State for grants under section 3208; and

15 (3) not more than 10 percent shall be available
16 to pay administrative costs incurred by the State to
17 carry out this chapter.

18 **SEC. 3206. APPLICATION AND PLAN.**

19 (a) APPLICATION.—To be eligible to receive a dis-
20 tribution of funds allotted under section 3205, a State
21 shall submit to the Secretary an application at such time,
22 in such manner, and containing such information as the
23 Secretary may require by rule and shall include in such
24 application a State plan that satisfies the requirements of
25 subsection (b).

1 (b) REQUIREMENTS OF PLAN.—

2 (1) LEAD AGENCY.—The State plan shall iden-
3 tify the lead agency to make grants under this chap-
4 ter for the State.

5 (2) RECRUITMENT AND RETENTION OF CHILD
6 CARE PROVIDERS.—The State plan shall describe
7 how the lead agency will encourage both the recruit-
8 ment of eligible child care providers who are new to
9 the child care field and the retention of eligible child
10 care providers who have a demonstrated commit-
11 ment to the child care field.

12 (3) NOTIFICATION OF GRANT AVAILABILITY.—
13 The State plan shall describe how the lead agency
14 will identify all eligible child care providers in the
15 State and notify the providers of the availability of
16 grants under this chapter.

17 (4) DISTRIBUTION OF GRANTS.—The State
18 plan shall describe how the lead agency will make
19 grants under sections 3207 and 3208 to child care
20 providers in selected geographical areas in the State
21 in compliance with the following requirements:

22 (A) SELECTION OF GEOGRAPHICAL
23 AREAS.—For the purpose of making such
24 grants for a fiscal year, the State shall—

1 (i) select a variety of geographical
2 areas, determined by the State, that, col-
3 lectively—

4 (I) include urban areas, suburban
5 areas, and rural areas; and

6 (II) are areas whose residents
7 have diverse income levels; and

8 (ii) give special consideration to geo-
9 graphical areas selected under this sub-
10 paragraph for the preceding fiscal year.

11 (B) SELECTION OF CHILD CARE PRO-
12 VIDERS TO RECEIVE GRANTS.—In making
13 grants under section 3207, the State may make
14 grants only to eligible child care providers in
15 geographical areas selected under subparagraph
16 (A), but—

17 (i) may give special consideration in
18 such areas to eligible child care providers
19 who have attained a higher relevant edu-
20 cational credential, who provide a specific
21 kind of child care services, who provide
22 child care services to populations who meet
23 specific economic characteristics, or who
24 meet such other criteria as the State may
25 establish; and

1 (ii) shall give special consideration to
2 eligible child care providers who received a
3 grant under such section in the preceding
4 fiscal year.

5 (C) LIMITATION.—The State shall describe
6 how the State will ensure that grants made
7 under section 3207 to child care providers will
8 not be used to offset reductions in the com-
9 pensation of such providers.

10 (D) REPORTING REQUIREMENT.—With re-
11 spect to each particular geographical area se-
12 lected under subparagraph (A), the State shall
13 provide an assurance that the State will, for
14 each fiscal year for which such State receives a
15 grant under section 3207—

16 (i) include in the report required by
17 section 3209, detailed information regard-
18 ing—

19 (I) the continuity of employment
20 of the grant recipients as child care
21 providers with the same employer;

22 (II) with respect to each em-
23 ployer that employed such a grant re-
24 cipient, whether such employer was
25 accredited by a recognized national or

1 State accrediting body during the pe-
2 riod of employment; and

3 (III) to the extent practicable
4 and available to the State, the rate
5 and frequency of employment turnover
6 of qualified child care providers
7 throughout such area,
8 during the 2-year period ending on the
9 deadline for submission of applications for
10 grants under section 3207 for that fiscal
11 year; and

12 (ii) provide a follow-up report, not
13 later than 90 days after the end of the suc-
14 ceeding fiscal year that includes informa-
15 tion regarding—

16 (I) the continuity of employment
17 of the grant recipients as child care
18 providers with the same employer;

19 (II) with respect to each em-
20 ployer that employed such a grant re-
21 cipient, whether such employer was
22 accredited by a recognized national or
23 State accrediting body during the pe-
24 riod of employment; and

1 (III) to the extent practicable
2 and available to the State, detailed in-
3 formation regarding the rate and fre-
4 quency of employment turnover of
5 qualified child care providers through-
6 out such area,

7 during the 1-year period beginning on the
8 date on which the grant to the State was
9 made under section 3207.

10 (5) CHILD CARE PROVIDER DEVELOPMENT AND
11 RETENTION GRANT PROGRAM.—The State plan shall
12 describe how the lead agency will determine the
13 amounts of grants to be made under section 3207
14 in accordance with the following requirements:

15 (A) SUFFICIENT AMOUNTS.—The State
16 shall demonstrate that the amounts of indi-
17 vidual grants to be made under section 3207
18 will be sufficient—

19 (i) to encourage child care providers
20 to improve their qualifications; and

21 (ii) to retain qualified child care pro-
22 viders in the child care field.

23 (B) AMOUNTS TO CREDENTIALLED PRO-
24 VIDERS.—Such grants made to child care pro-
25 viders who have a child development associate

1 credential and who are employed full-time to
2 provide child care services shall be in an
3 amount that is not less than \$1,000 per year.

4 (C) AMOUNTS TO PROVIDERS WITH HIGH-
5 ER LEVELS OF EDUCATION.—The State shall
6 make such grants in amounts greater than
7 \$1,000 per year to child care providers who
8 have higher levels of education than the edu-
9 cation required for a credential such as a child
10 development associate credential, according to
11 the following requirements:

12 (i) PROVIDERS WITH BACCALAUREATE
13 DEGREES IN RELEVANT FIELDS.—A child
14 care provider who has a baccalaureate de-
15 gree in the area of child development or
16 early child education shall receive a grant
17 under section 3207 in an amount that is
18 not less than twice the amount of the
19 grant that is made under section 3207 to
20 a child care provider who has an associate
21 of the arts degree in the area of child de-
22 velopment or early child education.

23 (ii) PROVIDERS WITH ASSOCIATE DE-
24 GREES.—A child care provider who has an
25 associate of the arts degree in the area of

1 child development or early child education
2 shall receive a grant under section 3207 in
3 an amount that is not less than 150 per-
4 cent of the amount of the grant that is
5 made under section 3207 to a child care
6 provider who has a child development asso-
7 ciate credential and is employed full-time
8 to provide child care services.

9 (iii) OTHER PROVIDERS WITH BACCA-
10 LAUREATE DEGREES.—

11 (I) IN GENERAL.—Except as pro-
12 vided in subclause (II), a child care
13 provider who has a baccalaureate de-
14 gree in a field other than child devel-
15 opment or early child education shall
16 receive a grant under section 3207 in
17 an amount equal to the amount of the
18 grant that is made under section 3207
19 to a child care provider who has an
20 associate of the arts degree in the
21 area of child development or early
22 child education.

23 (II) EXCEPTION.—If a child care
24 provider who has such a baccalaureate
25 degree obtains additional educational

1 training in the area of child develop-
2 ment or early child education, as spec-
3 ified by the State, such provider shall
4 receive a grant under section 3207 in
5 an amount equal to the amount of the
6 grant that is made under section 3207
7 to a child care provider who has a
8 baccalaureate degree specified in
9 clause (i).

10 (D) AMOUNTS TO FULL-TIME PRO-
11 VIDERS.—The State shall make a grant under
12 section 3207 to a child care provider who works
13 full-time in a greater amount than the amount
14 of the grant that is made under section 3207
15 to a child care provider who works part-time,
16 based on the State definitions of full-time and
17 part-time work.

18 (E) AMOUNTS TO EXPERIENCED PRO-
19 VIDERS.—The State shall make grants under
20 section 3207 in progressively larger amounts to
21 child care providers to reflect the number of
22 years worked as child care providers.

23 (6) DISTRIBUTION OF CHILD CARE PROVIDER
24 SCHOLARSHIPS.—The State plan shall describe how
25 the lead agency will make grants for scholarships in

1 compliance with section 3208 and shall specify the
2 types of educational and training programs for
3 which the scholarship grants made under such sec-
4 tion may be used, including only programs that—

5 (A) are administered by institutions of
6 higher education that are eligible to participate
7 in student financial assistance programs under
8 title IV of the Higher Education Act of 1965
9 (20 U.S.C. 1070 et seq.); and

10 (B) lead to a State or nationally recog-
11 nized credential in the area of child develop-
12 ment or early child education, an associate of
13 the arts degree in the area of child development
14 or early child education, or a baccalaureate de-
15 gree in the area of child development or early
16 child education.

17 (7) EMPLOYER CONTRIBUTION.—The State
18 plan shall describe how the lead agency will encour-
19 age employers of child care providers to contribute
20 to the attainment of education goals by child care
21 providers who receive grants under section 3208.

22 (8) SUPPLEMENTATION.—The State plan shall
23 provide assurances that amounts received by the
24 State to carry out sections 3207 and 3208 will be
25 used only to supplement, and not to supplant, Fed-

1 eral, State, and local funds otherwise available to
2 support existing services and activities (as of the
3 date the amounts are used) that encourage child
4 care providers to improve their qualifications and
5 that promote the retention of qualified child care
6 providers in the child care field.

7 **SEC. 3207. CHILD CARE PROVIDER DEVELOPMENT AND RE-**
8 **TENTION GRANT PROGRAM.**

9 (a) IN GENERAL.—A State that receives funds allot-
10 ted under section 3205 and made available to carry out
11 this section shall expend such funds to make grants to
12 eligible child care providers in accordance with this sec-
13 tion, to improve the qualifications and promote the reten-
14 tion of qualified child care providers.

15 (b) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
16 ble to receive a grant under this section, a child care pro-
17 vider shall—

18 (1) have a child development associate creden-
19 tial or equivalent, an associate of the arts degree in
20 the area of child development or early child edu-
21 cation, a baccalaureate degree in the area of child
22 development or early child education, or a bacca-
23 laureate degree in an unrelated field; and

24 (2) be employed as a child care provider for not
25 less than 1 calendar year, or (if the provider is em-

1 employed on the date of the eligibility determination in
 2 a child care program that operates for less than a
 3 full calendar year) the program equivalent of 1 cal-
 4 endar year, ending on the date of the application for
 5 such grant, except that not more than 3 months of
 6 education related to child development or to early
 7 child education obtained during the corresponding
 8 calendar year may be treated as employment that
 9 satisfies the requirements of this paragraph.

10 (c) PRESERVATION OF ELIGIBILITY.—A State shall
 11 not take into consideration whether a child care provider
 12 is receiving, may receive, or may be eligible to receive any
 13 funds under section 3208 for purposes of selecting eligible
 14 child care providers to receive grants under this section.

15 **SEC. 3208. CHILD CARE PROVIDER SCHOLARSHIP PRO-**
 16 **GRAM.**

17 (a) IN GENERAL.—A State that receives funds allot-
 18 ted under section 3205 and made available to carry out
 19 this section shall expend such funds to make scholarship
 20 grants to eligible child care providers in accordance with
 21 this section, to improve their educational qualifications to
 22 provide child care services.

23 (b) ELIGIBILITY REQUIREMENT FOR SCHOLARSHIP
 24 GRANTS.—To be eligible to receive a scholarship grant
 25 under this section, a child care provider shall be employed

1 as a child care provider for not less than 1 calendar year,
2 or (if the provider is employed on the date of the eligibility
3 determination in a child care program that operates for
4 less than a full calendar year) the program equivalent of
5 1 calendar year, ending on the date of the application for
6 such grant.

7 (c) SELECTION OF GRANTEES.—For purposes of se-
8 lecting eligible child care providers to receive scholarship
9 grants under this section and determining the amounts of
10 such grants, a State shall not—

11 (1) take into consideration whether a child care
12 provider is receiving, may receive, or may be eligible
13 to receive any funds under any other provision of
14 this chapter, or under any other Federal or State
15 law that provides funds for educational purposes; or

16 (2) consider as resources of such provider any
17 funds such provider is receiving, may receive, or may
18 be eligible to receive under any other provision of
19 this chapter, under any other Federal or State law
20 that provides funds for educational purposes, or
21 from a private entity.

22 (d) COST-SHARING REQUIRED.—The amount of a
23 scholarship grant made under this section to an eligible
24 child care provider shall be less than the cost of the edu-
25 cational or training program for which such grant is made.

1 (e) ANNUAL MAXIMUM SCHOLARSHIP GRANT
2 AMOUNT.—The maximum aggregate dollar amount of a
3 scholarship grant made by a State to an eligible child care
4 provider under this section in a fiscal year shall be \$1,500.

5 **SEC. 3209. ANNUAL REPORT.**

6 A State that receives funds appropriated to carry out
7 this chapter for a fiscal year shall submit to the Secretary,
8 not later than 90 days after the end of such fiscal year,
9 a report—

10 (1) specifying the uses for which the State ex-
11 pended such funds, and the aggregate amount of
12 funds (including State funds) expended for each of
13 such uses;

14 (2) containing available data relating to grants
15 made with such funds, including—

16 (A) the number of child care providers who
17 received such grants;

18 (B) the amounts of such grants;

19 (C) any other information that describes or
20 evaluates the effectiveness of this chapter;

21 (D) the particular geographical areas se-
22 lected under section 3206 for the purpose of
23 making such grants;

24 (E) with respect to grants made under sec-
25 tion 3207—

- 1 (i) the number of years grant recipi-
2 ents have been employed as child care pro-
3 viders;
- 4 (ii) the level of training and education
5 of grant recipients;
- 6 (iii) to the extent practicable and
7 available to the State, detailed information
8 regarding the salaries and other compensa-
9 tion received by grant recipients to provide
10 child care services before, during, and after
11 receiving such grant;
- 12 (iv) the number of children who re-
13 ceived child care services provided by grant
14 recipients;
- 15 (v) information on family demo-
16 graphics of such children;
- 17 (vi) the types of settings described in
18 subparagraphs (A), (B), and (C) of section
19 3203(a)(1) in which grant recipients are
20 employed; and
- 21 (vii) the ages of the children who re-
22 ceived child care services provided by grant
23 recipients;
- 24 (F) with respect to grants made under sec-
25 tion 3208—

- 1 (i) the number of years grant recipi-
2 ents have been employed as child care pro-
3 viders;
- 4 (ii) the level of training and education
5 of grant recipients;
- 6 (iii) to the extent practicable and
7 available to the State, detailed information
8 regarding the salaries and other compensa-
9 tion received by grant recipients to provide
10 child care services before, during, and after
11 receiving such grant;
- 12 (iv) the types of settings described in
13 subparagraphs (A), (B), and (C) of section
14 3203(a)(1) in which grant recipients are
15 employed;
- 16 (v) the ages of the children who re-
17 ceived child care services provided by grant
18 recipients;
- 19 (vi) the number of course credits or
20 credentials obtained by grant recipients;
21 and
- 22 (vii) the amount of time taken for
23 completion of the educational and training
24 programs for which such grants were
25 made; and

1 (G) such other information as the Sec-
 2 retary may require by rule.

3 **SEC. 3210. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated
 5 \$5,000,000,000 in the aggregate for fiscal years 2004
 6 through 2008 to carry out this chapter.

7 **CHAPTER 2—STRENGTHENING QUALITY**
 8 **THROUGH THE CHILD CARE AND DE-**
 9 **VELOPMENT BLOCK GRANT**

10 **SEC. 3231. STATE PLAN.**

11 Section 658E(c)(2) of the Child Care and Develop-
 12 ment Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)),
 13 as amended by section 3113, is further amended by adding
 14 at the end the following:

15 “(M) ESTABLISHMENT OF TRAINING RE-
 16 QUIREMENTS.—

17 “(i) TRAINING REQUIREMENTS.—

18 “(I) IN GENERAL.—Certify that
 19 there are training requirements in ef-
 20 fect within the State, under State or
 21 local law, that are designed to pro-
 22 mote the social, emotional, physical,
 23 and cognitive development of children
 24 and that are applicable to all child
 25 care providers that provide services

1 for which assistance is made available
2 under this subchapter.

3 “(II) PRESERVICE TRAINING.—

4 The requirements shall include provi-
5 sions requiring preservice training in
6 childhood development, subject to
7 clause (ii).

8 “(III) AGE-APPROPRIATE TRAIN-

9 ING.—The requirements shall ensure
10 that the training provided to a child
11 care provider under the requirements
12 shall be related to the ages of the chil-
13 dren for whom the provider provides
14 care.

15 “(ii) PRESERVICE TRAINING.—

16 “(I) STATES NOT REQUIRING

17 PRESERVICE TRAINING.—For a State
18 that does not, as of the date of enact-
19 ment of the Leave No Child Behind
20 Act of 2003 require preservice train-
21 ing in child development that meets
22 the requirements specified in clause
23 (i)—

24 “(aa) the State shall submit,

25 as part of the State plan, infor-

1 mation on how the State will en-
2 sure that State or local law shall
3 require such training not later
4 than 1 year after the date of en-
5 actment of the Leave No Child
6 Behind Act of 2003; and

7 “(bb) the State may elect, in
8 the case of a child care provider
9 who is not required to be reg-
10 istered, licensed, or regulated,
11 but who must comply with sub-
12 paragraph (F), to consider in-
13 service training in child develop-
14 ment that is completed not later
15 than 60 days after the first day
16 on which a child is enrolled with
17 such provider, to be preservice
18 training that meets the require-
19 ments of clause (i).

20 “(II) CONSTRUCTION.—Nothing
21 in subclause (I) shall be considered to
22 preempt or supersede any State or
23 local law that requires child care pro-
24 viders to have preservice training in
25 child development.

1 “(N) INSURING THE SAFETY OF CHIL-
 2 DREN.—Certify that there are requirements in
 3 effect within the State, under State or local
 4 law, that require that evaluators from an appro-
 5 priate State or local agency make at least 1 un-
 6 announced visit annually to each child care pro-
 7 vider in the State that provides services for
 8 which assistance is made available under this
 9 subchapter.

10 “(O) COORDINATION OF SERVICES.—De-
 11 scribe how the State will—

12 “(i) coordinate the provision of serv-
 13 ices under this subchapter with other Fed-
 14 eral, State, and local child care and early
 15 childhood development programs; and

16 “(ii) increase coordination between,
 17 and improve the ability of children to make
 18 transitions between—

19 “(I) early childhood care, devel-
 20 opment, and education programs; and

21 “(II) elementary schools.

22 “(P) STATE CHILD CARE QUALITY
 23 GOALS.—

24 “(i) USE OF FUNDS TO IMPROVE
 25 QUALITY.—Provide an assurance that the

1 State will submit the report described in
2 section 658I(c)(1), including the dem-
3 onstrations described in such section, to
4 the Secretary not later than 6 months
5 after the end of each fiscal year.

6 “(ii) GOALS.—Describe goals that the
7 State will use to evaluate the effectiveness
8 of the activities carried out by the State
9 under section 658G(a), in order to evaluate
10 the State’s progress in improving the qual-
11 ity of child care services provided under
12 this subchapter, including, at a minimum,
13 goals to—

14 “(I) improve child care provider
15 recruitment, payment, and retention
16 rates;

17 “(II) increase the number of
18 child care providers who receive high
19 quality preservice and ongoing profes-
20 sional development (including the
21 number of such providers who provide
22 informal care, care for children in spe-
23 cial populations, or care for children
24 in rural areas);

1 “(III) increase the number of
2 providers who receive training in the
3 care and development of children with
4 disabilities or other special needs;

5 “(IV) increase the number of
6 families served by resource and refer-
7 ral services;

8 “(V) increase the number of child
9 care programs that meet applicable
10 State and local licensing requirements
11 or nationally recognized accreditation
12 standards; and

13 “(VI) increase the payment rates,
14 to maximize parental choice among
15 quality child care providers.

16 “(iii) STATE CHILD CARE QUALITY
17 MEASURES.—Describe a quantifiable, ob-
18 jective measure for each goal.

19 “(iv) PROGRESS.—Describe the
20 State’s progress in achieving the measures
21 for the goals.”.

22 **SEC. 3232. CHILD CARE QUALITY IMPROVEMENTS.**

23 Section 658G of the Child Care and Development
24 Block Grant Act of 1990 (42 U.S.C. 9858e), as amended

1 by section 3002, is further amended by striking subsection
2 (a) and inserting the following:

3 “(a) ACTIVITIES TO IMPROVE THE QUALITY OF
4 CHILD CARE.—

5 “(1) IN GENERAL.—A State that receives funds
6 to carry out this subchapter (other than section
7 658H) shall reserve and use not less than 12 per-
8 cent of the funds for activities designed to improve
9 the quality of child care services, consisting of—

10 “(A) the recruitment, education, training,
11 and retention of high quality child care pro-
12 viders, including family child care providers and
13 child care providers in rural areas, through
14 compensation enhancement programs that re-
15 ward and support participation in professional
16 development and education, including the at-
17 tainment of credentials and degrees;

18 “(B) initiatives to improve the quality and
19 availability of child care for children in special
20 populations, including special populations in
21 rural areas, which may include workforce devel-
22 opment initiatives that provide specialized train-
23 ing or technical assistance for, or initiatives
24 that provide higher payment rates for, child
25 care providers that provide child care services

1 for those children, initiatives that provide
2 (where appropriate) for consultations with li-
3 censed professionals for the providers, or initia-
4 tives that promote efforts to assist the providers
5 to which the requirements of the the Americans
6 with Disabilities Act of 1990 (42 U.S.C. 12101
7 et seq.), the Individuals with Disabilities Edu-
8 cation Act (20 U.S.C. 1400 et seq.), and sec-
9 tion 504 of the Rehabilitation Act of 1973 (29
10 U.S.C. 794) apply (if any) in complying with
11 the requirements;

12 “(C)(i) initiatives that—

13 “(I) enhance the skills of the child
14 care workforce by providing professional
15 development and technical assistance con-
16 cerning the social, emotional, physical, and
17 cognitive development of children, and
18 other critical areas such as health, safety,
19 preliteracy and oral language, and youth
20 development, including training opportuni-
21 ties for child care providers in informal
22 care settings and ongoing professional de-
23 velopment opportunities; and

24 “(II) are carried out by community
25 organizations, institutions of higher edu-

1 cation, child care resource and referral or-
2 ganizations, or other appropriate entities;
3 and

4 “(ii)(I) activities that improve the training
5 and support for family child care providers, in-
6 cluding family child care providers in rural
7 areas, including providing access to resource
8 lending libraries, the child and adult care food
9 program described in section 17 of the Richard
10 B. Russell National School Lunch Act (42
11 U.S.C. 1766), and in-home training and profes-
12 sional development; and

13 “(II) projects that provide opportunities
14 for career counseling, director training, and
15 leadership development for the child care work-
16 force;

17 “(D) projects that improve the ability of
18 State or local government, as applicable, to
19 monitor compliance with, and to enforce, State
20 and local registration, licensing, and regulatory
21 requirements applicable to child care providers;

22 “(E) community projects that—

23 “(i) establish a single point of entry
24 system for child care, based on a military
25 model that—

1 “(I) establishes links with child
2 care centers, family child care homes,
3 providers of after-school programs,
4 and other child care providers; and

5 “(II) provides parents with a sin-
6 gle location to find registered, li-
7 censed, or regulated child care in the
8 community;

9 “(ii) establish a community-wide
10 training and professional development pro-
11 gram that is linked to compensation and
12 recognition for child care providers, includ-
13 ing family child care providers, whose serv-
14 ices are available through the system;

15 “(iii) provide financial incentives and
16 other support for child care providers de-
17 scribed in clause (ii) to achieve accredita-
18 tion by a national organization; and

19 “(iv) provide information to parents
20 on the cost and quality of the various child
21 care providers described in clause (ii);

22 “(F) activities to improve the quality of child
23 care in rural areas;

24 “(G) other activities that the State determines
25 to be appropriate to improve the quality of child care

1 services, including the provision of emergency child
2 care; or

3 “(H) activities to support the system described
4 in paragraph (2).

5 “(2) CHILD CARE RESOURCE AND REFERRAL
6 SYSTEM.—The State shall use a portion of the funds
7 reserved under paragraph (1) to support a system of
8 local child care resource and referral organizations
9 coordinated by a statewide lead child care resource
10 and referral organization. The local child care re-
11 source and referral organizations shall—

12 “(A) provide parents and child care pro-
13 viders with information and support concerning
14 child care options in their communities;

15 “(B) collect data on the supply of and de-
16 mand for child care in political subdivisions
17 within the State;

18 “(C) develop connections between busi-
19 nesses and other organizations to develop pub-
20 lic-private partnerships for child care;

21 “(D) promote literacy through the provi-
22 sion of technical assistance, training about de-
23 velopmentally appropriate reading activities,
24 and books to child care programs and families,

1 to make books accessible to children at an early
2 age;

3 “(E) provide (or facilitate the provision of)
4 specialists in health, mental health, early lit-
5 eracy, services for children with disabilities or
6 other special needs, and infant and toddler care
7 to support or supplement the services of child
8 care providers in their communities;

9 “(F) hire disability specialists and provide
10 training and technical assistance to child care
11 providers, to effectively meet the needs of chil-
12 dren with disabilities or other special needs; or

13 “(G) increase the supply and improve the
14 quality of child care in the State and in political
15 subdivisions in the State.”.

16 **SEC. 3233. ADMINISTRATION AND ENFORCEMENT.**

17 Section 658I of the Child Care and Development
18 Block Grant Act of 1990 (42 U.S.C. 9858g) is amended—

19 (1) in subsection (a)(3), by inserting “(directly,
20 or through grants, contracts, or cooperative agree-
21 ments)” after “provide”; and

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

23 “(c) COMPLIANCE WITH QUALITY REQUIREMENTS
24 OF STATE PLAN.—

25 “(1) ANNUAL REPORT.—

1 “(A) USE OF FUNDS FOR QUALITY ACTIVI-
2 TIES.—Each State that receives funds to carry
3 out this subchapter for a fiscal year shall, not
4 later than 6 months after the end of that fiscal
5 year, submit an annual report to the Secretary
6 in which—

7 “(i) the State demonstrates the man-
8 ner in which the State complied with sec-
9 tion 658G during the year, and describes
10 how the State used funds made available
11 to carry out this subchapter to comply with
12 section 658G during the year;

13 “(ii) the State demonstrates that a
14 portion of such funds was used to carry
15 out the activities described in subpara-
16 graphs (A) and (B) of section 658G(a)(1)
17 during the year, and describes the specific
18 activities carried out with the funds, and
19 the amount of the funds that the State al-
20 located to each activity, during the year;
21 and

22 “(iii) the State describes the specific
23 activities carried out under subsections (a)
24 and (b), and the amount of funds that the

1 State allocated to each activity, during the
2 year.

3 “(B) PROGRESS IN ACHIEVING STATE
4 CHILD CARE QUALITY GOALS AND MEASURES.—

5 The State shall include in the report—

6 “(i) a description of the goals and
7 measures described in the State plan under
8 section 658E(c)(2)(P); and

9 “(ii) evidence demonstrating the ex-
10 tent to which the State made progress in
11 achieving the measures for the goals dur-
12 ing the fiscal year including, at a min-
13 imum, evidence demonstrating measurable
14 improvement toward achieving the meas-
15 ures for the goals described in section
16 658E(c)(2)(P)(iii).

17 “(2) IMPROVEMENT PLAN.—If the Secretary
18 determines that a State failed to make progress as
19 described in paragraph (1)(B)(ii) for a fiscal year,
20 the Secretary shall require the State to submit an
21 improvement plan that describes the measures the
22 State will take to make that progress. The Secretary
23 shall require the State to comply with the improve-
24 ment plan by a date specified by the Secretary but

1 not later than 1 year after the date of the deter-
 2 mination.”.

3 **CHAPTER 3—CHILD CARE CENTERS IN**
 4 **FEDERAL FACILITIES**

5 **SEC. 3241. SHORT TITLE.**

6 This chapter may be cited as the “Federal Employees
 7 Child Care Act”.

8 **SEC. 3242. DEFINITIONS.**

9 In this chapter (except as otherwise provided in sec-
 10 tion 3245):

11 (1) ADMINISTRATOR.—The term “Adminis-
 12 trator” means the Administrator of General Serv-
 13 ices.

14 (2) CHILD CARE ACCREDITATION ENTITY.—The
 15 term “child care accreditation entity” means a non-
 16 profit private organization or public agency that—

17 (A) is recognized by a State agency or by
 18 a national organization that serves as a peer re-
 19 view panel on the standards and procedures of
 20 public and private child care or school accred-
 21 iting bodies; and

22 (B) accredits a facility to provide child
 23 care on the basis of—

- 1 (i) an accreditation or credentialing
2 instrument based on peer-validated re-
3 search;
- 4 (ii) compliance with applicable State
5 or local licensing requirements, as appro-
6 priate, for the facility;
- 7 (iii) outside monitoring of the facility;
- 8 and
- 9 (iv) criteria that provide assurances
10 of—
- 11 (I) use of developmentally appro-
12 priate health and safety standards at
13 the facility;
- 14 (II) use of developmentally ap-
15 propriate educational activities, as an
16 integral part of the child care pro-
17 gram carried out at the facility; and
- 18 (III) use of ongoing staff devel-
19 opment or training activities for the
20 staff of the facility, including related
21 skills-based testing.
- 22 (3) ENTITY SPONSORING A CHILD CARE FACIL-
23 ITY.—The term “entity sponsoring a child care facil-
24 ity” means a Federal agency that operates, or an
25 entity that enters into a contract or licensing agree-

1 ment with a Federal agency to operate, a child care
2 facility primarily for the use of Federal employees.

3 (4) EXECUTIVE AGENCY.—The term “Executive
4 agency” has the meaning given the term in section
5 105 of title 5, United States Code, except that the
6 term—

7 (A) does not include the Department of
8 Defense, the Coast Guard, or the General Ac-
9 counting Office; and

10 (B) includes the General Services Adminis-
11 tration, with respect to the administration of a
12 facility described in paragraph (5)(B).

13 (5) EXECUTIVE FACILITY.—The term “execu-
14 tive facility”—

15 (A) means a facility that is owned or
16 leased by an Executive agency; and

17 (B) includes a facility that is owned or
18 leased by the General Services Administration
19 on behalf of a judicial office.

20 (6) FEDERAL AGENCY.—The term “Federal
21 agency” means an Executive agency, a legislative of-
22 fice, or a judicial office.

23 (7) JUDICIAL FACILITY.—The term “judicial fa-
24 cility” means a facility that is owned or leased by a

1 judicial office (other than a facility that is also a fa-
2 cility described in paragraph (5)(B)).

3 (8) JUDICIAL OFFICE.—The term “judicial of-
4 fice” means an entity of the judicial branch of the
5 Federal Government.

6 (9) LEGISLATIVE FACILITY.—The term “legisla-
7 tive facility” means a facility that is owned or leased
8 by a legislative office.

9 (10) LEGISLATIVE OFFICE.—The term “legisla-
10 tive office” means an entity of the legislative branch
11 of the Federal Government.

12 (11) STATE.—The term “State” has the mean-
13 ing given the term in section 658P of the Child Care
14 and Development Block Grant Act of 1990 (42
15 U.S.C. 9858n).

16 **SEC. 3243. PROVIDING QUALITY CHILD CARE IN FEDERAL**
17 **FACILITIES.**

18 (a) EXECUTIVE FACILITIES.—

19 (1) STATE AND LOCAL LICENSING REQUIRE-
20 MENTS.—

21 (A) IN GENERAL.—Any entity sponsoring
22 a child care facility in an executive facility
23 shall—

24 (i) comply with child care standards
25 described in paragraph (2) that are no less

1 stringent than applicable State or local li-
2 censing requirements that are related to
3 the provision of child care in the State or
4 locality involved; or

5 (ii) obtain the applicable State or local
6 licenses, as appropriate, for the facility.

7 (B) COMPLIANCE.—Not later than 6
8 months after the date of enactment of this
9 Act—

10 (i) the entity shall comply, or make
11 substantial progress (as determined by the
12 Administrator) toward complying, with
13 subparagraph (A); and

14 (ii) any contract or licensing agree-
15 ment used by an Executive agency for the
16 provision of child care services in the child
17 care facility shall include a condition that
18 the child care be provided by an entity that
19 complies with the standards described in
20 subparagraph (A)(i) or obtains the licenses
21 described in subparagraph (A)(ii).

22 (2) HEALTH, SAFETY, AND FACILITY STAND-
23 ARDS.—The Administrator shall by regulation estab-
24 lish standards relating to health, safety, facilities, fa-
25 cility design, and other aspects of child care that the

1 Administrator determines to be appropriate for child
2 care in executive facilities, and require child care fa-
3 cilities, and entities sponsoring child care facilities,
4 in executive facilities to comply with the standards.
5 The standards shall include requirements that child
6 care facilities be inspected for, and be free of, lead
7 hazards.

8 (3) ACCREDITATION STANDARDS.—

9 (A) IN GENERAL.—The Administrator
10 shall issue regulations requiring, to the max-
11 imum extent possible, any entity sponsoring an
12 eligible child care facility (as defined by the Ad-
13 ministrator) in an executive facility to comply
14 with standards of a child care accreditation en-
15 tity.

16 (B) COMPLIANCE.—The regulations shall
17 require that, not later than 3 years after the
18 date of enactment of this Act—

19 (i) the entity shall comply, or make
20 substantial progress (as determined by the
21 Administrator) toward complying, with the
22 standards; and

23 (ii) any contract or licensing agree-
24 ment used by an Executive agency for the
25 provision of child care services in the child

1 care facility shall include a condition that
2 the child care be provided by an entity that
3 complies with the standards.

4 (4) EVALUATION AND COMPLIANCE.—

5 (A) IN GENERAL.—The Administrator
6 shall evaluate the compliance, with the require-
7 ments of paragraph (1) and the regulations
8 issued pursuant to paragraphs (2) and (3), as
9 appropriate, of child care facilities, and entities
10 sponsoring child care facilities, in executive fa-
11 cilities. The Administrator may conduct the
12 evaluation of such a child care facility or entity
13 directly, or through an agreement with another
14 Federal agency or private entity, other than the
15 Federal agency for which the child care facility
16 is providing services. If the Administrator de-
17 termines, on the basis of such an evaluation,
18 that the child care facility or entity is not in
19 compliance with the requirements, the Adminis-
20 trator shall notify the Executive agency.

21 (B) EFFECT OF NONCOMPLIANCE.—On re-
22 ceipt of the notification of noncompliance issued
23 by the Administrator, the head of the Executive
24 agency shall—

1 (i) if the entity operating the child
2 care facility is the agency—

3 (I) not later than 2 business days
4 after the date of receipt of the notifi-
5 cation, correct any deficiencies that
6 are determined by the Administrator
7 to be life threatening or to present a
8 risk of serious bodily harm;

9 (II) not later than 4 months
10 after the date of receipt of the notifi-
11 cation, develop and provide to the Ad-
12 ministrator a plan to correct any
13 other deficiencies in the operation of
14 the facility and bring the facility and
15 entity into compliance with the re-
16 quirements;

17 (III) provide the parents of the
18 children receiving child care services
19 at the child care facility and employ-
20 ees of the facility with a notification
21 detailing the deficiencies described in
22 subclauses (I) and (II) and actions
23 that will be taken to correct the defi-
24 ciencies, and post a copy of the notifi-
25 cation in a conspicuous place in the

1 facility for 5 working days or until the
2 deficiencies are corrected, whichever is
3 later;

4 (IV) bring the child care facility
5 and entity into compliance with the
6 requirements and certify to the Ad-
7 ministrator that the facility and entity
8 are in compliance, based on an onsite
9 evaluation of the facility conducted by
10 an individual with expertise in child
11 care health and safety; and

12 (V) in the event that deficiencies
13 determined by the Administrator to be
14 life threatening or to present a risk of
15 serious bodily harm cannot be cor-
16 rected within 2 business days after
17 the date of receipt of the notification,
18 close the child care facility, or the af-
19 fected portion of the facility, until the
20 deficiencies are corrected and notify
21 the Administrator of the closure; and

22 (ii) if the entity operating the child
23 care facility is a contractor or licensee of
24 the Executive agency—

1 (I) require the contractor or li-
2 censee, not later than 2 business days
3 after the date of receipt of the notifi-
4 cation, to correct any deficiencies that
5 are determined by the Administrator
6 to be life threatening or to present a
7 risk of serious bodily harm;

8 (II) require the contractor or li-
9 censee, not later than 4 months after
10 the date of receipt of the notification,
11 to develop and provide to the head of
12 the agency a plan to correct any other
13 deficiencies in the operation of the
14 child care facility and bring the facil-
15 ity and entity into compliance with
16 the requirements;

17 (III) require the contractor or li-
18 censee to provide the parents of the
19 children receiving child care services
20 at the child care facility and employ-
21 ees of the facility with a notification
22 detailing the deficiencies described in
23 subclauses (I) and (II) and actions
24 that will be taken to correct the defi-
25 ciencies, and to post a copy of the no-

1 tification in a conspicuous place in the
2 facility for 5 working days or until the
3 deficiencies are corrected, whichever is
4 later;

5 (IV) require the contractor or li-
6 censee to bring the child care facility
7 and entity into compliance with the
8 requirements and certify to the head
9 of the agency that the facility and en-
10 tity are in compliance, based on an
11 onsite evaluation of the facility con-
12 ducted by an independent entity with
13 expertise in child care health and
14 safety; and

15 (V) in the event that deficiencies
16 determined by the Administrator to be
17 life threatening or to present a risk of
18 serious bodily harm cannot be cor-
19 rected within 2 business days after
20 the date of receipt of the notification,
21 close the child care facility, or the af-
22 fected portion of the facility, until the
23 deficiencies are corrected and notify
24 the Administrator of the closure,
25 which closure may be grounds for the

1 immediate termination or suspension
2 of the contract or license of the con-
3 tractor or licensee.

4 (C) COST REIMBURSEMENT.—The Execu-
5 tive agency shall reimburse the Administrator
6 for the costs of carrying out subparagraph (A)
7 for child care facilities located in an executive
8 facility other than an executive facility of the
9 General Services Administration. If an entity is
10 sponsoring a child care facility for 2 or more
11 Executive agencies, the Administrator shall allo-
12 cate the reimbursement costs with respect to
13 the entity among the agencies in a fair and eq-
14 uitable manner, based on the extent to which
15 each agency is eligible to place children in the
16 facility.

17 (5) DISCLOSURE OF PRIOR VIOLATIONS TO PAR-
18 ENTS AND FACILITY EMPLOYEES.—

19 (A) IN GENERAL.—The Administrator
20 shall issue regulations that require that each
21 entity sponsoring a child care facility in an ex-
22 ecutive facility, upon receipt by the child care
23 facility or the entity (as applicable) of a request
24 by any individual who is—

1 (i) a parent of any child enrolled at
2 the facility;

3 (ii) a parent of a child for whom an
4 application has been submitted to enroll at
5 the facility; or

6 (iii) an employee of the facility;

7 shall provide to the individual the copies and
8 description described in subparagraph (B).

9 (B) COPIES AND DESCRIPTION.—The enti-
10 ty shall provide—

11 (i) copies of all notifications of defi-
12 ciencies that have been provided in the
13 past with respect to the facility under
14 clause (i)(III) or (ii)(III), as applicable, of
15 paragraph (4)(B); and

16 (ii) a description of the actions that
17 were taken to correct the deficiencies.

18 (b) LEGISLATIVE FACILITIES.—

19 (1) ACCREDITATION.—The Chief Administra-
20 tive Officer of the House of Representatives, the Li-
21 brarian of Congress, and the head of a designated
22 entity in the Senate shall ensure that, not later than
23 1 year after the date of enactment of this Act, the
24 corresponding child care facility obtains accredita-

1 tion by a child care accreditation entity, in accord-
2 ance with the accreditation standards of the entity.

3 (2) REGULATIONS.—

4 (A) IN GENERAL.—If the corresponding
5 child care facility does not maintain accredita-
6 tion status with a child care accreditation enti-
7 ty, the Chief Administrative Officer of the
8 House of Representatives, the Librarian of Con-
9 gress, or the head of the designated entity in
10 the Senate shall issue regulations governing the
11 operation of the corresponding child care facil-
12 ity, to ensure the safety and quality of care of
13 children placed in the facility. The regulations
14 shall be no less stringent in content and effect
15 than the requirements of subsection (a)(1) and
16 the regulations issued by the Administrator
17 under paragraphs (2) and (3) of subsection (a),
18 except to the extent that appropriate adminis-
19 trative officers make the determination de-
20 scribed in subparagraph (B).

21 (B) MODIFICATION MORE EFFECTIVE.—

22 The determination referred to in subparagraph
23 (A) is a determination, for good cause shown
24 and stated together with the regulations, that a
25 modification of the regulations would be more

1 effective for the implementation of the require-
2 ments and standards described in subsection (a)
3 for the corresponding child care facilities, and
4 entities sponsoring the corresponding child care
5 facilities, in legislative facilities.

6 (3) CORRESPONDING CHILD CARE FACILITY.—

7 In this subsection, the term “corresponding child
8 care facility”, used with respect to the Chief Admin-
9 istrative Officer, the Librarian, or the head of a des-
10 ignated entity described in paragraph (1), means a
11 child care facility operated by, or under a contract
12 or licensing agreement with, an office of the House
13 of Representatives, the Library of Congress, or an
14 office of the Senate, respectively.

15 (c) JUDICIAL BRANCH STANDARDS AND COMPLI-
16 ANCE.—

17 (1) STATE AND LOCAL LICENSING REQUIRE-
18 MENTS HEALTH, SAFETY, AND FACILITY STAND-
19 ARDS, AND ACCREDITATION STANDARDS.—The Di-
20 rector of the Administrative Office of the United
21 States Courts shall issue regulations for child care
22 facilities, and entities sponsoring child care facilities,
23 in judicial facilities, which shall be no less stringent
24 in content and effect than the requirements of sub-
25 section (a)(1) and the regulations issued by the Ad-

1 administrator under paragraphs (2) and (3) of sub-
2 section (a), except to the extent that the Director
3 may determine, for good cause shown and stated to-
4 gether with the regulations, that a modification of
5 such regulations would be more effective for the im-
6 plementation of the requirements and standards de-
7 scribed in paragraphs (1), (2), and (3) of subsection
8 (a) for child care facilities, and entities sponsoring
9 child care facilities, in judicial facilities.

10 (2) EVALUATION AND COMPLIANCE.—

11 (A) DIRECTOR OF THE ADMINISTRATIVE
12 OFFICE OF THE UNITED STATES COURTS.—The
13 Director of the Administrative Office of the
14 United States Courts shall have the same au-
15 thorities and duties with respect to the evalua-
16 tion of, compliance of, and cost reimbursement
17 for child care facilities, and entities sponsoring
18 child care facilities, in judicial facilities as the
19 Administrator has under subsection (a)(4) with
20 respect to the evaluation of, compliance of, and
21 cost reimbursement for such centers and enti-
22 ties sponsoring such centers, in executive facili-
23 ties.

24 (B) HEAD OF A JUDICIAL OFFICE.—The
25 head of a judicial office shall have the same au-

1 thorities and duties with respect to the compli-
2 ance of and cost reimbursement for child care
3 facilities, and entities sponsoring child care fa-
4 cilities, in judicial facilities as the head of an
5 Executive agency has under subsection (a)(4)
6 with respect to the compliance of and cost reim-
7 bursement for such centers and entities spon-
8 soring such centers, in executive facilities.

9 (d) APPLICATION.—Notwithstanding any other provi-
10 sion of this section, if 8 or more child care facilities are
11 sponsored in facilities owned or leased by an Executive
12 agency, the Administrator shall delegate to the head of
13 the agency the evaluation and compliance responsibilities
14 assigned to the Administrator under subsection (a)(4)(A).

15 (e) TECHNICAL ASSISTANCE, STUDIES, AND RE-
16 VIEWS.—The Administrator may provide technical assist-
17 ance, and conduct and provide the results of studies and
18 reviews, for Executive agencies, and entities sponsoring
19 child care facilities in executive facilities, on a reimburs-
20 able basis, in order to assist the entities in complying with
21 this section. The Chief Administrative Officer of the
22 House of Representatives, the Librarian of Congress, the
23 head of the designated Senate entity described in sub-
24 section (b), and the Director of the Administrative Office
25 of the United States Courts, may provide technical assist-

1 ance, and conduct and provide the results of studies and
2 reviews, or request that the Administrator provide tech-
3 nical assistance, and conduct and provide the results of
4 studies and reviews, for legislative offices and judicial of-
5 fices, as appropriate, and entities operating child care fa-
6 cilities in legislative facilities or judicial facilities, as ap-
7 propriate, on a reimbursable basis, in order to assist the
8 entities in complying with this section.

9 (f) INTERAGENCY COUNCIL.—

10 (1) COMPOSITION.—The Administrator shall es-
11 tablish an interagency council, comprised of—

12 (A) representatives of all Executive agen-
13 cies described in subsection (d) and other Exec-
14 utive agencies at the election of the heads of the
15 agencies;

16 (B) a representative of the Chief Adminis-
17 trative Officer of the House of Representatives,
18 at the election of the Chief Administrative Offi-
19 cer;

20 (C) a representative of the head of the des-
21 ignated Senate entity described in subsection
22 (b), at the election of the head of the entity;

23 (D) a representative of the Librarian of
24 Congress, at the election of the Librarian; and

1 (E) a representative of the Director of the
2 Administrative Office of the United States
3 Courts, at the election of the Director.

4 (2) FUNCTIONS.—The council shall facilitate
5 cooperation and sharing of best practices, and de-
6 velop and coordinate policy, regarding the provision
7 of child care, including the provision of areas for
8 nursing mothers and other lactation support facili-
9 ties and services, in the Federal Government.

10 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to carry out this section
12 \$900,000 for fiscal year 2004 and such sums as may be
13 necessary for each subsequent fiscal year.

14 **SEC. 3244. FEDERAL CHILD CARE EVALUATION.**

15 (a) IN GENERAL.—Not later than 1 year after the
16 date of enactment of this Act, the Administrator and the
17 Director of the Office of Personnel Management shall
18 jointly prepare and submit to Congress a report that eval-
19 uates child care provided by entities sponsoring child care
20 facilities in executive facilities, legislative facilities, or judi-
21 cial facilities.

22 (b) CONTENTS.—The evaluation shall contain, at a
23 minimum—

24 (1) information on the number of children re-
25 ceiving child care described in subsection (a), ana-

1 lyzed by age, including information on the number
2 of those children who are age 6 through 12;

3 (2) information on the number of families not
4 using child care described in subsection (a) because
5 of the cost of the child care; and

6 (3) recommendations for improving the quality
7 and cost-effectiveness of child care described in sub-
8 section (a), including recommendations of options
9 for creating an optimal organizational structure and
10 using best practices for the delivery of the child
11 care.

12 **SEC. 3245. CHILD CARE SERVICES FOR FEDERAL EMPLOY-**
13 **EES.**

14 (a) **IN GENERAL.**—In addition to services authorized
15 to be provided by an agency pursuant to section 590 of
16 title 40, United States Code, an Executive agency that
17 provides, or proposes to provide, child care services for
18 Federal employees may use agency funds to provide the
19 child care services, in a facility that is owned or leased
20 by an Executive agency, or through a contractor, for civil-
21 ian employees of the agency.

22 (b) **AFFORDABILITY.**—Funds so used with respect to
23 any such facility or contractor shall be applied to improve
24 the affordability of child care for lower income federal em-

1 ployees using or seeking to use the child care services of-
2 fered by the facility or contractor.

3 (c) REGULATIONS.—The Administrator, after con-
4 sultation with the Director of the Office of Personnel Man-
5 agement, shall, within 180 days after the date of enact-
6 ment of this Act, issue regulations necessary to carry out
7 this section.

8 (d) DEFINITION.—For purposes of this section, the
9 term “Executive agency” has the meaning given the term
10 by section 105 of title 5, United States Code, but does
11 not include the General Accounting Office.

12 **SEC. 3246. MISCELLANEOUS PROVISIONS RELATING TO**
13 **CHILD CARE PROVIDED BY FEDERAL AGEN-**
14 **CIES.**

15 (a) GUIDANCE, ASSISTANCE, AND OVERSIGHT.—Sec-
16 tion 590(a) of title 40, United States Code, is amended—

17 (1) by inserting “federal” before “child care
18 centers”; and

19 (2) by striking “federal workers” and inserting
20 “federal employees”.

21 (b) AVAILABILITY OF FEDERAL CHILD CARE CEN-
22 TERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—
23 Section 590(b) of title 40, United States Code, is amend-
24 ed—

1 (1) in paragraph (1)(B), by striking “officer or
2 agency of the Federal Government” and inserting
3 “federal agency or officer of a federal agency”; and

4 (2) in paragraph (2)(C), by striking clauses (i)
5 and (ii) and inserting the following:

6 “(i) the space will be used to provide
7 child care and related services to—

8 “(I) children of federal employees
9 or onsite federal contractors; or

10 “(II) dependent children who live
11 with federal employees or onsite fed-
12 eral contractors; and

13 “(ii) the child care provider will give
14 priority for available child care and related
15 services in the space to federal employees
16 and onsite federal contractors.”.

17 (c) PAYMENT OF COSTS OF TRAINING PROGRAMS.—

18 Section 590(d) of title 40, United States Code, is amended
19 to read as follows:

20 “(d) PAYMENT OF OTHER COSTS.—

21 “(1) PAYMENT OF ACCREDITATION FEES;
22 TRAINING, CONFERENCE, AND MEETING EX-
23 PENSES.—If a federal agency has a child care facil-
24 ity in a federal space, or is a sponsoring agency for
25 a child care facility in a federal space, the agency or

1 the General Services Administration may pay ac-
2 creditation fees, including renewal fees, for that cen-
3 ter to be accredited. Any federal agency that pro-
4 vides or proposes to provide child care services for
5 children referred to in subsection (b)(2)(C)(i), may
6 reimburse any federal employee or any person em-
7 ployed to provide the services for the costs of train-
8 ing programs, conferences, and meetings and related
9 travel, transportation, and subsistence expenses in-
10 curred in connection with those activities. Any per
11 diem allowance made under this subsection shall not
12 exceed the rate specified in regulations prescribed
13 under section 5707 of title 5, United States Code.

14 “(2) AGREEMENTS.—

15 “(A) PAYMENT OF GENERAL OPERATING
16 EXPENSES THROUGH AGREEMENTS WITH PRI-
17 VATE ENTITIES.—If a federal agency has a
18 child care facility in a federal space, or is a
19 sponsoring agency for a child care facility in a
20 federal space, the agency, the child care center
21 board of directors, or the General Services Ad-
22 ministration may enter into an agreement with
23 1 or more private entities under which the pri-
24 vate entities will assist in defraying the general
25 operating expenses of the child care providers

1 including providing salaries and tuition assist-
2 ance programs at the facility.

3 “(B) PROVISIONS OF COST-EFFECTIVE
4 SERVICES THROUGH AGREEMENTS.—

5 “(i) IN GENERAL.—Notwithstanding
6 any other provision of law, if a federal
7 agency does not have a child care program,
8 or if the Administrator of General Services
9 has identified a need for child care for fed-
10 eral employees at a federal agency pro-
11 viding child care services that do not meet
12 the requirements of subsection (b), the
13 agency or the Administrator may enter
14 into an agreement with a non-Federal, li-
15 censed, and accredited child care facility,
16 or a planned child care facility that will be-
17 come licensed and accredited, for the provi-
18 sion of child care services for children of
19 federal employees.

20 “(ii) DETERMINATION.—Before enter-
21 ing into such an agreement, the head of
22 the federal agency shall determine that
23 providing child care services through the
24 agreement is more cost-effective than es-
25 tablishment of a federal child care center.

1 “(iii) PAYMENT OF FEES OR REIM-
 2 BURSEMENT BY A FEDERAL AGENCY.—The
 3 federal agency may pay the fees or provide
 4 the reimbursement described in paragraph
 5 (1) if, in exchange for the services, the fa-
 6 cility reserves child care spaces for children
 7 referred to in subsection (b)(2)(C)(i), as
 8 agreed to by the parties. The cost of any
 9 such services provided by a federal agency
 10 to a federal child care facility on behalf of
 11 another federal agency shall be reimbursed
 12 by the receiving agency.

13 “(C) APPLICATION.—This paragraph does
 14 not apply to residential child care programs.”.

15 (d) ENROLLMENT GOALS AND PARTNERSHIPS OR
 16 CONTRACTS WITH NONGOVERNMENTAL ENTITIES.—Sec-
 17 tion 590 of title 40, United States Code, is amended—

18 (1) by striking subsection (e);

19 (2) by redesignating subsections (f) and (g) as
 20 subsections (g) and (h), respectively;

21 (3) by inserting after subsection (d) the fol-
 22 lowing:

23 “(e) ENROLLMENT GOALS AND PARTNERSHIPS OR
 24 CONTRACTS WITH NONGOVERNMENTAL ENTITIES.—

25 “(1) ENROLLMENT GOALS.—

1 “(A) GOVERNMENT-WIDE STANDARD.—
2 The Administrator of General Services shall
3 confirm that at least 50 percent of aggregate
4 enrollment in federal child care centers govern-
5 mentwide are children of federal employees or
6 onsite federal contractors, or dependent chil-
7 dren who live with federal employees or onsite
8 federal contractors.

9 “(B) INDIVIDUAL CENTER GOAL.—Each
10 provider of child care services at an individual
11 federal child care center shall maintain 50 per-
12 cent of the enrollment at the center of children
13 described under subparagraph (A) as a goal for
14 enrollment at the center.

15 “(C) BUSINESS PLAN TO ACHIEVE GOAL.—

16 “(i) PLAN.—If enrollment at such a
17 center does not meet the percentage goal
18 under subparagraph (B), the provider shall
19 develop and implement a business plan
20 with the sponsoring federal agency to
21 achieve the goal within a reasonable time-
22 frame.

23 “(ii) CRITERIA.—The plan shall be
24 approved by the Administrator of General
25 Services based on—

1 “(I) compliance of the plan with
2 standards established by the Adminis-
3 trator; and

4 “(II) the effect of the plan on
5 achieving the aggregate government-
6 wide enrollment percentage goal de-
7 scribed in subparagraph (A).

8 “(2) PARTNERSHIPS OR CONTRACTS WITH NON-
9 GOVERNMENTAL ENTITIES.—The Administrator of
10 General Services may enter into public-private part-
11 nerships or contracts with nongovernmental entities
12 to increase the capacity, quality, affordability, or
13 range of child care and related services and may, on
14 a demonstration basis, waive subsection (b)(2)(C)(ii)
15 and paragraph (1) of this subsection.”.

16 (e) PILOT PROJECTS.—Section 590 of title 40,
17 United States Code, as amended by subsection (d), is fur-
18 ther amended by inserting after subsection (e) the fol-
19 lowing:

20 “(f) PILOT PROJECTS.—

21 “(1) IN GENERAL.—Upon approval of the agen-
22 cy head, a federal agency may conduct a pilot
23 project not otherwise authorized by law for no more
24 than 2 years to test innovative approaches to pro-
25 viding alternative forms of quality child care assist-

1 ance for federal employees. A federal agency head
2 may extend such a pilot project for an additional 2-
3 year period. Before any such pilot project may be
4 implemented, a determination shall be made by the
5 agency head that initiating the pilot project would be
6 more cost-effective than establishing a new federal
7 child care center. Costs of any such pilot project
8 shall be paid solely by the agency conducting the
9 pilot project.

10 “(2) INFORMATION CLEARINGHOUSE.—The Ad-
11 ministrator of General Services shall serve as an in-
12 formation clearinghouse for pilot projects initiated
13 by federal agencies under this subsection to dissemi-
14 nate information concerning the pilot projects to the
15 other federal agencies.

16 “(3) EVALUATIONS.—Within 6 months after
17 completion of the initial 2-year pilot project period
18 described in paragraph (1), a federal agency con-
19 ducting a pilot project under this subsection shall
20 provide for an evaluation of the impact of the
21 project on the delivery of child care services to fed-
22 eral employees, and shall submit the results of the
23 evaluation to the Administrator of General Services.
24 The Administrator shall share the results with other
25 federal agencies.”.

1 (f) DEFINITIONS.—Section 590 of title 40, United
2 States Code, as amended by subsection (e), is further
3 amended by adding at the end the following:

4 “(i) DEFINITIONS.—In subsections (a) through (f):

5 “(1) FEDERAL AGENCY.—The term ‘federal
6 agency’ has the meaning given the term ‘Executive
7 agency’ in section 3242 of the Federal Employees
8 Child Care Act.

9 “(2) FEDERAL BUILDINGS; FEDERAL SPACE.—
10 The terms ‘federal building’ and ‘federal space’ have
11 the meanings given the term ‘executive facility’ in
12 such section 3242.

13 “(3) FEDERAL CHILD CARE CENTER.—The
14 term ‘federal child care center’ means a child care
15 center in an executive facility, as defined in such
16 section 3242.

17 “(4) FEDERAL CONTRACTOR; FEDERAL EM-
18 PLOYEE.—The terms ‘federal contractor’ and ‘fed-
19 eral employee’ mean a contractor and an employee,
20 respectively, of an Executive agency, as defined in
21 such section 3242.”.

1 **CHAPTER 4—EARLY LEARNING**

2 **SEC. 3251. AMENDMENTS TO THE EARLY LEARNING OPPOR-**
 3 **TUNITIES ACT.**

4 Section 805 of the Early Learning Opportunities Act
 5 (20 U.S.C. 9404) is amended—

6 (1) in the matter preceding paragraph (1), by
 7 inserting “, and there are appropriated,” after “ap-
 8 propriated”; and

9 (2) by striking paragraphs (1) through (4) and
 10 inserting the following:

11 “(1) \$750,000,000 for fiscal year 2004;

12 “(2) \$1,000,000,000 for fiscal year 2005;

13 “(3) \$1,500,000,000 for fiscal year 2006;

14 “(4) \$2,000,000,000 for fiscal year 2007; and

15 “(5) \$2,500,000,000 for fiscal year 2008.”.

16 **CHAPTER 5—CHILD CARE FACILITIES**
 17 **FINANCING**

18 **SEC. 3261. SHORT TITLE.**

19 This chapter may be cited as the “Child Care Facili-
 20 ties Financing Act”.

21 **SEC. 3262. TECHNICAL AND FINANCIAL ASSISTANCE**
 22 **GRANTS.**

23 (a) DEFINITIONS.—In this section:

1 (1) CHILD CARE FACILITY.—The term “child
2 care facility” means a center-based or home-based
3 child care facility.

4 (2) ELIGIBLE INTERMEDIARY.—The term “eli-
5 gible intermediary” means a private, nonprofit inter-
6 mediary organization that has demonstrated experi-
7 ence in—

8 (A) providing technical or financial assist-
9 ance for the construction and renovation of
10 physical facilities;

11 (B) providing technical or financial assist-
12 ance to child care providers; and

13 (C) securing private sources for capital fi-
14 nancing of child care or other low-income com-
15 munity development.

16 (3) ELIGIBLE RECIPIENT.—The term “eligible
17 recipient” means—

18 (A) any existing or new center-based or
19 home-based child care provider that provides
20 services to eligible children under a program
21 carried out under the Child Care and Develop-
22 ment Block Grant Act of 1990 (42 U.S.C. 9858
23 et seq.), or another program serving low-income
24 children as determined by the Secretary; and

1 (B) any organization in the process of es-
2 tablishing a center-based or home-based child
3 care program or otherwise seeking to provide
4 child care services to children described in sub-
5 paragraph (A).

6 (4) SECRETARY.—The term “Secretary” means
7 the Secretary of Health and Human Services.

8 (b) GRANT AUTHORITY.—The Secretary may award
9 grants on a competitive basis in accordance with this sec-
10 tion to eligible intermediaries to assist the intermediaries
11 in carrying out the activities described in subsection (e).

12 (c) APPLICATIONS.—To be eligible to receive a grant
13 under this section an eligible intermediary shall submit to
14 the Secretary an application, in such form and containing
15 such information as the Secretary may require.

16 (d) PRIORITY.—In awarding grants under this sec-
17 tion the Secretary shall give a priority to applicants under
18 subsection (c) that serve low-income areas or individuals.

19 (e) USE OF FUNDS.—

20 (1) REVOLVING FUND.—Each eligible inter-
21 mediary that receives a grant under this section
22 shall deposit the grant amount into a child care re-
23 volving fund established by the eligible intermediary.

24 (2) PAYMENTS FROM FUND.—Subject to sub-
25 section (f), from amounts deposited into the revolv-

1 ing fund under paragraph (1), each eligible inter-
2 mediary shall provide technical and financial assist-
3 ance (in the form of loans, grants, investments,
4 guarantees, interest subsidies, and other appropriate
5 forms of assistance) to eligible recipients to pay for
6 the Federal share of the cost of the acquisition, con-
7 struction, or improvement of child care facilities or
8 equipment, or for the improvement of related man-
9 agement and business practices, for each such recipi-
10 ent. The amounts may be used solely for the purpose
11 of providing technical or financial assistance.

12 (3) LOAN REPAYMENTS AND INVESTMENT PRO-
13 CEEDS.—Any amount received by an eligible inter-
14 mediary from an eligible recipient in the form of a
15 loan repayment or investment proceeds shall be de-
16 posited into the child care revolving fund of the eligi-
17 ble intermediary for redistribution to other eligible
18 recipients in accordance with this section.

19 (f) FEDERAL SHARE.—

20 (1) IN GENERAL.—The Federal share of the
21 cost described in subsection (e)(2) shall be not more
22 than 50 percent.

23 (2) NON-FEDERAL SHARE.—The non-Federal
24 share of the cost may be provided in cash or in kind,

1 fairly evaluated, including plant, equipment, or serv-
2 ices.

3 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$500,000,000 for each of fiscal years 2004 through 2008.

6 **Subtitle D—Head Start Access and**
7 **Improvement**

8 **SEC. 3301. AUTHORIZATION OF APPROPRIATIONS.**

9 Section 639(a) of the Head Start Act (42 U.S.C.
10 9834(a)) is amended to read as follows:

11 “(a) There are authorized to be appropriated to carry
12 out this subchapter—

13 “(1) \$7,037,640,000 for fiscal year 2004;

14 “(2) \$7,787,640,000 for fiscal year 2005;

15 “(3) \$8,537,640,000 for fiscal year 2006;

16 “(4) \$9,537,640,000 for fiscal year 2007;

17 “(5) \$10,717,640,000 for fiscal year 2008;

18 “(6) \$11,907,640,000 for fiscal year 2009;

19 “(7) \$13,307,640,000 for fiscal year 2010;

20 “(8) \$14,967,640,000 for fiscal year 2011;

21 “(9) \$16,967,640,000 for fiscal year 2012; and

22 “(10) \$20,047,640,000 for fiscal year 2013.”.

1 **Subtitle E—Education**
2 **Improvements**
3 **CHAPTER 1—INCREASING ACCESS TO**
4 **QUALITY PREKINDERGARTEN PROGRAMS**

5 **SEC. 3401. PREKINDERGARTEN PROGRAMS.**

6 Title V of the Elementary and Secondary Education
7 Act of 1965 (20 U.S.C. 7201 et seq.) is amended by add-
8 ing at the end the following:

9 **“PART E—PREKINDERGARTEN PROGRAMS**

10 **“SEC. 5701. FINDINGS.**

11 “Congress finds the following:

12 “(1) Countless studies have shown what every
13 parent already knows: High-quality preschool edu-
14 cation programs work. Such programs prepare chil-
15 dren to learn when they go to school, and increase
16 the success of students throughout their lives.

17 “(2) Children who get a high-quality prekinderg-
18 arten education are less likely to repeat a grade
19 level and have less need for special education in-
20 struction than those with no prekindergarten experi-
21 ence.

22 “(3) Prekindergarten programs make a signifi-
23 cant difference in the lives of children from low-in-
24 come families. A recent study found that children in
25 high-quality child care programs had better thinking

1 and attention skills, better mathematics and pre-
2 reading skills, and fewer behavioral problems.

3 “(4) In a study following children to age 21
4 who received high-quality early childhood education,
5 such children were found more likely to have en-
6 rolled in college, been employed, and delayed parent-
7 hood.

8 **“SEC. 5702. DEFINITIONS.**

9 “In this part:

10 “(1) ELIGIBLE PREKINDERGARTEN PRO-
11 VIDER.—The term ‘eligible prekindergarten provider’
12 means—

13 “(A) a child care program or Head Start
14 agency under the Head Start Act (42 U.S.C.
15 9831 et seq.) that—

16 “(i) has met applicable State licensing
17 requirements and has obtained accredita-
18 tion by a national accrediting body with
19 demonstrated experience in accrediting
20 child care programs, prekindergarten pro-
21 grams, or schools; or

22 “(ii) agrees to obtain such accredita-
23 tion not later than 3 years after receipt of
24 a subgrant under this part; or

1 “(B) a local educational agency in partner-
2 ship with an early childhood program, organiza-
3 tion, or agency that serves prekindergarten
4 school children, that—

5 “(i) has met applicable State licensing
6 requirements and has obtained accredita-
7 tion by a national accrediting body with
8 demonstrated experience in accrediting
9 child care programs, prekindergarten pro-
10 grams, or schools; or

11 “(ii) agrees to obtain such accredita-
12 tion not later than 3 years after receipt of
13 a subgrant under this part; and.

14 “(2) PREKINDERGARTEN TEACHER.—The term
15 ‘prekindergarten teacher’ means an individual who
16 has, or is working toward, a bachelor of arts degree
17 in early childhood development.

18 “(3) PREKINDERGARTEN PROGRAM.—The term
19 ‘prekindergarten program’ means a program serving
20 children who are 3, 4, or 5 years old that supports
21 the children’s cognitive, social, emotional, and phys-
22 ical development and helps prepare the children for
23 the transition to kindergarten.

1 **“SEC. 5703. PROGRAM AUTHORIZED.**

2 “(a) IN GENERAL.—From amounts made available
3 under section 5707, the Secretary may provide grants to
4 States with approved applications under subsection (b)(2)
5 for the purpose of enabling the States to award subgrants
6 to eligible prekindergarten providers to establish, enhance,
7 or expand prekindergarten programs.

8 “(b) STATE AGENCY.—

9 “(1) IN GENERAL.—A State desiring a grant
10 under this part shall designate a State agency to ad-
11 minister the grant.

12 “(2) APPLICATION.—

13 “(A) IN GENERAL.—With respect to a
14 State desiring a grant under this part, the
15 State agency designated under paragraph (1)
16 shall submit an application to the Secretary at
17 such time, in such manner, and containing such
18 information as the Secretary may require.

19 “(B) CONTENTS.—The application sub-
20 mitted under subparagraph (A) shall include—

21 “(i) an assurance that the State will
22 provide non-Federal matching funds, for
23 carrying out the prekindergarten programs
24 to be funded by a grant under this part, in
25 an amount equal to not less than 20 per-
26 cent of the grant award; and

1 “(ii) a description of—

2 “(I) how grant funds will be used
3 to expand or enhance existing efforts
4 across the State in providing access to
5 high-quality prekindergarten pro-
6 grams;

7 “(II) how the State will collabo-
8 rate with local child care agencies and
9 councils, including local child care re-
10 source and referral agencies;

11 “(III) how grant funds will be
12 used to supplement and not supplant
13 existing Federal, State, local and pri-
14 vate funds used for prekindergarten
15 programs;

16 “(IV) how the State will ensure
17 that grant funds are provided to a
18 range of types of eligible prekinder-
19 garten providers;

20 “(V) how the State will help eli-
21 gible prekindergarten providers at-
22 tract and retain qualified prekinder-
23 garten teachers;

24 “(VI) how the State will identify
25 eligible prekindergarten providers and

1 identify children to receive prekindergarten education; and

2
3 “(VII) how the State will give
4 priority in awarding subgrants under
5 paragraph (3)(B) to full-time pre-
6 kindergarten programs, including the
7 expansion of existing part-time pro-
8 grams into full-time programs.

9 “(3) DUTIES.—The State agency designated
10 under paragraph (1) shall—

11 “(A) receive and administer grant funds
12 received under this part;

13 “(B) award subgrants, from such grant
14 funds received, to eligible prekindergarten pro-
15 viders to carry out section 5705; and

16 “(C) conduct evaluations of prekindergarten
17 programs carried out by eligible pre-
18 kindergarten providers that receive subgrants
19 under subparagraph (B).

20 **“SEC. 5704. LOCAL APPLICATIONS.**

21 “(a) IN GENERAL.—An eligible prekindergarten pro-
22 vider that desires to receive a subgrant under this part
23 shall submit an application to the appropriate State agen-
24 cy designated under section 5703(b)(1) at such time, in

1 such manner, and containing such information as such
2 State agency may reasonably require.

3 “(b) CONTENT.—An application submitted under
4 subsection (a), at a minimum, shall—

5 “(1) demonstrate a need for the establishment,
6 enhancement, or expansion of a prekindergarten pro-
7 gram;

8 “(2) describe how the eligible prekindergarten
9 provider will collaborate with local early childhood
10 councils and agencies;

11 “(3) provide an assurance that each individual
12 hired as a teacher by the eligible prekindergarten
13 provider for the prekindergarten program is quali-
14 fied as a prekindergarten teacher;

15 “(4) provide an assurance that the ratio of
16 teacher or child development specialist to children at
17 each prekindergarten program assisted under this
18 part and administered by the provider will not ex-
19 ceed 1–10;

20 “(5) provide a description of how funds will be
21 used to coordinate with and enhance, but not dupli-
22 cate or supplant, Federal, State, and local funding
23 for early childhood programs serving 3-, 4-, or 5-
24 year old children in the community;

1 “(6) describe how the eligible prekindergarten
2 provider will use a collaborative process with organi-
3 zations and members of the community that have an
4 interest and experience in early childhood develop-
5 ment and education to establish, enhance, or expand
6 prekindergarten programs;

7 “(7) describe how the prekindergarten program
8 to be funded under the subgrant will meet the di-
9 verse needs of children, ages 3 through 5, in the
10 community who are not enrolled in kindergarten, in-
11 cluding children with disabilities or whose native lan-
12 guage is other than English;

13 “(8) describe how the eligible prekindergarten
14 provider will collaborate with local schools to ensure
15 a smooth transition for participating students from
16 prekindergarten to kindergarten and early elemen-
17 tary education;

18 “(9) describe the results the prekindergarten
19 program is intended to achieve, and what tools will
20 be used to measure the progress in attaining those
21 results; and

22 “(10) provide an assurance that none of the
23 funds received under this part will be used for the
24 construction or renovation of existing or new facili-

1 ties (except for minor remodeling needed to accom-
2 plish the purposes of this part).

3 **“SEC. 5705. LOCAL USES OF FUNDS.**

4 “(a) IN GENERAL.—An eligible prekindergarten pro-
5 vider that receives a subgrant under this part shall use
6 funds received under such subgrant to establish, enhance,
7 or expand prekindergarten programs for children who are
8 not enrolled in kindergarten, including—

9 “(1) providing a program that focuses on the
10 developmental needs of participating children, in-
11 cluding their social, cognitive, physical, and lan-
12 guage-development needs, and uses research-based
13 approaches that build on competencies that lead to
14 school success, particularly in language and literacy
15 development and in reading;

16 “(2) paying the costs of purchasing educational
17 equipment, including educational materials, nec-
18 essary to provide a high-quality program;

19 “(3) pursuing accreditation by a national ac-
20 creditation body with demonstrated experience in ac-
21 creditation of prekindergarten programs, to be ob-
22 tained not later than 3 years after the date on which
23 funds are first received under this part;

24 “(4) helping prekindergarten teachers pursue
25 and attain the credential and degree requirements

1 established by the State, and providing a stipend for
2 attaining educational or professional development;
3 and

4 “(5) meeting the needs of working parents.

5 “(b) PERMISSIBLE USES OF FUNDS.—An eligible
6 prekindergarten provider that receives a subgrant under
7 this part may use funds received under such subgrant to
8 pay for transporting students to and from a prekinde-
9 garten program.

10 **“SEC. 5706. REPORTING.**

11 “(a) LOCAL REPORTS.—Each eligible prekinde-
12 garten provider that receives a subgrant under this part
13 shall submit to the State agency designated under section
14 5703(b)(1), not later than 18 months after the date on
15 which the provider first receives such subgrant, a report
16 relating to the period for which subgrant funds were re-
17 ceived, containing information on—

18 “(1) the number and ages of children served by
19 the eligible prekindergarten provider, including in-
20 formation disaggregated by family income, race, dis-
21 ability, and native language;

22 “(2) the number of hours of service per day and
23 number of months of service provided under the pre-
24 kindergarten program;

1 “(3) the total number of prekindergarten teach-
 2 ers employed under the prekindergarten program;
 3 and

4 “(4) other sources of Federal, State, local, and
 5 private funds used to operate the prekindergarten
 6 program for which subgrant funds were received
 7 under this part.

8 “(b) REPORT TO CONGRESS.—The Secretary shall
 9 submit an annual report to Congress that evaluates the
 10 prekindergarten programs established, enhanced, or ex-
 11 panded under this part.

12 **“SEC. 5707. AUTHORIZATION OF APPROPRIATIONS.**

13 “‘There are authorized to be appropriated to carry out
 14 this part \$2,000,000,000 for fiscal year 2004,
 15 \$4,000,000,000 for fiscal year 2005, \$5,000,000,000 for
 16 fiscal year 2006, \$8,000,000,000 for fiscal year 2007, and
 17 \$10,000,000,000 for fiscal year 2008.’”.

18 **CHAPTER 2—IMPROVING THE**

19 **AVAILABILITY OF BOOKS**

20 **SEC. 3411. SHORT TITLE.**

21 This chapter may be cited as the “Book Stamp Act”.

22 **SEC. 3412. FINDINGS.**

23 Congress finds the following:

24 (1) Literacy is fundamental to all learning.

1 (2) Between 40 and 60 percent of the Nation’s
2 children do not read at grade level, particularly chil-
3 dren in families and school districts that are chal-
4 lenged by significant financial or social instability.

5 (3) Increased investments in child literacy are
6 needed to improve opportunities for children and the
7 efficacy of the Nation’s education investments.

8 (4) Increasing access to books in the home is
9 an important means of improving child literacy,
10 which can be accomplished nationally at modest cost.

11 (5) Effective channels for book distribution al-
12 ready exist through child care providers.

13 **SEC. 3413. DEFINITIONS.**

14 In this chapter:

15 (1) **EARLY LEARNING PROGRAM.**—The term
16 “early learning”, used with respect to a program,
17 means a program of activities designed to facilitate
18 development of cognitive, language, motor, and so-
19 cial-emotional skills in children under age 6 as a
20 means of enabling the children to enter school ready
21 to learn, such as a Head Start or Early Head Start
22 program carried out under the Head Start Act (42
23 U.S.C. 9831 et seq.), or a State prekindergarten
24 program.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Health and Human Services.

3 (3) STATE.—The term “State” means the 50
4 States, the District of Columbia, the Commonwealth
5 of Puerto Rico, Guam, the United States Virgin Is-
6 lands, American Samoa, and the Commonwealth of
7 the Northern Mariana Islands.

8 (4) STATE AGENCY.—The term “State agency”
9 means an agency designated under section 658D of
10 the Child Care and Development Block Grant Act of
11 1990 (42 U.S.C. 9858b).

12 **SEC. 3414. GRANTS TO STATE AGENCIES.**

13 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
14 shall establish and carry out a program to promote child
15 literacy and improve children’s access to books at home
16 and in early learning and other child care programs, by
17 making books available through early learning and other
18 child care programs.

19 (b) GRANTS.—

20 (1) IN GENERAL.—In carrying out the program,
21 the Secretary shall make grants to State agencies
22 from allotments determined under paragraph (2).

23 (2) ALLOTMENTS.—For each fiscal year, the
24 Secretary shall allot to each State an amount that
25 bears the same ratio to the total of the available

1 funds for the fiscal year as the amount the State re-
2 ceives under section 6580(b) of the Child Care and
3 Development Block Grant Act of 1990 (42 U.S.C.
4 9858m(b)) for the fiscal year bears to the total
5 amount received by all States under that section for
6 the fiscal year.

7 (c) APPLICATIONS.—To be eligible to receive an allot-
8 ment under this section, a State shall submit an applica-
9 tion to the Secretary at such time, in such manner, and
10 containing such information as the Secretary may require.

11 (d) ACCOUNTABILITY.—The provisions of sections
12 658I(b) and 658K(b) of the Child Care and Development
13 Block Grant Act of 1990 (42 U.S.C. 9858g(b), 9858i(b))
14 shall apply to States receiving grants under this chapter,
15 except that references in those sections—

16 (1) to a chapter shall be considered to be ref-
17 erences to this chapter; and

18 (2) to a plan or application shall be considered
19 to be references to an application submitted under
20 subsection (c).

21 (e) DEFINITION.—In this section, the term “available
22 funds”, used with respect to a fiscal year, means the total
23 of—

1 (1) the funds made available under section
2 417(c)(1) of title 39, United States Code for the fis-
3 cal year; and

4 (2) the amounts appropriated under section
5 3419 for the fiscal year.

6 **SEC. 3415. CONTRACTS TO CHILD CARE RESOURCE AND**
7 **REFERRAL AGENCIES.**

8 A State agency that receives a grant under section
9 3414 shall use funds made available through the grant
10 to enter into contracts with local child care resource and
11 referral agencies to carry out the activities described in
12 section 3416. The State agency may reserve not more than
13 3 percent of the funds made available through the grant
14 to support a public awareness campaign relating to the
15 activities.

16 **SEC. 3416. USE OF FUNDS.**

17 (a) ACTIVITIES.—

18 (1) BOOK PAYMENTS FOR ELIGIBLE PRO-
19 VIDERS.—A child care resource and referral agency
20 that receives a contract under section 3415 shall use
21 the funds made available through the grant to pro-
22 vide payments for eligible early learning program
23 and other child care providers, on the basis of local
24 needs, to enable the providers to make books avail-
25 able, to promote child literacy and improve chil-

1 dren’s access to books at home and in early learning
2 and other child care programs.

3 (2) ELIGIBLE PROVIDERS.—To be eligible to re-
4 ceive a payment under paragraph (1), a provider
5 shall—

6 (A)(i) be a center-based child care pro-
7 vider, a group home child care provider, or a
8 family child care provider, described in section
9 658P(5)(A) of the Child Care and Development
10 Block Grant Act of 1990 (42 U.S.C.
11 9858n(5)(A)); or

12 (ii) be a Head Start agency designated
13 under section 641 of the Head Start Act (42
14 U.S.C. 9836), an entity that receives assistance
15 under section 645A of such Act (42 U.S.C.
16 9840a) to carry out an Early Head Start pro-
17 gram or another provider of an early learning
18 program; and

19 (B) provide services in an area where chil-
20 dren face high risks of literacy difficulties, as
21 defined by the Secretary.

22 (b) RESPONSIBILITIES.—A child care resource and
23 referral agency that receives a contract under section 3415
24 to provide payments to eligible providers shall—

1 (1) consult with local individuals and organiza-
2 tions concerned with early literacy (including parents
3 and organizations carrying out the Reach Out and
4 Read, First Book, and Reading Is Fundamental pro-
5 grams) regarding local book distribution needs;

6 (2) make reasonable efforts to learn public de-
7 mographic and other information about local fami-
8 lies and child literacy programs carried out by the
9 eligible providers, as needed to inform the agency's
10 decisions as the agency carries out the contract;

11 (3) coordinate local orders of the books made
12 available under this chapter;

13 (4) distribute, to each eligible provider that re-
14 ceives a payment under this chapter, not fewer than
15 1 book every 6 months for each child served by the
16 provider for more than 3 of the preceding 6 months;

17 (5) use not more than 5 percent of the funds
18 made available through the contract to provide train-
19 ing and technical assistance to the eligible providers
20 on the effective use of books with young children at
21 different stages of development; and

22 (6) be a training resource for eligible providers
23 that want to offer parent workshops on developing
24 reading readiness.

25 (c) DISCOUNTS.—

1 (1) IN GENERAL.—Federal funds made avail-
2 able under this chapter for the purchase of books
3 may only be used to purchase books on the same
4 terms as are customarily available in the book indus-
5 try to entities carrying out nonprofit bulk book pur-
6 chase and distribution programs.

7 (2) TERMS.—An entity offering books for pur-
8 chase under this chapter shall be presumed to have
9 met the requirements of paragraph (1), absent con-
10 trary evidence, if the terms include a discount of 43
11 percent off the catalogue price of the books, with no
12 additional charge for shipping and handling of the
13 books.

14 (d) ADMINISTRATION.—The child care resource and
15 referral agency may not use more than 6 percent of the
16 funds made available through the contract for administra-
17 tive costs.

18 **SEC. 3417. REPORT TO CONGRESS.**

19 Not later than 2 years of the date of enactment of
20 this chapter, the Secretary shall prepare and submit to
21 Congress a report on the implementation of the activities
22 carried out under this chapter.

1 **SEC. 3418. SPECIAL POSTAGE STAMPS FOR CHILD LIT-**
2 **ERACY.**

3 Chapter 4 of title 39, United States Code is amended
4 by adding at the end the following:

5 **“§417. Special postage stamps for child literacy**

6 “(a) In order to afford the public a convenient way
7 to contribute to funding for child literacy, the Postal Serv-
8 ice shall establish a special rate of postage for first-class
9 mail under this section. The stamps that bear the special
10 rate of postage shall promote childhood literacy and shall,
11 to the extent practicable, contain an image relating to a
12 character in a children’s book or cartoon.

13 “(b)(1) The rate of postage established under this
14 section—

15 “(A) shall be equal to the regular first-class
16 rate of postage, plus a differential of not to exceed
17 25 percent;

18 “(B) shall be set by the Governors in accord-
19 ance with such procedures as the Governors shall by
20 regulation prescribe (in lieu of the procedures de-
21 scribed in chapter 36); and

22 “(C) shall be offered as an alternative to the
23 regular first-class rate of postage.

24 “(2) The use of the special rate of postage established
25 under this section shall be voluntary on the part of postal
26 patrons.

1 “(c)(1) Of the amounts becoming available for child
2 literacy pursuant to this section, the Postal Service shall
3 pay 100 percent to the Department of Health and Human
4 Services.

5 “(2) Payments made under this subsection to the De-
6 partment shall be made under such arrangements as the
7 Postal Service shall by mutual agreement with such De-
8 partment establish in order to carry out the objectives of
9 this section, except that, under those arrangements, pay-
10 ments to such agency shall be made at least twice a year.

11 “(3) In this section, the term ‘amounts becoming
12 available for child literacy pursuant to this section’
13 means—

14 “(A) the total amounts received by the Postal
15 Service that the Postal Service would not have re-
16 ceived but for the enactment of this section; reduced
17 by

18 “(B) an amount sufficient to cover reasonable
19 costs incurred by the Postal Service in carrying out
20 this section, including costs attributable to the print-
21 ing, sale, and distribution of stamps under this sec-
22 tion,

23 as determined by the Postal Service under regulations that
24 the Postal Service shall prescribe.

1 “(d) It is the sense of Congress that nothing in this
2 section should—

3 “(1) directly or indirectly cause a net decrease
4 in total funds received by the Department of Health
5 and Human Services, or any other agency of the
6 Government (or any component or program of the
7 Government), below the level that would otherwise
8 have been received but for the enactment of this sec-
9 tion; or

10 “(2) affect regular first-class rates of postage
11 or any other regular rates of postage.

12 “(e) Special postage stamps made available under
13 this section shall be made available to the public beginning
14 on such date as the Postal Service shall by regulation pre-
15 scribe, but in no event later than 12 months after the date
16 of enactment of this section.

17 “(f) The Postmaster General shall include in each re-
18 port provided under section 2402, with respect to any pe-
19 riod during any portion of which this section is in effect,
20 information concerning the operation of this section, ex-
21 cept that, at a minimum, each report shall include infor-
22 mation on—

23 “(1) the total amounts described in subsection
24 (c)(3)(A) that were received by the Postal Service
25 during the period covered by such report; and

1 “(2) of the amounts described in paragraph (1),
2 how much (in the aggregate and by category) was
3 required for the purposes described in subsection
4 (c)(3)(B).

5 “(g) This section shall cease to be effective at the
6 end of the 2-year period beginning on the date on which
7 special postage stamps made available under this section
8 are first made available to the public.”.

9 **SEC. 3419. AUTHORIZATION OF APPROPRIATIONS.**

10 There is authorized to be appropriated to carry out
11 this chapter \$50,000,000 for each of fiscal years 2004
12 through 2008.

13 **CHAPTER 3—QUALITY TEACHING AND**
14 **LEADERSHIP**
15 **Subchapter A—Amendment to Title II of the**
16 **Elementary and Secondary Education Act**
17 **of 1965**

18 **SEC. 3421. AMENDMENTS TO TITLE II.**

19 Title II of the Elementary and Secondary Education
20 Act of 1965 (20 U.S.C. 6601 et seq.) is amended by add-
21 ing at the end the following:

22 **“PART E—CLASS SIZE REDUCTION**

23 **“SEC. 2501. GRANT PROGRAM.**

24 “(a) PURPOSES.—The purposes of this section are—

1 “(1) to reduce class size through the use of
2 highly qualified teachers;

3 “(2) to assist States and local educational agen-
4 cies in recruiting, hiring, and training 100,000
5 teachers in order to reduce class sizes nationally, in
6 kindergarten through grade 3, to an average of 18
7 students per regular classroom; and

8 “(3) to improve teaching in those grades so
9 that all students can learn to read independently
10 and well by the end of the 3d grade.

11 “(b) ALLOTMENT TO STATES.—

12 “(1) RESERVATION.—From the amount made
13 available to carry out this part for a fiscal year, the
14 Secretary shall reserve not more than 1 percent for
15 the Secretary of the Interior (on behalf of the Bu-
16 reau of Indian Affairs) and the outlying areas for
17 activities carried out in accordance with this section.

18 “(2) STATE ALLOTMENTS.—

19 “(A) HOLD HARMLESS.—

20 “(i) IN GENERAL.—Subject to sub-
21 paragraph (B) and clause (ii), from the
22 amount made available to carry out this
23 part for a fiscal year and not reserved
24 under paragraph (1), the Secretary shall
25 allot to each State—

1 “(I) for the first fiscal year for
2 which allotments are made under this
3 subparagraph, an amount equal to the
4 amount that such State received
5 under section 306 of the Department
6 of Education Appropriations Act,
7 2001; and

8 “(II) for each subsequent fiscal
9 year for which allotments are made
10 under this subparagraph, an amount
11 equal to the amount that such State
12 received for the preceding fiscal year
13 under this section.

14 “(ii) RATABLE REDUCTION.—If the
15 amount made available to carry out this
16 part for a fiscal year and not reserved
17 under paragraph (1) is insufficient to pay
18 the full amounts that all States are eligible
19 to receive under clause (i) for such fiscal
20 year, the Secretary shall ratably reduce
21 such amounts for such fiscal year.

22 “(B) ALLOTMENT OF ADDITIONAL
23 FUNDS.—

24 “(i) IN GENERAL.—Subject to clause
25 (ii), for any fiscal year for which the

1 amount made available to carry out this
2 part and not reserved under paragraph (1)
3 exceeds the amount needed to pay the full
4 amounts that all States are eligible to re-
5 ceive under subparagraph (A) for such fis-
6 cal year, the Secretary shall allot to each
7 State the percentage of the excess amount
8 that is the greater of—

9 “(I) the percentage that such
10 State received for the preceding fiscal
11 year of the total amount made avail-
12 able to the States under section 1122;
13 or

14 “(II)(aa) for the first of the fis-
15 cal years for which allotments are
16 made under this subparagraph (re-
17 ferred to individually in this subclause
18 as an ‘allotment year’), the percentage
19 that such State received for the pre-
20 ceding fiscal year of the total amount
21 made available to the States under
22 section 5111(a); or

23 “(bb) for each subsequent allot-
24 ment year, the percentage that such
25 State received for the preceding allot-

1 ment year of the total amount made
2 available to the States under this sec-
3 tion.

4 “(ii) RATABLE REDUCTIONS.—If the
5 excess amount for a fiscal year is insuffi-
6 cient to pay the full amounts that all
7 States are eligible to receive under clause
8 (i) for such fiscal year, the Secretary shall
9 ratably reduce such amounts for such fis-
10 cal year.

11 “(C) DEFINITION.—In this paragraph, the
12 term ‘State’ does not include an outlying area.

13 “(c) ALLOCATION TO LOCAL EDUCATIONAL AGEN-
14 CIES.—

15 “(1) ALLOCATION.—Each State that receives
16 funds under this section shall allocate 100 percent
17 of those funds to local educational agencies, of
18 which—

19 “(A) 80 percent shall be allocated to those
20 local educational agencies in proportion to the
21 number of children, age 5 through 17, from
22 families with incomes below the poverty line (as
23 defined by the Office of Management and
24 Budget and revised annually in accordance with
25 section 673(2) of the Community Services

1 Block Grant Act (42 U.S.C. 9902(2))) applica-
2 ble to a family of the size involved, who reside
3 in the school district served by that local edu-
4 cational agency for the most recent fiscal year
5 for which satisfactory data are available, com-
6 pared to the number of those children who re-
7 side in the school districts served by all the
8 local educational agencies in the State for that
9 fiscal year; and

10 “(B) 20 percent shall be allocated to those
11 local educational agencies in accordance with
12 the relative enrollments of children, age 5
13 through 17, in public and private nonprofit ele-
14 mentary schools and secondary schools within
15 the areas served by those agencies.

16 “(2) EXCEPTION.—Notwithstanding paragraph
17 (1) and subsection (d)(2)(B), if the award to a local
18 educational agency under this section is less than
19 the starting salary for a new highly qualified teacher
20 for a school served by that agency, that agency may
21 use funds made available under this section to—

22 “(A) help pay the salary of a full- or part-
23 time highly qualified teacher hired to reduce
24 class size, which may be done in combination

1 with the expenditure of other Federal, State, or
2 local funds; or

3 “(B) pay for activities described in sub-
4 section (d)(2)(A)(iii) that may be related to
5 teaching in smaller classes.

6 “(d) USE OF FUNDS.—

7 “(1) MANDATORY USES.—Each local edu-
8 cational agency that receives funds under this sec-
9 tion shall use those funds to carry out effective ap-
10 proaches to reducing class size through use of highly
11 qualified teachers to improve educational achieve-
12 ment for both regular and special needs children,
13 with particular consideration given to reducing class
14 size in the early elementary grades for which some
15 research has shown class size reduction is most ef-
16 fective.

17 “(2) PERMISSIBLE USES.—

18 “(A) IN GENERAL.—Each such local edu-
19 cational agency may use funds made available
20 under this section for—

21 “(i) recruiting (including through the
22 use of signing bonuses and other financial
23 incentives), hiring, and training highly
24 qualified regular and special education
25 teachers (which may include hiring special

1 education teachers to team-teach with reg-
2 ular teachers in classrooms that contain
3 both children with disabilities and non-
4 disabled children) and teachers of special
5 needs children;

6 “(ii) testing new teachers for aca-
7 demic content knowledge, and to meet
8 State certification or licensing require-
9 ments that are consistent with title II of
10 the Higher Education Act of 1965; and

11 “(iii) providing professional develop-
12 ment (which may include such activities as
13 promoting retention and mentoring) for
14 teachers, including special education teach-
15 ers and teachers of special needs children,
16 in order to meet the goal of ensuring that
17 all teachers have the general knowledge,
18 teaching skills, and subject matter knowl-
19 edge necessary to teach effectively in the
20 content areas in which the teachers teach,
21 consistent with title II of the Higher Edu-
22 cation Act of 1965.

23 “(B) LIMITATION ON TESTING AND PRO-
24 FESSIONAL DEVELOPMENT.—

1 “(i) IN GENERAL.—Except as pro-
2 vided in clause (ii), a local educational
3 agency may use not more than a total of
4 25 percent of the funds received by the
5 agency under this section for activities de-
6 scribed in clauses (ii) and (iii) of subpara-
7 graph (A).

8 “(ii) SPECIAL RULE.—A local edu-
9 cational agency may use more than 25 per-
10 cent of the funds the agency receives under
11 this section for activities described in sub-
12 paragraph (A)(iii) for the purpose of help-
13 ing teachers who are not yet highly quali-
14 fied in attaining full qualification if 10 per-
15 cent or more of the elementary school
16 classes in a school are taught by individ-
17 uals who are not highly qualified teachers
18 or the State educational agency has waived
19 State certification or licensing require-
20 ments for 10 percent or more of such
21 teachers.

22 “(C) USE OF FUNDS BY AGENCIES THAT
23 HAVE REDUCED CLASS SIZE.—Notwithstanding
24 subparagraph (B), a local educational agency
25 that has already reduced class size in the early

1 elementary grades to 18 or fewer children (or
2 has already reduced class size to a State or
3 local class size reduction goal that was in effect
4 on November 28, 1999, if that goal is 20 or
5 fewer children) may use funds received under
6 this section—

7 “(i) to make further class size reduc-
8 tions in kindergarten through 3d grade;

9 “(ii) to reduce class size in other
10 grades; or

11 “(iii) to carry out activities to improve
12 teacher quality, including professional de-
13 velopment.

14 “(3) SUPPLEMENT, NOT SUPPLANT.—Each
15 such agency shall use funds made available under
16 this section only to supplement, and not to supplant,
17 State and local funds that, in the absence of funds
18 made available under this section, would otherwise
19 be expended for activities described in this section.

20 “(4) LIMITATION ON USE FOR SALARIES AND
21 BENEFITS.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), no funds made available
24 under this section may be used to increase the
25 salaries of, or provide benefits (other than par-

1 ticipation in professional development and en-
2 richment programs) to, teachers who are not
3 hired under this section.

4 “(B) EXCEPTION.—Funds made available
5 under this section may be used to pay the sala-
6 ries of teachers hired under section 306 of the
7 Department of Education Appropriations Act,
8 2001 or section 2123(a)(2).

9 “(e) REPORTS.—

10 “(1) STATE ACTIVITIES.—Each State receiving
11 funds under this section shall prepare and submit to
12 the Secretary a biennial report on activities carried
13 out in the State under this section that provides the
14 information described in section 5122(b) with re-
15 spect to the activities.

16 “(2) PROGRESS CONCERNING CLASS SIZE AND
17 QUALIFIED TEACHERS.—Each State and local edu-
18 cational agency receiving funds under this section
19 shall annually report to parents and the public, in
20 numeric form as compared to the previous year,
21 on—

22 “(A) the agency’s progress in reducing
23 class size, and increasing the percentage of
24 classes in core academic areas taught by highly
25 qualified teachers; and

1 “(B) the impact that hiring additional
2 highly qualified teachers and reducing class
3 size, has had, if any, on increasing student aca-
4 demic achievement.

5 “(f) PRIVATE SCHOOLS.—If a local educational agen-
6 cy uses funds made available under this section for profes-
7 sional development activities, the agency shall ensure the
8 equitable participation of private nonprofit elementary
9 schools and secondary schools in such activities in accord-
10 ance with section 5142. Section 5142 shall not apply to
11 other activities carried out under this section.

12 “(g) ADMINISTRATIVE EXPENSES.—A local edu-
13 cational agency that receives funds under this section may
14 use not more than 3 percent of such funds for local admin-
15 istrative costs.

16 “(h) APPLICATION.—Each local educational agency
17 that desires to receive funds under this section shall sub-
18 mit an application to the State educational agency at such
19 time, in such manner, and containing such information as
20 the State educational agency may require. Each such ap-
21 plication shall include a description of the agency’s pro-
22 gram to reduce class size by hiring additional highly quali-
23 fied teachers.

24 “(i) CERTIFICATION, LICENSING, AND COM-
25 PETENCY.—No funds made available under this section

1 may be used to pay the salary of any teacher unless such
2 teacher is highly qualified.

3 “(j) DEFINITION.—In this section, the term ‘cer-
4 tified’ includes certification through State or local alter-
5 native routes.

6 **“SEC. 2502. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this part, \$2,537,000,000 for fiscal year 2004,
9 \$3,452,000,000 for fiscal year 2005, \$4,336,000,000 for
10 fiscal year 2006, and \$5,281,000,000 for each of fiscal
11 years 2007 and 2008.

12 **“PART F—PRINCIPAL LEADERSHIP**

13 **DEVELOPMENT**

14 **“SEC. 2601. PROFESSIONAL DEVELOPMENT FOR PRIN-
15 CIPALS AS LEADERS OF SCHOOL REFORM.**

16 “(a) COMPETITIVE GRANTS.—The Secretary is au-
17 thorized to award, on a competitive basis, grants to eligible
18 partnerships—

19 “(1) consisting of—

20 “(A) one or more institutions of higher
21 education that provide professional development
22 for principals and other school administrators;
23 and

24 “(B) one or more local educational agen-
25 cies; and

1 “(2) that may include other entities, agencies,
2 and organizations, such as a State educational agen-
3 cy, a State agency for higher education, and profes-
4 sional organizations for principals, administrators,
5 teachers, and parents.

6 “(b) APPLICATION.—An eligible partnership that de-
7 sires to receive a grant under this section shall submit an
8 application to the Secretary at such time, in such form,
9 and containing such information as the Secretary may re-
10 quire. Each such application shall include—

11 “(1) a description of the activities the partner-
12 ship will carry out to meet the purpose of this part;

13 “(2) a description of how those activities will
14 build on and be coordinated with other professional
15 development activities, including activities under this
16 title and title II of the Higher Education Act of
17 1965;

18 “(3) a description of how principals, teachers,
19 and other interested parties were involved in devel-
20 oping the application and will be involved in plan-
21 ning and carrying out the activities under this sec-
22 tion; and

23 “(4) a description of how the professional devel-
24 opment will result in the acquisition of a license, de-
25 gree, or continuing education unit.

1 **SEC. 3432. GRANTS TO EXPAND PARTICIPATION IN THE NA-**
2 **TIONAL BOARD CERTIFICATION PROGRAM.**

3 (a) DEFINITIONS.—The terms used in this section
4 have the meanings given the terms in section 9101 of the
5 Elementary and Secondary Education Act of 1965 (20
6 U.S.C. 7801).

7 (b) GRANTS AUTHORIZED.—From amounts appro-
8 priated under subsection (f), the Secretary shall award
9 grants to States to enable such States to provide subsidies
10 to elementary school and secondary school teachers who
11 enroll in the certification program of the National Board
12 for Professional Teaching Standards.

13 (c) APPLICATION.—To be eligible to receive a grant
14 under subsection (b), a State shall prepare and submit to
15 the Secretary an application at such time, in such manner,
16 and containing such information as the Secretary may re-
17 quire.

18 (d) AMOUNT OF GRANT.—The amount of a grant
19 awarded to a State under subsection (b) shall be deter-
20 mined by the Secretary.

21 (e) USE OF FUNDS.—

22 (1) IN GENERAL.—A State shall use amounts
23 received under a grant under this section to provide
24 a subsidy to an eligible teacher who enrolls and com-
25 pletes the teaching certification program of the Na-
26 tional Board for Professional Teaching Standards.

1 (2) ELIGIBILITY.—

2 (A) IN GENERAL.—To be eligible to receive
3 a subsidy under this section an individual
4 shall—

5 (i) be a teacher in an elementary
6 school or secondary school, served by a
7 local educational agency that meets the eli-
8 gibility requirements described in subpara-
9 graph (B), in the State involved;

10 (ii) prepare and submit to the State
11 an application at such time, in such man-
12 ner, and containing such information as
13 the State may require; and

14 (iii) certify to the State that the indi-
15 vidual intends to enroll and complete the
16 teaching certification program of the Na-
17 tional Board for Professional Teaching
18 Standards.

19 (B) LOCAL EDUCATIONAL AGENCY.—A
20 local educational agency described in subpara-
21 graph (A)(i) is a local educational agency
22 that—

23 (i) serves low achieving students as
24 measured by low graduation rates or low
25 scores on assessment exams;

1 (ii) has a low teacher retention rate in
2 the schools served by the local educational
3 agency;

4 (iii) has a high rate of out-of-field
5 placement of teachers in the schools served
6 by the local educational agency; and

7 (iv) has a shortage of teachers of
8 mathematics or physical science in the
9 schools served by the local educational
10 agency.

11 (3) AMOUNT OF SUBSIDY.—Subject to the
12 availability of funds, a State shall provide a teacher
13 who has an application approved under paragraph
14 (2) with a subsidy in an amount equal to 90 percent
15 of the cost of enrollment in the program described
16 in paragraph (2)(A)(iii).

17 (f) APPROPRIATIONS.—There are authorized to be
18 appropriated to carry out this section, \$37,800,000 for
19 each of the fiscal years 2004 through 2008.

20 **Subchapter C—Student Loan Forgiveness for**
21 **Teachers**

22 **SEC. 3441. STUDENT LOAN FORGIVENESS FOR TEACHERS.**

23 (a) GUARANTEED LOANS.—Section 428J of the
24 Higher Education Act of 1965 (20 U.S.C. 1078–10) is
25 amended to read as follows:

1 **“SEC. 428J. LOAN FORGIVENESS FOR TEACHERS.**

2 “(a) STATEMENT OF PURPOSE.—It is the purpose of
3 this section to encourage individuals to enter and continue
4 in the teaching profession.

5 “(b) PROGRAM AUTHORIZED.—The Secretary shall
6 carry out a program, through the holder of the loan, of
7 assuming the obligation to repay in accordance with sub-
8 section (c) a qualified loan amount for a loan made under
9 section 428 or 428H for any borrower who—

10 “(1) is employed as a full-time teacher during
11 the academic year beginning in calendar year 2003
12 or during any subsequent academic year—

13 “(A) in a school that qualifies under sec-
14 tion 465(a)(2)(A) for loan cancellation for Per-
15 kins loan recipients who teach in such schools;

16 “(B) if employed as a secondary school
17 teacher, is teaching—

18 “(i) a subject area that is relevant to
19 the borrower’s academic major as certified
20 by the chief administrative officer of the
21 public or nonprofit private secondary
22 school in which the borrower is employed;
23 or

24 “(ii) special education or bilingual
25 education;

1 “(C) if employed as an elementary school
2 teacher, has demonstrated, as certified by the
3 chief administrative officer of the public or non-
4 profit private elementary school in which the
5 borrower is employed, knowledge and teaching
6 skills in reading, writing, mathematics, special
7 education, bilingual education, or other areas of
8 the elementary school curriculum; and

9 “(D) is highly qualified, as such term is
10 defined in section 9101 of the Elementary and
11 Secondary Education Act of 1965; and

12 “(2) is not in default on a loan for which the
13 borrower seeks forgiveness.

14 “(c) QUALIFIED LOANS AMOUNT.—

15 “(1) IN GENERAL.—Of the aggregate loan obli-
16 gations of a borrower on loans made under section
17 428 or 428H that are outstanding after the comple-
18 tion of the first complete school year of teaching de-
19 scribed in subsection (b)(1) for which the borrower
20 applies for repayment under this section, the Sec-
21 retary shall repay not more than—

22 “(A) \$3,000 for each of the first and sec-
23 ond such complete school years;

24 “(B) \$4,000 for the third such complete
25 school year; and

1 “(C) \$5,000 for each of the fourth and
2 fifth such complete school years.

3 “(2) TREATMENT OF CONSOLIDATION LOANS.—

4 A loan amount for a loan made under section 428C
5 may be a qualified loan amount for the purposes of
6 this subsection only to the extent that such loan
7 amount was used to repay a Federal Direct Stafford
8 Loan, a Federal Direct Unsubsidized Stafford Loan,
9 or a loan made under section 428 or 428H for a
10 borrower who meets the requirements of subsection
11 (b), as determined in accordance with regulations
12 prescribed by the Secretary.

13 “(d) REGULATIONS.—The Secretary is authorized to
14 issue such regulations as may be necessary to carry out
15 the provisions of this section.

16 “(e) CONSTRUCTION.—Nothing in this section shall
17 be construed to authorize any refunding of any repayment
18 of a loan.

19 “(f) LIST.—If the list of schools in which a teacher
20 may perform service pursuant to subsection (b) is not
21 available before May 1 of any year, the Secretary may use
22 the list for the year preceding the year for which the deter-
23 mination is made to make such service determination.

24 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

1 “(1) CONTINUED ELIGIBILITY.—Any teacher
2 who performs service in a school that—

3 “(A) meets the requirements of subsection
4 (b)(1)(A) in any year during such service; and

5 “(B) in a subsequent year fails to meet the
6 requirements of such subsection,

7 may continue to teach in such school and shall be
8 eligible for loan forgiveness pursuant to subsection
9 (b).

10 “(2) PREVENTION OF DOUBLE BENEFITS.—No
11 borrower may, for the same service, receive a benefit
12 under both this subsection and subtitle D of title I
13 of the National and Community Service Act of 1990
14 (42 U.S.C. 12571 et seq.). No borrower may receive
15 a reduction of loan obligations under both this sec-
16 tion and section 460.

17 “(h) DEFINITION.—For purposes of this section, the
18 term ‘year’, where applied to service as a teacher, means
19 an academic year as defined by the Secretary.”.

20 (b) DIRECT LOANS.—Section 460 of such Act (20
21 U.S.C. 1087j) is amended to read as follows:

22 **“SEC. 460. LOAN FORGIVENESS FOR TEACHERS.**

23 “(a) STATEMENT OF PURPOSE.—It is the purpose of
24 this section to encourage individuals to enter and continue
25 in the teaching profession.

1 “(b) PROGRAM AUTHORIZED.—The Secretary shall
2 carry out a program of canceling the obligation to repay
3 a qualified loan amount in accordance with subsection (c)
4 for Federal Direct Stafford Loans and Federal Direct Un-
5 subsidized Stafford Loans made under this part for any
6 borrower who—

7 “(1) is employed as a full-time teacher during
8 the academic year beginning in calendar year 2003
9 or during any subsequent academic year—

10 “(A) in a school that qualifies under sec-
11 tion 465(a)(2)(A) for loan cancellation for Per-
12 kins loan recipients who teach in such schools;

13 “(B) if employed as a secondary school
14 teacher, is teaching—

15 “(i) a subject area that is relevant to
16 the borrower’s academic major as certified
17 by the chief administrative officer of the
18 public or nonprofit private secondary
19 school in which the borrower is employed;
20 or

21 “(ii) special education or bilingual
22 education;

23 “(C) if employed as an elementary school
24 teacher, has demonstrated, as certified by the
25 chief administrative officer of the public or non-

1 profit private elementary school in which the
 2 borrower is employed, knowledge and teaching
 3 skills in reading, writing, mathematics, special
 4 education, bilingual education, and other areas
 5 of the elementary school curriculum; and

6 “(D) is highly qualified, as such term is
 7 defined in section 9101 of the Elementary and
 8 Secondary Education Act of 1965; and

9 “(2) is not in default on a loan for which the
 10 borrower seeks forgiveness.

11 “(c) QUALIFIED LOANS AMOUNT.—

12 “(1) IN GENERAL.—Of the aggregate loan obli-
 13 gations of a borrower on Federal Direct Stafford
 14 Loans and Federal Direct Unsubsidized Stafford
 15 Loans made under this part that are outstanding
 16 after the completion of the first complete school year
 17 of teaching described in subsection (b)(1) for which
 18 the borrower applies for cancellation under this sec-
 19 tion, the Secretary shall cancel not more than—

20 “(A) \$3,000 for each of the first and sec-
 21 ond such complete school years;

22 “(B) \$4,000 for the third such complete
 23 school year; and

24 “(C) \$5,000 for each of the fourth and
 25 fifth such complete school years.

1 “(2) TREATMENT OF CONSOLIDATION LOANS.—

2 A loan amount for a Federal Direct Consolidation
3 Loan may be a qualified loan amount for the pur-
4 poses of this subsection only to the extent that such
5 loan amount was used to repay a Federal Direct
6 Stafford Loan, a Federal Direct Unsubsidized Staf-
7 ford Loan, or a loan made under section 428 or
8 428H, for a borrower who meets the requirements of
9 subsection (b), as determined in accordance with
10 regulations prescribed by the Secretary.

11 “(d) REGULATIONS.—The Secretary is authorized to
12 issue such regulations as may be necessary to carry out
13 the provisions of this section.

14 “(e) CONSTRUCTION.—Nothing in this section shall
15 be construed to authorize any refunding of any repayment
16 of a loan.

17 “(f) LIST.—If the list of schools in which a teacher
18 may perform service pursuant to subsection (b) is not
19 available before May 1 of any year, the Secretary may use
20 the list for the year preceding the year for which the deter-
21 mination is made to make such service determination.

22 “(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

23 “(1) CONTINUED ELIGIBILITY.—Any teacher
24 who performs service in a school that—

1 “(A) meets the requirements of subsection
2 (b)(1)(A) in any year during such service; and
3 “(B) in a subsequent year fails to meet the
4 requirements of such subsection,
5 may continue to teach in such school and shall be
6 eligible for loan forgiveness pursuant to subsection
7 (b).

8 “(2) PREVENTION OF DOUBLE BENEFITS.—No
9 borrower may, for the same service, receive a benefit
10 under both this subsection and subtitle D of title I
11 of the National and Community Service Act of 1990
12 (42 U.S.C. 12571 et seq.). No borrower may receive
13 a reduction of loan obligations under both this sec-
14 tion and section 428J.

15 “(h) DEFINITION.—For purposes of this section, the
16 term ‘year’, where applied to service as a teacher, means
17 an academic year as defined by the Secretary.”.

18 **CHAPTER 4—SCHOOL CONSTRUCTION**

19 **Subchapter A—School Modernization Bonds**

20 **SEC. 3451. SHORT TITLE.**

21 This subchapter may be cited as the “America’s Bet-
22 ter Classroom Act of 2003”.

1 **SEC. 3452. EXPANSION OF INCENTIVES FOR PUBLIC**
 2 **SCHOOLS.**

3 (a) IN GENERAL.—Chapter 1 of the Internal Rev-
 4 enue Code of 1986 is amended by adding at the end the
 5 following:

6 **“Subchapter Z—Public School Modernization**
 7 **Provisions**

“Sec. 1400M. Credit to holders of qualified public school mod-
 ernization bonds.

“Sec. 1400N. Qualified school construction bonds.

“Sec. 1400O. Qualified zone academy bonds.

8 **“SEC. 1400M. CREDIT TO HOLDERS OF QUALIFIED PUBLIC**
 9 **SCHOOL MODERNIZATION BONDS.**

10 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
 11 payer who holds a qualified public school modernization
 12 bond on a credit allowance date of such bond which occurs
 13 during the taxable year, there shall be allowed as a credit
 14 against the tax imposed by this chapter for such taxable
 15 year an amount equal to the sum of the credits determined
 16 under subsection (b) with respect to credit allowance dates
 17 during such year on which the taxpayer holds such bond.

18 “(b) AMOUNT OF CREDIT.—

19 “(1) IN GENERAL.—The amount of the credit
 20 determined under this subsection with respect to any
 21 credit allowance date for a qualified public school
 22 modernization bond is 25 percent of the annual
 23 credit determined with respect to such bond.

1 “(2) ANNUAL CREDIT.—The annual credit de-
2 termined with respect to any qualified public school
3 modernization bond is the product of—

4 “(A) the applicable credit rate, multiplied
5 by

6 “(B) the outstanding face amount of the
7 bond.

8 “(3) APPLICABLE CREDIT RATE.—For purposes
9 of paragraph (1), the applicable credit rate with re-
10 spect to an issue is the rate equal to an average
11 market yield (as of the day before the date of
12 issuance of the issue) on outstanding long-term cor-
13 porate debt obligations (determined under regula-
14 tions prescribed by the Secretary).

15 “(4) SPECIAL RULE FOR ISSUANCE AND RE-
16 DEMPTION.—In the case of a bond which is issued
17 during the 3-month period ending on a credit allow-
18 ance date, the amount of the credit determined
19 under this subsection with respect to such credit al-
20 lowance date shall be a ratable portion of the credit
21 otherwise determined based on the portion of the 3-
22 month period during which the bond is outstanding.
23 A similar rule shall apply when the bond is re-
24 deemed.

25 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

1 “(1) IN GENERAL.—The credit allowed under
2 subsection (a) for any taxable year shall not exceed
3 the excess of—

4 “(A) the sum of the regular tax liability
5 (as defined in section 26(b)) plus the tax im-
6 posed by section 55, over

7 “(B) the sum of the credits allowable
8 under part IV of subchapter A (other than sub-
9 part C thereof, relating to refundable credits).

10 “(2) CARRYOVER OF UNUSED CREDIT.—If the
11 credit allowable under subsection (a) exceeds the
12 limitation imposed by paragraph (1) for such taxable
13 year, such excess shall be carried to the succeeding
14 taxable year and added to the credit allowable under
15 subsection (a) for such taxable year.

16 “(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION
17 BOND; CREDIT ALLOWANCE DATE.—For purposes of this
18 section—

19 “(1) QUALIFIED PUBLIC SCHOOL MODERNIZA-
20 TION BOND.—The term ‘qualified public school mod-
21 ernization bond’ means—

22 “(A) a qualified zone academy bond, and

23 “(B) a qualified school construction bond.

24 “(2) CREDIT ALLOWANCE DATE.—The term
25 ‘credit allowance date’ means—

- 1 “(A) March 15,
2 “(B) June 15,
3 “(C) September 15, and
4 “(D) December 15.

5 Such term includes the last day on which the bond
6 is outstanding.

7 “(e) OTHER DEFINITIONS.—For purposes of this
8 subchapter—

9 “(1) LOCAL EDUCATIONAL AGENCY.—The term
10 ‘local educational agency’ has the meaning given to
11 such term by section 9101 of the Elementary and
12 Secondary Education Act of 1965. Such term in-
13 cludes the local educational agency that serves the
14 District of Columbia but does not include any other
15 State agency.

16 “(2) BOND.—The term ‘bond’ includes any ob-
17 ligation.

18 “(3) STATE.—The term ‘State’ includes the
19 District of Columbia and any possession of the
20 United States.

21 “(4) PUBLIC SCHOOL FACILITY.—The term
22 ‘public school facility’ shall not include—

23 “(A) any stadium or other facility pri-
24 marily used for athletic contests or exhibitions

1 or other events for which admission is charged
2 to the general public, or

3 “(B) any facility which is not owned by a
4 State or local government or any agency or in-
5 strumentality of a State or local government.

6 “(f) CREDIT INCLUDED IN GROSS INCOME.—Gross
7 income includes the amount of the credit allowed to the
8 taxpayer under this section (determined without regard to
9 subsection (c)) and the amount so included shall be treat-
10 ed as interest income.

11 “(g) BONDS HELD BY REGULATED INVESTMENT
12 COMPANIES.—If any qualified public school modernization
13 bond is held by a regulated investment company, the credit
14 determined under subsection (a) shall be allowed to share-
15 holders of such company under procedures prescribed by
16 the Secretary.

17 “(h) CREDITS MAY BE STRIPPED.—Under regula-
18 tions prescribed by the Secretary—

19 “(1) IN GENERAL.—There may be a separation
20 (including at issuance) of the ownership of a quali-
21 fied public school modernization bond and the enti-
22 tlement to the credit under this section with respect
23 to such bond. In case of any such separation, the
24 credit under this section shall be allowed to the per-
25 son who on the credit allowance date holds the in-

1 strument evidencing the entitlement to the credit
2 and not to the holder of the bond.

3 “(2) CERTAIN RULES TO APPLY.—In the case
4 of a separation described in paragraph (1), the rules
5 of section 1286 shall apply to the qualified public
6 school modernization bond as if it were a stripped
7 bond and to the credit under this section as if it
8 were a stripped coupon.

9 “(i) TREATMENT FOR ESTIMATED TAX PURPOSES.—
10 Solely for purposes of sections 6654 and 6655, the credit
11 allowed by this section to a taxpayer by reason of holding
12 a qualified public school modernization bond on a credit
13 allowance date shall be treated as if it were a payment
14 of estimated tax made by the taxpayer on such date.

15 “(j) CREDIT MAY BE TRANSFERRED.—Nothing in
16 any law or rule of law shall be construed to limit the trans-
17 ferability of the credit allowed by this section through sale
18 and repurchase agreements.

19 “(k) REPORTING.—Issuers of qualified public school
20 modernization bonds shall submit reports similar to the
21 reports required under section 149(e).

22 “(l) TERMINATION.—This section shall not apply to
23 any bond issued after September 30, 2008.

1 **“SEC. 1400N. QUALIFIED SCHOOL CONSTRUCTION BONDS.**

2 “(a) **QUALIFIED SCHOOL CONSTRUCTION BOND.—**

3 For purposes of this subchapter, the term ‘qualified school
4 construction bond’ means any bond issued as part of an
5 issue if—

6 “(1) 95 percent or more of the proceeds of such
7 issue are to be used for the construction, rehabilita-
8 tion, or repair of a public school facility or for the
9 acquisition of land on which such a facility is to be
10 constructed with part of the proceeds of such issue,

11 “(2) the bond is issued by a State or local gov-
12 ernment within the jurisdiction of which such school
13 is located,

14 “(3) the issuer designates such bond for pur-
15 poses of this section, and

16 “(4) the term of each bond which is part of
17 such issue does not exceed 15 years.

18 “(b) **LIMITATION ON AMOUNT OF BONDS DES-**
19 **IGNATED.—**The maximum aggregate face amount of
20 bonds issued during any calendar year which may be des-
21 ignated under subsection (a) by any issuer shall not exceed
22 the sum of—

23 “(1) the limitation amount allocated under sub-
24 section (d) for such calendar year to such issuer,
25 and

1 “(2) if such issuer is a large local educational
2 agency (as defined in subsection (e)(4)) or is issuing
3 on behalf of such an agency, the limitation amount
4 allocated under subsection (e) for such calendar year
5 to such agency.

6 “(c) NATIONAL LIMITATION ON AMOUNT OF BONDS
7 DESIGNATED.—There is a national qualified school con-
8 struction bond limitation for each calendar year. Such lim-
9 itation is—

10 “(1) \$11,000,000,000 for 2004,

11 “(2) \$11,000,000,000 for 2005, and

12 “(3) except as provided in subsection (f), zero
13 after 2005.

14 “(d) 60 PERCENT OF LIMITATION ALLOCATED
15 AMONG STATES.—

16 “(1) IN GENERAL.—60 percent of the limitation
17 applicable under subsection (c) for any calendar year
18 shall be allocated by the Secretary among the States
19 in proportion to the respective numbers of children
20 in each State who have attained age 5 but not age
21 18 for the most recent fiscal year ending before such
22 calendar year. The limitation amount allocated to a
23 State under the preceding sentence shall be allocated
24 by the State to issuers within such State and such

1 allocations may be made only if there is an approved
2 State application.

3 “(2) MINIMUM ALLOCATIONS TO STATES.—

4 “(A) IN GENERAL.—The Secretary shall
5 adjust the allocations under this subsection for
6 any calendar year for each State to the extent
7 necessary to ensure that the sum of—

8 “(i) the amount allocated to such
9 State under this subsection for such year,
10 and

11 “(ii) the aggregate amounts allocated
12 under subsection (e) to large local edu-
13 cational agencies in such State for such
14 year,

15 is not less than an amount equal to such
16 State’s minimum percentage of the amount to
17 be allocated under paragraph (1) for the cal-
18 endar year.

19 “(B) MINIMUM PERCENTAGE.—A State’s
20 minimum percentage for any calendar year is
21 the minimum percentage described in section
22 1124(d) of the Elementary and Secondary Edu-
23 cation Act of 1965 (20 U.S.C. 6334(d)) for
24 such State for the most recent fiscal year end-
25 ing before such calendar year.

1 “(3) ALLOCATIONS TO CERTAIN POSSES-
2 SIONS.—The amount to be allocated under para-
3 graph (1) to any possession of the United States
4 other than Puerto Rico shall be the amount which
5 would have been allocated if all allocations under
6 paragraph (1) were made on the basis of respective
7 populations of individuals below the poverty line (as
8 defined by the Office of Management and Budget).
9 In making other allocations, the amount to be allo-
10 cated under paragraph (1) shall be reduced by the
11 aggregate amount allocated under this paragraph to
12 possessions of the United States.

13 “(4) ALLOCATIONS FOR INDIAN SCHOOLS.—In
14 addition to the amounts allocated under this sub-
15 section, \$200,000,000 for calendar year 2004, and
16 \$200,000,000 for calendar year 2005, shall be allo-
17 cated by the Secretary of the Interior for purposes
18 of the construction, rehabilitation, and repair of
19 schools funded by the Bureau of Indian Affairs. In
20 the case of amounts allocated under the preceding
21 sentence, Indian tribal governments (as defined in
22 section 7871) shall be treated as qualified issuers for
23 purposes of this subchapter.

24 “(5) APPROVED STATE APPLICATION.—For
25 purposes of paragraph (1), the term ‘approved State

1 application' means an application which is approved
2 by the Secretary of Education and which includes—

3 “(A) the results of a recent publicly avail-
4 able survey (undertaken by the State with the
5 involvement of local education officials, mem-
6 bers of the public, and experts in school con-
7 struction and management) of such State’s
8 needs for public school facilities, including de-
9 scriptions of—

10 “(i) health and safety problems at
11 such facilities,

12 “(ii) the capacity of public schools in
13 the State to house projected enrollments,
14 and

15 “(iii) the extent to which the public
16 schools in the State offer the physical in-
17 frastructure needed to provide a high-qual-
18 ity education to all students, and

19 “(B) a description of how the State will al-
20 locate to local educational agencies, or other-
21 wise use, its allocation under this subsection to
22 address the needs identified under subpara-
23 graph (A), including a description of how it
24 will—

1 “(i) ensure that the needs of both
2 rural and urban areas will be recognized,

3 “(ii) give highest priority to localities
4 with the greatest needs, as demonstrated
5 by inadequate school facilities coupled with
6 a low level of resources to meet those
7 needs,

8 “(iii) use its allocation under this sub-
9 section to assist localities that lack the fis-
10 cal capacity to issue bonds on their own,
11 and

12 “(iv) ensure that its allocation under
13 this subsection is used only to supplement,
14 and not supplant, the amount of school
15 construction, rehabilitation, and repair in
16 the State that would have occurred in the
17 absence of such allocation.

18 Any allocation under paragraph (1) by a State shall
19 be binding if such State reasonably determined that
20 the allocation was in accordance with the plan ap-
21 proved under this paragraph.

22 “(e) 40 PERCENT OF LIMITATION ALLOCATED
23 AMONG LARGEST SCHOOL DISTRICTS.—

24 “(1) IN GENERAL.—40 percent of the limitation
25 applicable under subsection (c) for any calendar year

1 shall be allocated under paragraph (2) by the Sec-
2 retary among local educational agencies which are
3 large local educational agencies for such year. No
4 qualified school construction bond may be issued by
5 reason of an allocation to a large local educational
6 agency under the preceding sentence unless such
7 agency has an approved local application.

8 “(2) ALLOCATION FORMULA.—The amount to
9 be allocated under paragraph (1) for any calendar
10 year shall be allocated among large local educational
11 agencies in proportion to the respective amounts
12 each such agency received for Basic Grants under
13 subpart 2 of part A of title I of the Elementary and
14 Secondary Education Act of 1965 (20 U.S.C. 6331
15 et seq.) for the most recent fiscal year ending before
16 such calendar year.

17 “(3) ALLOCATION OF UNUSED LIMITATION TO
18 STATE.—The amount allocated under this subsection
19 to a large local educational agency for any calendar
20 year may be reallocated by such agency to the State
21 in which such agency is located for such calendar
22 year. Any amount reallocated to a State under the
23 preceding sentence may be allocated as provided in
24 subsection (d)(1).

1 “(4) LARGE LOCAL EDUCATIONAL AGENCY.—

2 For purposes of this section, the term ‘large local
3 educational agency’ means, with respect to a cal-
4 endar year, any local educational agency if such
5 agency is—

6 “(A) among the 100 local educational
7 agencies with the largest numbers of children
8 aged 5 through 17 from families living below
9 the poverty level, as determined by the Sec-
10 retary using the most recent data available
11 from the Department of Commerce that are
12 satisfactory to the Secretary, or

13 “(B) 1 of not more than 25 local edu-
14 cational agencies (other than those described in
15 subparagraph (A)) that the Secretary of Edu-
16 cation determines (based on the most recent
17 data available satisfactory to the Secretary) are
18 in particular need of assistance, based on a low
19 level of resources for school construction, a high
20 level of enrollment growth, or such other factors
21 as the Secretary deems appropriate.

22 “(5) APPROVED LOCAL APPLICATION.—For
23 purposes of paragraph (1), the term ‘approved local
24 application’ means an application which is approved
25 by the Secretary of Education and which includes—

1 “(A) the results of a recent publicly avail-
2 able survey (undertaken by the local educational
3 agency or the State with the involvement of
4 school officials, members of the public, and ex-
5 perts in school construction and management)
6 of such agency’s needs for public school facili-
7 ties, including descriptions of—

8 “(i) the overall condition of the local
9 educational agency’s school facilities, in-
10 cluding health and safety problems,

11 “(ii) the capacity of the agency’s
12 schools to house projected enrollments, and

13 “(iii) the extent to which the agency’s
14 schools offer the physical infrastructure
15 needed to provide a high-quality education
16 to all students,

17 “(B) a description of how the local edu-
18 cational agency will use its allocation under this
19 subsection to address the needs identified under
20 subparagraph (A), and

21 “(C) a description of how the local edu-
22 cational agency will ensure that its allocation
23 under this subsection is used only to supple-
24 ment, and not supplant, the amount of school
25 construction, rehabilitation, or repair in the lo-

1 cality that would have occurred in the absence
2 of such allocation.

3 A rule similar to the rule of the last sentence of sub-
4 section (d)(5) shall apply for purposes of this para-
5 graph.

6 “(f) CARRYOVER OF UNUSED LIMITATION.—If for
7 any calendar year—

8 “(1) the amount allocated under subsection (d)
9 to any State, exceeds

10 “(2) the amount of bonds issued during such
11 year which are designated under subsection (a) pur-
12 suant to such allocation,

13 the limitation amount under such subsection for such
14 State for the following calendar year shall be increased
15 by the amount of such excess. A similar rule shall apply
16 to the amounts allocated under subsection (d)(5) or (e).

17 “(g) SPECIAL RULES RELATING TO ARBITRAGE.—

18 “(1) IN GENERAL.—A bond shall not be treated
19 as failing to meet the requirement of subsection
20 (a)(1) solely by reason of the fact that the proceeds
21 of the issue of which such bond is a part are in-
22 vested for a temporary period (but not more than 36
23 months) until such proceeds are needed for the pur-
24 pose for which such issue was issued.

1 “(2) BINDING COMMITMENT REQUIREMENT.—
2 Paragraph (1) shall apply to an issue only if, as of
3 the date of issuance, there is a reasonable expecta-
4 tion that—

5 “(A) at least 10 percent of the proceeds of
6 the issue will be spent within the 6-month pe-
7 riod beginning on such date for the purpose for
8 which such issue was issued, and

9 “(B) the remaining proceeds of the issue
10 will be spent with due diligence for such pur-
11 pose.

12 “(3) EARNINGS ON PROCEEDS.—Any earnings
13 on proceeds during the temporary period shall be
14 treated as proceeds of the issue for purposes of ap-
15 plying subsection (a)(1) and paragraph (1) of this
16 subsection.

17 **“SEC. 14000. QUALIFIED ZONE ACADEMY BONDS.**

18 “(a) QUALIFIED ZONE ACADEMY BOND.—For pur-
19 poses of this subchapter—

20 “(1) IN GENERAL.—The term ‘qualified zone
21 academy bond’ means any bond issued as part of an
22 issue if—

23 “(A) 95 percent or more of the proceeds of
24 such issue are to be used for a qualified pur-

1 pose with respect to a qualified zone academy
2 established by a local educational agency,

3 “(B) the bond is issued by a State or local
4 government within the jurisdiction of which
5 such academy is located,

6 “(C) the issuer—

7 “(i) designates such bond for purposes
8 of this section,

9 “(ii) certifies that it has written as-
10 surances that the private business con-
11 tribution requirement of paragraph (2) will
12 be met with respect to such academy, and

13 “(iii) certifies that it has the written
14 approval of the local educational agency
15 for such bond issuance, and

16 “(D) the term of each bond which is part
17 of such issue does not exceed 15 years.

18 Rules similar to the rules of section 1400N(g) shall
19 apply for purposes of paragraph (1).

20 “(2) PRIVATE BUSINESS CONTRIBUTION RE-
21 QUIREMENT.—

22 “(A) IN GENERAL.—For purposes of para-
23 graph (1), the private business contribution re-
24 quirement of this paragraph is met with respect
25 to any issue if the local educational agency that

1 established the qualified zone academy has writ-
2 ten commitments from private entities to make
3 qualified contributions having a present value
4 (as of the date of issuance of the issue) of not
5 less than 10 percent of the proceeds of the
6 issue.

7 “(B) QUALIFIED CONTRIBUTIONS.—For
8 purposes of subparagraph (A), the term ‘quali-
9 fied contribution’ means any contribution (of a
10 type and quality acceptable to the local edu-
11 cational agency) of—

12 “(i) equipment for use in the qualified
13 zone academy (including state-of-the-art
14 technology and vocational equipment),

15 “(ii) technical assistance in developing
16 curriculum or in training teachers in order
17 to promote appropriate market driven tech-
18 nology in the classroom,

19 “(iii) services of employees as volun-
20 teer mentors,

21 “(iv) internships, field trips, or other
22 educational opportunities outside the acad-
23 emy for students, or

24 “(v) any other property or service
25 specified by the local educational agency.

1 “(3) QUALIFIED ZONE ACADEMY.—The term
2 ‘qualified zone academy’ means any public school (or
3 academic program within a public school) which is
4 established by and operated under the supervision of
5 a local educational agency to provide education or
6 training below the postsecondary level if—

7 “(A) such public school or program (as the
8 case may be) is designed in cooperation with
9 business to enhance the academic curriculum,
10 increase graduation and employment rates, and
11 better prepare students for the rigors of college
12 and the increasingly complex workforce,

13 “(B) students in such public school or pro-
14 gram (as the case may be) will be subject to the
15 same academic standards and assessments as
16 other students educated by the local educational
17 agency,

18 “(C) the comprehensive education plan of
19 such public school or program is approved by
20 the local educational agency, and

21 “(D)(i) such public school is located in an
22 empowerment zone or enterprise community
23 (including any such zone or community des-
24 ignated after the date of enactment of this sec-
25 tion), or

1 “(ii) there is a reasonable expectation (as
2 of the date of issuance of the bonds) that at
3 least 35 percent of the students attending such
4 school or participating in such program (as the
5 case may be) will be eligible for free or reduced-
6 cost lunches under the school lunch program es-
7 tablished under the Richard B. Russell National
8 School Lunch Act.

9 “(4) QUALIFIED PURPOSE.—The term ‘quali-
10 fied purpose’ means, with respect to any qualified
11 zone academy—

12 “(A) constructing, rehabilitating, or repair-
13 ing the public school facility in which the acad-
14 emy is established,

15 “(B) acquiring the land on which such fa-
16 cility is to be constructed with part of the pro-
17 ceeds of such issue,

18 “(C) providing equipment for use at such
19 academy,

20 “(D) developing course materials for edu-
21 cation to be provided at such academy, and

22 “(E) training teachers and other school
23 personnel in such academy.

24 “(b) LIMITATIONS ON AMOUNT OF BONDS DES-
25 IGNATED.—

1 “(1) IN GENERAL.—There is a national zone
2 academy bond limitation for each calendar year.

3 Such limitation is—

4 “(A) \$400,000,000 for 1998,

5 “(B) \$400,000,000 for 1999,

6 “(C) \$400,000,000 for 2000,

7 “(D) \$400,000,000 for 2001,

8 “(E) \$400,000,000 for 2002,

9 “(F) \$400,000,000 for 2003,

10 “(G) \$1,400,000,000 for 2004,

11 “(H) \$1,400,000,000 for 2005, and

12 “(I) except as provided in paragraph (3),

13 zero after 2005.

14 “(2) ALLOCATION OF LIMITATION.—

15 “(A) ALLOCATION AMONG STATES.—

16 “(i) 1998, 1999, 2000, 2001, 2002

17 AND 2003 LIMITATIONS.—The national

18 zone academy bond limitations for calendar

19 years 1998, 1999, 2000, 2001, 2002 and

20 2003 shall be allocated by the Secretary

21 among the States on the basis of their re-

22 spective populations of individuals below

23 the poverty line (as defined by the Office

24 of Management and Budget).

1 “(ii) LIMITATION AFTER 2003.—The
2 national zone academy bond limitation for
3 any calendar year after 2003 shall be allo-
4 cated by the Secretary among the States in
5 proportion to the respective amounts each
6 such State received for Basic Grants under
7 subpart 2 of part A of title I of the Ele-
8 mentary and Secondary Education Act of
9 1965 (20 U.S.C. 6331 et seq.) for the
10 most recent fiscal year ending before such
11 calendar year.

12 “(B) ALLOCATION TO LOCAL EDU-
13 CATIONAL AGENCIES.—The limitation amount
14 allocated to a State under subparagraph (A)
15 shall be allocated by the State to qualified zone
16 academies within such State.

17 “(C) DESIGNATION SUBJECT TO LIMITA-
18 TION AMOUNT.—The maximum aggregate face
19 amount of bonds issued during any calendar
20 year which may be designated under subsection
21 (a) with respect to any qualified zone academy
22 shall not exceed the limitation amount allocated
23 to such academy under subparagraph (B) for
24 such calendar year.

1 “(3) CARRYOVER OF UNUSED LIMITATION.—If
2 for any calendar year—

3 “(A) the limitation amount under this sub-
4 section for any State, exceeds

5 “(B) the amount of bonds issued during
6 such year which are designated under sub-
7 section (a) (or the corresponding provisions of
8 prior law) with respect to qualified zone acad-
9 emies within such State,

10 the limitation amount under this subsection for such
11 State for the following calendar year shall be in-
12 creased by the amount of such excess.”.

13 (b) REPORTING.—Subsection (d) of section 6049 of
14 the Internal Revenue Code of 1986 (relating to returns
15 regarding payments of interest) is amended by adding at
16 the end the following:

17 “(8) REPORTING OF CREDIT ON QUALIFIED
18 PUBLIC SCHOOL MODERNIZATION BONDS.—

19 “(A) IN GENERAL.—For purposes of sub-
20 section (a), the term ‘interest’ includes amounts
21 includible in gross income under section
22 1400M(f) and such amounts shall be treated as
23 paid on the credit allowance date (as defined in
24 section 1400M(d)(2)).

1 “(B) REPORTING TO CORPORATIONS,
2 ETC.—Except as otherwise provided in regula-
3 tions, in the case of any interest described in
4 subparagraph (A) of this paragraph, subsection
5 (b)(4) of this section shall be applied without
6 regard to subparagraphs (A), (H), (I), (J), (K),
7 and (L)(i).

8 “(C) REGULATORY AUTHORITY.—The Sec-
9 retary may prescribe such regulations as are
10 necessary or appropriate to carry out the pur-
11 poses of this paragraph, including regulations
12 which require more frequent or more detailed
13 reporting.”.

14 (c) CONFORMING AMENDMENTS.—

15 (1) Subchapter U of chapter 1 of the Internal
16 Revenue Code of 1986 is amended by striking part
17 IV, by redesignating part V as part IV, and by re-
18 designating section 1397F as section 1397E.

19 (2) The table of subchapters for chapter 1 of
20 the Internal Revenue Code of 1986 is amended by
21 adding at the end the following:

 “Subchapter Z. Public school modernization provisions.”.

22 (3) The table of parts of subchapter U of chap-
23 ter 1 of the Internal Revenue Code of 1986 is

1 amended by striking the last 2 items and inserting
2 the following:

“Part IV. Regulations.”.

3 (d) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall apply to obligations issued after
7 December 31, 2002.

8 (2) REPEAL OF RESTRICTION ON ZONE ACAD-
9 EMY BOND HOLDERS.—In the case of bonds to
10 which section 1397E of the Internal Revenue Code
11 of 1986 (as in effect before the date of enactment
12 of this Act) applies, the limitation of such section to
13 eligible taxpayers (as defined in subsection (d)(6) of
14 such section) shall not apply after the date of enact-
15 ment of this Act.

16 **SEC. 3453. APPLICATION OF CERTAIN LABOR STANDARDS**
17 **ON CONSTRUCTION PROJECTS FINANCED**
18 **UNDER PUBLIC SCHOOL MODERNIZATION**
19 **PROGRAM.**

20 Section 439 of the General Education Provisions Act
21 (relating to labor standards) (20 U.S.C. 1232b) is amend-
22 ed—

23 (1) by inserting “(a)” before “All laborers and
24 mechanics”; and

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

1 “(b)(1) For purposes of this section, the term ‘appli-
2 cable program’ also includes the qualified zone academy
3 bond provisions enacted by section 226 of the Taxpayer
4 Relief Act of 1997 and the program established by section
5 3452 of the America’s Better Classroom Act of 2003.

6 “(2) A State or local government participating in a
7 program described in paragraph (1) shall—

8 “(A) in the awarding of contracts, give priority
9 to contractors with substantial numbers of employ-
10 ees residing in the local education area to be served
11 by the school being constructed; and

12 “(B) include in the construction contract for
13 such school a requirement that the contractor give
14 priority in hiring new workers to individuals residing
15 in such local education area.

16 “(3) In the case of a program described in paragraph
17 (1), nothing in this subsection or subsection (a) shall be
18 construed to deny any tax credit allowed under such pro-
19 gram. If amounts are required to be withheld from con-
20 tractors to pay wages to which workers are entitled, such
21 amounts shall be treated as expended for construction pur-
22 poses in determining whether the requirements of such
23 program are met.”.

1 broader community involvement in the schools, gen-
2 erates creativity in the planning process, and pro-
3 motes savings, cost-sharing, and the most effective
4 use of the school building by the entire community.
5 Such partnerships can help create schools that are
6 centers of teaching and learning for the entire com-
7 munity.

8 **SEC. 3462. PURPOSE.**

9 The purpose of this subchapter is to assist local edu-
10 cational agencies and their communities to increase the
11 involvement of parents, teachers, students, and community
12 groups in the planning and design of new and renovated
13 public elementary school and secondary school buildings
14 that—

- 15 (1) enhance teaching and learning, and accom-
16 modate the needs of all learners;
- 17 (2) serve as a center of the community;
- 18 (3) promote health, safety, and security;
- 19 (4) effectively use all available resources; and
- 20 (5) are flexible and can accommodate changing
21 community needs.

22 **SEC. 3463. PROGRAM AUTHORIZED.**

23 (a) GRANTS AUTHORIZED.—

- 24 (1) IN GENERAL.—From funds appropriated
25 under section 3476, the Secretary shall award

1 grants to local educational agencies participating in
2 eligible consortia to enable the eligible consortia to
3 support the planning and design of—

4 (A) new elementary school or secondary
5 school buildings; or

6 (B) the renovation of existing elementary
7 school or secondary school buildings.

8 (2) DEFINITION OF ELIGIBLE CONSORTIUM.—

9 In this subchapter, the term “eligible consortium”
10 means a consortium that—

11 (A) shall include at least 1 local edu-
12 cational agency; and

13 (B) may include such organizations and in-
14 dividuals as a State educational agency, a com-
15 munity-based organization, a local government,
16 a business or industry, an architect, a parent,
17 teacher, or senior citizen group, a library, or a
18 museum.

19 (b) REQUIREMENTS.—

20 (1) DURATION.—Grants under this subchapter
21 shall be awarded for not more than 1 year.

22 (2) LIMITATION.—Not more than 1 grant pro-
23 vided under this subchapter may be used to plan or
24 design the same school.

1 (3) MATCHING.—A grant under this subchapter
2 shall not be used to pay for more than 50 percent
3 of the cost of a planning or design project. A recipi-
4 ent of a grant under this subchapter shall provide at
5 least 50 percent of the cost of the planning or design
6 project from non-Federal sources, which may include
7 in-kind contributions, fairly evaluated.

8 (c) GEOGRAPHIC DISTRIBUTION.—In awarding
9 grants under this subchapter, the Secretary is authorized
10 to take such steps as are necessary to ensure an equitable
11 geographic distribution of the grants, including distrib-
12 uting the grants among rural, urban, and suburban local
13 educational agencies.

14 **SEC. 3464. USE OF FUNDS.**

15 A grant under this subchapter shall be used by a local
16 educational agency to support the planning or design of
17 a new school building, or of the renovation of an existing
18 school building, and may be used for activities such as—

19 (1) community outreach activities (including the
20 development and circulation of explanatory materials
21 and the cost of meetings) designed to encourage
22 greater participation by the community;

23 (2) the development, with the involvement of all
24 stakeholders, of a master plan for a school district;
25 and

1 (3) necessary administrative support for the eli-
2 gible consortium.

3 **SEC. 3465. APPLICATIONS.**

4 (a) IN GENERAL.—Each local educational agency de-
5 siring a grant under this subchapter shall submit to the
6 Secretary an application at such time, and containing such
7 information, as the Secretary may require.

8 (b) CONTENTS.—Each application submitted under
9 this subchapter shall describe—

10 (1) the community to be served by the new or
11 renovated school, including the needs of that com-
12 munity with respect to such school;

13 (2) the individuals and groups that compose the
14 eligible consortium and their respective functions;

15 (3) the project activities to be supported by the
16 grant and how the activities will help meet the needs
17 of that community and the purpose of this sub-
18 chapter; and

19 (4) the availability of resources for the project,
20 and how the resources will be obtained.

21 **SEC. 3466. AUTHORIZATION OF APPROPRIATIONS.**

22 There are authorized to be appropriated to carry out
23 this subchapter \$10,000,000 for fiscal year 2004, and
24 such sums as may be necessary for each of the 4 suc-
25 ceeding fiscal years.

1 **CHAPTER 5—CHILD OPPORTUNITY ZONE**
 2 **FAMILY CENTERS**

3 **SEC. 3471. CHILD OPPORTUNITY ZONE FAMILY CENTERS.**

4 Title V of the Elementary and Secondary Education
 5 Act of 1965 (20 U.S.C. 7201 et seq.), as amended by sec-
 6 tion 3401, is further amended by inserting after part E
 7 the following:

8 **“PART F—CHILD OPPORTUNITY ZONE FAMILY**
 9 **CENTERS**

10 **“SEC. 5751. SHORT TITLE.**

11 “‘This part may be cited as the ‘Child Opportunity
 12 Zone Family Center Act’.

13 **“SEC. 5752. PURPOSE.**

14 “‘The purpose of this part is to encourage eligible
 15 partnerships to establish or expand child opportunity zone
 16 family centers in public elementary schools and secondary
 17 schools in order to provide comprehensive support services
 18 for children and their families, and to improve the chil-
 19 dren’s educational, health, mental health, and social out-
 20 comes.

21 **“SEC. 5753. DEFINITIONS.**

22 “‘In this part:

23 “(1) CHILD OPPORTUNITY ZONE FAMILY CEN-
 24 TER.—The term ‘child opportunity zone family cen-
 25 ter’ means a school-based or school-linked commu-

1 nity service center that provides and links children
2 and their families with comprehensive information,
3 support, services, and activities to improve the edu-
4 cation, health, mental health, safety, and economic
5 well-being of the children and their families.

6 “(2) ELIGIBLE PARTNERSHIP.—The term ‘eligi-
7 ble partnership’ means a partnership—

8 “(A) that contains—

9 “(i) at least 1 public elementary
10 school or secondary school that—

11 “(I) receives assistance under
12 title I and for which a measure of
13 poverty determination is made under
14 section 1113(a)(5) with respect to a
15 minimum of 40 percent of the chil-
16 dren in the school; and

17 “(II) demonstrates parent in-
18 volvement and parent support for the
19 partnership’s activities;

20 “(ii) a local educational agency;

21 “(iii) a public agency, other than a
22 local educational agency, such as a local or
23 State department of health, mental health,
24 or social services;

1 “(iv) a nonprofit community-based or-
2 ganization, providing health, mental
3 health, or social services;

4 “(v) a local child care resource and re-
5 ferral agency; and

6 “(vi) a local organization representing
7 parents; and

8 “(B) that may contain—

9 “(i) an institution of higher education;
10 and

11 “(ii) other public or private nonprofit
12 entities with experience in providing serv-
13 ices to disadvantaged families.

14 **“SEC. 5754. GRANTS AUTHORIZED.**

15 “(a) IN GENERAL.—The Secretary may award, on a
16 competitive basis, grants to eligible partnerships to pay
17 for the Federal share of the cost of establishing and ex-
18 panding child opportunity zone family centers.

19 “(b) DURATION.—The Secretary shall award grants
20 under this section for periods of 5 years.

21 **“SEC. 5755. REQUIRED ACTIVITIES.**

22 “Each eligible partnership receiving a grant under
23 this part shall use the grant funds—

24 “(1) in accordance with the needs assessment
25 described in section 5756(b)(1), to provide or link

1 children and their families with information, sup-
2 port, activities, or services in core areas such as edu-
3 cation, child care, before- and after-school care and
4 enrichment programs, health services, mental health
5 services, family support, nutrition, literacy services,
6 parenting skills, and dropout prevention;

7 “(2) to provide intensive, high-quality, research-
8 based programs that—

9 “(A) provide violence prevention education
10 for families and developmentally appropriate in-
11 structional services to children (including chil-
12 dren below the age of compulsory school attend-
13 ance); and

14 “(B) provide effective strategies for nur-
15 turing and supporting the emotional, social, and
16 cognitive growth of children; and

17 “(3) to provide training, information, and sup-
18 port to families to enable the families to participate
19 effectively in their children’s education, and to help
20 their children meet challenging standards, including
21 assisting families to—

22 “(A) understand the applicable account-
23 ability systems, including State and local con-
24 tent standards, performance standards, and as-
25 sessments, their children’s educational perform-

1 ance in comparison to the standards, and the
2 steps the school is taking to address the chil-
3 dren’s needs and to help the children meet the
4 standards; and

5 “(B) communicate effectively with per-
6 sonnel responsible for providing educational
7 services to the families’ children, and to partici-
8 pate in the development and implementation of
9 school-parent compacts, parent involvement
10 policies, and school plans.

11 **“SEC. 5756. APPLICATIONS.**

12 “(a) IN GENERAL.—Each eligible partnership desir-
13 ing a grant under this part shall submit an application
14 to the Secretary at such time, in such manner, and con-
15 taining such information as the Secretary may require.

16 “(b) CONTENTS.—Each application submitted pursu-
17 ant to subsection (a) shall—

18 “(1) include a needs assessment, including a de-
19 scription of how the partnership will ensure that the
20 activities to be assisted under this part will be tai-
21 lored to meet the specific needs of the children and
22 families to be served;

23 “(2) describe arrangements that have been for-
24 malized between the participating public elementary

1 school or secondary school, and other partnership
2 members;

3 “(3) describe how the partnership will effec-
4 tively coordinate with the centers under section 1118
5 and utilize Federal, State, and local sources of fund-
6 ing that provide assistance to families and their chil-
7 dren;

8 “(4) describe the partnership’s plan to—

9 “(A) develop and carry out the activities
10 assisted under this part with extensive partici-
11 pation of parents, administrators, teachers,
12 pupil services personnel, social and human serv-
13 ice agencies, and community organizations and
14 leaders; and

15 “(B) coordinate the activities assisted
16 under this part with the education reform ef-
17 forts of the participating public elementary
18 school or secondary school, and the partici-
19 pating local educational agency;

20 “(5) describe how the partnership will ensure
21 that underserved populations such as families of stu-
22 dents with limited English proficiency, and families
23 of students with disabilities, are effectively involved,
24 informed, and assisted;

1 “(6) describe how the partnership will collect
2 and analyze data, and will utilize specific perform-
3 ance measures and indicators to—

4 “(A) determine the impact of activities as-
5 sisted under this part as described in section
6 5759(a); and

7 “(B) improve the activities assisted under
8 this part; and

9 “(7) describe how the partnership will protect
10 the privacy of families and their children partici-
11 pating in the activities assisted under this part.

12 **“SEC. 5757. FEDERAL SHARE.**

13 “The Federal share of the cost of establishing and
14 expanding child opportunity zone family centers—

15 “(1) for the first year for which an eligible
16 partnership receives assistance under this part shall
17 not exceed 90 percent;

18 “(2) for the second such year, shall not exceed
19 80 percent;

20 “(3) for the third such year, shall not exceed 70
21 percent;

22 “(4) for the fourth such year, shall not exceed
23 60 percent; and

24 “(5) for the fifth such year, shall not exceed 50
25 percent.

1 **“SEC. 5758. FUNDING.**

2 “(a) CONTINUATION OF FUNDING.—Each eligible
3 partnership that receives a grant under this part shall,
4 after the third year for which the partnership receives
5 funds through the grant, be eligible to continue to receive
6 the funds if the Secretary determines that the partnership
7 has made significant progress in meeting the performance
8 measures used for the partnership’s local evaluation under
9 section 5759(a).

10 “(b) LIMITATION ON USE OF FUNDS TO OFFSET
11 OTHER PROGRAMS.—Notwithstanding any other provision
12 of law, none of the funds received under a grant under
13 this part may be used to pay for expenses related to any
14 other Federal program, including treating such funds as
15 an offset against such a Federal program.

16 **“SEC. 5759. EVALUATIONS AND REPORTS.**

17 “(a) LOCAL EVALUATIONS.—Each partnership re-
18 ceiving funds under this part shall conduct annual evalua-
19 tions and submit to the Secretary reports containing the
20 results of the evaluations. The reports shall include the
21 results of the partnership’s performance assessment effec-
22 tiveness in reaching and meeting the needs of families and
23 children served under this part, including performance
24 measures demonstrating—

25 “(1) improvements in areas such as student
26 achievement, family participation in schools, and ac-

1 cess to health care, mental health care, child care,
2 and family support services, resulting from activities
3 assisted under this part; and

4 “(2) reductions in such areas as violence among
5 youth, truancy, suspension, and dropout rates, re-
6 sulting from activities assisted under this part.

7 “(b) NATIONAL EVALUATIONS.—The Secretary shall
8 reserve not more than 3 percent of the amount appro-
9 priated under this part to carry out a national evaluation
10 of the effectiveness of the activities assisted under this
11 part. Such evaluation shall be completed not later than
12 3 years after the date of enactment of the Child Oppor-
13 tunity Zone Family Center Act, and every year thereafter
14 and shall be submitted to Congress.

15 “(c) EXEMPLARY ACTIVITIES.—The Secretary shall
16 broadly disseminate information on exemplary activities
17 developed under this part.

18 **“SEC. 5760. AUTHORIZATION OF APPROPRIATIONS.**

19 “‘There are authorized to be appropriated to carry out
20 this part \$100,000,000 for fiscal year 2004, and such
21 sums as may be necessary for each of the fiscal years 2005
22 through 2008.’”.

1 **TITLE IV—FAIR START—LIFTING**
 2 **CHILDREN OUT OF POVERTY**
 3 **Subtitle A—Expanding the Child**
 4 **Tax Credit**

5 **SEC. 4001. EXPANSION OF CHILD TAX CREDIT; CREDIT**
 6 **MADE PARTIALLY REFUNDABLE.**

7 (a) INCREASE IN AMOUNT ALLOWED.—Paragraph
 8 (2) of section 24(a) of the Internal Revenue Code of 1986
 9 (relating to child tax credit) is amended to read as follows:

10 “(2) PER CHILD AMOUNT.—For purposes of
 11 paragraph (1), the per child amount shall be deter-
 12 mined as follows:

“In the case of any taxable year beginning in—	The per child amount is—
2001 or 2002	\$ 600
2003	700
2004	800
2005	900
2006 or thereafter	1,000.”.

13 (b) PORTION OF CHILD CREDIT TREATED AS RE-
 14 FUNDABLE.—

15 (1) IN GENERAL.—Paragraph (1) of section
 16 24(d) of the Internal Revenue Code of 1986 (relat-
 17 ing portion of credit refundable) is amended to read
 18 as follows:

19 “(1) IN GENERAL.—The aggregate credits al-
 20 lowed to a taxpayer under subpart C shall be in-
 21 creased by the sum of the credits allowable under
 22 this section for all qualifying children of the tax-

1 payer (determined without regard to this subsection
2 and the limitation under subsection (b)(3) (sub-
3 section 26(a) for taxable years beginning before
4 2004)). The amount of the credit allowed under this
5 subsection shall not be treated as a credit allowed
6 under this subpart and shall reduce the amount of
7 credit otherwise allowable under subsection (a) with-
8 out regard to subsection (b)(3) (subsection 26(a) for
9 taxable years beginning before 2004).”.

10 (2) CONFORMING AMENDMENTS.—

11 (A) Section 24(d) of such Code is amended
12 by striking paragraphs (2) and (3).

13 (B) The heading for section 24(d) of such
14 Code is amended to read as follows: “ADDI-
15 TIONAL CREDIT FOR CERTAIN FAMILIES.—”.

16 (c) COORDINATION WITH FEDERAL MEANS-TESTED
17 PROGRAMS.—Section 24(d) of the Internal Revenue Code
18 of 1986 (relating to additional credit for certain families),
19 as amended by subsection (b), is amended by adding at
20 the end the following new paragraph:

21 “(2) COORDINATION WITH MEANS-TESTED PRO-
22 GRAMS.—For purposes of any benefits, assistance,
23 or supportive services under any Federal program or
24 under any State or local program financed, in whole
25 or in part, with Federal funds or with State funds,

1 taken into account under any maintenance of effort
 2 requirements, which imposes income limitations on
 3 eligibility for such program, any refund made to an
 4 individual (or the spouse of an individual) by reason
 5 of this subsection shall not be treated as income
 6 (and shall not be taken into account in determining
 7 resources for the month of its receipt and the fol-
 8 lowing month).”.

9 (d) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to taxable years beginning after
 11 December 31, 2002.

12 **Subtitle B—Strengthening the** 13 **Earned Income Tax Credit**

14 **SEC. 4101. SHORT TITLE.**

15 This subtitle may be cited as the “Tax Relief for
 16 Working Families Act”.

17 **SEC. 4102. INCREASED EARNED INCOME TAX CREDIT FOR 2** 18 **OR MORE QUALIFYING CHILDREN.**

19 (a) IN GENERAL.—The table in section 32(b)(1)(A)
 20 of the Internal Revenue Code of 1986 (relating to percent-
 21 ages) is amended—

22 (1) in the second item—

23 (A) by striking “or more”, and

24 (B) by striking “21.06” and inserting
 25 “19.06”, and

1 (2) by inserting after the second item the fol-
 2 lowing:

“3 or more qualifying children 45 19.06”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2002.

6 **SEC. 4103. SIMPLIFICATION OF DEFINITION OF EARNED IN-**
 7 **COME.**

8 (a) **IN GENERAL.**—Section 32(c)(2)(B) of the Inter-
 9 nal Revenue Code of 1986 (defining earned income) is
 10 amended by striking “and” at the end of clause (iv), by
 11 striking the period at the end of clause (v) and inserting
 12 “, and”, and by adding at the end the following:

13 “(vi) the requirement under subpara-
 14 graph (A)(i) that an amount be includible
 15 in gross income shall not apply if such
 16 amount is exempt from tax under section
 17 7873 or is derived directly from restricted
 18 and allotted land under the Act of Feb-
 19 ruary 8, 1887 (commonly known as the In-
 20 dian General Allotment Act) (25 U.S.C.
 21 331 et seq.) or from land held under Acts
 22 or treaties containing an exception provi-
 23 sion similar to the Indian General Allot-
 24 ment Act.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts received in taxable
3 years beginning after December 31, 2002.

4 **SEC. 4104. SIMPLIFICATION OF DEFINITION OF CHILD DE-**
5 **PENDENT.**

6 (a) REMOVAL OF SUPPORT TEST FOR CERTAIN INDI-
7 VIDUALS.—Section 152(a) of the Internal Revenue Code
8 of 1986 (relating to general definition) is amended to read
9 as follows:

10 “(a) GENERAL DEFINITION.—For purposes of this
11 subtitle—

12 “(1) DEPENDENT.—The term ‘dependent’
13 means—

14 “(A) any individual described in paragraph
15 (2) over half of whose support, for the calendar
16 year in which the taxable year of the taxpayer
17 begins, was received from the taxpayer (or is
18 treated under subsection (c) as received from
19 the taxpayer), or

20 “(B) any individual described in subsection
21 (f).

22 “(2) INDIVIDUALS.—An individual is described
23 in this paragraph if such individual is—

24 “(A) a brother, sister, stepbrother, or step-
25 sister of the taxpayer,

1 “(B) the father or mother of the taxpayer,
2 or an ancestor of either,

3 “(C) a stepfather or stepmother of the tax-
4 payer,

5 “(D) a son or daughter of a brother or sis-
6 ter of the taxpayer,

7 “(E) a brother or sister of the father or
8 mother of the taxpayer,

9 “(F) a son-in-law, daughter-in-law, father-
10 in-law, mother-in-law, brother-in-law, or sister-
11 in-law of the taxpayer, or

12 “(G) an individual (other than an indi-
13 vidual who at any time during the taxable year
14 was the spouse, determined without regard to
15 section 7703, of the taxpayer) who, for the tax-
16 able year of the taxpayer, has as their principal
17 place of abode the home of the taxpayer and is
18 a member of the taxpayer’s household.”.

19 (b) OTHER MODIFICATIONS.—Section 152 of the In-
20 ternal Revenue Code of 1986 (relating to dependent de-
21 fined) is amended by adding at the end the following:

22 “(f) SUBSECTION (f) DEPENDENTS.—

23 “(1) IN GENERAL.—An individual is described
24 in this subsection for the taxable year if such indi-
25 vidual—

1 “(A) bears a relationship to the taxpayer
2 described in paragraph (2),

3 “(B) except in the case of an eligible foster
4 child or as provided in subsection (e), has the
5 same principal place of abode as the taxpayer
6 for more than one-half of such taxable year,
7 and

8 “(C)(i) has not attained the age of 19 at
9 the close of the calendar year in which the tax-
10 able year begins, or

11 “(ii) is a student (within the meaning of
12 section 151(c)(4)) who has not attained the age
13 of 24 at the close of such calendar year.

14 “(2) RELATIONSHIP TEST.—An individual bears
15 a relationship to the taxpayer described in this para-
16 graph if such individual is—

17 “(A) a son or daughter of the taxpayer, or
18 a descendant of either, or

19 “(B) a stepson or stepdaughter of the tax-
20 payer.

21 “(3) SPECIAL RULES.—

22 “(A) 2 OR MORE CLAIMING DEPENDENT.—
23 Except as provided in subparagraph (B), if an
24 individual may be claimed as a dependent by 2
25 or more taxpayers (but for this subparagraph)

1 for a taxable year beginning in the same cal-
2 endar year, only the taxpayer with the highest
3 adjusted gross income for such taxable year
4 shall be allowed the deduction with respect to
5 such individual.

6 “(B) RELEASE OF CLAIM TO EXEMP-
7 TION.—Subparagraph (A) shall not apply with
8 respect to an individual if—

9 “(i) the taxpayer with the highest ad-
10 justed gross income under subparagraph
11 (A), for any calendar year signs a written
12 declaration (in such manner and form as
13 the Secretary may by regulations pre-
14 scribe) that such taxpayer will not claim
15 such individual as a dependent for any tax-
16 able year beginning in such calendar year,

17 “(ii) the other taxpayer provides over
18 half of such individual’s support for the
19 calendar year in which the taxable year of
20 such other taxpayer begins, and

21 “(iii) such other taxpayer attaches
22 such written declaration to such taxpayer’s
23 return for the taxable year beginning dur-
24 ing such calendar year.”.

1 (c) RULES RELATING TO FOSTER CHILD.—Section
2 152(b)(2) of the Internal Revenue Code of 1986 (relating
3 to rules relating to general definition) is amended by strik-
4 ing “a foster child” and all that follows through “indi-
5 vidual)” and inserting “an eligible foster child (as defined
6 in section 32(c)(3)(B)(iii)) of an individual”.

7 (d) EXEMPTION FROM GROSS INCOME TEST.—Sec-
8 tion 151(c)(3) of the Internal Revenue Code of 1986 (re-
9 lating to definition of child) is amended by inserting “or
10 a descendant of such individual” after “taxpayer”.

11 (e) WAIVER OF DEDUCTION FOR DIVORCED PAR-
12 ENTS.—

13 (1) IN GENERAL.—So much of section 152(e) of
14 the Internal Revenue Code of 1986 as precedes
15 paragraph (4) is amended to read as follows:

16 “(e) SPECIAL RULES FOR CHILD OF DIVORCED PAR-
17 ENTS.—

18 “(1) RELEASE OF CLAIM TO EXEMPTION.—In
19 the case of a child (as defined in section 151(c)(3))
20 of parents—

21 “(A) who are divorced or legally separated
22 under a decree of divorce or separate mainte-
23 nance,

24 “(B) who are separated under a written
25 separation agreement, or

1 “(C) who live apart at all times during the
2 last 6 months of the calendar year,
3 the custodial parent who is entitled to the deduction
4 under section 151 for a taxable year with respect to
5 such child may release such deduction to the non-
6 custodial parent.

7 “(2) PROCEDURE.—The noncustodial parent
8 may claim a child described in paragraph (1) as a
9 dependent for the taxable year if—

10 “(A) the custodial parent signs a written
11 declaration (in such manner and form as the
12 Secretary may by regulations prescribe) that
13 such custodial parent will not claim such child
14 as a dependent for any taxable year beginning
15 in such calendar year,

16 “(B) the custodial parent and the non-
17 custodial parent provide over half of such
18 child’s support for the calendar year in which
19 the taxable years of such parents begin, and

20 “(C) the noncustodial parent attaches such
21 written declaration to such noncustodial par-
22 ent’s return for the taxable year beginning dur-
23 ing such calendar year.

24 “(3) DEFINITIONS.—For purposes of this sub-
25 section—

1 “(A) CUSTODIAL PARENT.—The term ‘cus-
2 todial parent’ means, with regard to an indi-
3 vidual, a parent who has custody of such indi-
4 vidual for a greater portion of the calendar year
5 than the noncustodial parent.

6 “(B) NONCUSTODIAL PARENT.—The term
7 ‘noncustodial parent’ means the parent who is
8 not the custodial parent.”.

9 (2) PRE-1985 INSTRUMENTS.—Section
10 152(e)(4)(A) of such Code (relating to exception for
11 certain pre-1985 instruments) is amended by strik-
12 ing “A child” and all that follows through “non-
13 custodial parent” and inserting “A noncustodial par-
14 ent described in paragraph (1) shall be entitled to
15 the deduction under section 151 for a taxable year
16 with respect to a child ”.

17 (f) CONFORMING AMENDMENTS.—

18 (1) Section 1(g)(5)(A) of the Internal Revenue
19 Code of 1986 is amended by inserting “as in effect
20 on the day before the date of the enactment of the
21 Tax Relief for Working Families Act” after
22 “152(e)”.

23 (2) Section 2(b)(1)(A)(i) of such Code is
24 amended by striking “paragraph (2) or (4) of”.

1 (3) Section 2(b)(3)(B)(i) of such Code is
2 amended by striking “paragraph (9)” and inserting
3 “paragraph (2)(G)”.

4 (4) Section 21(e)(5)(A) of such Code is amend-
5 ed by striking “paragraph (2) or (4) of”.

6 (5) Section 21(e)(5) of such Code is amended
7 in the matter following subclause (B) by inserting
8 “as in effect on the day before the date of the enact-
9 ment of the Tax Relief for Working Families Act”
10 after “152(e)(1)”.

11 (6) Section 32(c)(1)(G) of such Code is amend-
12 ed by striking “(3)(D).” and inserting “(1)(C). An
13 individual whose qualifying child or qualifying chil-
14 dren are not taken into account under subsection (b)
15 solely by reason of paragraph (3)(D) shall be treated
16 as an eligible individual if such individual otherwise
17 meets the requirements of subparagraph (A)(ii).”.

18 (7) Section 32(c)(3)(B)(ii) of such Code is
19 amended by striking “paragraph (2) or (4) of”.

20 (8) Section 35(d)(2) of such Code is amended—

21 (A) by striking “paragraph (2) or (4) of”,

22 and

23 (B) by inserting “as in effect on the day
24 before the date of the enactment of the Tax Re-

1 lief for Working Families Act” after
2 “152(e)(1)”.

3 (9) Section 51(i)(1)(C) of such Code is amend-
4 ed by striking “152(a)(9)” and inserting
5 “152(a)(2)(G)”.

6 (10) Section 152(b)(2) of such Code is amend-
7 ed by striking “specified in subsection (a)” and in-
8 serting “specified in subsection (a)(2) or (f)(2)”.

9 (11) Section 152(c) of such Code is amended by
10 striking “(a)” and inserting “(a)(1)”.

11 (12) Section 7703(b)(1) of such Code is amend-
12 ed by striking “paragraph (2) or (4) of”.

13 (13) The following provisions of such Code are
14 each amended by striking “paragraphs (1) through
15 (8) of section 152(a)” and inserting “subparagraphs
16 (A) through (F) of subsection (a)(2) or subsection
17 (f)(2) of section 152”:

18 (A) Section 170(g)(3).

19 (B) Subparagraphs (A) and (B) of section
20 51(i)(1).

21 (C) The second sentence of section
22 213(d)(11).

23 (D) Section 529(e)(2)(B).

24 (E) Section 7702B(f)(2)(C)(iii).

1 (g) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2002.

4 **SEC. 4105. MODIFICATION OF JOINT RETURN REQUIRE-**
5 **MENT FOR EARNED INCOME TAX CREDIT.**

6 (a) IN GENERAL.—Section 32(d) of the Internal Rev-
7 enue Code of 1986 (relating to married individuals) is
8 amended to read as follows:

9 “(d) MARRIED INDIVIDUALS.—

10 “(1) IN GENERAL.—If the taxpayer is married
11 at the close of the taxable year, the credit shall be
12 allowed under subsection (a) only if the taxpayer
13 and his spouse file a joint return for the taxable
14 year.

15 “(2) MARITAL STATUS.—For purposes of para-
16 graph (1), an individual legally separated from his
17 spouse under a decree of divorce or of separate
18 maintenance shall not be considered as married.

19 “(3) CERTAIN MARRIED INDIVIDUALS LIVING
20 APART.—For purposes of paragraph (1), if—

21 “(A) an individual—

22 “(i) is married and files a separate re-
23 turn, and

1 “(ii) has a qualifying child who is a
2 son, daughter, stepson, or stepdaughter of
3 such individual, and

4 “(B) during the last 6 months of such tax-
5 able year, such individual and such individual’s
6 spouse do not have the same principal place of
7 abode,

8 such individual shall not be considered as married.”.

9 (b) EFFECTIVE DATES.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2002.

12 **Subtitle C—Expanding the** 13 **Dependent Care Tax Credit**

14 **SEC. 4201. DEPENDENT CARE TAX CREDIT.**

15 (a) DEPENDENT CARE SERVICES.—Subpart C of
16 part IV of subchapter A of chapter 1 of the Internal Rev-
17 enue Code of 1986 (relating to refundable credits), as
18 amended by section 4001(b)(1), is amended by redesi-
19 gnating section 36 as section 37 and by inserting after sec-
20 tion 35 the following new section:

21 **“SEC. 36. DEPENDENT CARE SERVICES.**

22 “(a) ALLOWANCE OF CREDIT.—

23 “(1) IN GENERAL.—In the case of an individual
24 who maintains a household which includes as a
25 member 1 or more qualifying individuals, there shall

1 be allowed as a credit against the tax imposed by
2 this subtitle for the taxable year an amount equal to
3 the applicable percentage of the sum of—

4 “(A) the employment-related expenses paid
5 by such individual during the taxable year, plus

6 “(B) the respite care expenses paid by
7 such individual during the taxable year.

8 “(2) APPLICABLE PERCENTAGE DEFINED.—

9 “(A) IN GENERAL.—For purposes of para-
10 graph (1), the term ‘applicable percentage’
11 means 50 percent reduced (but not below 20
12 percent) by 1 percentage point for each full
13 \$1,000 amount by which the taxpayer’s ad-
14 justed gross income for the taxable year exceeds
15 \$15,000.

16 “(B) COST-OF-LIVING ADJUSTMENT.—

17 “(i) IN GENERAL.—In the case of a
18 taxable year beginning in a calendar year
19 after 2002, subparagraph (A) shall be ap-
20 plied by increasing the \$15,000 amount
21 contained therein by the cost-of-living ad-
22 justment (as defined in section 1(f)(3)) for
23 such calendar year determined by sub-
24 stituting ‘2001’ for ‘1992’ in subparagraph
25 (B) of section 1(f)(3).

1 “(ii) ROUNDING.—If any increase de-
2 termined under clause (i) is not a multiple
3 of \$10, such increase shall be rounded to
4 the nearest multiple of \$10 (or if such in-
5 crease is a multiple of \$5, such increase
6 shall be increased to the next highest mul-
7 tiple of \$10).

8 “(b) EMPLOYMENT-RELATED EXPENSES.—For pur-
9 poses of this section—

10 “(1) DETERMINATION OF ELIGIBLE EX-
11 PENSES.—

12 “(A) IN GENERAL.—The term ‘employ-
13 ment-related expenses’ means amounts paid for
14 the following expenses, but only if such ex-
15 penses are incurred to enable the taxpayer to be
16 gainfully employed for any period for which
17 there are 1 or more qualifying individuals with
18 respect to the taxpayer:

19 “(i) expenses for household services,
20 and

21 “(ii) expenses for the care of a quali-
22 fying individual.

23 Such term shall not include any amount paid
24 for services outside the taxpayer’s household at
25 a camp where the qualifying individual stays

1 overnight and shall not include any respite care
2 expense taken into account under subsection
3 (a).

4 “(B) EXCEPTION.—Employment-related
5 expenses described in subparagraph (A) which
6 are incurred for services outside the taxpayer’s
7 household shall be taken into account only if in-
8 curred for the care of—

9 “(i) a qualifying individual described
10 in subsection (d)(1), or

11 “(ii) a qualifying individual (not de-
12 scribed in subsection (d)(1)) who regularly
13 spends at least 8 hours each day in the
14 taxpayer’s household.

15 “(C) DEPENDENT CARE CENTERS.—Em-
16 ployment-related expenses described in subpara-
17 graph (A) which are incurred for services pro-
18 vided outside the taxpayer’s household by a de-
19 pendent care center (as defined in subpara-
20 graph (D)) shall be taken into account only if—

21 “(i) such center complies with all ap-
22 plicable laws and regulations of a State or
23 unit of local government, and

24 “(ii) the requirements of subpara-
25 graph (B) are met.

1 “(D) DEPENDENT CARE CENTER DE-
2 FINED.—For purposes of this paragraph, the
3 term ‘dependent care center’ means any facility
4 which—

5 “(i) provides care for more than 6 in-
6 dividuals (other than individuals who re-
7 side at the facility), and

8 “(ii) receives a fee, payment, or grant
9 for providing services for any of the indi-
10 viduals (regardless of whether such facility
11 is operated for profit).

12 “(2) DOLLAR LIMIT ON AMOUNT CRED-
13 ITABLE.—

14 “(A) IN GENERAL.—The amount of the
15 employment-related expenses incurred during
16 any taxable year which may be taken into ac-
17 count under subsection (a) shall not exceed—

18 “(i) \$3,000 if there is 1 qualifying in-
19 dividual with respect to the taxpayer for
20 such taxable year, or

21 “(ii) \$6,000 if there are 2 or more
22 qualifying individuals with respect to the
23 taxpayer for such taxable year.

24 “(B) REDUCTION.—The amount deter-
25 mined under clause (i) or (ii) of subparagraph

1 (A) (whichever is applicable) shall be reduced
2 by—

3 “(i) the aggregate amount excludable
4 from gross income under section 129 for
5 the taxable year, and

6 “(ii) the amount of the respite care
7 expenses taken into account by the tax-
8 payer under subsection (a) for the taxable
9 year.

10 “(3) EARNED INCOME LIMITATION.—

11 “(A) IN GENERAL.—Except as otherwise
12 provided in this paragraph, the amount of the
13 employment-related expenses incurred during
14 any taxable year which may be taken into ac-
15 count under subsection (a) shall not exceed—

16 “(i) in the case of an individual who
17 is not married at the close of such year,
18 such individual’s earned income for such
19 year, or

20 “(ii) in the case of an individual who
21 is married at the close of such year, the
22 lesser of such individual’s earned income or
23 the earned income of his spouse for such
24 year.

1 “(B) SPECIAL RULE FOR SPOUSE WHO IS
 2 A STUDENT OR INCAPABLE OF CARING FOR
 3 HIMSELF.—In the case of a spouse who is a
 4 student or a qualified individual described in
 5 subsection (d)(3), for purposes of subparagraph
 6 (A), such spouse shall be deemed for each
 7 month during which such spouse is a full-time
 8 student at an educational institution, or is such
 9 a qualifying individual, to be gainfully employed
 10 and to have earned income of not less than—

11 “(i) \$200 if paragraph (2)(A)(i) ap-
 12 plies for the taxable year, or

13 “(ii) \$400 if paragraph (2)(A)(ii) ap-
 14 plies for the taxable year.

15 In the case of any husband and wife, this sub-
 16 paragraph shall apply with respect to only one
 17 spouse for any one month.

18 “(c) RESPITE CARE EXPENSES.—For purposes of
 19 this section—

20 “(1) IN GENERAL.—The term ‘respite care ex-
 21 penses’ means expenses paid (whether or not to en-
 22 able the taxpayer to be gainfully employed) for—

23 “(A) the care of a qualifying individual—

24 “(i) who has attained the age of 13,

25 or

1 “(ii) who is under the age of 13 but
2 has a physical or mental impairment which
3 results in the individual being incapable of
4 caring for himself,
5 during any period when such individual regu-
6 larly spends at least 8 hours each day in the
7 taxpayer’s household, or

8 “(B) the care (for not more than 14 days
9 during the calendar year) of a qualifying indi-
10 vidual described in subparagraph (A) during
11 any period during which the individual does not
12 regularly spend at least 8 hours each day in the
13 taxpayer’s household.

14 “(2) DOLLAR LIMIT.—The amount of the res-
15 pite care expenses incurred during any taxable year
16 which may be taken into account under subsection
17 (a) shall not exceed—

18 “(A) \$1,200 if such expenses are incurred
19 with respect to only 1 qualifying individual for
20 the taxable year, or

21 “(B) \$2,400 if such expenses are incurred
22 for 2 or more qualifying individuals for such
23 taxable year.

24 “(d) QUALIFYING INDIVIDUAL.—For purposes of this
25 section, the term ‘qualifying individual’ means—

1 “(1) a dependent of the taxpayer who is under
2 the age of 13 and with respect to whom the taxpayer
3 is entitled to a deduction under section 151(e),

4 “(2) a dependent of the taxpayer who is phys-
5 ically or mentally incapable of caring for himself, or

6 “(3) the spouse of the taxpayer, if he is phys-
7 ically or mentally incapable of caring for himself.

8 “(e) SPECIAL RULES.—For purposes of this sec-
9 tion—

10 “(1) MAINTAINING HOUSEHOLD.—An indi-
11 vidual shall be treated as maintaining a household
12 for any period only if over half the cost of maintain-
13 ing the household for such period is furnished by
14 such individual (or, if such individual is married
15 during such period, is furnished by such individual
16 and his spouse).

17 “(2) MARRIED COUPLES MUST FILE JOINT RE-
18 TURN.—If the taxpayer is married at the close of
19 the taxable year, the credit shall be allowed under
20 subsection (a) only if the taxpayer and his spouse
21 file a joint return for the taxable year.

22 “(3) MARITAL STATUS.—An individual legally
23 separated from his spouse under a decree of divorce
24 or of separate maintenance shall not be considered
25 as married.

1 “(4) CERTAIN MARRIED INDIVIDUALS LIVING
2 APART.—If—

3 “(A) an individual who is married and who
4 files a separate return—

5 “(i) maintains as his home a house-
6 hold that constitutes for more than one-
7 half of the taxable year the principal place
8 of abode of a qualifying individual, and

9 “(ii) furnishes over half the cost of
10 maintaining such household during the
11 taxable year, and

12 “(B) during the last 6 months of such tax-
13 able year such individual’s spouse is not a mem-
14 ber of such household,
15 such individual shall not be considered as married.

16 “(5) SPECIAL DEPENDENCY TEST IN CASE OF
17 DIVORCED PARENTS, ETC.—If—

18 “(A) section 152(e) applies to any child
19 with respect to any calendar year, and

20 “(B) such child is under the age of 13 or
21 is physically or mentally incapable of caring for
22 himself,

23 in the case of any taxable year beginning in such
24 calendar year, such child shall be treated as a quali-
25 fying individual with respect to the custodial parent

1 (within the meaning of section 152(e)(1) as in effect
2 on the day before the date of the enactment of the
3 Tax Relief for Working Families Act), and shall not
4 be treated as a qualifying individual with respect to
5 the noncustodial parent.

6 “(6) PAYMENTS TO RELATED INDIVIDUALS.—

7 No credit shall be allowed under subsection (a) for
8 any amount paid by the taxpayer to an individual—

9 “(A) with respect to whom, for the taxable
10 year, a deduction under section 151(c) (relating
11 to deduction for personal exemptions for de-
12 pendents) is allowable either to the taxpayer or
13 his spouse, or

14 “(B) who is a child of the taxpayer (within
15 the meaning of section 151(c)(3)) who has not
16 attained the age of 19 at the close of the tax-
17 able year.

18 For purposes of this paragraph, the term ‘taxable
19 year’ means the taxable year of the taxpayer in
20 which the service is performed.

21 “(7) STUDENT.—The term ‘student’ means an
22 individual who during each of 5 calendar months
23 during the taxable year is a full-time student at an
24 educational organization.

1 “(8) EDUCATIONAL ORGANIZATION.—The term
2 ‘educational organization’ means an educational or-
3 ganization described in section 170(b)(1)(A)(ii).

4 “(9) IDENTIFYING INFORMATION REQUIRED
5 WITH RESPECT TO SERVICE PROVIDER.—No credit
6 shall be allowed under subsection (a) for any amount
7 paid to any person unless—

8 “(A) the name, address, and taxpayer
9 identification number of such person are in-
10 cluded on the return claiming the credit, or

11 “(B) if such person is an organization de-
12 scribed in section 501(c)(3) and exempt from
13 tax under section 501(a), the name and address
14 of such person are included on the return
15 claiming the credit.

16 In the case of a failure to provide the information
17 required under the preceding sentence, the preceding
18 sentence shall not apply if it is shown that the tax-
19 payer exercised due diligence in attempting to pro-
20 vide the information so required.

21 “(f) REGULATIONS.—The Secretary shall prescribe
22 such regulations as may be necessary to carry out the pur-
23 poses of this section.”.

24 (b) CONFORMING AMENDMENTS.—

25 (1) Section 21 of such Code is repealed.

1 (2) Section 23(f)(1) of such Code, section
2 129(a)(2)(C) of such Code, and section 35(g)(6) are
3 each amended by striking “section 21(e)” and in-
4 serting “section 36(e)”.

5 (3) Section 129(b)(2) of such Code is amended
6 by striking “section 21(d)(2)” and inserting “section
7 36(b)(3)(B)”.

8 (4) Section 129(e)(1) of such Code is amended
9 by striking “under section 21(b)(2) (relating to ex-
10 penses for household and dependent care services
11 necessary for gainful employment)” and inserting
12 “or respite care services under section 36 (relating
13 to dependent care services)”.

14 (5) Section 213(e) of such Code is amended by
15 striking “section 21” and inserting “section 36”.

16 (6) Section 6213(g)(2)(H) of such Code is
17 amended by striking “section 21 (related to expenses
18 for household and dependent care services necessary
19 for gainful employment)” and inserting “section 36
20 (relating to dependent care services)”.

21 (7) Section 6213(g)(2)(L) of such Code is
22 amended by striking “21, 24 or 32” and inserting
23 “24, 32, or 36”.

24 (c) TECHNICAL AMENDMENTS.—(1) The table of sec-
25 tions for subpart C of part IV of subchapter A of chapter

1 1 of such Code is amended by striking the item relating
 2 to section 36 and inserting the following:

“Sec. 36. Dependent care services.
 “Sec. 37. Overpayments of tax.”.

3 (2) The table of sections for subpart A of such part
 4 IV is amended by striking the item relating to section 21.

5 (d) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2002.

8 **TITLE V—FAIR START—SUPPORT**
 9 **TO PROMOTE WORK AND RE-**
 10 **DUCE POVERTY**

11 **Subtitle A—Gateways Grant**
 12 **Program**

13 **SEC. 5001. GATEWAYS GRANT PROGRAM.**

14 (a) PURPOSES.—The purposes of this section are
 15 to—

16 (1) inform low-income families with children
 17 about programs available to families leaving welfare
 18 and other programs to support low-income families
 19 with children;

20 (2) provide incentives to States and counties to
 21 improve and coordinate application and renewal pro-
 22 cedures for low-income family with children support
 23 programs; and

1 (3) track the extent to which low-income fami-
2 lies with children receive the benefits and services
3 for which they are eligible.

4 (b) DEFINITIONS.—In this section:

5 (1) LOCALITY.—The term locality means a mu-
6 nicipality that does not administer a temporary as-
7 sistance for needy families program funded under
8 part A of title IV of the Social Security Act (42
9 U.S.C. 601 et seq.) (in this section referred to as
10 “TANF”).

11 (2) LOW-INCOME FAMILY WITH CHILDREN SUP-
12 PORT PROGRAM.—The term “low-income family with
13 children support program” means a program de-
14 signed to provide low-income families with assistance
15 or benefits to enable the family to become self-suffi-
16 cient and includes—

17 (A) TANF;

18 (B) the food stamp program established
19 under the Food Stamp Act of 1977 (7 U.S.C.
20 2011 et seq.) (in this section referred to as
21 “food stamps”);

22 (C) the medicaid program funded under
23 title XIX of the Social Security Act (42 U.S.C.
24 1396 et seq.);

1 (D) the State children's health insurance
2 program (SCHIP) funded under title XXI of
3 the Social Security Act (42 U.S.C. 1397aa et
4 seq.);

5 (E) the child care program funded under
6 the Child Care Development Block Grant Act of
7 1990 (42 U.S.C. 9858 et seq.);

8 (F) the child support program funded
9 under part D of title IV of the Social Security
10 Act (42 U.S.C. 651 et seq.);

11 (G) the earned income tax credit under
12 section 32 of the Internal Revenue Code of
13 1986;

14 (H) the low-income home energy assistance
15 program (LIHEAP) established under the Low-
16 Income Home Energy Assistance Act of 1981
17 (42 U.S.C. 8621 et seq.);

18 (I) the special supplemental nutrition pro-
19 gram for women, infants, and children (WIC)
20 established under section 17 of the Child Nutri-
21 tion Act of 1966 (42 U.S.C. 1786);

22 (J) programs under the Workforce Invest-
23 ment Act of 1998 (29 U.S.C. 2801 et seq.); and

1 (K) any other Federal or State funded pro-
2 gram designed to provide family and work sup-
3 port to low-income families with children.

4 (3) NONPROFIT.—The term “nonprofit”, as ap-
5 plied to a school, agency, organization, or institution
6 means a school, agency, organization, or institution
7 owned and operated by 1 or more nonprofit corpora-
8 tions or associations, no part of the net earnings of
9 which inures, or may lawfully inure, to the benefit
10 of any private shareholder or individual.

11 (4) SECRETARY.—The term “Secretary” means
12 the Secretary of Health and Human Services.

13 (5) STATE.—The term “State” means each of
14 the several States of the United States, the District
15 of Columbia, the Commonwealth of Puerto Rico,
16 American Samoa, Guam, and the United States Vir-
17 gin Islands.

18 (c) AUTHORIZATION OF GRANTS.—

19 (1) STATES AND COUNTIES.—

20 (A) IN GENERAL.—The Secretary is au-
21 thorized to award grants to States and counties
22 to pay the Federal share of the costs involved
23 in improving the administration of low-income
24 family with children support programs, includ-

1 ing simplifying application, recertification, re-
2 porting, and verification rules.

3 (B) FEDERAL SHARE.—The Federal share
4 shall be 80 percent.

5 (2) NONPROFITS AND LOCALITIES.—The Sec-
6 retary is authorized to award grants to nonprofits
7 and localities to distribute information about and de-
8 velop service centers for low-income family with chil-
9 dren support programs.

10 (d) GRANT APPROVAL CRITERIA.—

11 (1) IN GENERAL.—The Secretary, in consulta-
12 tion with the Secretary of Agriculture, shall establish
13 criteria for approval of an application for a grant
14 under this section that include consideration of—

15 (A) an applicant's record of serving low-in-
16 come populations;

17 (B) an applicant's ability to reach hard-to-
18 serve populations;

19 (C) the level of innovation in the appli-
20 cant's grant proposal; and

21 (D) any partnerships between the public
22 and private sector in the applicant's grant pro-
23 posal.

1 (2) SEPARATE CRITERIA.—Separate criteria
2 shall be established for the grants authorized under
3 paragraphs (1) and (2) of subsection (c).

4 (e) USES OF FUNDS.—

5 (1) STATES AND COUNTIES.—

6 (A) IMPROVEMENTS IN PROGRAMS.—

7 Grants awarded to States and counties under
8 subsection (c)(1) shall be used to—

9 (i) simplify low-income family with
10 children support program application, re-
11 certification, reporting, and verification
12 rules;

13 (ii) create uniformity in eligibility cri-
14 teria for low-income family with children
15 support programs;

16 (iii) develop options for families to
17 apply for low-income family with children
18 support programs through the telephone,
19 mail, facsimile, Internet, or electronic mail,
20 and submit any recertifications or reports
21 required for such families through these
22 options;

23 (iv) co-locate eligibility workers for
24 various low-income family with children

1 support programs at strategically located
2 sites; and

3 (v) develop or enhance one-stop serv-
4 ice centers for low-income family with chil-
5 dren support programs, including estab-
6 lishing evening and weekend hours at these
7 centers.

8 (B) CUSTOMER SURVEYS.—

9 (i) IN GENERAL.—A grant awarded to
10 a State or county under subsection (c)(1)
11 shall be used to carry out a customer sur-
12 vey.

13 (ii) MODEL SURVEYS.—The customer
14 survey under clause (i) shall be modeled
15 after a form developed by the Secretary
16 under subsection (g).

17 (iii) REPORTS TO SECRETARY.—Not
18 later than 1 year after a State or county
19 is awarded a grant under subsection (c)(1),
20 and annually thereafter, the State or coun-
21 ty shall submit a report to the Secretary
22 detailing the results of the customer survey
23 carried out under clause (i).

24 (iv) REPORTS TO PUBLIC.—A State or
25 county receiving a grant under subsection

1 (c)(1) and the Secretary shall make the re-
2 port required under clause (iii) available to
3 the public.

4 (v) PUBLIC COMMENT.—A State or
5 county receiving a grant under subsection
6 (c)(1) shall accept public comments and
7 hold public hearings on the report made
8 available under clause (iv).

9 (C) TRACKING SYSTEMS.—

10 (i) IN GENERAL.—A grant awarded to
11 a State or county under subsection (c)(1)
12 shall be used to implement a tracking sys-
13 tem to determine the level of participation
14 in low-income family with children support
15 programs of the eligible population.

16 (ii) REPORTS.—Not later than 1 year
17 after a State or county is awarded a grant
18 under subsection (c)(1), and annually
19 thereafter, the State or county shall submit
20 a report to the Secretary detailing the ef-
21 fectiveness of the tracking system imple-
22 mented under clause (i).

23 (D) REPORTING.—A State or county
24 awarded a grant under subsection (c)(1) shall
25 adopt the most favorable options available

1 under Federal law to reduce or eliminate re-
2 quirements for low-income families receiving as-
3 sistance under TANF or food stamps to report
4 changes in income, residence, or employment,
5 including such requirements as they relate to
6 the determination of State expenditures to meet
7 TANF maintenance of effort requirements.

8 (E) IN-PERSON INTERVIEWS.—A State or
9 county awarded a grant under subsection
10 (c)(1)—

11 (i) may expend funds made available
12 under the grant to provide for reporting
13 and recertification procedures through the
14 telephone, mail, facsimile, Internet, or elec-
15 tronic mail; and

16 (ii) shall adopt the most favorable op-
17 tions available under Federal law to reduce
18 or eliminate requirements for in-person
19 interviews for redeterminations of eligi-
20 bility for TANF or food stamps.

21 (F) SHARING DOCUMENTATION AND
22 VERIFICATION INFORMATION.—A grant award-
23 ed to a State or county under subsection (c)(1)
24 shall be used to develop procedures by which—

1 (i) a low-income family is relieved of
2 the requirement to present documentation
3 to establish eligibility for various low-in-
4 come family with children support pro-
5 grams where information concerning the
6 family's income exists in State databases
7 and the family is provided adequate oppor-
8 tunity to review, correct, and contest such
9 information;

10 (ii) a low-income family is given the
11 option to present the same documentation
12 to establish eligibility for various low-in-
13 come family with children support pro-
14 grams; and

15 (iii) verification of the documentation
16 presented under clause (ii) is shared
17 among agencies with responsibility for the
18 administration of low-income family with
19 children support programs.

20 (G) JURISDICTION-WIDE IMPLEMENTA-
21 TION.—

22 (i) IN GENERAL.—A grant awarded to
23 a State or county under subsection (c)(1)
24 shall be used for activities throughout the
25 jurisdiction.

1 (ii) EXCEPTION.—A State or county
2 awarded a grant under subsection (c)(1)
3 may use grant funds to develop one-stop
4 service centers and telephone, mail, fac-
5 simile, Internet, or electronic mail applica-
6 tion and renewal procedures for low-income
7 family with children support programs
8 without regard to the requirements of
9 clause (i).

10 (H) SUPPLEMENT NOT SUPPLANT.—Funds
11 provided to a State or county under a grant
12 awarded under subsection (c)(1) shall be used
13 to supplement and not supplant other State or
14 county public funds expended to provide sup-
15 port services for low-income families.

16 (2) NONPROFITS AND LOCALITIES.—A grant
17 awarded to a nonprofit or locality under subsection
18 (c)(2) shall be used to—

19 (A) develop one-stop service centers for
20 low-income family with children support pro-
21 grams in cooperation with States and counties;
22 and

23 (B) provide information about and refer-
24 rals to low-income family with children support
25 programs through the dissemination of mate-

1 rials at strategic locations, including schools,
2 clinics, and shopping locations.

3 (f) APPLICATION.—

4 (1) IN GENERAL.—Each applicant desiring a
5 grant under paragraph (1) or (2) of subsection (c)
6 shall submit an application to the Secretary at such
7 time, in such manner, and accompanied by such in-
8 formation as the Secretary may reasonably require.

9 (2) STATES AND COUNTIES.—

10 (A) NON-FEDERAL SHARE.—Each State or
11 county applicant shall provide assurances that
12 the applicant will pay the non-Federal share of
13 the activities for which a grant is sought.

14 (B) CERTIFICATION PERIODS.—

15 (i) IN GENERAL.—In order to receive
16 a grant under subsection (c)(1), each State
17 or county applicant shall provide assur-
18 ances that the applicant will establish cer-
19 tification periods of at least 1 year for
20 TANF and food stamps.

21 (ii) EXCEPTION.—The certification
22 period under clause (i) may be extended to
23 2 years for households in which all mem-
24 bers of the household are elderly or dis-
25 abled.

1 (C) PARTNERSHIPS.—Each State or coun-
2 ty applicant shall submit a memorandum of un-
3 derstanding demonstrating that the applicant
4 has entered into a partnership to coordinate its
5 efforts under the grant with the efforts of other
6 State and county agencies that have responsi-
7 bility for providing low-income families with as-
8 sistance or benefits.

9 (g) DUTIES OF THE SECRETARY.—

10 (1) SURVEY FORM.—The Secretary, in coopera-
11 tion with other relevant agencies, shall develop a
12 customer survey form to determine whether low-in-
13 come families—

14 (A) encounter any impediments in applying
15 for or renewing their participation in low-in-
16 come family with children support programs;
17 and

18 (B) are unaware of low-income family with
19 children support programs for which they are
20 eligible.

21 (2) REPORTS.—

22 (A) ANNUAL REPORTS.—Not later than 1
23 year after the date of enactment of this Act,
24 and annually thereafter, the Secretary shall

1 submit a report to Congress describing the uses
2 of grant funds awarded under this section.

3 (B) RESULTS OF TRACKING SYSTEMS AND
4 SURVEYS.—The Secretary shall submit a report
5 to Congress detailing the results of the tracking
6 systems implemented and customer surveys car-
7 ried out by States and counties under sub-
8 section (e) as the information becomes avail-
9 able.

10 (h) MISCELLANEOUS.—

11 (1) MATCHING FUNDS.—

12 (A) IN GENERAL.—Matching funds re-
13 quired from a State or county awarded a grant
14 under subsection (c)(1) may—

15 (i) include in-kind services and ex-
16 penditures by municipalities and private
17 entities; and

18 (ii) be considered a qualified State ex-
19 penditure for purposes of determining
20 whether the State has satisfied the mainte-
21 nance of effort requirements of the tem-
22 porary assistance for needy families pro-
23 gram under section 409(a)(7) of the Social
24 Security Act (42 U.S.C. 609(a)(7)).

1 (B) CONFORMING AMENDMENT.—Section
2 409(a)(7)(B)(iv) of the Social Security Act (42
3 U.S.C. 609(a)(7)(B)(iv)) is amended by striking
4 “title.” and inserting “title, and also includes
5 State funds which are expended as a condition
6 of receiving Federal funds under a grant made
7 under section 5001 of the Leave No Child Be-
8 hind Act of 2003.”.

9 (2) LIMITATION ON EXPENDITURES.—

10 (A) IN GENERAL.—Subject to paragraph
11 3—

12 (i) not more than 20 percent of a
13 grant awarded under subsection (c) shall
14 be expended on customer surveys or track-
15 ing systems; and

16 (ii) except as provided in subpara-
17 graph (B), not more than 15 percent of a
18 grant awarded under subsection (c) shall
19 be expended on administrative costs.

20 (B) AUTOMATION EXCEPTION.—The limi-
21 tation on administrative expenditures under
22 subparagraph (A)(ii) shall not apply to expendi-
23 tures for the acquisition, implementation, or
24 maintenance of information technology, comput-
25 erization, or other automated data processing to

1 accomplish the purposes of a grant awarded
2 under subsection (c).

3 (3) REVERSION OF FUNDS.—Any funds not ex-
4 pended by a grantee within 2 years after awarded a
5 grant shall be available for redistribution among
6 other grantees in such manner and amount as the
7 Secretary may determine, unless the Secretary ex-
8 tends by regulation the 2-year time period to expend
9 funds.

10 (4) NONAPPORTIONMENT.—Notwithstanding
11 any other provision of law, a State, county, locality,
12 or nonprofit awarded a grant under subsection (c) is
13 not required to apportion the costs of providing in-
14 formation about low-income family with children
15 support programs among all low-income family with
16 children support programs.

17 (5) ADMINISTRATIVE COSTS OF THE SEC-
18 RETARY.—Not more than 5 percent of the funds ap-
19 propriated to carry out this section shall be ex-
20 pended on administrative costs of the Secretary.

21 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$500,000,000 for the period of fiscal years 2004 through
24 2008.

1 **Subtitle B—Support From Both**
 2 **Parents**

3 **CHAPTER 1—CHILD SUPPORT**
 4 **DISTRIBUTION**

5 **SEC. 5101. SHORT TITLE.**

6 This subtitle may be cited as the “Child Support Dis-
 7 tribution Act”.

8 **Subchapter A—Distribution of Child Support**

9 **SEC. 5111. DISTRIBUTION OF CHILD SUPPORT COLLECTED**
 10 **BY STATES ON BEHALF OF CHILDREN RE-**
 11 **CEIVING CERTAIN WELFARE BENEFITS.**

12 (a) MODIFICATION OF RULE REQUIRING ASSIGN-
 13 MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-
 14 ING TANF.—Section 408(a)(3) of the Social Security Act
 15 (42 U.S.C. 608(a)(3)) is amended to read as follows:

16 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-
 17 SIGNING CERTAIN SUPPORT RIGHTS TO THE
 18 STATE.—A State to which a grant is made under
 19 section 403 shall require, as a condition of providing
 20 assistance to a family under the State program
 21 funded under this part, that a member of the family
 22 assign to the State any rights the family member
 23 may have (on behalf of the family member or of any
 24 other person for whom the family member has ap-
 25 plied for or is receiving such assistance) to support

1 from any other person, not exceeding the total
2 amount of assistance so provided to the family,
3 which accrues during the period that the family re-
4 ceives assistance under the program.”.

5 (b) INCREASING CHILD SUPPORT PAYMENTS TO
6 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBU-
7 TION RULES.—

8 (1) DISTRIBUTION RULES.—

9 (A) IN GENERAL.—Section 457(a) of such
10 Act (42 U.S.C. 657(a)) is amended to read as
11 follows:

12 “(a) IN GENERAL.—Subject to subsections (e) and
13 (f), the amounts collected on behalf of a family as support
14 by a State pursuant to a plan approved under this part
15 shall be distributed as follows:

16 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
17 case of a family receiving assistance from the State,
18 the State shall—

19 “(A) pay to the Federal Government the
20 Federal share of the amount collected, subject
21 to paragraph (3)(A);

22 “(B) retain, or pay to the family, the State
23 share of the amount collected, subject to para-
24 graph (3)(B); and

1 “(C) pay to the family any remaining
2 amount.

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

6 “(A) CURRENT SUPPORT.—To the extent
7 that the amount collected does not exceed the
8 current support amount, the State shall pay the
9 amount to the family.

10 “(B) ARREARAGES.—To the extent that
11 the amount collected exceeds the current sup-
12 port amount, the State—

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

17 “(ii) if the amount collected exceeds
18 the amount required to be paid to the fam-
19 ily under clause (i), shall—

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

24 “(II) retain, or pay to the family,
25 the State share of the excess amount

1 described in this clause, subject to
2 paragraph (3)(B); and

3 “(iii) shall pay to the family any re-
4 maining amount.

5 “(3) LIMITATIONS.—

6 “(A) FEDERAL REIMBURSEMENTS.—The
7 total of the amounts paid by the State to the
8 Federal Government under paragraphs (1) and
9 (2) of this subsection with respect to a family
10 shall not exceed the Federal share of the
11 amount assigned with respect to the family pur-
12 suant to section 408(a)(3).

13 “(B) STATE REIMBURSEMENTS.—The
14 total of the amounts retained by the State
15 under paragraphs (1) and (2) of this subsection
16 with respect to a family shall not exceed the
17 State share of the amount assigned with respect
18 to the family pursuant to section 408(a)(3).

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

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

1 section 454(33), the State shall distribute the
2 amount collected pursuant to the terms of the agree-
3 ment.

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

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

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

1 under the State program funded under part A,
2 to the extent that the State pays the amount to
3 the family.

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

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

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

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

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

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

6 (B) APPROVAL OF ESTIMATION PROCE-
7 DURES.—Not later than October 1, 2003, the
8 Secretary of Health and Human Services, in
9 consultation with the States (as defined for
10 purposes of part D of title IV of the Social Se-
11 curity Act), shall establish the procedures to be
12 used to make the estimate described in section
13 457(a)(6) of such Act.

14 (2) CURRENT SUPPORT AMOUNT DEFINED.—
15 Section 457(c) of such Act (42 U.S.C. 657(c)) is
16 amended by adding at the end the following:

17 “(5) CURRENT SUPPORT AMOUNT.—The term
18 ‘current support amount’ means, with respect to
19 amounts collected as support on behalf of a family,
20 the amount designated as the monthly support obli-
21 gation of the noncustodial parent in the order re-
22 quiring the support.”.

23 (c) BAN ON RECOVERY OF MEDICAID COSTS FOR
24 CERTAIN BIRTHS.—Section 454 of such Act (42 U.S.C.
25 654) is amended—

1 (1) by striking “and” at the end of paragraph
2 (32);

3 (2) by striking the period at the end of para-
4 graph (33) and inserting “; and”; and

5 (3) by inserting after paragraph (33) the fol-
6 lowing:

7 “(34) provide that the State shall not use the
8 State program operated under this part to collect
9 any amount owed to the State by reason of costs in-
10 curred under the State plan approved under title
11 XIX for the birth of a child for whom support rights
12 have been assigned pursuant to section 408(a)(3),
13 471(a)(17), or 1912.”.

14 (d) STATE OPTION TO DISCONTINUE CERTAIN SUP-
15 PORT ASSIGNMENTS.—Section 457(b) of such Act (42
16 U.S.C. 657(b)) is amended by striking “shall” and insert-
17 ing “may”.

18 (e) CONFORMING AMENDMENTS.—

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

22 (2) Section 404(a) of such Act (42 U.S.C.
23 604(a)) is amended—

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

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

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

4 “(3) to fund payment of an amount pursuant to
5 clause (i) or (ii) of section 457(a)(2)(B), but only to
6 the extent that the State properly elects under sec-
7 tion 457(a)(6) to use the grant to fund the pay-
8 ment.”.

9 (3) Section 409(a)(7)(B)(i) of such Act (42
10 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the
11 end the following:

12 “(V) PORTIONS OF CERTAIN
13 CHILD SUPPORT PAYMENTS COL-
14 LECTED ON BEHALF OF AND DISTRIB-
15 UTED TO FAMILIES NO LONGER RE-
16 CEIVING ASSISTANCE.—Any amount
17 paid by a State pursuant to clause (i)
18 or (ii) of section 457(a)(2)(B), but
19 only to the extent that the State prop-
20 erly elects under section 457(a)(6) to
21 have the payment considered a quali-
22 fied State expenditure.”.

23 (f) EFFECTIVE DATE.—

24 (1) IN GENERAL.—The amendments made by
25 this section shall take effect on October 1, 2008,

1 and shall apply to payments under parts A and D
 2 of title IV of the Social Security Act for calendar
 3 quarters beginning on or after such date, and with-
 4 out regard to whether regulations to implement such
 5 amendments (in the case of State programs operated
 6 under such part D) are promulgated by such date.

7 (2) STATE OPTION TO ACCELERATE EFFECTIVE
 8 DATE.—In addition, a State may elect to have the
 9 amendments made by this section apply to the State
 10 and to amounts collected by the State, on and after
 11 such date as the State may select that is after the
 12 date of enactment of this Act and before October 1,
 13 2008.

14 **Subchapter B—Review and Adjustment of**
 15 **Child Support Orders**

16 **SEC. 5116. MANDATORY REVIEW AND MODIFICATION OF**
 17 **CHILD SUPPORT ORDERS FOR TANF RECIPI-**
 18 **ENTS.**

19 (a) REVIEW EVERY 3 YEARS.—Section
 20 466(a)(10)(A)(i) of the Social Security Act (42 U.S.C.
 21 666(a)(10)(A)(i)) is amended in the matter preceding sub-
 22 clause (I)—

23 (1) by striking “or,” and inserting “or”; and

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

1 (b) REVIEW UPON LEAVING TANF.—

2 (1) NOTICE OF CERTAIN FAMILIES LEAVING
3 TANF.—Section 402(a) of such Act (42 U.S.C.
4 602(a)) is amended by adding at the end the fol-
5 lowing:

6 “(8) CERTIFICATION THAT THE CHILD SUP-
7 PORT ENFORCEMENT PROGRAM WILL BE PROVIDED
8 NOTICE OF CERTAIN FAMILIES LEAVING TANF PRO-
9 GRAM.—A certification by the chief executive officer
10 of the State that the State has established proce-
11 dures to ensure that the State agency administering
12 the child support enforcement program under the
13 State plan approved under part D will be provided
14 notice of the impending discontinuation of assistance
15 to an individual under the State program funded
16 under this part if the individual has custody of a
17 child whose other parent is alive and not living at
18 home with the child.”.

19 (2) REVIEW.—Section 466(a)(10) of such Act
20 (42 U.S.C. 666(a)(10)) is amended—

21 (A) in the paragraph heading, by striking
22 “UPON REQUEST”;

23 (B) in subparagraph (C), by striking “this
24 paragraph” and inserting “subparagraph (A) or
25 (B)”; and

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

2 “(D) REVIEW UPON LEAVING TANF.—On
3 receipt of a notice issued pursuant to section
4 402(a)(8), the State child support enforcement
5 agency shall—

6 “(i) examine the case file involved;

7 “(ii) determine what actions (if any)
8 are needed to locate any noncustodial par-
9 ent, establish paternity or a support order,
10 or enforce a support order in the case;

11 “(iii) immediately take the actions;
12 and

13 “(iv) if there is a support order in the
14 case which the State has not reviewed dur-
15 ing the 1-year period ending with receipt
16 of the notice, notwithstanding subpara-
17 graph (B), review and, if appropriate, ad-
18 just the order in accordance with subpara-
19 graph (A).”.

1 **Subchapter C—Demonstrations of Expanded**
2 **Information and Enforcement**

3 **SEC. 5121. GUIDELINES FOR INVOLVEMENT OF PUBLIC**
4 **NON-IV-D CHILD SUPPORT ENFORCEMENT**
5 **AGENCIES IN CHILD SUPPORT ENFORCE-**
6 **MENT.**

7 (a) IN GENERAL.—Not later than October 1, 2004,
8 the Secretary, in consultation with States, local govern-
9 ments, and individuals or companies knowledgeable about
10 involving public non-IV-D child support enforcement agen-
11 cies in child support enforcement, shall develop rec-
12 ommendations which address the participation of public
13 non-IV-D child support enforcement agencies in the estab-
14 lishment and enforcement of child support obligations.
15 The matters addressed by the recommendations shall in-
16 clude substantive and procedural rules which should be
17 followed with respect to privacy safeguards, data security,
18 due process rights, administrative compatibility with Fed-
19 eral and State automated systems, eligibility requirements
20 (such as registration, licensing, and posting of bonds) for
21 access to information and use of enforcement mechanisms,
22 recovery of costs by charging fees, penalties for violations
23 of the rules, treatment of collections for purposes of sec-
24 tion 458 of such Act, and avoidance of duplication of ef-
25 fort.

1 (b) DEFINITIONS.—In this title:

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

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

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

17 (4) STATE.—The term “State” shall have the
18 meaning given in section 1101(a)(1) of the Social
19 Security Act for purposes of part D of title IV of
20 such Act.

1 **SEC. 5122. DEMONSTRATIONS INVOLVING ESTABLISHMENT**
2 **AND ENFORCEMENT OF CHILD SUPPORT OB-**
3 **LIGATIONS BY PUBLIC NON-IV-D CHILD SUP-**
4 **PORT ENFORCEMENT AGENCIES.**

5 (a) PURPOSE.—The purpose of this section is to de-
6 termine the extent to which public non-IV-D child support
7 enforcement agencies may contribute effectively to the es-
8 tablishment and enforcement of child support obligations.

9 (b) APPLICATIONS.—

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

13 (2) PREFERENCES.—In considering which ap-
14 plications to approve under this section, the Sec-
15 retary shall give preference to applications submitted
16 by States that had a public non-IV-D child support
17 enforcement agency as of January 1, 2003.

18 (3) APPROVAL.—

19 (A) TIMING; LIMITATION ON NUMBER OF
20 PROJECTS.—On July 1, 2005, the Secretary
21 may approve not more than 10 applications for
22 projects providing for the participation of a
23 public non-IV-D child support enforcement
24 agency in the establishment and enforcement of
25 child support obligations, and, if the Secretary
26 receives at least 5 such applications that meet

1 such requirements as the Secretary may estab-
2 lish, shall approve not less than 5 such applica-
3 tions.

4 (B) REQUIREMENTS.—The Secretary may
5 not approve an application for a project un-
6 less—

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

17 (ii) the project includes a research
18 plan (but such plan shall not be required
19 to use random assignment) that is focused
20 on assessing the costs and benefits of the
21 project; and

22 (iii) the project appears likely to con-
23 tribute significantly to the achievement of
24 the purpose of this title.

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

3 (1) the State agency responsible for admin-
4 istering the State plan under part D of title IV of
5 the Social Security Act may, subject to the privacy
6 safeguards of section 454(26) of such Act, provide
7 to any public non-IV-D child support enforcement
8 agency participating in the demonstration project all
9 information in the State Directory of New Hires and
10 any information obtained through information com-
11 parisons under section 453(j)(3) of such Act about
12 an individual with respect to whom the public non-
13 IV-D agency is seeking to establish or enforce a
14 child support obligation, if the public non-IV-D
15 agency meets such requirements as the State may
16 establish and has entered into an agreement with
17 the State under which the public non-IV-D agency
18 has made a binding commitment to carry out estab-
19 lishment and enforcement activities with respect to
20 the child support obligation subject to the same data
21 security, privacy protection, and due process require-
22 ments applicable to the State agency and in accord-
23 ance with procedures approved by the head of the
24 State agency;

1 (2) the State agency may charge and collect
2 fees from any such public non-IV-D agency to re-
3 cover costs incurred by the State agency in providing
4 information and services to the public non-IV-D
5 agency under the demonstration project;

6 (3) if a public non-IV-D child support enforce-
7 ment agency has agreed to collect past-due support
8 (as defined in section 464(c) of such Act) owed by
9 a named individual, and the State agency has sub-
10 mitted a notice to the Secretary of the Treasury
11 pursuant to section 464 of such Act on behalf of the
12 public non-IV-D agency, then the Secretary of the
13 Treasury shall consider the State agency to have
14 agreed to collect such support for purposes of such
15 section 464, and the State agency may collect from
16 the public non-IV-D agency any fee which the State
17 is required to pay for the cost of applying the offset
18 procedure in the case;

19 (4) for so long as a public non-IV-D child sup-
20 port enforcement agency is participating in the dem-
21 onstration project, the public non-IV-D agency shall
22 be considered part of the State agency for purposes
23 of section 469A of such Act; and

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

1 onstration project, the public non-IV-D agency shall
2 be considered part of the State agency for purposes
3 of section 303(e) of such Act but only with respect
4 to any child support obligation that the public non-
5 IV-D agency has agreed to collect.

6 (d) WAIVER AUTHORITY.—The Secretary may waive
7 or vary the applicability of any provision of sections
8 303(e), 454(31), 464, 466(a)(7), 466(a)(17), and 469A
9 of the Social Security Act to the extent necessary to enable
10 the conduct of demonstration projects under this section,
11 subject to the preservation of the data security, privacy
12 protection, and due process requirements of part D of title
13 IV of such Act.

14 (e) FEDERAL AUDIT.—

15 (1) IN GENERAL.—The Comptroller General of
16 the United States shall conduct an audit of the dem-
17 onstration projects conducted under this section for
18 the purpose of examining and evaluating the manner
19 in which information and enforcement tools are used
20 by the public non-IV-D child support enforcement
21 agencies participating in the projects.

22 (2) REPORT TO CONGRESS.—

23 (A) IN GENERAL.—The Comptroller Gen-
24 eral of the United States shall submit to Con-

1 gress a report on the audit required by para-
2 graph (1).

3 (B) TIMING.—The report required by sub-
4 paragraph (A) shall be so submitted not later
5 than October 1, 2007.

6 (f) SECRETARIAL REPORT TO CONGRESS.—

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

15 (2) TIMING.—The report required by paragraph
16 (1) shall be submitted not later than October 1,
17 2008.

18 **SEC. 5123. GAO REPORT TO CONGRESS ON PRIVATE CHILD**

19 **SUPPORT ENFORCEMENT AGENCIES.**

20 (a) IN GENERAL.—Not later than October 1, 2004,
21 the Comptroller General of the United States shall submit
22 to Congress a report on the activities of private child sup-
23 port enforcement agencies that shall be designed to help
24 Congress determine whether the agencies are providing a

1 needed service in a fair manner using accepted debt collec-
2 tion practices and at a reasonable fee.

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

6 (1) The number of private child support en-
7 forcement agencies.

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

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

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

13 (5) The nature and degree of cooperation the
14 private agencies receive from State agencies respon-
15 sible for administering State plans under part D of
16 title IV of the Social Security Act.

17 (6) The extent to which the conduct of the pri-
18 vate agencies is subject to Federal or State regula-
19 tion, and if so, the extent to which the regulations
20 are effectively enforced.

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

23 (8) The average period of time required for the
24 completion of successful enforcement actions yielding
25 collections of past-due child support by both the

1 child support enforcement programs operated pursu-
 2 ant to State plans approved under part D of title IV
 3 of the Social Security Act and, to the extent known,
 4 by private child support enforcement agencies.

5 (9) The types of Federal and State child sup-
 6 port enforcement remedies and resources currently
 7 available to private child support enforcement agen-
 8 cies, and the types of such remedies and resources
 9 now restricted to use by State agencies admin-
 10 istering State plans referred to in paragraph (8).

11 (c) PRIVATE CHILD SUPPORT ENFORCEMENT AGEN-
 12 CY DEFINED.—In this section, the term “private child
 13 support enforcement agency” means a person or any other
 14 nonpublic entity which seeks to establish or enforce an ob-
 15 ligation to pay child support (as defined in section
 16 459(i)(2) of the Social Security Act).

17 **SEC. 5124. EFFECTIVE DATE.**

18 This title shall take effect on the date of enactment
 19 of this Act.

20 **Subchapter D—Expanded Enforcement**

21 **SEC. 5126. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**

22 **REARAGE TRIGGERING PASSPORT DENIAL.**

23 Section 452(k) of the Social Security Act (42 U.S.C.
 24 652(k)) is amended by striking “\$5,000” and inserting
 25 “\$2,500”.

1 **SEC. 5127. USE OF TAX REFUND INTERCEPT PROGRAM TO**
 2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
 3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 Section 464 of the Social Security Act (42 U.S.C.
 5 664) is 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 **SEC. 5128. GARNISHMENT OF COMPENSATION PAID TO VET-**
 19 **ERANS FOR SERVICE-CONNECTED DISABIL-**
 20 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
 21 **PORT OBLIGATIONS.**

22 Section 459(h) of the Social Security Act (42 U.S.C.
 23 659(h)) is amended—

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

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

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

6 “(A) Compensation described in paragraph
7 (1)(A)(ii)(V) shall not be subject to withholding
8 pursuant to this section—

9 “(i) for payment of alimony; or

10 “(ii) for payment of child support if
11 the individual is fewer than 60 days in ar-
12 rears in payment of the support.

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

17 **Subchapter E—Miscellaneous**

18 **SEC. 5131. REPORT ON UNDISTRIBUTED CHILD SUPPORT**

19 **PAYMENTS.**

20 Not later than 6 months after the date of enactment
21 of this Act, the Secretary of Health and Human Services
22 shall submit to the Committee on Ways and Means of the
23 House of Representatives and the Committee on Finance
24 of the Senate a report on the procedures that the States
25 use generally to locate custodial parents for whom child

1 support has been collected but not yet distributed due to
2 a change in address. The report shall include an estimate
3 of the total amount of such undistributed child support
4 and the average length of time it takes for such child sup-
5 port to be distributed. The Secretary shall include in the
6 report recommendations as to whether additional proce-
7 dures should be established at the Federal or State level
8 to expedite the payment of undistributed child support.

9 **SEC. 5132. USE OF NEW HIRE INFORMATION TO ASSIST IN**
10 **ADMINISTRATION OF UNEMPLOYMENT COM-**
11 **PENSATION PROGRAMS.**

12 (a) IN GENERAL.—Section 453(j) of the Social Secu-
13 rity Act (42 U.S.C. 653(j)) is amended by adding at the
14 end the following:

15 “(7) INFORMATION COMPARISONS AND DISCLO-
16 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-
17 MENT COMPENSATION PROGRAMS.—

18 “(A) IN GENERAL.—If a State agency re-
19 sponsible for the administration of an unem-
20 ployment compensation program under Federal
21 or State law transmits to the Secretary the
22 name and social security account number of an
23 individual, the Secretary shall, if the informa-
24 tion in the National Directory of New Hires in-
25 dicates that the individual may be employed,

1 disclose to the State agency the name, address,
2 and employer identification number of any pu-
3 tative employer of the individual, subject to this
4 paragraph.

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

11 “(C) USE OF INFORMATION.—A State
12 agency may use information provided under this
13 paragraph only for purposes of administering a
14 program referred to in subparagraph (A).”.

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

17 **SEC. 5133. IMMIGRATION PROVISIONS.**

18 (a) NONIMMIGRANT ALIENS INELIGIBLE TO RE-
19 CEIVE VISAS AND EXCLUDED FROM ADMISSION FOR
20 NONPAYMENT OF CHILD SUPPORT.—

21 (1) IN GENERAL.—Section 212(a)(10) of the
22 Immigration and Nationality Act (8 U.S.C.
23 1182(a)(10)) is amended by adding at the end the
24 following:

25 “(F) NONPAYMENT OF CHILD SUPPORT.—

1 “(i) IN GENERAL.—Any non-
2 immigrant alien is inadmissible who is le-
3 gally obligated under a judgment, decree,
4 or order to pay child support (as defined in
5 section 459(i) of the Social Security Act),
6 and whose failure to pay such child sup-
7 port has resulted in an arrearage exceeding
8 \$2,500, until child support payments
9 under the judgment, decree, or order are
10 satisfied or the nonimmigrant alien is in
11 compliance with an approved payment
12 agreement.

13 “(ii) WAIVER AUTHORIZED.—The At-
14 torney General may waive the application
15 of clause (i) in the case of an alien, if the
16 Attorney General—

17 “(I) has received a request for
18 the waiver from the court or adminis-
19 trative agency having jurisdiction over
20 the judgment, decree, or order obli-
21 gating the alien to pay child support
22 that is referred to in such clause; or

23 “(II) determines that there are
24 prevailing humanitarian or public in-
25 terest concerns.”.

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

4 (b) AUTHORIZATION TO SERVE LEGAL PROCESS IN
5 CHILD SUPPORT CASES ON CERTAIN ARRIVING
6 ALIENS.—

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

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

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

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

24 “(i) a court or an administrative
25 agency of competent jurisdiction in any

1 State, territory, or possession of the
2 United States; or

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

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

10 (c) AUTHORIZATION TO SHARE CHILD SUPPORT EN-
11 FORCEMENT INFORMATION TO ENFORCE IMMIGRATION
12 AND NATURALIZATION LAW.—

13 (1) SECRETARIAL RESPONSIBILITY.—Section
14 452 of the Social Security Act (42 U.S.C. 652) is
15 amended by adding at the end the following:

16 “(m) If the Secretary receives a certification by a
17 State agency, in accordance with section 454(35), that an
18 individual who is a nonimmigrant alien (as defined in sec-
19 tion 101(a)(15) of the Immigration and Nationality Act)
20 owes arrearages of child support in an amount exceeding
21 \$2,500, the Secretary may, at the request of the State
22 agency, the Secretary of State, or the Attorney General,
23 or on the Secretary’s own initiative, provide such certifi-
24 cation to the Secretary of State and the Attorney General
25 information in order to enable them to carry out their re-

1 sponsibilities under sections 212(a)(10) and 235(d) of
2 such Act.”.

3 (2) STATE AGENCY RESPONSIBILITY.—Section
4 454 of the Social Security Act (42 U.S.C. 654), as
5 amended by section 5111(c) of this Act, is amend-
6 ed—

7 (A) by striking “and” at the end of para-
8 graph (33);

9 (B) by striking the period at the end of
10 paragraph (34) and inserting “; and”; and

11 (C) by inserting after paragraph (34) the
12 following:

13 “(35) provide that the State agency will have in
14 effect a procedure for certifying to the Secretary, in
15 such format and accompanied by such supporting
16 documentation as the Secretary may require, deter-
17 minations that nonimmigrant aliens owe arrearages
18 of child support in an amount exceeding \$2,500.”.

19 **SEC. 5134. CORRECTION OF ERRORS IN CONFORMING**
20 **AMENDMENTS IN THE WELFARE-TO-WORK**
21 **AND CHILD SUPPORT AMENDMENTS OF 1999.**

22 The amendments made by section 2402 of Public
23 Law 106–246 shall take effect as if included in the enact-
24 ment of section 806 of H.R. 3424 of the 106th Congress
25 by section 1000(a)(4) of Public Law 106–113.

1 **SEC. 5135. INCREASE IN PAYMENT RATE TO STATES FOR**
2 **EXPENDITURES FOR SHORT-TERM TRAINING**
3 **OF STAFF OF CERTAIN CHILD WELFARE**
4 **AGENCIES.**

5 Section 474(a)(3)(B) of the Social Security Act (42
6 U.S.C. 674(a)(3)(B)) is amended by inserting “, or State-
7 licensed or State-approved child welfare agencies providing
8 services,” after “child care institutions”.

9 **SEC. 5136. EFFECTIVE DATE.**

10 (a) IN GENERAL.—Except as otherwise provided in
11 this subtitle and in subsection (b) of this section, this sub-
12 title and the amendments made by this subtitle shall take
13 effect on October 1, 2004, and shall apply to payments
14 under part D of title IV of the Social Security Act for
15 calendar quarters beginning on or after such date, and
16 without regard to whether regulations to implement such
17 amendments are promulgated by such date.

18 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
19 QUIRED.—In the case of a State plan approved under sec-
20 tion 454 of the Social Security Act which requires State
21 legislation (other than legislation appropriating funds) in
22 order for the plan to meet the additional requirements im-
23 posed by the amendments made by this Act, the State plan
24 shall not be regarded as failing to comply with the addi-
25 tional requirements solely on the basis of the failure of
26 the plan to meet the additional requirements before the

1 first day of the first calendar quarter beginning after the
 2 close of the first regular session of the State legislature
 3 that begins after the date of enactment of this Act. For
 4 purposes of the previous sentence, in the case of a State
 5 that has a 2-year legislative session, each year of such ses-
 6 sion shall be deemed to be a separate regular session of
 7 the State legislature.

8 **CHAPTER 2—CHILD SUPPORT**
 9 **DEMONSTRATION PROGRAMS**

10 **SEC. 5141. SHORT TITLE.**

11 This chapter may be cited as the “Child Support As-
 12 surance Act”.

13 **SEC. 5142. PURPOSES.**

14 The purposes of this chapter are to enable partici-
 15 pating States to establish, expand, or improve child sup-
 16 port assurance systems in order to improve the economic
 17 circumstances of children who do not receive a minimum
 18 level of child support in a given month from the noncusto-
 19 dial parents of such children, to strengthen the establish-
 20 ment and enforcement of child support awards, and to
 21 promote work by custodial and noncustodial parents.

22 **SEC. 5143. DEFINITIONS.**

23 In this chapter:

24 (1) **CHILD.**—The term “child” means an indi-
 25 vidual who is of such an age, disability, or edu-

1 cational status as to be eligible for child support as
 2 provided for by law.

3 (2) ELIGIBLE CHILD.—The term “eligible
 4 child” means a child who—

5 (A) is not currently receiving cash assist-
 6 ance under the State program funded under
 7 part A of title IV of the Social Security Act (42
 8 U.S.C. 601 et seq.);

9 (B) meets the eligibility requirements es-
 10 tablished by the State for participation in a
 11 project administered under this section; and

12 (C) is the subject of a support order, as
 13 defined in section 453(p) of the Social Security
 14 Act (42 U.S.C. 653(p)), or for which good
 15 cause exists, as determined by the appropriate
 16 State agency under section 454(29)(A) of such
 17 Act (42 U.S.C. 654(29)(A)), for not having or
 18 pursuing a support order.

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

21 **SEC. 5144. ESTABLISHMENT OF CHILD SUPPORT ASSUR-**
 22 **ANCE DEMONSTRATION PROJECTS.**

23 (a) DEMONSTRATIONS AUTHORIZED.—The Secretary
 24 shall make grants to not less than 3 and not more than
 25 5 States to conduct demonstration projects for the pur-

1 pose of establishing, expanding, or improving a system of
2 an assured minimum child support payment to an eligible
3 child in accordance with this section.

4 (b) APPLICATION AND SELECTION.—

5 (1) APPLICATION REQUIREMENTS.—An applica-
6 tion for a grant under this section shall be sub-
7 mitted by the chief executive officer of a State and
8 shall—

9 (A) contain a description of the proposed
10 child support assurance project to be estab-
11 lished, expanded, or improved using amounts
12 provided under this section, including the level
13 of the assured minimum child support payment
14 to be provided and the agencies that will be in-
15 volved;

16 (B) specify whether the project will be car-
17 ried out throughout the State or in limited
18 areas of the State;

19 (C) specify the level of income, if any, at
20 which a recipient or applicant will be ineligible
21 for an assured minimum child support payment
22 under the project;

23 (D) estimate the number of children who
24 will be eligible for assured minimum child sup-
25 port payments under the project;

1 (E) contain a description of the work re-
2 quirements, if any, for custodial parents whose
3 children are participating in the project;

4 (F) contain a commitment by the State to
5 carry out the project during a period of not less
6 than 3 and not more than 5 consecutive fiscal
7 years beginning with fiscal year 2004; and

8 (G) contain such other information as the
9 Secretary may require by regulation.

10 (2) SELECTION CRITERIA.—The Secretary shall
11 consider—

12 (A) geographic diversity in the selection of
13 States to conduct demonstration projects under
14 this section; and

15 (B) any other criteria that the Secretary
16 determines will contribute to the achievement of
17 the purposes of this title.

18 (c) USE OF FUNDS.—

19 (1) GRANT FUNDS.—A State shall use amounts
20 provided under a grant awarded under this section
21 to carry out a child support assurance project that
22 is designed to provide a minimum monthly child sup-
23 port payment for each eligible child participating in
24 the project to the extent that such minimum child

1 support is not paid in a month by the noncustodial
2 parent.

3 (2) TANF FUNDS.—

4 (A) IN GENERAL.—A State selected to con-
5 duct a demonstration project under this title
6 may use, in addition to the amounts provided
7 under a grant awarded under this section,
8 funds provided under a State family assistance
9 grant under section 403(a)(1) of the Social Se-
10 curity Act (42 U.S.C. 603(a)(1)) for the pur-
11 pose described in paragraph (1).

12 (B) AUTHORITY TO INCLUDE AMOUNTS
13 USED FOR PURPOSES OF TANF MAINTENANCE
14 OF EFFORT REQUIREMENTS.—Section
15 409(a)(7)(B)(i)(I) of the Social Security Act
16 (42 U.S.C. 609(a)(7)(B)(i)(I)) is amended by
17 adding at the end the following:

18 “(ff) Notwithstanding clause
19 (iv), funds provided under a
20 State family assistance grant,
21 under section 403(a)(1) that are
22 used to establish, expand, or im-
23 prove a system of assured min-
24 imum child support payments to
25 eligible children (regardless of

1 whether such children reside with
2 an eligible family, as defined in
3 subclause (IV)) in accordance
4 with the Leave No Child Behind
5 Act of 2003.”.

6 (d) TREATMENT OF CHILD SUPPORT PAYMENT.—

7 Any assured minimum child support payment received by
8 an individual under this title shall be considered child sup-
9 port for purposes of determining the treatment of such
10 payment under—

11 (1) the Internal Revenue Code of 1986; and

12 (2) any eligibility requirements for any means-
13 tested program of assistance.

14 (e) DURATION.—A demonstration project conducted

15 under this section shall commence on October 1, 2005,

16 and shall be conducted for not less than 3 and not more

17 than 5 consecutive fiscal years, except that the Secretary

18 may terminate a project before the end of such period if

19 the Secretary determines that the State conducting the

20 project is not in compliance with the terms of the applica-

21 tion approved by the Secretary under this section.

22 (f) EVALUATIONS AND REPORTS.—

23 (1) STATE EVALUATIONS.—

1 (A) IN GENERAL.—Each State admin-
2 istering a demonstration project under this sec-
3 tion shall—

4 (i) provide for evaluation of the
5 project, meeting such conditions and
6 standards as the Secretary may require;
7 and

8 (ii) submit to the Secretary reports, at
9 the times and in the formats as the Sec-
10 retary may require, and containing any in-
11 formation (in addition to the information
12 required under subparagraph (B)) as the
13 Secretary may require.

14 (B) REQUIRED INFORMATION.—A report
15 submitted under subparagraph (A)(ii) shall in-
16 clude information on and analysis of the effect
17 of the project with respect to—

18 (i) the amount of child support col-
19 lected for project recipients;

20 (ii) the economic circumstances and
21 work efforts of custodial parents;

22 (iii) the work efforts of noncustodial
23 parents;

24 (iv) the rate of compliance by non-
25 custodial parents with support orders;

1 (v) project recipients' need for assist-
2 ance under means-tested assistance pro-
3 grams other than the project administered
4 under this section; and

5 (vi) any other matters that the Sec-
6 retary may specify.

7 (C) METHODOLOGY.—Information re-
8 quired under this paragraph shall be collected
9 through the use of scientifically acceptable sam-
10 pling methods.

11 (2) REPORTS TO CONGRESS.—The Secretary
12 shall, on the basis of reports received from States
13 administering projects under this section, submit in-
14 terim reports and, not later than 6 months after the
15 conclusion of all projects administered under this
16 section, a final report to Congress. A report sub-
17 mitted under this paragraph shall contain an assess-
18 ment of the effectiveness of the State projects ad-
19 ministered under this section and any recommenda-
20 tions for legislative action that the Secretary con-
21 siders appropriate.

22 (g) FUNDING.—There shall be available to the Sec-
23 retary, from amounts made available to carry out part D
24 of title IV of the Social Security Act, for purposes of car-

1 rying out demonstration projects under this section,
2 amounts not to exceed—

- 3 (1) \$27,000,000 for fiscal year 2006;
4 (2) \$55,000,000 for fiscal year 2007; and
5 (3) \$70,000,000 for each of fiscal years 2008
6 through 2010.

7 **Subtitle C—Fair Wages and**
8 **Unemployment Insurance**

9 **CHAPTER 1—FAIR MINIMUM WAGE**

10 **SEC. 5201. SHORT TITLE.**

11 This chapter may be cited as the “Fair Minimum
12 Wage Act of 2003”.

13 **SEC. 5202. MINIMUM WAGE.**

14 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor
15 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended
16 to read as follows:

17 “(1) except as otherwise provided in this sec-
18 tion, not less than—

19 “(A) \$5.90 an hour, beginning on the 60th
20 day after the date of enactment of the Fair
21 Minimum Wage Act of 2003; and

22 “(B) \$6.65 an hour, beginning 12 months
23 after that 60th day;”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect 60 days after the date of
3 enactment of this Act.

4 **SEC. 5203. APPLICABILITY OF MINIMUM WAGE TO THE**
5 **COMMONWEALTH OF THE NORTHERN MAR-**
6 **IANA ISLANDS.**

7 (a) IN GENERAL.—Section 6 of the Fair Labor
8 Standards Act of 1938 (29 U.S.C. 206) shall apply to the
9 Commonwealth of the Northern Mariana Islands.

10 (b) TRANSITION.—Notwithstanding subsection (a),
11 the minimum wage applicable to the Commonwealth of the
12 Northern Mariana Islands under section 6(a)(1) of the
13 Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))
14 shall be—

15 (1) \$3.55 an hour, beginning on the 60th day
16 after the date of enactment of this Act; and

17 (2) increased by \$0.50 an hour (or such lesser
18 amount as may be necessary to equal the minimum
19 wage under section 6(a)(1) of such Act), beginning
20 6 months after the date of enactment of this Act
21 and every 6 months thereafter until the minimum
22 wage applicable to the Commonwealth of the North-
23 ern Mariana Islands under this subsection is equal
24 to the minimum wage set forth in such section.

1 **CHAPTER 2—LIVABLE WAGES FOR EM-**
2 **PLOYEES UNDER FEDERAL CON-**
3 **TRACTS**

4 **SEC. 5211. SHORT TITLE.**

5 This chapter may be cited as the “Federal Living
6 Wage Responsibility Act”.

7 **SEC. 5212. FINDINGS.**

8 The Congress finds the following:

9 (1) American workers are working harder to
10 make ends meet.

11 (2) The wages of many working Americans
12 have not kept pace with the cost of providing for
13 their families.

14 (3) The Federal Government provides billions of
15 dollars in subsidies to businesses each year through
16 both spending programs and the Internal Revenue
17 Code of 1986.

18 (4) Recipients of Federal contracts have bene-
19 fited greatly from the provision of taxpayers’ dollars.

20 (5) The Congressional Budget Office concluded
21 that the Federal Government spends more than \$30
22 billion a year on spending and credit programs.

23 (6) Congress must ensure that Federal dollars
24 are used responsibly to improve the economic secu-
25 rity and well-being of Americans across the country.

1 **SEC. 5213. POVERTY LEVEL WAGE.**

2 (a) REQUIREMENT.—

3 (1) GENERAL RULE.—Except as provided in
4 paragraph (2), any employer under a Federal con-
5 tract for an amount exceeding \$10,000 or a sub-
6 contract under a Federal contract for such an
7 amount shall, except as provided in subsection (b),
8 pay each of the employer's employees working on or
9 hired in conjunction with such contract or sub-
10 contract—

11 (A) an hourly wage necessary for such em-
12 ployee to earn, while working 40 hours a week
13 on a full-time basis, the amount of the Federal
14 poverty level for a family of 4 (as published in
15 the Federal Register by the Department of
16 Health and Human Services under the author-
17 ity of section 673(2) of the Omnibus Budget
18 Reconciliation Act of 1981), or

19 (B) \$8.20 an hour,

20 whichever is greater.

21 (2) EXCEPTION.—An employer which is—

22 (A) a small business concern as defined
23 under section 3 of the Small Business Act (15
24 U.S.C. 632), or

25 (B) a nonprofit organization exempt from
26 Federal income tax under section 501(c) of the

1 Internal Revenue Code of 1986 if the ratio of
2 the total compensation of its chief executive of-
3 ficer to the compensation of the full-time equiv-
4 alent of its lowest paid employee is not greater
5 than 25 to 1,

6 shall not be required to pay the wage prescribed by
7 paragraph (1).

8 (3) SCOPE.—An employer may not avoid the re-
9 quirement of paragraph (1) by laying off or other-
10 wise terminating the employment of an employee
11 with the intention of replacing such employee with
12 an employee who, under subsection (b), is not eligi-
13 ble for the subsection (a) wage.

14 (b) EXCEPTION.—An employee who is participating
15 in—

16 (1) an apprenticeship program, or

17 (2) any other training program which does not
18 exceed 6 months in duration and which is offered to
19 an employee while employed in productive work that
20 provides training, technical and other related skills,
21 and personal skills that are essential to the full and
22 adequate performance of the employee's employ-
23 ment,

24 is not eligible for the wage prescribed by subsection (a).

1 (c) CONTRACT REQUIREMENT.—Any contract be-
2 tween the Federal Government and any contractor and
3 any contract between such contractor with a subcontractor
4 to carry out work for the Federal Government shall re-
5 quire the contractor or subcontractor to pay the wage pre-
6 scribed by subsection (a)(1).

7 (d) ENFORCEMENT.—

8 (1) SUSPENSION.—If an employer does not pay
9 the wage required by subsection (a) the Federal con-
10 tract or subcontract under which such employer was
11 employing employees shall be suspended.

12 (2) INELIGIBILITY.—An employer described in
13 paragraph (1) shall not be eligible for any Federal
14 contract or subcontract for a period of 5 years be-
15 ginning on the date the employer does not pay the
16 required wage.

17 (3) RESTITUTION.—An employer who does not
18 pay the wage required by subsection (a) shall be lia-
19 ble to the United States in an amount equal to the
20 unpaid wages and in addition an equal amount as
21 liquidated damages. The Secretary of Labor shall
22 pay to the employees who were not paid such wage
23 the amount recovered by the United States under
24 this paragraph.

1 **SEC. 5214. EFFECTIVE DATE.**

2 This chapter shall take effect with respect to Federal
3 contracts entered into, renewed, or extended after 90 days
4 after the date of enactment of this Act.

5 **CHAPTER 3—UNEMPLOYMENT**

6 **INSURANCE**

7 **SEC. 5221. PARITY FOR PART-TIME WORKERS, FAIR COUNT-**
8 **ING OF WAGES, AND USE OF IMPROVED**
9 **TECHNOLOGY FOR MAKING WAGE DATA**
10 **AVAILABLE.**

11 (a) IN GENERAL.—Subsection (a) of section 3304 of
12 the Internal Revenue Code of 1986 (relating to approval
13 of State unemployment compensation laws) is amended—

14 (1) in paragraph (18), by striking “and” at the
15 end;

16 (2) by redesignating paragraph (19) as para-
17 graph (21); and

18 (3) by inserting after paragraph (18) the fol-
19 lowing new paragraphs:

20 “(19) in the case of an individual who is not eli-
21 gible for regular compensation under the State law
22 because such individual does not meet requirements
23 relating to availability for work, active search for
24 work, or refusal to accept work, because such indi-
25 vidual is seeking, or is available for, less than full-
26 time work, compensation is not denied by such State

1 to an otherwise eligible individual who seeks less
2 than full-time work or fails to accept full-time work;

3 “(20) in the case of an individual who is not eli-
4 gible for regular compensation under the State law
5 because of the use of a definition of base period that
6 does not count wages earned in the most recently
7 completed calendar quarter, eligibility for compensa-
8 tion is determined by applying a base period ending
9 at the close of the most recently completed calendar
10 quarter; and”.

11 (b) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amendments made by this section
14 shall apply to compensation paid for weeks of unem-
15 ployment beginning after June 30, 2004.

16 (2) AMENDMENT RELATING TO USE OF RECENT
17 WAGES.—Section 3304(a)(20) of the Internal Rev-
18 enue Code of 1986, as added by subsection (a)(3),
19 shall apply to compensation paid for weeks of unem-
20 ployment beginning after December 31, 2004.

1 **SEC. 5222. ENSURING UNEMPLOYMENT COMPENSATION**
2 **FOR INDIVIDUALS THAT ARE SEPARATED**
3 **FROM EMPLOYMENT DUE TO DOMESTIC VIO-**
4 **LENCE.**

5 (a) UNEMPLOYMENT COMPENSATION.—Section 3304
6 of the Internal Revenue Code of 1986 (relating to approval
7 of State unemployment compensation laws), as amended
8 by section 5221, is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (20), by striking “and”
11 at the end;

12 (B) by redesignating paragraph (21) as
13 paragraph (22); and

14 (C) by inserting after paragraph (20) the
15 following new paragraph:

16 “(21) compensation is to be paid where an indi-
17 vidual is separated from employment due to cir-
18 cumstances directly resulting from domestic violence;
19 and”; and

20 (2) by adding at the end the following new sub-
21 section:

22 “(g) CONSTRUCTION.—

23 “(1) IN GENERAL.—For purposes of subsection
24 (a)(21), an employee’s separation from employment
25 shall be treated as due to circumstances directly re-

1 sulting from domestic violence if the separation re-
2 sulted from—

3 “(A) the employee’s reasonable fear of fu-
4 ture domestic violence at or en route to or from
5 the employee’s place of employment;

6 “(B) the employee’s wish to relocate to an-
7 other geographic area in order to avoid future
8 domestic violence against the employee or the
9 employee’s family;

10 “(C) the employee’s need to recover from
11 traumatic stress resulting from the employee’s
12 experience of domestic violence;

13 “(D) the employer’s denial of the employ-
14 ee’s request for the temporary leave from em-
15 ployment to address domestic violence and its
16 effects; or

17 “(E) any other circumstance in which do-
18 mestic violence causes the employee to reason-
19 ably believe that termination of employment is
20 necessary for the future safety of the employee
21 or the employee’s family.

22 “(2) REASONABLE EFFORTS TO RETAIN EM-
23 PLOYMENT.—For purposes of subsection (a)(21), if
24 State law requires the employee to have made rea-
25 sonable efforts to retain employment as a condition

1 for receiving unemployment compensation, such re-
2 quirement shall be met if the employee—

3 “(A) sought protection from, or assistance
4 in responding to, domestic violence, including
5 calling the police or seeking legal, social work,
6 medical, clergy, or other assistance;

7 “(B) sought safety, including refuge in a
8 shelter or temporary or permanent relocation,
9 whether or not the employee actually obtained
10 such refuge or accomplished such relocation; or

11 “(C) reasonably believed that options such
12 as taking a leave of absence, transferring jobs,
13 or receiving an alternative work schedule would
14 not be sufficient to guarantee the employee or
15 the employee’s family’s safety.

16 “(3) ACTIVE SEARCH FOR EMPLOYMENT.—For
17 purposes of subsection (a)(21), if State law requires
18 the employee to actively search for employment after
19 separation from employment as a condition for re-
20 ceiving unemployment compensation, such require-
21 ment shall be treated as met where the employee is
22 temporarily unable to actively search for employment
23 because the employee is engaged in seeking safety or
24 relief for the employee or the employee’s family from
25 domestic violence, including—

1 “(A) going into hiding or relocating or at-
2 tempting to do so, including activities associ-
3 ated with such hiding or relocation, such as
4 seeking to obtain sufficient shelter, food, school-
5 ing for children, or other necessities of life for
6 the employee or the employee’s family;

7 “(B) actively pursuing legal protection or
8 remedies, including meeting with the police,
9 going to court to make inquiries or file papers,
10 meeting with attorneys, or attending court pro-
11 ceedings; or

12 “(C) participating in psychological, social,
13 or religious counseling or support activities to
14 assist the employee in ending domestic violence.

15 “(4) PROVISION OF INFORMATION TO MEET
16 CERTAIN REQUIREMENTS.—In determining if an em-
17 ployee meets the requirements of paragraphs (1),
18 (2), and (3), the unemployment agency of the State
19 in which an employee is requesting unemployment
20 compensation by reason of subsection (a)(21) may
21 require the employee to provide—

22 “(A) documentation of the domestic vio-
23 lence, such as—

24 “(i) police or court records; or

1 “(ii) documentation from a shelter
2 worker or an employee of a domestic vio-
3 lence program, an attorney, a clergy mem-
4 ber, or a medical or other professional
5 from whom the employee has sought as-
6 sistance in addressing domestic violence
7 and its effects; or

8 “(B) other corroborating evidence, such
9 as—

10 “(i) a statement from any other indi-
11 vidual with knowledge of the circumstances
12 which provide the basis for the claim; or

13 “(ii) physical evidence of domestic vio-
14 lence, such as photographs or torn or
15 bloody clothes.

16 All evidence of domestic violence experienced by an
17 employee, including an employee’s statement, any
18 corroborating evidence, and the fact that an em-
19 ployee has applied for, or inquired about, unemploy-
20 ment compensation available by reason of subsection
21 (a)(21) shall be retained in the strictest confidence
22 by such State unemployment agency, except to the
23 extent consented to by the employee where disclosure
24 is necessary to protect the employee’s safety.

1 “(5) EFFECT OF CLAIMS.—Claims filed for un-
2 employment compensation solely by reason of sub-
3 section (a)(21) shall be disregarded in determining
4 an employer’s State unemployment taxes based on
5 unemployment experience.”.

6 (b) SOCIAL SECURITY PERSONNEL TRAINING.—Sec-
7 tion 303(a) of the Social Security Act (42 U.S.C. 503(a))
8 is amended—

9 (1) by redesignating paragraphs (4) through
10 (10) as paragraphs (5) through (11), respectively;
11 and

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

14 “(4) Such methods of administration as will en-
15 sure that claims reviewers and hearing personnel are
16 adequately trained in—

17 “(A) the nature and dynamics of claims
18 for unemployment compensation based on do-
19 mestic violence under section 3304(a)(21) of
20 the Internal Revenue Code of 1986; and

21 “(B) methods of ascertaining and keeping
22 confidential information about possible experi-
23 ences of domestic violence to ensure that—

24 “(i) requests for unemployment com-
25 pensation based on domestic violence are

1 reliably screened, identified, and adju-
2 dicated; and

3 “(ii) complete confidentiality is pro-
4 vided for the employee’s claim and sub-
5 mitted evidence; and”.

6 (c) FUNDING FOR IMPROVED TECHNOLOGY TO AS-
7 SIST IN DETERMINING BENEFIT ELIGIBILITY.—Section
8 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is
9 amended by adding at the end the following new para-
10 graph:

11 “(6) In addition to amounts provided under para-
12 graph (1)(A)(i), there is hereby appropriated out of the
13 employment security administration account \$60,000,000
14 for fiscal year 2004 (which shall remain available for obli-
15 gation to the States through fiscal year 2006) for the pur-
16 pose of assisting States in funding technology and other
17 costs that accelerate access to wage and employment infor-
18 mation in order to determine eligibility for unemployment
19 compensation.”.

20 (d) DEFINITIONS.—Section 3306 of the Internal Rev-
21 enue Code of 1986 (relating to definitions) is amended by
22 adding at the end the following new subsection:

23 “(v) DOMESTIC VIOLENCE.—For purposes of this
24 chapter, the term ‘domestic violence’ has the meaning
25 given such term in section 2003(1) of title I of the Omni-

1 bus Crime Control and Safe Streets Act of 1968 (42
2 U.S.C. 3796gg-2).”.

3 (e) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graphs (2) and (3), the amendments made by this
6 section shall take effect on November 1, 2003.

7 (2) FUNDING FOR IMPROVED TECHNOLOGY TO
8 ASSIST IN DETERMINING BENEFIT ELIGIBILITY.—
9 The amendment made by subsection (c) shall take
10 effect on the date of enactment of this Act.

11 (3) EXCEPTION.—In the case of any State the
12 legislature of which has not been in session for at
13 least 30 calendar days (whether or not successive)
14 between the date of enactment of this Act and No-
15 vember 1, 2003, the amendments made by this sec-
16 tion shall take effect 30 calendar days after the first
17 day on which such legislature is in session on or
18 after November 1, 2003.

19 **SEC. 5223. LOSS OF CHILD CARE AS GOOD CAUSE FOR**
20 **LEAVING EMPLOYMENT.**

21 (a) IN GENERAL.—Subsection (a) of section 3304 of
22 the Internal Revenue Code of 1986 (relating to approval
23 of State unemployment compensation laws), as amended
24 by section 5222, is amended—

1 (1) in paragraph (21), by striking “and” at the
2 end;

3 (2) by redesignating paragraph (22) as para-
4 graph (23); and

5 (3) by inserting after paragraph (21) the fol-
6 lowing new paragraph:

7 “(22) if any individual leaves employment be-
8 cause of loss of adequate child care for a dependent
9 child under the age of 12, for purposes of deter-
10 mining such individual’s eligibility for compensation
11 for any subsequent week for which such individual
12 meets the State law requirements relating to avail-
13 ability for work and active search for work—

14 “(A) such individual shall be treated as
15 having left such employment for good cause;
16 and

17 “(B) any failure to return to such employ-
18 ment or to otherwise meet such State law re-
19 quirements, while the lack of such child care
20 continues, shall be disregarded; and”.

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by subsection (a)
24 shall take effect on November 1, 2003.

1 (2) EXCEPTION.—In the case of any State the
 2 legislature of which has not been in session for at
 3 least 30 calendar days (whether or not successive)
 4 between the date of enactment of this Act and No-
 5 vember 1, 2003, the amendments made by sub-
 6 section (a) shall take effect 30 calendar days after
 7 the first day on which such legislature is in session
 8 on or after November 1, 2003.

9 **Subtitle D—Jobs for Low-Income**
 10 **Parents**

11 **SEC. 5301. DISREGARD OF MONTHS ENGAGED IN WORK**
 12 **FOR PURPOSES OF 5-YEAR TANF ASSISTANCE**
 13 **LIMIT.**

14 Section 408(a)(7) of the Social Security Act (42
 15 U.S.C. 608(a)(7)) is amended—

16 (1) by redesignating subparagraphs (E), (F),
 17 and (G) as subparagraphs (G), (H), and (I), respec-
 18 tively; and

19 (2) by inserting after subparagraph (D), the
 20 following:

21 “(E) DISREGARD OF MONTHS OF ASSIST-
 22 ANCE RECEIVED BY ADULT WHILE ENGAGED IN
 23 WORK.—In determining the number of months
 24 for which an adult has received assistance
 25 under a State or tribal program funded under

1 this part, the State or tribe shall disregard any
 2 month during which the adult is engaged in a
 3 work activity described in paragraph (1), (2),
 4 (3), (4), (5), (6), (7), (8), or (12) of section
 5 407(d) in accordance with the requirements of
 6 section 407(c).”.

7 **SEC. 5302. REPLACEMENT OF CASELOAD REDUCTION**
 8 **CREDIT WITH EMPLOYMENT CREDIT.**

9 (a) EMPLOYMENT CREDIT TO REWARD STATES IN
 10 WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDI-
 11 TIONAL CREDIT FOR FAMILIES WITH HIGHER EARN-
 12 INGS.—

13 (1) IN GENERAL.—Section 407(a) of the Social
 14 Security Act (42 U.S.C. 607(a)), as amended by sec-
 15 tion 5308 of this Act, is amended by adding at the
 16 end the following:

17 “(2) EMPLOYMENT CREDIT.—

18 “(A) IN GENERAL.—The minimum partici-
 19 pation rate otherwise applicable to a State
 20 under this subsection for a fiscal year shall be
 21 reduced by the number of percentage points in
 22 the employment credit for the State for the fis-
 23 cal year, as determined by the Secretary—

24 “(i) using information in the National
 25 Directory of New Hires, or

1 “(ii) with respect to a recipient of as-
2 sistance under the State program funded
3 under this part who is placed with an em-
4 ployer whose hiring information is not re-
5 ported to the National Directory of New
6 Hires, using quarterly wage information
7 submitted by the State to the Secretary
8 not later than such date as the Secretary
9 shall prescribe in regulations.

10 “(B) CALCULATION OF CREDIT.—

11 “(i) IN GENERAL.—The employment
12 credit for a State for a fiscal year is an
13 amount equal to—

14 “(I) twice the average quarterly
15 number of families that ceased to re-
16 ceive cash payments under the State
17 program funded under this part dur-
18 ing the most recent 4 quarters for
19 which data is available and that were
20 employed during the calendar quarter
21 immediately succeeding the quarter in
22 which the payments ceased, plus, at
23 State option, the number of families
24 that received a non-recurring short-
25 term benefit under the State program

1 funded under this part during the
2 preceding fiscal year and that were
3 employed in during the calendar quar-
4 ter immediately succeeding the quar-
5 ter in which the non-recurring short-
6 term benefit was so received; divided
7 by

8 “(II) the average monthly num-
9 ber of families that include an adult
10 who received cash payments under the
11 State program funded under this part
12 during the preceding fiscal year, plus,
13 if the State elected the option under
14 subclause (I), the number of families
15 that received a non-recurring short-
16 term benefit under the State program
17 funded under this part during the
18 preceding fiscal year.

19 “(ii) SPECIAL RULE FOR FORMER RE-
20 CIPIENTS WITH HIGHER EARNINGS.—In
21 calculating the employment credit for a
22 State for a fiscal year, a family that, dur-
23 ing the preceding fiscal year, earned at
24 least 33 percent of the average wage in the
25 State (determined on the basis of State

1 unemployment data) shall be considered to
2 be 1.5 families.

3 “(C) PUBLICATION OF AMOUNT OF CRED-
4 IT.—Not later than August 30 of each fiscal
5 year, the Secretary shall cause to be published
6 in the Federal Register the amount of the em-
7 ployment credit that will be used in determining
8 the minimum participation rate applicable to a
9 State under this subsection for the immediately
10 succeeding fiscal year.”.

11 (2) AUTHORITY OF SECRETARY TO USE INFOR-
12 MATION IN NATIONAL DIRECTORY OF NEW HIRES.—
13 Section 453(i) of the Social Security Act (42 U.S.C.
14 653(i)) is amended by adding at the end the fol-
15 lowing:

16 “(5) CALCULATION OF EMPLOYMENT CREDIT
17 FOR PURPOSES OF DETERMINING STATE WORK PAR-
18 TICIPATION RATES UNDER TANF.—The Secretary
19 may use the information in the National Directory
20 of New Hires for purposes of calculating State em-
21 ployment credits pursuant to section 407(a)(2).”.

22 (b) ELIMINATION OF CASELOAD REDUCTION CRED-
23 IT.—Section 407(b) of the Social Security Act (42 U.S.C.
24 607(b)) is amended by striking paragraph (3) and redesignig-

1 nating paragraphs (4) and (5) as paragraphs (3) and (4),
2 respectively.

3 **SEC. 5303. STATES TO RECEIVE PARTIAL CREDIT TOWARD**
4 **WORK PARTICIPATION RATE FOR RECIPI-**
5 **ENTS ENGAGED IN PART-TIME WORK.**

6 Section 407(c)(1)(A) of the Social Security Act (42
7 U.S.C. 607(c)(1)(A)) is amended by adding at the end the
8 following flush sentence:

9 “For purposes of subsection (b)(1)(B)(i), a
10 family that does not include a recipient who is
11 participating in work activities for an average
12 of 30 hours per week during a month but in-
13 cludes a recipient who is participating in such
14 activities during the month for an average of at
15 least 50 percent of the minimum average num-
16 ber of hours per week specified for the month
17 in the table set forth in this subparagraph shall
18 be counted as a percentage of a family that in-
19 cludes an adult or minor child head of house-
20 hold who is engaged in work for the month,
21 which percentage shall be the number of hours
22 for which the recipient participated in such ac-
23 tivities during the month divided by the number
24 of hours of such participation required of the
25 recipient under this section for the month.”.

1 **SEC. 5304. TANF RECIPIENTS WHO QUALIFY FOR SUPPLE-**
2 **MENTAL SECURITY INCOME BENEFITS RE-**
3 **MOVED FROM WORK PARTICIPATION RATE**
4 **CALCULATION FOR ENTIRE YEAR.**

5 Section 407(b)(1)(B)(ii) of the Social Security Act
6 (42 U.S.C. 607(b)(1)(B)(ii)) is amended—

7 (1) in subclause (I), by inserting “who has not
8 become eligible for supplemental security income
9 benefits under title XVI during the fiscal year” be-
10 fore the semicolon; and

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

16 **SEC. 5305. ELIMINATION OF LIMIT ON NUMBER OF TANF**
17 **RECIPIENTS ENROLLED IN VOCATIONAL**
18 **EDUCATION OR HIGH SCHOOL WHO MAY BE**
19 **COUNTED TOWARDS THE WORK PARTICIPA-**
20 **TION REQUIREMENT.**

21 Section 407(c)(2) of the Social Security Act (42
22 U.S.C. 607(c)(2)) is amended by striking subparagraph
23 (D).

1 **SEC. 5306. COUNTING OF UP TO 2 YEARS OF VOCATIONAL**
2 **OR EDUCATIONAL TRAINING (INCLUDING**
3 **POSTSECONDARY EDUCATION), WORK-STUDY,**
4 **AND RELATED INTERNSHIPS AS WORK AC-**
5 **TIVITIES.**

6 Section 407(d)(8) of the Social Security Act (42
7 U.S.C. 607(d)(8)) is amended to read as follows:

8 “(8) not more than 24 months of participation
9 by an individual in—

10 “(A) vocational or educational training (in-
11 cluding postsecondary education), at an eligible
12 educational institution (as defined in section
13 404(h)(5)(A)) leading to attainment of a cre-
14 dential from the institution related to employ-
15 ment or a job skill;

16 “(B) a State or Federal work-study pro-
17 gram under part C of title IV of the Higher
18 Education Act of 1965 or an internship related
19 to vocational or postsecondary education, super-
20 vised by an eligible educational institution (as
21 defined in section 404(h)(5)(A)); or

22 “(C) a course of study leading to adult lit-
23 eracy, in which English is taught as a second
24 language, or leading to a certificate of high
25 school equivalency, if the State considers the
26 activities important to improving the ability of

1 the individual to find and maintain employ-
2 ment.”.

3 **SEC. 5307. LIMITED COUNTING OF CERTAIN ACTIVITIES**
4 **LEADING TO EMPLOYMENT AS WORK ACTIV-**
5 **ITY.**

6 (a) IN GENERAL.—Section 407(d) of the Social Secu-
7 rity Act (42 U.S.C. 607(d)) is amended—

8 (1) by striking “and” at the end of paragraph
9 (11);

10 (2) by striking the period at the end of para-
11 graph (12) and inserting “; and”; and

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

13 “(13) Up to 6 months of participation (as de-
14 termined by the State) in services designed to im-
15 prove future employment opportunities, including
16 substance abuse treatment services, services to ad-
17 dress sexual or domestic violence, and physical reha-
18 bilitation and mental health services.”.

19 (b) CONFORMING AMENDMENT.—Section 407(e)(1)
20 of such Act (42 U.S.C. 607(e)(1)) is amended by striking
21 “and (12)” each place it appears and inserting “(12), and
22 (13)”.

1 **SEC. 5308. ELIMINATION OF SEPARATE WORK PARTICIPA-**
2 **TION RATE FOR 2-PARENT FAMILIES.**

3 Section 407 of the Social Security Act (42 U.S.C.
4 607) is amended—

5 (1) in subsection (a), by striking paragraph (2);

6 and

7 (2) in subsection (b)—

8 (A) by striking paragraphs (2) and (3);

9 (B) in paragraph (4), by striking “para-
10 graphs (1)(B) and (2)(B)” and inserting “para-
11 graph (1)(B)”;

12 (C) in paragraph (5), by striking “rates”
13 and inserting “rate”; and

14 (D) by redesignating paragraphs (4) and
15 (5) as paragraphs (2) and (3), respectively.

16 **SEC. 5309. ADDITION OF POVERTY REDUCTION BONUS TO**
17 **TANF.**

18 Section 403(a) of the Social Security Act (42 U.S.C.
19 603(a)), is amended by adding at the end the following:

20 “(6) BONUS TO REWARD STATES THAT REDUCE
21 POVERTY.—

22 “(A) IN GENERAL.—The Secretary shall
23 make a grant pursuant to this paragraph to
24 each State for each fiscal year beginning with
25 fiscal year 2005 for which the State is a quali-

1 fied poverty reduction State, as determined
2 under subparagraph (C).

3 “(B) AMOUNT OF GRANT.—With respect
4 to a fiscal year, each State that the Secretary
5 determines is a qualified poverty reduction
6 State for that fiscal year shall receive a grant
7 in an amount equal to the ratio of the amount
8 appropriated under subparagraph (D) for that
9 fiscal year to the total number of all such
10 States for that fiscal year.

11 “(C) DETERMINATION OF QUALIFIED POV-
12 ERTY REDUCTION STATES.—For purposes of
13 subparagraph (A), a State shall be considered a
14 qualified poverty reduction State for a fiscal
15 year if the State satisfies the following:

16 “(i) PROVISION OF CERTAIN ASSIST-
17 ANCE.—The State demonstrates to the
18 Secretary that the State program funded
19 under this part provides in each local polit-
20 ical subdivision of the State for at least 3
21 of the following:

22 “(I) A work expense or transpor-
23 tation allowance for any low-income
24 family that is not receiving assistance
25 under the State program.

1 “(II) The use of income dis-
2 regards sufficient to allow a family to
3 remain eligible for at least partial as-
4 sistance under the State program
5 until the sum of the family’s earned
6 income and cash assistance exceed the
7 poverty line applicable to such family.

8 “(III) On-the-job training or
9 work/study programs in occupations
10 likely to provide a livable wage. For
11 purposes of this subclause, the term
12 ‘livable wage’ means such hourly wage
13 as is necessary for an employee to
14 earn, while working 40 hours a week
15 on a full-year basis, an amount equal
16 to the amount of the Federal poverty
17 level for a family of 4 for that year
18 (as published in the Federal Register
19 by the Department of Health and
20 Human Services under the authority
21 of section 673(2) of the Omnibus
22 Budget Reconciliation Act of 1981).

23 “(IV) Temporary subsidized em-
24 ployment that provides at least the
25 minimum wage applicable under sec-

1 tion 6 of the Fair Labor Standards
2 Act for parents or caregivers who are
3 unable to find other employment.

4 “(V) Non-recurrent assistance to
5 help pay for the repair of a vehicle or
6 appliance, past-due rent, a utility or
7 fuel bill, vehicle licensing or insurance
8 costs, or for other purposes deemed
9 necessary by the State to enable eligi-
10 ble families with children to maintain
11 stable work and living situations.

12 “(VI) A minimum monthly child
13 support payment paid by the State to
14 a low-income family with at least 1
15 child support order if the noncustodial
16 parent does not pay the minimum
17 payment required under the order.

18 “(VII) With respect to families
19 that have assigned to the State in ac-
20 cordance with section 408(a)(3) any
21 child support rights a family member
22 may have (on behalf of the family
23 member or of any other person for
24 whom the family member has applied
25 for or is receiving such assistance), a

1 pass through of child support collec-
2 tions to the family, with at least \$100
3 per month of the pass-through pay-
4 ment disregarded for purposes of cal-
5 culating assistance for the family
6 under the State program funded
7 under this part.

8 “(VIII) An increase in the
9 State’s minimum wage to at least
10 \$6.15 per hour or a State minimum
11 wage indexed to inflation.

12 “(ii) DEMONSTRATION OF IMPROVED
13 OUTCOMES FOR CURRENT AND FORMER
14 RECIPIENTS OF ASSISTANCE.—

15 “(I) IN GENERAL.—With respect
16 to a fiscal year, the State is one of the
17 10 States with the greatest year-to-
18 year decline or, in the absence of 10
19 such States, the least year-to-year in-
20 crease, in the child poverty rate ad-
21 justed by the severity of poverty. For
22 purposes of this subclause, the child
23 poverty rate adjusted by the severity
24 of poverty shall be determined with
25 respect to a State for a fiscal year by

1 multiplying the State's percentage of
2 children with family income below the
3 poverty line for that fiscal year by the
4 average difference per poor child in
5 the State between the child's family
6 income and the poverty line.

7 “(II) DETERMINATION OF IN-
8 COME.—For purposes of subclause
9 (I), the Secretary shall, to the extent
10 feasible, consider the following in cal-
11 culating a family's income:

12 “(aa) Cash income, such as
13 earnings, child support received
14 by the family, and government
15 cash payments.

16 “(bb) Benefits received
17 under the Food Stamp Act of
18 1977.

19 “(cc) Federal, State, or local
20 income taxes paid by the family
21 for the preceding taxable year
22 and the refundable portion of any
23 tax credits received.

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

1 wise appropriated, there is appropriated for fis-
2 cal year 2005 and each fiscal year thereafter,
3 \$200,000,000 to make the grants required
4 under this paragraph.”.

5 **SEC. 5310. PARTICIPATION IN WORKFORCE INVESTMENT**
6 **BOARDS.**

7 (a) STATE WORKFORCE INVESTMENT BOARDS.—
8 Section 111(b)(1)(C) of the Workforce Investment Act of
9 1998 (29 U.S.C. 2821(b)(1)(C)) is amended—

10 (1) by redesignating clause (vii) as clause (viii);

11 (2) in clause (vi), by striking “and” at the end;

12 and

13 (3) by inserting after clause (vi) the following:

14 “(vii) a representative of a lead State
15 agency with responsibility for the State
16 program funded under part A of title IV of
17 the Social Security Act (42 U.S.C. 601 et
18 seq.); and”.

19 (b) LOCAL WORKFORCE INVESTMENT BOARDS.—
20 Section 117(b)(2)(A) of the Workforce Investment Act of
21 1998 (29 U.S.C. 2832(b)(2)(A)) is amended—

22 (1) in clause (v), by striking “and” at the end;

23 and

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

1 “(vii) a representative of the local
2 agency, if any, with responsibility for the
3 program funded under part A of title IV of
4 the Social Security Act (42 U.S.C. 601 et
5 seq.); and”.

6 **SEC. 5311. CLARIFICATION OF TANF PURPOSE.**

7 Section 401(a) of the Social Security Act (42 U.S.C.
8 601(a)) is amended—

9 (1) by redesignating paragraphs (3) and (4) as
10 paragraphs (4) and (5), respectively; and

11 (2) by inserting after paragraph (2), the fol-
12 lowing:

13 “(3) reduce poverty among families with chil-
14 dren;”.

15 **SEC. 5312. EFFECTIVE DATE.**

16 (a) IN GENERAL.—Except as provided in subsection
17 (b), the amendments made by this subtitle take effect on
18 October 1, 2003.

19 (b) STATE OPTION TO PHASE-IN REPLACEMENT OF
20 CASELOAD REDUCTION CREDIT WITH EMPLOYMENT
21 CREDIT AND DELAY APPLICABILITY OF OTHER PROVI-
22 SIONS.—A State may elect to have the amendments made
23 by sections 5302(b), 5303, and 5304 of this Act not apply
24 to the State program funded under part A of title IV of
25 the Social Security Act until October 1, 2005, and if the

1 State makes the election, then, in determining the partici-
2 pation rate of the State for purposes of sections 407 and
3 409(a)(3) of the Social Security Act for fiscal year 2005,
4 the State shall be credited with $\frac{1}{2}$ of the reduction in the
5 rate that would otherwise result from applying section
6 407(a)(2) of the Social Security Act (as added by section
7 5302(a)(1) of this Act) to the State for fiscal year 2004
8 and $\frac{1}{2}$ of the reduction in the rate that would otherwise
9 result from applying such section 407(b)(2) to the State
10 for fiscal year 2005.

11 **Subtitle E—Incentives to Serve**
12 **Families**

13 **SEC. 5401. DEVELOPMENT OF MODEL CASEWORKER TRAIN-**
14 **ING MATERIALS.**

15 (a) DEVELOPMENT OF MODEL CASEWORKER TRAIN-
16 ING MATERIALS.—The Secretary of Health and Human
17 Services shall develop model training materials (including
18 guidebooks and other resources) for caseworkers assigned
19 to administer the provision of assistance to a family under
20 the State program funded under part A of title IV of the
21 Social Security Act (42 U.S.C. 601 et seq.). The model
22 training materials shall be designed to train the case-
23 workers to improve the access of the family to other serv-
24 ices and benefits that the family, or individuals within the
25 family, may be eligible for, including—

1 (1) benefits under the food stamp program, as
2 defined in section 3(h) of the Food Stamp Act of
3 1977 (7 U.S.C. 2012(h));

4 (2) medical assistance under the medicaid pro-
5 gram under title XIX of the Social Security Act (42
6 U.S.C. 1396 et seq.);

7 (3) child health assistance under the State chil-
8 dren's health insurance program under title XXI of
9 the Social Security Act (42 U.S.C. 1397aa et seq.);

10 (4) the special supplemental nutrition program
11 for women, infants, and children (WIC) under sec-
12 tion 17 of the Child Nutrition Act of 1966 (42
13 U.S.C. 1786);

14 (5) child care assistance;

15 (6) transportation assistance;

16 (7) education or training assistance;

17 (8) job placement activities;

18 (9) the earned income tax credit under section
19 32 of the Internal Revenue Code of 1986; and

20 (10) services to treat or alleviate substance
21 abuse, mental illness, or family violence.

22 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated to the Secretary of Health
24 and Human Services to carry out this section such sums

1 as may be necessary for fiscal year 2004 and each fiscal
2 year thereafter.

3 **SEC. 5402. EXCEPTION TO LIMIT ON TANF ADMINISTRATIVE**
4 **EXPENDITURES FOR CASEWORKER BONUSES**
5 **AND OTHER STATE INITIATIVES TO ELIMI-**
6 **NATE BARRIERS TO WORK.**

7 Section 404(b)(2) of the Social Security Act (42
8 U.S.C. 604(b)(2)) is amended—

9 (1) in the heading, by striking “EXCEPTION”;
10 and inserting “EXCEPTIONS”;

11 (2) by striking “Paragraph (1)” and inserting
12 the following:

13 “(A) INFORMATION TECHNOLOGY AND
14 COMPUTERIZATION.—Paragraph (1)”;

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

16 “(B) CASEWORKER BONUSES AND OTHER
17 STATE INITIATIVES TO ELIMINATE BARRIERS
18 TO WORK.—

19 “(i) IN GENERAL.—Paragraph (1)
20 shall not apply to the use of a grant to
21 provide a cash bonus to a caseworker for
22 a family receiving assistance under the
23 State program funded under this part
24 based on the number of such families that
25 the State determines the caseworker as-

1 sists achieve a goal described in clause (ii),
2 or for expenditures incurred for other
3 State initiatives designed to eliminate bar-
4 riers to work for families receiving assist-
5 ance under the State program funded
6 under this part.

7 “(ii) CASEWORKER GOALS.—For pur-
8 poses of clause (i), the goals described in
9 this clause are the following:

10 “(I) Obtain employment that
11 provides wages and benefits that en-
12 able the family to have income that
13 exceeds the poverty line applicable to
14 a family of the size involved.

15 “(II) Obtain supportive services
16 and benefits for which the family is el-
17 igible.

18 “(III) With respect to an indi-
19 vidual within a family, overcome a
20 barrier to the individual’s employ-
21 ment, including a barrier resulting
22 from a lack of transportation or child
23 care, a life crisis due to family vio-
24 lence, substance abuse, or a mental or
25 physical disability.

1 “(IV) With respect to an indi-
2 vidual within a family, retain employ-
3 ment for at least 6 months.”.

4 **SEC. 5403. STRENGTHENING OF TANF INDIVIDUAL RESPON-**
5 **SIBILITY PLANS.**

6 Section 408(b) of the Social Security Act (42 U.S.C.
7 608(b)) is amended—

8 (1) in paragraph (2)—

9 (A) in subparagraph (A)—

10 (i) in the matter preceding clause (i),
11 by striking “may” and inserting “shall”;
12 and

13 (ii) in clause (i), by striking “imme-
14 diately into private sector employment”
15 and inserting “into a job leading to stable
16 employment with earnings above the pov-
17 erty line applicable to a family of the size
18 involved (based on 35 hours of work per
19 week) and health care benefits for the em-
20 ployee and the employee’s dependents”;
21 and

22 (B) in subparagraph (B)—

23 (i) in the matter preceding clause (i),
24 by striking “may” and inserting “shall”;

1 (ii) in clause (i), by striking “(or, at
2 the option of the State, 180 days)”;

3 (iii) in clause (ii), by striking “(or, at
4 the option of the State, 90 days)”;

5 (2) by striking paragraph (4) and inserting the
6 following:

7 “(4) PENALTY FOR NONCOMPLIANCE BY THE
8 STATE.—In addition to any other penalties that may
9 be imposed against a State for failure to comply
10 with the requirements of this part, the Secretary
11 may reduce the grant payable to a State under sec-
12 tion 403(a)(1) if the Secretary determines that the
13 State has failed, without good cause, to comply with
14 the requirements of this subsection.”.

15 **SEC. 5404. EFFECTIVE DATE.**

16 The amendments made by this subtitle take effect on
17 October 1, 2003.

18 **Subtitle F—Addressing Work**
19 **Barriers**

20 **SEC. 5501. FUNDING FOR ACCESS TO JOBS PROGRAM.**

21 Section 3037 of the Transportation Equity Act for
22 the 21st Century (49 U.S.C. 5309 note) is amended in
23 subsection (l)(1)—

24 (1) in subparagraph (A), by striking clauses
25 (iv) and (v) and inserting the following:

1 “(iv) \$150,000,000 for fiscal year
2 2004;

3 “(v) \$170,000,000 for fiscal year
4 2005;

5 “(vi) \$190,000,000 for fiscal year
6 2006;

7 “(vii) \$200,000,000 for fiscal year
8 2007; and

9 “(viii) \$225,000,000 for fiscal year
10 2008.”;

11 (2) in subparagraph (B), by striking clauses
12 (iv) and (v) and inserting the following:

13 “(iv) \$50,000,000 for each of fiscal
14 years 2004 through 2008.”; and

15 (3) in subparagraph (C)—

16 (A) by inserting “and” after the semicolon
17 in clause (ii);

18 (B) by striking “; and” in clause (iii) and
19 inserting a period; and

20 (C) by striking clause (iv).

21 **SEC. 5502. REQUIREMENT TO IDENTIFY AND PROVIDE**
22 **SERVICES TO ADDRESS BARRIERS TO EM-**
23 **PLOYMENT OF TANF RECIPIENTS.**

24 (a) REQUIREMENT TO IDENTIFY AS PART OF INDI-
25 VIDUAL RESPONSIBILITY PLAN.—Section 408(b) of the

1 Social Security Act (42 U.S.C. 608(b)), as amended by
2 section 5403, is amended—

3 (1) in paragraph (1), by striking “who—” and
4 all that follows and inserting “has attained 18 years
5 of age, using caseworkers who are trained to utilize
6 assessment methods approved by the State to iden-
7 tify recipients with severe barriers to employment,
8 such as being subjected to domestic violence, having
9 mental health, substance or alcohol abuse problems,
10 homelessness, a physical or mental disability, or illit-
11 eracy problems.”; and

12 (2) in paragraph (2)(A)(iv), by inserting “over-
13 come any severe barriers to employment identified
14 by the State under paragraph (1), and to” after
15 “will be able to”.

16 (b) EXEMPTION FROM WORK REQUIREMENT IF
17 STATE FAILS TO PROVIDE SERVICES.—Section 407(e) of
18 the Social Security Act (42 U.S.C. 607(e)) is amended—

19 (1) in paragraph (1), by striking “paragraph
20 (2)” and inserting “paragraphs (2) and (3)”;

21 (2) in paragraph (2), in the heading, by strik-
22 ing “EXCEPTION”; and inserting “SINGLE CUSTO-
23 DIAL PARENT WITH A YOUNG CHILD”; and

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

1 “(3) INDIVIDUAL WITH A SEVERE BARRIER TO
 2 EMPLOYMENT TO WHOM THE STATE FAILS TO PRO-
 3 VIDE SERVICES.—Notwithstanding paragraph (1), a
 4 State may not reduce assistance under the State
 5 program funded under this part based on a refusal
 6 of an individual to engage in work required in ac-
 7 cordance with this section if, as part of the assess-
 8 ment required under section 408(b)(1), the indi-
 9 vidual has been identified as having a severe barrier
 10 to employment and the State fails to provide services
 11 necessary to overcome the barrier.”.

12 **SEC. 5503. STATE OPTION TO ESTABLISH EXCEPTIONS**
 13 **FROM TIME LIMIT FOR RECEIPT OF TANF AS-**
 14 **SISTANCE BASED ON SEVERE BARRIERS TO**
 15 **EMPLOYMENT.**

16 Section 408(a)(7)(C) of the Social Security Act (42
 17 U.S.C. 608(a)(7)(C)) is amended—

18 (1) in clause (ii), by striking “The average”
 19 and inserting “Subject to clause (iv), the average”;
 20 and

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

22 “(iv) STATE OPTION FOR EXCEPTIONS
 23 BASED ON SEVERE BARRIERS TO EMPLOY-
 24 MENT.—At State option, the limit de-
 25 scribed in clause (ii) shall not apply with

1 respect to each category of exception based
2 on severe barriers to employment as the
3 State may determine.”.

4 **SEC. 5504. EFFECTIVE DATE.**

5 The amendments made by this subtitle take effect on
6 October 1, 2003.

7 **Subtitle G—Protection for Families**
8 **in Need**

9 **SEC. 5601. EARN-BACK OF MONTHS OF TANF ASSISTANCE.**

10 Section 408(a)(7) of the Social Security Act (42
11 U.S.C. 608(a)(7)), as amended by section 5301, is amend-
12 ed by inserting after subparagraph (E) the following:

13 “(F) EARN-BACK OF MONTHS OF ASSIST-
14 ANCE.—In determining the number of months
15 for which an adult has received assistance
16 under a State or tribal program funded under
17 this part, the State or tribe shall disregard 1
18 month for every 3 months that the adult is en-
19 gaged in a work activity defined in paragraph
20 (1), (2), or (3) of section 407(d) in accordance
21 with the requirements of section 407(c) and
22 during which the individual is not receiving as-
23 sistance under the State program funded under
24 this part.”.

1 **SEC. 5602. ESTABLISHMENT OF A FAIR CONCILIATION**
2 **PROCESS FOR FAMILIES UNDER TANF.**

3 Section 408 of the Social Security Act (42 U.S.C.
4 608) is amended by adding at the end the following:

5 “(h) FAIR CONCILIATION PROCEDURES.—

6 “(1) IN GENERAL.—Any case closed under the
7 State program funded under this part shall be sub-
8 ject to a customer service review in accordance with
9 the requirements of this subsection to ensure that a
10 case is not erroneously terminated and to give a
11 family another opportunity to participate in the pro-
12 gram.

13 “(2) REQUIREMENTS.—

14 “(A) INITIAL REVIEW.—A customer service
15 reviewer shall examine the case record for each
16 case closed to determine—

17 “(i) whether the caseworker respon-
18 sible for the case has attempted to make
19 personal contact with the parent or care-
20 giver before recommending closure of the
21 case; and

22 “(ii) whether sufficient documentation
23 exists in the case record to establish both
24 a factual and policy basis for closure of the
25 case, including documentation of written

1 notice of the closure to the parent or care-
2 giver.

3 “(B) RETURN TO CASEWORKER.—Any
4 case in which a customer service reviewer deter-
5 mines that no personal contact has been at-
6 tempted before closure of the case, or that in-
7 sufficient documentation exists, shall be re-
8 turned to the caseworker for the provision of
9 such attempted contact or documentation.

10 “(C) ADDITIONAL ATTEMPTED PERSONAL
11 CONTACT.—If a case is not returned to a case-
12 worker under subparagraph (A), the customer
13 service reviewer shall attempt to make personal
14 contact with the parent or caregiver involved,
15 including, if 3 attempts are required, an at-
16 tempt outside of normal business hours. A case
17 shall be closed after 3 unsuccessful attempts.

18 “(D) DETERMINATION OF GOOD CAUSE
19 FOR EXCEPTION TO CLOSURE.—

20 “(i) IN GENERAL.—With respect to a
21 case in which a caseworker or a customer
22 service reviewer has made personal contact
23 with the parent or caregiver, the customer
24 service reviewer shall determine whether
25 barriers to participation in the program

1 exist, whether there are grounds for ex-
2 emption from the time limits or any other
3 program requirements, or whether there
4 was an error in the application of the facts
5 or policy.

6 “(ii) MODIFICATION OF INDIVIDUAL
7 RESPONSIBILITY PLAN.—If a customer
8 service reviewer determines under clause
9 (i) that a case should not be closed, the
10 customer service reviewer shall work with
11 the parent or caregiver to modify the par-
12 ent’s or caregiver’s individual responsibility
13 plan developed under subsection (b) as ap-
14 propriate, including with respect to the
15 provision of any additional services needed
16 to assist the individual in becoming work-
17 ready.

18 “(E) PLAN FOR COMPLIANCE.—If a cus-
19 tomer service reviewer determines that subpara-
20 graph (D) does not apply and a parent or care-
21 giver is not subject to the time limit for receipt
22 of assistance under subsection (a)(7), the re-
23 viewer shall ask the parent or caregiver if the
24 parent or caregiver is now willing to comply
25 with program requirements, and establish a

1 plan with the parent or caregiver for compli-
2 ance. If the parent or caregiver does not comply
3 with such plan, the case shall be closed without
4 regard to the preceding subparagraphs of this
5 paragraph.

6 “(F) WRITTEN NOTICE.—With respect to
7 a case closed by a customer service reviewer
8 under this subsection, the reviewer shall send
9 the family involved a final written notice of the
10 case closure that informs the family of—

11 “(i) the specific factual basis of the
12 closure;

13 “(ii) the steps that the family can
14 take to maintain eligibility for assistance
15 under the State program; and

16 “(iii) the procedure for appealing the
17 closure decision.”.

18 **SEC. 5603. TREATMENT OF ALIENS UNDER THE TANF PRO-**
19 **GRAM.**

20 (a) EXCEPTION TO 5-YEAR BAN FOR QUALIFIED
21 ALIENS.—Section 403(c)(2) of the Personal Responsi-
22 bility and Work Opportunity Reconciliation Act of 1996
23 (8 U.S.C. 1613(c)(2)) is amended by adding at the end
24 the following:

1 “(L) Benefits under the Temporary Assist-
2 ance for Needy Families program described in
3 section 402(b)(3)(A).”.

4 (b) BENEFITS NOT SUBJECT TO REIMBURSE-
5 MENT.—Section 423(d) of the Personal Responsibility and
6 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
7 1138a note) is amended by adding at the end the fol-
8 lowing:

9 “(12) Benefits under part A of title IV of the
10 Social Security Act except for cash assistance pro-
11 vided to a sponsored alien who is subject to deeming
12 pursuant to section 408(i) of the Social Security
13 Act.”.

14 (c) TREATMENT OF ALIENS.—Section 408 of the So-
15 cial Security Act (42 U.S.C. 608), as amended by section
16 5602, is amended by adding at the end the following:

17 “(i) SPECIAL RULES RELATING TO THE TREATMENT
18 OF 213A ALIENS.—

19 “(1) IN GENERAL.—In determining whether a
20 213A alien is eligible for cash assistance under a
21 State program funded under this part, and in deter-
22 mining the amount or types of such assistance to be
23 provided to the alien, the State shall apply the rules
24 of paragraphs (1), (2), (3), (5), and (6) of sub-
25 section (f) of this section by substituting ‘213A’ for

1 ‘non-213A’ each place it appears, subject to section
 2 421(e) of the Personal Responsibility and Work Op-
 3 portunity Reconciliation Act of 1996, and subject to
 4 section 421(f) of such Act (which shall be applied by
 5 substituting ‘section 408(i) of the Social Security
 6 Act’ for ‘subsection (a)’).

7 “(2) 213A ALIEN DEFINED.—An alien is a
 8 213A alien for purposes of this subsection if the affi-
 9 davit of support or similar agreement with respect to
 10 the alien that was executed by the sponsor of the
 11 alien’s entry into the United States was executed
 12 pursuant to section 213A of the Immigration and
 13 Nationality Act.”.

14 **SEC. 5604. EFFECTIVE DATE.**

15 The amendments made by this subtitle take effect on
 16 October 1, 2003.

17 **Subtitle H—TANF Reauthorization**

18 **SEC. 5701. REAUTHORIZATION OF TANF STATE FAMILY AS-**

19 **SISTANCE GRANTS.**

20 Section 403(a)(1) of the Social Security Act (42
 21 U.S.C. 603(a)(1)) is amended—

22 (1) in subparagraph (A), by striking “fiscal
 23 years 1996, 1997, 1998, 1999, 2000, 2001, and
 24 2002” and inserting “the fiscal years during the pe-

1 riod beginning with fiscal year 1996 and ending with
 2 fiscal year 2009”; and

3 (2) in subparagraph (E), by striking “fiscal
 4 years 1996, 1997, 1998, 1999, 2000, 2001, and
 5 2002” and inserting “each of the fiscal years during
 6 the period beginning with fiscal year 1996 and end-
 7 ing with fiscal year 2009”.

8 **SEC. 5702. PROHIBITION ON SUPPLANTATION OF TANF**
 9 **FUNDS.**

10 Section 408(a) of the Social Security Act (42 U.S.C.
 11 608(a)) is amended by adding at the end the following
 12 new paragraph:

13 “(12) SUPPLEMENT NOT SUPPLANT.—Funds
 14 made available under this part shall be used to sup-
 15 plement, not supplant, other Federal, State, or local
 16 funds that are used for existing services and activi-
 17 ties that promote the purposes of this part.”.

18 **TITLE VI—FAIR START**
 19 **Subtitle A—Child and Adult Care**
 20 **Food Program**

21 **SEC. 6001. PARTICIPATION OF FOR-PROFIT CARE CENTERS**
 22 **IN CHILD AND ADULT CARE FOOD PROGRAM.**

23 Section 17(a)(2)(B) of the Richard B. Russell Na-
 24 tional School Lunch Act (42 U.S.C. 1766(a)(2)(B)) is
 25 amended—

1 (1) by striking “if—” and all that follows
2 through “2002, at” and inserting “if at”; and

3 (2) by striking “meals; or” and all that follows
4 and inserting “meals;”.

5 **SEC. 6002. CATEGORICAL ELIGIBILITY REQUIREMENTS.**

6 Section 17(f)(3)(A)(ii) of the Richard B. Russell Na-
7 tional School Lunch Act (42 U.S.C. 1766(f)(3)(A)(ii)) is
8 amended by adding at the end the following:

9 “(V) CATEGORICAL ELIGI-
10 BILITY.—In making a determination
11 of income eligibility under subclauses
12 (I)(cc) and (II), a family or group day
13 care home sponsoring organization
14 may consider a provider participating
15 in or subsidized under, or a provider
16 with a child participating in or sub-
17 sidized under, a federally or State
18 supported child care or other benefit
19 program with an income eligibility
20 limit that does not exceed the eligi-
21 bility standard for free or reduced
22 price meals under section 9 to be a
23 provider whose household meets the
24 income eligibility guidelines under sec-
25 tion 9.”.

1 **SEC. 6003. INCREASE IN ADMINISTRATIVE REIMBURSE-**
2 **MENT RATES.**

3 Section 17(f)(3) of the Richard B. Russell National
4 School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by
5 striking subparagraph (B) and inserting the following:

6 “(B) REIMBURSEMENT FOR ADMINISTRA-
7 TIVE EXPENSES.—

8 “(i) IN GENERAL.—Family or group
9 day care home sponsoring organizations
10 shall also receive reimbursement for ad-
11 ministrative expenses in amounts not ex-
12 ceeding the maximum allowable levels pre-
13 scribed by the Secretary.

14 “(ii) ADJUSTMENT.—The maximum
15 allowable levels prescribed under clause (i)
16 shall be—

17 “(I) adjusted July 1 of each year
18 to reflect changes for the 12-month
19 period ending in the preceding June,
20 in the Consumer Price Index for All
21 Urban Consumers published by the
22 Bureau of Labor Statistics of the De-
23 partment of Labor, rounded to the
24 nearest lower dollar increment; and

25 “(II) in addition to the adjust-
26 ments required under subclause (I),

1 increased by \$2.00 for each level de-
2 scribed in clause (i).”.

3 **SEC. 6004. PROGRAM FOR AT-RISK SCHOOL CHILDREN.**

4 Section 17(r) of the Richard B. Russell National
5 School Lunch Act (42 U.S.C. 1766(r)) is amended—

6 (1) in paragraph (1)(B)—

7 (A) by inserting “(i)” after “(B)”;

8 (B) by striking “in a geographical area”
9 and all that follows through the period and in-
10 sserting the following: “in a geographical area—

11 “(I) that is served by a school in
12 which at least 50 percent of the children
13 are eligible for free or reduced price school
14 meals under this Act or the Child Nutri-
15 tion Act of 1966 (42 U.S.C. 1771 et seq.);
16 or

17 “(II) in which poor economic condi-
18 tions exist, as determined by the Secretary
19 based on—

20 “(aa) information provided from
21 the local department of welfare, zon-
22 ing commission, or census tracts; or

23 “(bb) information from other ap-
24 propriate sources; or”;

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

1 “(ii) is enrolled in a program authorized
2 under this subsection operated at a site not de-
3 scribed in clause (i).”;

4 (2) in paragraph (4), by striking subparagraphs
5 (B) and (C) and inserting the following:

6 “(B) RATES.—

7 “(i) MEALS.—A meal shall be reim-
8 bursed under this subsection—

9 “(I) for children participating in
10 a program at a site described in para-
11 graph (1)(B)(i), at the rate estab-
12 lished for free meals under subsection
13 (c); and

14 “(II) for children enrolled in a
15 program under paragraph 1(B)(ii), at
16 the applicable rate for meals estab-
17 lished under subsection (c).

18 “(ii) SUPPLEMENTS.—A supplement
19 shall be reimbursed under this sub-
20 section—

21 “(I) for children participating in
22 a program at a site described in para-
23 graph (1)(B)(i), at the rate estab-
24 lished for a free supplement under
25 subsection (c)(3); and

1 “(II) for children enrolled in a
2 program under paragraph 1(B)(ii), at
3 the applicable rate for supplements es-
4 tablished under subsection (c)(3).

5 “(C) NO CHARGE.—In the case of at-risk
6 school child participating in a program at a site
7 described in paragraph (1)(B)(i), a meal or
8 supplement provided under this subsection to
9 the child shall be served without charge.”; and
10 (3) by striking paragraph (5).

11 **Subtitle B—Food Stamp Program**

12 **SEC. 6101. RESTORATION OF FOOD STAMP BENEFITS FOR** 13 **QUALIFIED ALIENS.**

14 (a) LIMITED ELIGIBILITY OF QUALIFIED ALIENS 15 FOR CERTAIN FEDERAL PROGRAMS.—

16 (1) IN GENERAL.—Section 402(a) of the Per-
17 sonal Responsibility and Work Opportunity Rec-
18 onciliation Act of 1996 (8 U.S.C. 1612(a)) is
19 amended—

20 (A) in paragraph (2)—

21 (i) in subparagraph (A), by striking
22 “Federal programs” and inserting “Fed-
23 eral program”;

24 (ii) in subparagraph (D)—

25 (I) by striking clause (ii); and

1 (II) in clause (i)—

2 (aa) by striking “(i) SSI.—
3 ” and all that follows through
4 “paragraph (3)(A)” and inserting
5 the following:

6 “(i) IN GENERAL.—With respect to
7 the specified Federal program described in
8 paragraph (3)”;

9 (bb) by redesignating sub-
10 clauses (II) through (IV) as
11 clauses (ii) through (iv) and in-
12 denting appropriately;

13 (cc) by striking “subclause
14 (I)” each place it appears and in-
15 serting “clause (i)”;

16 (dd) in clause (iv) (as redesi-
17 gnated by item (bb)), by striking
18 “this clause” and inserting “this
19 subparagraph”;

20 (iii) in subparagraph (E), by striking
21 “paragraph (3)(A) (relating to the supple-
22 mental security income program)” and in-
23 serting “paragraph (3)”;

24 (iv) in subparagraph (F);

1 (I) by striking “Federal pro-
2 grams” and inserting “Federal pro-
3 gram”; and

4 (II) by striking clauses (i) and
5 (ii) and inserting the following:

6 “(i) was lawfully residing in the
7 United States on August 22, 1996; and

8 “(ii) is blind or disabled (as defined in
9 paragraph (2) or (3) of section 1614(a) of
10 the Social Security Act (42 U.S.C.
11 1382c(a)).”;

12 (v) in subparagraph (G), by striking
13 “Federal programs” and inserting “Fed-
14 eral program”;

15 (vi) in subparagraph (H), by striking
16 “paragraph (3)(A) (relating to the supple-
17 mental security income program)” and in-
18 serting “paragraph (3)”;

19 (vii) by striking subparagraphs (I),
20 (J), and (K); and

21 (viii) by striking subparagraph (L);
22 and

23 (B) in paragraph (3)—

24 (i) by striking “means any” and all
25 that follows through “The supplemental”

1 and inserting “means the supplemental”;

2 and

3 (ii) by striking subparagraph (B).

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 402(b)(2)(F) of the Personal
6 Responsibility and Work Opportunity Reconcili-
7 ation Act of 1996 (8 U.S.C. 1612(b)(2)(F)) is
8 amended by striking “subsection (a)(3)(A)” and
9 inserting “subsection (a)(3)”.

10 (B) Section 421(d) of the Personal Re-
11 sponsibility and Work Opportunity Reconcili-
12 ation Act of 1996 (8 U.S.C. 1631(d)) is amend-
13 ed by striking paragraph (3).

14 (b) FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED
15 ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BEN-
16 EFIT.—Section 403 of the Personal Responsibility and
17 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
18 1613) is amended—

19 (1) in subsection (c)(2), by striking subpara-
20 graph (L) and inserting the following:

21 “(L) Assistance or benefits under the Food
22 Stamp Act of 1977 (7 U.S.C. 2011 et seq.)”;

23 and

24 (2) in subsection (d)—

1 (A) by striking “not apply” and all that
2 follows through “(1) an individual” and insert-
3 ing “not apply to an individual”; and

4 (B) by striking “; or” and all that follows
5 through “402(a)(3)(B)”.

6 (c) AUTHORITY FOR STATES TO PROVIDE FOR AT-
7 TRIBUTION OF SPONSOR’S INCOME AND RESOURCES TO
8 THE QUALIFIED ALIEN WITH RESPECT TO STATE PRO-
9 GRAMS.—Section 422(b) of the Personal Responsibility
10 and Work Opportunity Reconciliation Act of 1996 (8
11 U.S.C. 1632(b)) is amended by adding at the end the fol-
12 lowing:

13 “(8) Programs comparable to assistance or ben-
14 efits under the Food Stamp Act of 1977 (7 U.S.C.
15 2011 et seq.).”.

16 (d) REQUIREMENTS FOR SPONSOR’S AFFIDAVIT OF
17 SUPPORT.—Section 423(d) of the Personal Responsibility
18 and Work Opportunity Reconciliation Act of 1996 (8
19 U.S.C. 1183a note; Public Law 104–193) is amended by
20 adding at the end the following:

21 “(12) Benefits under the Food Stamp Act of
22 1977 (7 U.S.C. 2011 et seq.), if a sponsor is unable
23 to make the reimbursement because the sponsor ex-
24periences hardship (including bankruptcy, disability,
25 and indigence) or if the sponsor experiences severe

1 circumstances beyond the control of the sponsor, as
 2 determined by the Secretary of Agriculture.”.

3 (e) DERIVATIVE ELIGIBILITY FOR BENEFITS.—Sec-
 4 tion 436 of the Personal Responsibility and Work Oppor-
 5 tunity Reconciliation Act of 1996 (8 U.S.C. 1646) is re-
 6 pealed.

7 (f) EFFECTIVE DATE.—

8 (1) IN GENERAL.—Except as provided in para-
 9 graph (2), this section and the amendments made by
 10 this section take effect on the date of enactment of
 11 this Act.

12 (2) EXCEPTIONS.—The amendments made
 13 by—

14 (A) subsection (a)(1)(A)(viii) take effect on
 15 April 1, 2003;

16 (B) subsection (a)(2)(B) take effect on Oc-
 17 tober 1, 2003; and

18 (C) subsection (b) take effect on April 1,
 19 2004.

20 **SEC. 6102. CONFORMING FOOD STAMP AND MEDICAID IN-**
 21 **COME DEFINITIONS; SIMPLIFIED INCOME**
 22 **CALCULATIONS.**

23 Section 5(d) of the Food Stamp Act of 1977 (7
 24 U.S.C. 2014(d)) is amended—

1 (1) in paragraphs (16) and (17), by striking
 2 “at the option of the State agency,” each place it
 3 appears; and

4 (2) in paragraph (18), by striking “regular pay-
 5 ments from a government source” and all that fol-
 6 lows through “make the payments.”.

7 **SEC. 6103. PREVENTION OF HUNGER AMONG FAMILIES**
 8 **WITH CHILDREN.**

9 (a) STANDARD DEDUCTION.—Section 5(e)(1) of the
 10 Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amend-
 11 ed—

12 (1) by striking “8.31 percent” each place it ap-
 13 pears and inserting “the applicable percentage es-
 14 tablished under subparagraph (C)”; and

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

16 “(C) APPLICABLE PERCENTAGE.—The ap-
 17 plicable percentage referred to in subpara-
 18 graphs (A) and (B) shall be—

19 “(i) for fiscal year 2003, 8.5 percent;

20 “(ii) for fiscal year 2004, 9 percent;

21 “(iii) for fiscal year 2005, 9.5 percent;

22 and

23 “(iv) for fiscal year 2006 and each
 24 subsequent fiscal year, 10 percent.”.

1 (b) APPLICATION DATE.—The amendments made by
2 this section shall apply on the later of—

3 (1) July 1, 2004; or

4 (2) at the option of a State agency of a State
5 (as those terms are defined in section 3 of the Food
6 Stamp Act of 1977 (7 U.S.C. 2012)), October 1,
7 2004.

8 **SEC. 6104. ENCOURAGEMENT OF COLLECTION OF CHILD**
9 **SUPPORT.**

10 (a) IN GENERAL.—Section 5(e)(2) of the Food
11 Stamp Act of 1977 (7 U.S.C. 2014(e)(2)) is amended—

12 (1) by inserting “AND CHILD SUPPORT” after
13 “INCOME”;

14 (2) in subparagraph (A)—

15 (A) by striking “DEFINITION OF” and all
16 that follows through “not include” and insert-
17 ing the following: “LIMITATION ON DEDUC-
18 TION.—A deduction under this paragraph shall
19 not apply to”;

20 (B) in clause (i), by striking “or”;

21 (C) in clause (ii), by striking the period at
22 the end and inserting “; or”; and

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

24 “(iii) child support received to the ex-
25 tent of any reduction in public assistance

1 to the household as a result of receiving
2 the support.”; and

3 (3) in subparagraph (B)—

4 (A) by striking “with earned income”; and

5 (B) by striking “to compensate” and all
6 that follows through the period and inserting
7 the following: “and child support received from
8 an identified or putative parent of a child in the
9 household if that parent is not a household
10 member.”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section take effect on—

13 (1) July 1, 2004; or

14 (2) at the option of a State agency of a State
15 (as those terms are defined in section 3 of the Food
16 Stamp Act of 1977 (7 U.S.C. 2012)), October 1,
17 2004.

18 **SEC. 6105. ELIMINATION OF EXCESS SHELTER EXPENSE DE-**
19 **DUCTION CAP FOR FAMILIES WITH HIGH**
20 **SHELTER COSTS.**

21 Section 5(e)(6) of the Food Stamp Act of 1977 (7
22 U.S.C. 2014(e)(6)) is amended—

23 (1) by striking subparagraph (B); and

24 (2) by redesignating subparagraphs (C) and
25 (D) as subparagraphs (B) and (C), respectively.

1 **SEC. 6106. PERIODIC REDETERMINATION OF ELIGIBILITY.**

2 (a) IN GENERAL.—Section 11(e) of the Food Stamp
3 Act of 1977 (7 U.S.C. 2020(e)) is amended by striking
4 paragraph (4) and inserting the following:

5 “(4)(A) that the State agency shall periodically
6 require the household to cooperate in a redetermina-
7 tion of eligibility under procedures consistent with
8 paragraph (2); and

9 “(B) that, in carrying out subparagraph (A), a
10 State agency—

11 “(i) shall require a redetermination of eli-
12 gibility at least once—

13 “(I) every 12 months; or

14 “(II) every 24 months, if—

15 “(aa) the State agency has con-
16 tact with the household at least once
17 every 12 months; and

18 “(bb) all adult household mem-
19 bers are elderly or disabled;

20 “(ii) except as provided in clause (iii), shall
21 continue to provide benefits to households dur-
22 ing the redetermination process; and

23 “(iii) shall not provide further allotments
24 to any household that the State agency deter-
25 mines has refused to cooperate in the redeter-
26 mination of eligibility;”.

1 (b) CONFORMING AMENDMENTS—

2 (1) Section 3 of the Food Stamp Act of 1977
3 (7 U.S.C. 2012) is amended by striking subsection
4 (c).

5 (2) Section 5 of the Food Stamp Act of 1977
6 (7 U.S.C. 2014) is amended—

7 (A) in subsection (d)(2), by striking “in
8 the certification period”; and

9 (B) in subsection (e)—

10 (i) in paragraph (5)(B)(ii)(III), by
11 striking “has been anticipated for the cer-
12 tification period” and inserting “was an-
13 ticipated when the household applied for
14 benefits or at the most recent redetermina-
15 tion of eligibility”; and

16 (ii) in paragraph (6)(B)(iii)(II) (as re-
17 designated by section 6105(2)), by striking
18 “the end of a certification period” and in-
19 sserting “each redetermination of eligi-
20 bility”.

21 (3) Section 6(c)(1)(C)(iv) of the Food Stamp
22 Act of 1977 (7 U.S.C. 2015(c)(1)(C)(iv)) is amend-
23 ed by striking “certification period” each place it ap-
24 pears and inserting “interval between required rede-
25 terminations of eligibility”.

1 (4) Section 8(c) of the Food Stamp Act of 1977
2 (7 U.S.C. 2017) is amended—

3 (A) in the second sentence of paragraph
4 (1), by striking “within a certification period”;
5 and

6 (B) in paragraph (2)(B), by striking “expi-
7 ration of” and all that follows through “certifi-
8 cation period,” and inserting “termination of
9 benefits to a household,”.

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

12 (A) in paragraph (10)—

13 (i) by striking “within the household’s
14 certification period”; and

15 (ii) by striking “until such time” and
16 all that follows through “occurs earlier”;
17 and

18 (B) in paragraph (16), by striking “reecer-
19 tification” and inserting “redetermination of
20 the eligibility of”.

21 **SEC. 6107. TRANSITIONAL BENEFITS OPTION.**

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

24 (1) in paragraph (2), by striking “5 months”
25 and inserting “6 months”;

1 (2) in paragraph (3), by striking subparagraph
2 (B) and inserting the following:

3 “(B) any changes in circumstances that
4 may result in an increase in the food stamp al-
5 lotment of the household and that the house-
6 hold elects to report (as verified in accordance
7 with standards established by the Secretary).”;
8 and

9 (3) by striking paragraph (5) and inserting the
10 following:

11 “(5) LIMITATION.—A household shall not be el-
12 igible for transitional benefits under this subsection
13 if the household loses eligibility under section 6.”.

14 **SEC. 6108. IMPROVING STATE INCENTIVES TO SERVE**
15 **WORKING FAMILIES.**

16 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-
17 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.
18 2025(c)) is amended—

19 (1) in paragraph (2)(A), by inserting before the
20 semicolon the following: “, as adjusted downward to
21 eliminate any increases that may result from the
22 State agency serving a higher percentage of house-
23 holds—

24 “(i) with earned income than—

1 “(I) the State agency served in fiscal
2 year 1992; or

3 “(II) the national average for the cur-
4 rent year; and

5 “(ii) containing 1 or more members who
6 are not United States citizens than—

7 “(I) the State agency served in fiscal
8 year 1998; or

9 “(II) the national average for the cur-
10 rent year”;

11 (2) in paragraph (4), by striking the first sen-
12 tence and inserting the following: “The Secretary
13 may require a State agency to report any factors
14 that the Secretary considers necessary to determine
15 a State agency’s payment error rate, enhanced ad-
16 ministrative funding, claim for payment error, or
17 performance under the measures under subsection
18 (1).”; and

19 (3) in paragraph (5), by striking the first sen-
20 tence and inserting the following: “To facilitate the
21 implementation of this subsection each State agency
22 shall expeditiously submit to the Secretary data re-
23 garding its operations in each fiscal year sufficient
24 for the Secretary to comply with subsection (1) and
25 to establish the payment error rate for the State

1 agency for such fiscal year and determine the
2 amount of either incentive payments under para-
3 graph (1)(A) or claims under subparagraph (C) or
4 (D) of paragraph (1).”.

5 (b) ADDITIONAL BONUSES FOR STATES THAT SERVE
6 WORKING FAMILIES.—Section 16 of the Food Stamp Act
7 of 1977 (7 U.S.C. 2025) is amended by adding at the end
8 the following:

9 “(l) ADDITIONAL BONUSES FOR STATES THAT
10 SERVE WORKING FAMILIES.—

11 “(1) IN GENERAL.—The Secretary shall meas-
12 ure—

13 “(A) compliance with the deadlines under
14 paragraphs (3) and (9) of section 11(e);

15 “(B) the percentage of negative eligibility
16 decisions that are made in error; and

17 “(C) the number of households that
18 have—

19 “(i) incomes less than 130 percent of
20 the poverty rate;

21 “(ii) annual earnings equal to at least
22 1000 times the Federal minimum hourly
23 rate under the Fair Labor Standards Act
24 of 1938 (29 U.S.C. 201 et seq.); and

25 “(iii) children under age 18;

1 that receive food stamps in the State as a per-
2 centage of the number of the low-income work-
3 ing households with children in the State.

4 “(2) BONUS PAYMENTS.—For each fiscal year,
5 with respect to each of the performance measures in
6 paragraph (1), the Secretary shall make excellence
7 bonus payments of \$1,000,000 to—

8 “(A) each of the 5 States with the highest
9 performance; and

10 “(B) each of the 5 States with the per-
11 formance that has most improved during the
12 fiscal year.

13 “(3) INVESTIGATION.—

14 “(A) IN GENERAL.—For any fiscal year in
15 which the Secretary determines that a 95-per-
16 cent statistical probability exists that the per-
17 formance of a State agency with respect to any
18 of the performance measures in paragraph (1)
19 is substantially worse than a level the Secretary
20 determines reasonable, the Secretary shall in-
21 vestigate the State agency.

22 “(B) CORRECTIVE ACTION.—If the Sec-
23 retary determines that the administration by
24 the State agency has been deficient, the Sec-

1 retary shall require the State agency to take
2 prompt corrective action.”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the amendments made by this section
6 take effect on the date of enactment of this Act.

7 (2) TARGETED QUALITY CONTROL SYSTEM.—
8 The amendments made by subsection (a) shall not
9 apply with respect to any sanction, appeal, agree-
10 ment, or other action taken by the Secretary of Ag-
11 riculture or a State agency that is based on a pay-
12 ment error rate established for any fiscal year before
13 fiscal year 2003.

14 **TITLE VII—FAIR START**
15 **HOUSING**
16 **Subtitle A—Section 8 Vouchers**

17 **SEC. 7001. RENTAL ASSISTANCE VOUCHER PROGRAM.**

18 (a) IN GENERAL.—The Secretary of Housing and
19 Urban Development (referred to in this subtitle as the
20 “Secretary”) shall provide 1,000,000 incremental housing
21 vouchers for rental assistance under section 8(o) of the
22 United States Housing Act of 1937 (42 U.S.C. 1437f(o))
23 during the 10 year period following the date of enactment
24 of this Act.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as necessary
3 to carry out this section.

4 **SEC. 7002. VOUCHER SUCCESS FUND.**

5 (a) VOUCHER SUCCESS FUND.—

6 (1) ESTABLISHMENT.—There is established the
7 Voucher Success Fund (referred to in this section as
8 the “Fund”).

9 (2) PURPOSES.—The purposes of the Fund
10 are—

11 (A) to address barriers that individuals en-
12 counter in successfully utilizing voucher rental
13 assistance provided under section 8(o) of the
14 United States Housing Act of 1937 (42 U.S.C.
15 1437f(o)); and

16 (B) to help improve the operation of that
17 voucher rental assistance program.

18 (3) USES OF ASSISTANCE.—The Secretary shall
19 provide assistance from the Fund to States on a
20 competitive basis, which assistance shall be used—

21 (A) by communities that are determined by
22 an appropriate State agency of the State to be
23 experiencing problems in utilizing voucher rent-
24 al assistance provided under section 8(o) of the

1 United States Housing Act of 1937 (42 U.S.C.
2 1437f(o)), including—

3 (i) difficult market conditions;

4 (i) low rates of success for families at-
5 tempting to use voucher rental assistance
6 provided under that section;

7 (iii) concentrations of assisted families
8 in high poverty neighborhoods; and

9 (iv) other program difficulties; and

10 (B) for activities that include—

11 (i) technical assistance to local public
12 housing authorities or communities to im-
13 prove the success of the voucher rental as-
14 sistance program under section 8(o) of the
15 United States Housing Act (42 U.S.C.
16 1437f(o));

17 (ii) assistance for families in using
18 that assistance, including mobility coun-
19 seling, assistance with security deposits,
20 transportation, and other activities in-
21 tended to increase the likelihood that fami-
22 lies will succeed in leasing units or leasing
23 units outside of areas of concentrated pov-
24 erty; and

1 (iii) outreach to landlords and com-
2 munity groups to encourage participation
3 in that voucher rental assistance program.

4 (4) MONITORING SYSTEMS.—The Secretary
5 may use not more than 1 percent of any amount
6 made available to the Fund under this section to es-
7 tablish monitoring systems for the Fund.

8 (5) REPORT.—Not later than 12 months after
9 the date of enactment of this Act, the Secretary
10 shall—

11 (A) conduct a detailed evaluation of the ef-
12 fect of providing assistance under this section;
13 and

14 (B) submit a report to Congress regarding
15 the evaluation conducted under subparagraph
16 (A).

17 (6) AUTHORIZATION OF APPROPRIATIONS.—
18 There is authorized to be appropriated to the Fund,
19 \$50,000,000 for each of the fiscal years 2004
20 through 2013 to carry out this section.

21 **Subtitle B—National Affordable**
22 **Housing Trust Fund**

23 **SEC. 7101. PURPOSES.**

24 The purposes of this subtitle are—

1 (1) to fill the growing gap in the national abil-
2 ity to build affordable housing by using profits gen-
3 erated by Federal housing programs to fund addi-
4 tional housing activities, and not supplant existing
5 housing appropriations;

6 (2) to enable rental housing to be built for
7 those families with the greatest need in areas with
8 the greatest opportunities in mixed-income settings;
9 and

10 (3) to promote homeownership for low-income
11 families.

12 **SEC. 7102. NATIONAL AFFORDABLE HOUSING TRUST FUND.**

13 (a) **ESTABLISHMENT OF TRUST FUND.**—There is es-
14 tablished in the Treasury of the United States a trust fund
15 to be known as the “National Affordable Housing Trust
16 Fund” (referred to in this subtitle as the “Trust Fund”)
17 for the purpose of promoting the development of afford-
18 able housing.

19 (b) **DEPOSITS TO THE TRUST FUND.**—For fiscal
20 year 2004 and each fiscal year thereafter, there is author-
21 ized to be appropriated to the Trust Fund an amount
22 equal to the sum of—

23 (1) any revenue generated by the Mutual Mort-
24 gage Insurance Fund of the Federal Housing Ad-
25 ministration in excess of the amount necessary for

1 the Mutual Mortgage Insurance Fund to maintain a
2 capital ratio of 3 percent for the preceding fiscal
3 year; and

4 (2) any revenue generated by the Government
5 National Mortgage Association in excess of the
6 amount necessary to pay the administrative costs
7 and expenses necessary to ensure the safety and
8 soundness of the Government National Mortgage As-
9 sociation for the preceding fiscal year, as determined
10 by the Secretary of Housing and Urban Develop-
11 ment.

12 (c) EXPENDITURES FROM THE TRUST FUND.—For
13 fiscal year 2004 and each fiscal year thereafter, amounts
14 appropriated to the Trust Fund shall be available to the
15 Secretary of Housing and Urban Development for use in
16 accordance with section 7103.

17 **SEC. 7103. ADMINISTRATION OF NATIONAL AFFORDABLE**
18 **HOUSING TRUST FUND.**

19 (a) DEFINITIONS.—In this section:

20 (1) AFFORDABLE HOUSING.—The term “afford-
21 able housing” means housing for rental that bears
22 rents not greater than the lesser of—

23 (A) the existing fair market rent for com-
24 parable units in the area, as established by the

1 Secretary under section 8 of the United States
2 Housing Act of 1937 (42 U.S.C. 1437f); or

3 (B) a rent that does not exceed 30 percent
4 of the adjusted income of a family whose in-
5 come equals 65 percent of the median income
6 for the area, as determined by the Secretary,
7 with an adjustment for the number of bedrooms
8 in the unit, except that the Secretary may es-
9 tablish income ceilings that are higher or lower
10 than 65 percent of the median for the area if
11 the Secretary finds that such variations are
12 necessary because of prevailing levels of con-
13 struction costs or fair market rents, or unusu-
14 ally high or low family incomes.

15 (2) CONTINUED ASSISTANCE RENTAL SUBSIDY
16 PROGRAM.—The term “continued assistance rental
17 subsidy program” means a program under which—

18 (A) project-based assistance is provided,
19 for not more than 3 years, to a family in an af-
20 fordable housing unit developed with assistance
21 made available under subsection (c) or (d) in a
22 project that partners with a public housing
23 agency, which agency agrees—

24 (i) to provide the assisted family with
25 a priority for the receipt of a voucher

1 under section 8(o) of the United States
2 Housing Act of 1937 (42 U.S.C. 1437f(o))
3 if the family chooses to move after the ini-
4 tial year of occupancy; and

5 (ii) to refer eligible voucher holders to
6 the property when a vacancy occurs; and

7 (B) after 3 years, subject to appropria-
8 tions, continued assistance is provided under
9 section 8(o) of the United States Housing Act
10 of 1937 (42 U.S.C. 1437f(o)), notwithstanding
11 any provision to the contrary in that section,
12 if—

13 (i) the program is administered to
14 provide families with the option of contin-
15 ued assistance with tenant-based vouchers
16 if such a family chooses to move after the
17 initial year of occupancy; and

18 (ii) the public housing agency agrees
19 to refer eligible voucher holders to the
20 property when a vacancy occurs.

21 (3) ELIGIBLE ACTIVITY.—The term “eligible
22 activity” means an activity that relates to the devel-
23 opment of affordable housing, including—

24 (A) the construction of new housing;

25 (B) the acquisition of real property;

1 (C) site preparation and improvement, in-
2 cluding demolition;

3 (D) substantial rehabilitation of existing
4 housing; and

5 (E) rental subsidy for not more than 3
6 years under a continued assistance rental sub-
7 sidy program.

8 (4) ELIGIBLE ENTITY.—The term “eligible enti-
9 ty” includes any public or private nonprofit or for-
10 profit entity, unit of local government, regional plan-
11 ning entity, and any other entity engaged in the de-
12 velopment of affordable housing, as determined by
13 the Secretary.

14 (5) ELIGIBLE INTERMEDIARY.—The term “eli-
15 gible intermediary” means—

16 (A) a nonprofit community development
17 corporation;

18 (B) a community development financial in-
19 stitution (as defined in section 103 of the Com-
20 munity Development Banking and Financial In-
21 stitutions Act of 1994 (12 U.S.C. 4702));

22 (C) a State or local trust fund;

23 (D) any entity eligible for assistance under
24 section 4 of the HUD Demonstration Act of
25 1993 (42 U.S.C. 9816 note);

1 (E) a national, regional, or statewide non-
2 profit organization; and

3 (F) any other appropriate nonprofit entity,
4 as determined by the Secretary.

5 (6) EXTREMELY LOW-INCOME FAMILIES.—The
6 term “extremely low-income families” means very
7 low-income families (as defined in section 3(b) of the
8 United States Housing Act of 1937 (42 U.S.C.
9 1437a(b)) whose incomes do not exceed 30 percent
10 of the median family income for the area, as deter-
11 mined by the Secretary with adjustments for smaller
12 and larger families, except that the Secretary may
13 establish income ceilings that are higher or lower
14 than 30 percent of the median for the area if the
15 Secretary finds that such variations are necessary
16 because of unusually high or low family incomes.

17 (7) LOW-INCOME FAMILIES.—The term “low-in-
18 come families” has the same meaning as in section
19 3(b) of the United States Housing Act of 1937 (42
20 U.S.C. 1437a(b)).

21 (8) NON-FEDERAL SOURCES.—Non-Federal
22 sources include—

23 (A) 50 percent of funds allocable to tax
24 credits allocated under section 42 of the Inter-
25 nal Revenue Code of 1986;

1 (B) 50 percent of revenue from mortgage
2 revenue bonds issued under section 143 of that
3 Code; and

4 (C) 50 percent of proceeds from the sale of
5 tax exempt bonds.

6 (9) SECRETARY.—The term “Secretary” means
7 the Secretary of Housing and Urban Development.

8 (10) STATE.—The term “State” has the same
9 meaning as in section 3(b) of the United States
10 Housing Act of 1937 (42 U.S.C. 1437a(b)).

11 (b) ALLOCATION TO STATES AND ELIGIBLE INTER-
12 MEDIARIES.—For fiscal year 2004 and each fiscal year
13 thereafter, of the total amount made available to the Sec-
14 retary from the Trust Fund under section 7102(c)—

15 (1) 75 percent shall be used by the Secretary
16 to award grants to States in accordance with sub-
17 section (c); and

18 (2) 25 percent shall be used by the Secretary
19 to award grants to eligible intermediaries in accord-
20 ance with subsection (d).

21 (c) GRANTS TO STATES.—

22 (1) IN GENERAL.—Subject to paragraph (2),
23 from the amount made available for each fiscal year
24 under subsection (b)(1), the Secretary shall award
25 grants to States, in accordance with an allocation

1 formula established by the Secretary, based on the
2 pro rata share of each State of the total need among
3 all States for an increased supply of affordable hous-
4 ing, as determined on the basis of—

5 (A) the number and percentage of families
6 in the State that live in substandard housing;

7 (B) the number and percentage of families
8 in the State that pay more than 50 percent of
9 their annual income for housing costs;

10 (C) the number and percentage of persons
11 living at or below the poverty level in the State;

12 (D) the cost of developing or carrying out
13 substantial rehabilitation of housing in the
14 State;

15 (E) the age of the multifamily housing
16 stock in the State; and

17 (F) such other factors as the Secretary de-
18 termines to be appropriate.

19 (2) GRANT AMOUNT.—The amount of a grant
20 award to a State under this subsection shall be equal
21 to the lesser of—

22 (A) 4 times the amount of assistance pro-
23 vided by the State from non-Federal sources;
24 and

1 (B) the allocation determined in accord-
2 ance with paragraph (1).

3 (3) AWARD OF STATE ALLOCATION TO CERTAIN
4 ENTITIES.—

5 (A) IN GENERAL.—If the amount provided
6 by a State from non-Federal sources is less
7 than 25 percent of the amount that would be
8 awarded to the State under this subsection
9 based on the allocation formula described in
10 paragraph (1), then not later than 60 days
11 after the date on which the Secretary deter-
12 mines that the State is not eligible for the full
13 allocation determined under paragraph (1), the
14 Secretary shall publish a notice regarding the
15 availability of the funds for which the State is
16 ineligible.

17 (B) APPLICATIONS.—Not later than 9
18 months after the date of publication of a notice
19 of funding availability under subparagraph (A),
20 a nonprofit or public entity (or a consortium
21 thereof, which may include units of local gov-
22 ernment working together on a regional basis)
23 may submit to the Secretary an application for
24 the available assistance or a portion of the

1 available assistance, which application shall in-
2 clude—

3 (i) a certification that the applicant
4 will provide assistance in an amount equal
5 to 25 percent of the amount of assistance
6 made available to the applicant under this
7 paragraph; and

8 (ii) an allocation plan that meets the
9 requirements of paragraph (4)(B) for use
10 or distribution in the State of any assist-
11 ance made available to the applicant under
12 this paragraph and the assistance provided
13 by the applicant for purposes of clause (i).

14 (C) AWARD OF ASSISTANCE.—The Sec-
15 retary shall award the amount that is not
16 awarded to a State by operation of paragraph
17 (2) to 1 or more applicants that meet the re-
18 quirements of subparagraph (B) of this para-
19 graph that are selected by the Secretary based
20 on selection criteria, established by regulation
21 of the Secretary.

22 (4) DISTRIBUTION TO ELIGIBLE ENTITIES.—

23 (A) IN GENERAL.—Of the amount that a
24 State receives under a grant award under this
25 subsection and the assistance provided by the

1 State from non-Federal sources for purposes of
2 paragraph (2)(A) to eligible entities for the pur-
3 pose of assisting those entities in carrying out
4 eligible activities in the State, the State shall
5 distribute—

6 (i) 75 percent to eligible entities for
7 eligible activities relating to the develop-
8 ment of affordable housing for rental by
9 extremely low-income families in the State;
10 and

11 (ii) 25 percent to eligible entities for
12 eligible activities relating to the develop-
13 ment of affordable housing for rental by
14 low-income families in the State, or for
15 homeownership assistance for low-income
16 families in the State.

17 (B) ALLOCATION PLAN.—Each State shall,
18 after giving notice to the public, an opportunity
19 for public comment, and consideration of public
20 comments received, establish an allocation plan
21 for the distribution of assistance under this
22 paragraph, which plan shall be submitted to the
23 Secretary and shall be made available to the
24 public by the State, and which shall include—

1 (i) application requirements for eligi-
2 ble entities seeking to receive assistance
3 under this paragraph, including a require-
4 ment that each application include—

5 (I) a certification by the appli-
6 cant that any housing developed with
7 assistance under this paragraph will
8 remain affordable for extremely low-
9 income families or low-income fami-
10 lies, as applicable, for not less than 40
11 years;

12 (II) a certification by the appli-
13 cant that the tenant contribution to-
14 wards rent for a family that resides in
15 a unit developed with assistance under
16 this paragraph will not exceed 30 per-
17 cent of the adjusted income of that
18 family; and

19 (III) a certification by the appli-
20 cant that the owner of a project in
21 which any housing developed with as-
22 sistance under this paragraph is lo-
23 cated will make a percentage of units
24 in the project available to families as-
25 sisted under the voucher program

1 under section 8(o) of the United
2 States Housing Act of 1937 (42
3 U.S.C. 1437f(o)) on the same basis as
4 other families eligible for the housing
5 (except that only the expected share
6 of rent of the voucher holder shall be
7 considered), which percentage shall
8 not be less than the percentage of the
9 total cost of developing or rehabili-
10 tating the project that is funded with
11 assistance under this paragraph; and

12 (ii) factors for consideration in select-
13 ing among applicants that meet the appli-
14 cation requirements under clause (i), which
15 factors shall give preference to applicants
16 based on—

17 (I) the amount of assistance for
18 the eligible activities leveraged by the
19 applicant from private and other non-
20 Federal sources, including assistance
21 made available under section 8 of the
22 United States Housing Act of 1937
23 (42 U.S.C. 1437f) that is devoted to
24 the project in which the housing to be

1 developed with assistance under this
2 paragraph is located;

3 (II) the extent of local assistance
4 that will be provided in carrying out
5 the eligible activities, including—

6 (aa) financial assistance;

7 and

8 (bb) the extent to which the
9 applicant has worked with the
10 unit of local government in which
11 the housing will be located to ad-
12 dress issues of siting and exclu-
13 sionary zoning or other policies
14 that are barriers to affordable
15 housing;

16 (III) the degree to which the de-
17 velopment in which the housing will
18 be located is mixed-income;

19 (IV) whether the housing will be
20 located in a census tract in which the
21 poverty rate is less than 20 percent;

22 (V) whether the housing will be
23 located in a community undergoing
24 revitalization;

1 (VI) the extent of employment
2 and other opportunities for low-in-
3 come families in the area in which the
4 housing will be located; and

5 (VII) the extent to which the ap-
6 plicant demonstrates the ability to
7 maintain units as affordable for ex-
8 tremely low-income or low-income
9 families, as applicable, through the
10 use of assistance made available under
11 this paragraph, assistance leveraged
12 from non-Federal sources, assistance
13 made available under section 8 of the
14 United States Housing Act of 1937
15 (42 U.S.C. 1437f), State or local as-
16 sistance, programs to increase tenant
17 income, cross-subsidization, and any
18 other resources.

19 (C) FORMS OF ASSISTANCE.—

20 (i) IN GENERAL.—Assistance distrib-
21 uted under this paragraph may be in the
22 form of capital grants, non-interest bearing
23 or low-interest loans or advances, deferred
24 payment loans, guarantees, and any other

1 forms of assistance approved by the Sec-
2 retary.

3 (ii) REPAYMENTS.—If a State awards
4 assistance under this paragraph in the
5 form of a loan or other mechanism by
6 which funds are later repaid to the State,
7 any repayments received by the State shall
8 be distributed by the State in accordance
9 with the allocation plan described in sub-
10 paragraph (B) during the following fiscal
11 year.

12 (D) COORDINATION WITH OTHER ASSIST-
13 ANCE.—In distributing assistance under this
14 paragraph, each State shall, to the maximum
15 extent practicable, coordinate the distribution
16 with the provision of other affordable housing
17 assistance by the State, including—

18 (i) housing credit dollar amounts allo-
19 cated by the State under section 42(h) of
20 the Internal Revenue Code of 1986;

21 (ii) assistance made available under
22 the HOME Investment Partnerships Act
23 (42 U.S.C. 12721 et seq.) or the commu-
24 nity development block grant program; and

25 (iii) private activity bonds.

1 (d) NATIONAL COMPETITION.—

2 (1) IN GENERAL.—From the amount made
3 available for each fiscal year under subsection
4 (b)(2), the Secretary shall award grants on a com-
5 petitive basis to eligible intermediaries, which grants
6 shall be used in accordance with paragraph (3) of
7 this subsection.

8 (2) APPLICATION REQUIREMENTS AND SELEC-
9 TION CRITERIA.—The Secretary, by regulation, shall
10 establish application requirements and selection cri-
11 teria for the award of competitive grants to eligible
12 intermediaries under this subsection, which criteria
13 shall include—

14 (A) the ability of the eligible intermediary
15 to meet housing needs of low-income families on
16 a national or regional scope;

17 (B) the capacity of the eligible inter-
18 mediary to use the grant award in accordance
19 with paragraph (3), based on the past perform-
20 ance and management of the applicant; and

21 (C) the extent to which the eligible inter-
22 mediary has leveraged funding from private and
23 other non-Federal sources for the eligible activi-
24 ties.

25 (3) USE OF GRANT AWARD.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), of the amount of a grant
3 made available under this subsection, an eligible
4 intermediary shall ensure that—

5 (i) 75 percent shall be used for eligi-
6 ble activities relating to the development of
7 affordable housing for rental by extremely
8 low-income families; and

9 (ii) 25 percent shall be used for eligi-
10 ble activities relating to the development of
11 affordable housing for rental by low-income
12 families, or for homeownership assistance
13 for low-income families.

14 (B) EXCEPTION.—

15 (i) IN GENERAL.—If a grant made
16 available under this subsection is used for
17 a project described in clause (ii), an eligi-
18 ble intermediary may use that amount for
19 eligible activities relating to the develop-
20 ment of housing for rental by families
21 whose incomes are less than 60 percent of
22 the area median income, and for home-
23 ownership activities for families whose in-
24 comes are less than 80 percent of area me-
25 dian income.

1 (ii) PROJECT CONTRIBUTING TO A
2 CONCERTED COMMUNITY REVITALIZATION
3 PLAN.—A project is described in this
4 clause if—

5 (I) it is located in a community
6 undergoing concerted revitalization
7 and is contributing to a community
8 revitalization plan; and

9 (II) it is located in a census tract
10 in which—

11 (aa) the median household
12 income is less than 60 percent of
13 the area median income; or

14 (bb) the rate of poverty is
15 greater than 20 percent.

16 (C) PLAN OF USE.—Each eligible inter-
17 mediary that receives a grant under this sub-
18 section shall establish a plan for the use or dis-
19 tribution of the amount made available under
20 the grant, which plan shall be submitted to the
21 Secretary and shall include information relating
22 to the manner in which the eligible intermediary
23 will either use or distribute that amount, in-
24 cluding—

1 (i) a certification that assistance
2 under this subsection will be used to sup-
3 plement assistance leveraged from private
4 and other non-Federal sources, including
5 assistance made available under section 8
6 of the United States Housing Act of 1937
7 (42 U.S.C. 1437f) that is devoted to the
8 project in which the housing to be devel-
9 oped is located;

10 (ii) a certification that local assistance
11 will be provided in carrying out the eligible
12 activities, which may include—

13 (I) financial assistance; and

14 (II) a good faith effort to work
15 with the unit of local government in
16 which the housing will be located to
17 address issues of siting and exclu-
18 sionary zoning or other policies that
19 are barriers to affordable housing;

20 (iii) a certification that any housing
21 developed with assistance under this sub-
22 section will remain affordable for extremely
23 low-income families or low-income families,
24 as applicable, for not less than 40 years;

1 (iv) a certification that any housing
2 developed by the applicant with assistance
3 under this subsection will be located—

4 (I) in a mixed-income develop-
5 ment in a census tract having a pov-
6 erty rate of not more than 20 percent,
7 and near employment and other op-
8 portunities for low-income families; or

9 (II) in a community undergoing
10 revitalization;

11 (v) a certification that the tenant con-
12 tribution toward rent for a family residing
13 in a unit developed with assistance under
14 this paragraph will not exceed 30 percent
15 of the adjusted income of that family; and

16 (vi) a certification by the applicant
17 that the owner of a project in which any
18 housing developed with assistance under
19 this subsection is located will make a per-
20 centage of units in the project available to
21 families assisted under the voucher pro-
22 gram under section 8(o) of the United
23 States Housing Act of 1937 (42 U.S.C.
24 1437f(o)) on the same basis as other fami-
25 lies eligible for the housing (except that

1 only the expected share of rent of the
2 voucher holder shall be considered), which
3 percentage shall not be less than the per-
4 centage of the total cost of developing or
5 rehabilitating the project that is funded
6 with assistance under this subsection.

7 (D) FORMS OF ASSISTANCE.—

8 (i) IN GENERAL.—An eligible inter-
9 mediary may distribute the amount made
10 available under a grant under this sub-
11 section in the form of capital grants, non-
12 interest bearing or low-interest loans or
13 advances, deferred payment loans, guaran-
14 tees, and other forms of assistance.

15 (ii) REPAYMENTS.—If an eligible
16 intermediary awards assistance under this
17 subsection in the form of a loan or other
18 mechanism by which funds are later repaid
19 to the eligible intermediary, any repay-
20 ments received by the eligible intermediary
21 shall be distributed by the eligible inter-
22 mediary in accordance with the plan of use
23 described in subparagraph (C) during the
24 following fiscal year.

1 **SEC. 7104. REGULATIONS.**

2 Not later than 6 months after the date of enactment
3 of this Act, the Secretary of Housing and Urban Develop-
4 ment shall promulgate regulations to carry out this sub-
5 title.

6 **Subtitle C—Housing Preservation**
7 **Matching Grants**

8 **SEC. 7201. SHORT TITLE.**

9 This subtitle may be cited as the “Housing Preserva-
10 tion Matching Grant Act of 2003”.

11 **SEC. 7202. FINDINGS AND PURPOSES.**

12 (a) FINDINGS.—Congress finds that—

13 (1) since 1996, almost 200,000 affordable hous-
14 ing dwelling units in the United States have been
15 lost through termination of low income affordability
16 requirements, which usually involves the prepayment
17 of the outstanding principal balance under the mort-
18 gage on the project in which such units are located;

19 (2) more than 265,000 affordable housing
20 dwelling units in the United States are at risk of
21 prepayment;

22 (3) the loss of the privately owned, federally as-
23 sisted affordable housing, which is occurring during
24 a period when rents for unassisted housing are in-
25 creasing and few units of additional affordable hous-
26 ing are being developed, will cause unacceptable

1 harm on current tenants of affordable housing and
2 will precipitate a national crisis in the supply of
3 housing for low-income households;

4 (4) the demand for affordable housing far ex-
5 ceeds the supply of affordable housing, as evidenced
6 by studies in 1998 that found that—

7 (A) 5,500,000 households (1 in 7 Amer-
8 ican families) have worst-case housing needs;
9 and

10 (B) the number of families with at least
11 one full-time worker and having worst-case
12 housing needs increased from 1997 to 1999
13 from 3,000,000 to 3,700,000;

14 (5) the shortage of affordable housing in the
15 United States reached a record high in 1995, when
16 the number of low-income households exceeded the
17 number of low-cost rental dwelling units by
18 4,400,000;

19 (6) between 1991 and 1999, there were
20 1,000,000 fewer affordable units for eligible low-in-
21 come families, and most of the loss was between
22 1997 and 1999, when there were 750,000 fewer af-
23 fordable units;

24 (7) there are nearly 2 low-income renters in the
25 United States for every low-cost rental dwelling unit;

1 (8) 62 percent of eligible low-income households
2 receive no housing assistance, and approximately
3 2,000,000 low-income households remain on waiting
4 lists for affordable housing;

5 (9) the shortage of affordable housing dwelling
6 units results in low-income households that are not
7 able to acquire low-cost rental units paying large
8 proportions of their incomes for rent; and

9 (10) 14,000,000 renters pay more than 30 per-
10 cent of their incomes for rent and utilities, and
11 7,000,000 renters pay 50 percent or more of their
12 incomes for rent and utilities.

13 (b) PURPOSES.—The purposes of this subtitle are—

14 (1) to promote the preservation of affordable
15 housing units by providing matching grants to
16 States that have developed and funded programs for
17 the preservation of privately owned housing that is
18 affordable to low-income families and persons and
19 was produced for such purpose with Federal assist-
20 ance;

21 (2) to minimize the involuntary displacement of
22 tenants who are currently residing in such housing,
23 many of whom are elderly or disabled persons; and

24 (3) to continue the partnerships among the
25 Federal Government, State and local governments,

1 and the private sector in operating and assisting
2 housing that is affordable to low-income Americans.

3 **SEC. 7203. DEFINITIONS.**

4 In this subtitle:

5 (1) **LOW-INCOME AFFORDABILITY RESTRIC-**
6 **TION.**—The term “low-income affordability restric-
7 tion” means, with respect to a housing project, any
8 limitation imposed by regulation or regulatory agree-
9 ment on rents for tenants of the project, rent con-
10 tributions for tenants of the project, or income-eli-
11 gibility for occupancy in the project.

12 (2) **PROJECT-BASED ASSISTANCE.**—The term
13 “project-based assistance” has the same meaning as
14 in section 16(c) of the United States Housing Act
15 of 1937 (42 U.S.C. 1437n(c)), except that the term
16 includes assistance under any successor program to
17 any program referred to in that section.

18 (3) **SECRETARY.**—The term “Secretary” means
19 the Secretary of Housing and Urban Development.

20 (4) **STATE.**—The term “State” means each of
21 the several States of the United States, the District
22 of Columbia, the Commonwealth of Puerto Rico, the
23 Commonwealth of the Northern Mariana Islands,
24 Guam, the Virgin Islands, American Samoa, and

1 any other territory or possession of the United
2 States.

3 **SEC. 7204. AUTHORITY.**

4 The Secretary shall, to the extent that amounts are
5 made available pursuant to section 7211, make grants
6 under this subtitle to States for low-income housing pres-
7 ervation.

8 **SEC. 7205. APPLICATIONS.**

9 (a) IN GENERAL.—Each State that seeks a grant
10 under this subtitle shall submit an application to the Sec-
11 retary (through an appropriate State agency) at such
12 time, in such manner, and accompanied by such informa-
13 tion as the Secretary may reasonably require.

14 (b) CONTENTS.—Each application submitted pursu-
15 ant to subsection (a) shall contain any information and
16 certifications necessary for the Secretary to determine
17 whether the State is eligible to receive a grant under this
18 subtitle.

19 **SEC. 7206. USE OF GRANTS.**

20 (a) IN GENERAL.—Amounts from grants made under
21 this subtitle may be used by States only for assistance for
22 acquisition, preservation incentives, operating costs, and
23 capital expenditures for a housing project that meets the
24 requirements of subsection (b), (c), or (d).

1 (b) PROJECTS WITH HUD-INSURED MORTGAGES.—

2 A project meets the requirements of this subsection only
3 if—

4 (1) the project is financed by a loan or mort-
5 gage that is—

6 (A) insured or held by the Secretary under
7 section 221(d)(3) of the National Housing Act
8 (12 U.S.C. 1715l(d)(3)) and the project is re-
9 ceiving loan management assistance under sec-
10 tion 8 of the United States Housing Act of
11 1937 (42 U.S.C. 1437f) due to a conversion
12 from section 101 of the Housing and Urban
13 Development Act of 1965 (12 U.S.C. 1701s);

14 (B) insured or held by the Secretary and
15 bears interest at a rate determined under the
16 proviso of section 221(d)(5) of the National
17 Housing Act (12 U.S.C. 1715l(d)(5));

18 (C) insured, assisted, or held by the Sec-
19 retary or a State or State agency under section
20 236 of the National Housing Act (12 U.S.C.
21 1715z-1); or

22 (D) held by the Secretary and formerly in-
23 sured under a program referred to in subpara-
24 graph (A), (B), or (C);

1 (2) with respect to the mortgage referred to in
2 paragraph (1), the project is subject to an uncondi-
3 tional waiver of—

4 (A) all rights to any prepayment of the
5 mortgage; and

6 (B) all rights to any voluntary termination
7 of the mortgage insurance contract for the
8 mortgage; and

9 (3) the owner of the project has entered into
10 binding commitments (applicable to any subsequent
11 owner) to extend all low-income affordability restric-
12 tions for the project, including any such restrictions
13 imposed because of any contract for project-based
14 assistance for the project.

15 (c) PROJECTS WITH SECTION 8 PROJECT-BASED AS-
16 SISTANCE.—A project meets the requirements of this sub-
17 section only if—

18 (1) the project is subject to a contract for
19 project-based assistance; and

20 (2) the owner of the project has entered into
21 binding commitments (applicable to any subsequent
22 owner)—

23 (A) to extend the project-based assistance
24 for the maximum period allowable under law

1 (subject to the availability of amounts for such
2 purpose); and

3 (B) to extend any low-income affordability
4 restrictions applicable to the project in connec-
5 tion with the project-based assistance.

6 (d) PROJECTS PURCHASED BY RESIDENTS.—A
7 project meets the requirements of this subsection only if
8 the project—

9 (1) is or was eligible low-income housing (as de-
10 fined in section 229 of the Low-Income Housing
11 Preservation and Resident Homeownership Act of
12 1990 (12 U.S.C. 4119); and

13 (2) has been purchased by a resident council for
14 the housing, or is approved by the Secretary for
15 such purchase, for conversion to homeownership
16 housing under a resident homeownership program
17 meeting the requirements of section 226 of the Low-
18 Income Housing Preservation and Resident Home-
19 ownership Act of 1990 (12 U.S.C. 4116).

20 (e) COMBINATION OF ASSISTANCE.—Notwith-
21 standing subsection (a), any project that is otherwise eligi-
22 ble for assistance with grant amounts provided under this
23 subtitle because the project meets the requirements under
24 subsection (b) or (c), and that also meets the requirements
25 under paragraph (1) of the other of such subsections, shall

1 be eligible for assistance under this subtitle only if the
2 project complies with all of the requirements under such
3 other subsection.

4 **SEC. 7207. GRANT AMOUNT LIMITATION.**

5 The Secretary shall limit the portion of the aggregate
6 amount of grants under this subtitle made available for
7 any fiscal year that may be provided to a single State
8 based upon the proportion of the need of that State (as
9 determined by the Secretary) for assistance under this
10 subtitle to the aggregate need among all States approved
11 for assistance under this subtitle for that fiscal year.

12 **SEC. 7208. MATCHING REQUIREMENTS.**

13 (a) IN GENERAL.—The Secretary may not make a
14 grant under this subtitle to any State for any fiscal year
15 in an amount that exceeds twice the amount that the State
16 certifies, as the Secretary shall require, that the State will
17 contribute for such fiscal year, or has contributed since
18 January 1, 2003, from non-Federal sources for the pur-
19 poses under section 7206(a).

20 (b) TREATMENT OF PREVIOUS CONTRIBUTIONS.—
21 Any portion of amounts contributed after January 1,
22 2003, that are counted for the purpose of meeting the re-
23 quirement under subsection (a) for a fiscal year may not
24 be counted for such purpose for any subsequent fiscal
25 year.

1 (c) TREATMENT OF TAX CREDITS.—Tax credits pro-
2 vided under section 42 of the Internal Revenue Code of
3 1986, and proceeds from the sale of tax-exempt bonds by
4 any State or local government entity shall not be consid-
5 ered non-Federal sources for purposes of this section.

6 **SEC. 7209. TREATMENT OF SUBSIDY LAYERING REQUIRE-**
7 **MENTS.**

8 Neither section 7208 nor any other provision of this
9 subtitle may be construed to prevent the use of tax credits
10 provided under section 42 of the Internal Revenue Code
11 of 1986, in connection with housing assisted with grant
12 amounts provided under this subtitle, to the extent that
13 such use is in accordance with section 102(d) of the De-
14 partment of Housing and Urban Development Reform Act
15 of 1989 (42 U.S.C. 3545(d)) and section 911 of the Hous-
16 ing and Community Development Act of 1992 (42 U.S.C.
17 3545 note).

18 **SEC. 7210. REGULATIONS.**

19 The Secretary may issue regulations to carry out this
20 subtitle.

21 **SEC. 7211. AUTHORIZATION OF APPROPRIATIONS.**

22 There are authorized to be appropriated for grants
23 under this subtitle such sums as are necessary for each
24 of the fiscal years 2004 through 2008.

1 **TITLE VIII—SAFE START**
2 **Subtitle A—Promotion of**
3 **Permanency for Children**

4 **SEC. 8001. REIMBURSEMENT FOR PREVENTIVE, PROTEC-**
5 **TIVE, CRISIS, PERMANENCY, INDEPENDENT**
6 **LIVING, AND POST-PERMANENCY SERVICES**
7 **AND ACTIVITIES.**

8 (a) IN GENERAL.—Part E of title IV of the Social
9 Security Act (42 U.S.C. 670 et seq.) is amended by insert-
10 ing after section 474 the following:

11 **“SEC. 474A. PAYMENTS FOR PREVENTIVE, PROTECTIVE,**
12 **CRISIS, PERMANENCY, INDEPENDENT LIV-**
13 **ING, AND POST-PERMANENCY SERVICES AND**
14 **ACTIVITIES.**

15 “(a) IN GENERAL.—In addition to any other pay-
16 ments made to a State under this title, for each quarter
17 beginning after September 30, 2003, the Secretary shall
18 pay each State which has a plan approved under this part
19 and that opts to receives payments under this section, a
20 payment, subject to subsection (e), equal to the Federal
21 medical assistance percentage of the costs of providing the
22 services and activities described in subsection (b) in order
23 to ensure that the timelines set forth in section 475(5),
24 as added by the Adoption and Safe Families Act of 1997,

1 can be honored and the goals of safety and permanence
2 for children will be realized.

3 “(b) SERVICES AND ACTIVITIES DESCRIBED.—The
4 services and activities described in this subsection are as
5 follows:

6 “(1) PREVENTIVE, PROTECTIVE, AND CRISIS
7 SERVICES.—

8 “(A) IN GENERAL.—Preventive, protective,
9 and crisis services for children and parents who
10 come to the attention of the State or a local
11 agency and whose cases are referred for assess-
12 ment or investigation because of a concern
13 about the risk of abuse or neglect.

14 “(B) REQUIREMENTS.—In the case of
15 services other than investigation and assess-
16 ment—

17 “(i) the agency and the parents must
18 have agreed to the provision of such serv-
19 ices in the case plan for the family; and

20 “(ii) funding for such services under
21 this part shall be provided for not more
22 than 18 months within a 48 month period,
23 consistent with the exception provided in
24 subsection (c).

1 “(2) PERMANENCY SERVICES.—Permanency
2 services for children and parents to help ensure that
3 when a child is placed in foster care, prompt deci-
4 sions can be made about the appropriate perma-
5 nency plan for the child, but only if the agency and
6 the parents have agreed to the provision of such
7 services to the parents in the case plan for the fam-
8 ily and funding for such services under this part
9 (other than foster care maintenance payments under
10 section 472) will be provided for not more than 18
11 months within a 48 month period, consistent with
12 the exception provided in subsection (c).

13 “(3) POST-PERMANENCY SERVICES.—

14 “(A) IN GENERAL.—Post-permanency
15 services for children and their parents or other
16 caregivers when children have been in foster
17 care funded under this part and are returned to
18 their birth families, are in adoptive families, or
19 are placed permanently with a legal guardian or
20 a fit and willing relative, if the agency and the
21 child’s caregivers have agreed to the provision
22 of such services in the case plan for the family,
23 but only to the extent that—

24 “(i) with respect to such services for
25 children returned to their birth families,

1 such services are provided for not more
2 than 18 months within a 48 month period,
3 consistent with the exception provided in
4 subsection (c); and

5 “(ii) with respect to such services for
6 children who are adopted from foster care
7 or placed permanently with a legal guard-
8 ian or a fit and willing relative, such serv-
9 ices are provided on an as-needed basis
10 consistent with the child and family service
11 plan.

12 “(4) APPLICATION TO CERTAIN CHILDREN.—

13 With respect to the services described in paragraph
14 (1), (2), or (3) that are provided to children who
15 have come to the attention of the State or a local
16 agency before the date of enactment of the Leave No
17 Child Behind Act of 2003, the 18-month time limit
18 for such services for such children shall commence
19 on a date determined by the State that is not more
20 than 180 days after such date of enactment.

21 “(5) INDEPENDENT LIVING SERVICES.—Inde-

22 pendent living services to help children who are like-
23 ly to remain in foster care until attaining 18 years
24 of age and children who are former foster care re-
25 cipients who have not attained 21 years of age make

1 the transition to self-sufficiency by providing services
2 such as assistance in obtaining a high school di-
3 ploma, a General Equivalency Diploma, or post-sec-
4 ondary education or training, career exploration, vo-
5 cational training, job placement and retention, train-
6 ing in daily living skills, budgeting and financial
7 management skills, substance abuse prevention, pre-
8 ventive health activities, financial, housing, coun-
9 seling, personal or emotional support (through inter-
10 action with dedicated adults), and other appropriate
11 support services.

12 “(c) SAFETY EXCEPTION.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 beginning with fiscal year 2004, a State may exempt
15 up to the number of children and parents receiving
16 any of the services described in subsection (b) that
17 equals 20 percent of the number of such children
18 and parents who received such services during the
19 preceding fiscal year, from the time limits specified
20 for such services in such subsection in order to help
21 ensure that children will be served safely and appro-
22 priately in accordance with their individual needs.

23 “(2) BIENNIAL REVIEW.—

24 “(A) EXCEPTED CASES.—A State shall bi-
25 ennially review the cases excepted under para-

1 graph (1), in accordance with guidelines devel-
2 oped by the Secretary, to ensure the continued
3 appropriateness of the exceptions and to deter-
4 mine the circumstances under which such ex-
5 ceptions have been made, and shall report the
6 findings of the review to the Secretary. Such re-
7 port shall include a recommendation, if nec-
8 essary, that the Secretary allow the State to ad-
9 just the maximum percentage for such excep-
10 tions to address changed circumstances. A
11 State may proceed in accordance with the rec-
12 ommendation unless the Secretary disapproves
13 the recommendation within 60 days of the re-
14 ceipt of the recommendation.

15 “(B) FOSTER CARE CHILDREN.—In addi-
16 tion to the review required under subparagraph
17 (A), a State shall biennially review, in accord-
18 ance with guidelines developed by the Secretary,
19 the cases of children who have remained in fos-
20 ter care and for which foster care maintenance
21 payments (as defined in section 474(4)) have
22 been made for more than 18 months and sub-
23 mit a report on such review to the Secretary.
24 Such report shall describe, with respect to each
25 such child, the child’s age, special needs (if

1 any), type of placement, and the length of time
2 that the child has been in foster care.

3 “(C) REPORT.—Not later than January 1,
4 2008, and January 1 of every other year there-
5 after, the Secretary shall submit a report to
6 Congress on the reviews and recommendations
7 required under subparagraphs (A) and (B) for
8 the preceding fiscal year. Such report shall in-
9 clude a summary of the Secretary’s findings on
10 the appropriateness of the safety exceptions and
11 the States’ progress in meeting the needs of the
12 children who receive services or foster care for
13 more than 18 months.

14 “(d) NO PAYMENT FOR SERVICES REIMBURSABLE
15 UNDER TITLE XIX.—No payments may be made under
16 this section for any services described in subsection (b)
17 that the State is reimbursed for under title XIX.

18 “(e) MAINTENANCE OF EFFORT.—A State may not
19 receive payments under this section unless, for fiscal year
20 2004 and each fiscal year thereafter, the total State and
21 local expenditures for services and activities described in
22 subsection (b) for that fiscal year equals or exceeds the
23 total of such expenditures for fiscal year 2003.”.

24 (b) STATE PLAN AMENDMENT.—Section 471(a) of
25 such Act (42 U.S.C. 671(a)) is amended—

1 (1) in paragraph (23)(B), by striking “and” at
2 the end;

3 (2) in paragraph (24), by striking the period
4 and inserting “; and”; and

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

6 “(25) provides that the State shall describe—

7 “(A) prior to the beginning of a fiscal year,
8 the types of preventive, protective, crisis, per-
9 manency, independent living, and post-perma-
10 nency services that the State expects to be
11 made available under the plan during that fiscal
12 year;

13 “(B) the populations expected to be pro-
14 vided such services during the fiscal year;

15 “(C) notwithstanding paragraph (3), the
16 geographic areas in the State in which the serv-
17 ices are likely to be available during the fiscal
18 year;

19 “(D) the role of public and nonprofit pri-
20 vate agencies and community-based organiza-
21 tions referred to in section 432(b)(1) in the
22 planning and decisionmaking regarding which
23 such services would be provided during the fis-
24 cal year and how the services to be provided

1 would promote safety and permanence for chil-
2 dren; and

3 “(E) prior to the beginning of the third
4 fiscal year of implementation of such services,
5 and prior to the beginning of each fiscal year
6 thereafter, what the State proposes to do to re-
7 duce the length of time families need to receive
8 services from the State agency.”.

9 **SEC. 8002. CHILD AND FAMILY SERVICE PLAN AND CASE**
10 **REVIEWS.**

11 (a) IN GENERAL.—Section 471(a)(16) of the Social
12 Security Act (42 U.S.C. 671(a)(16)) is amended—

- 13 (1) by inserting “(A)” after “(16)”;
- 14 (2) by adding “and” after the semicolon; and
- 15 (3) by adding at the end the following:

16 “(B)(i) provides for the development of a child
17 and family service plan and for case reviews by a cit-
18 izen review board or an administrative review body
19 no less frequently than once every 6 months for each
20 child and family member receiving preventive, pro-
21 tective, crisis, permanency, independent living, or
22 post-permanency services; and

23 “(ii) provides that each child and family service
24 plan developed under clause (i) shall describe the
25 steps taken to assure the safety of the child, provide

1 the services that are needed and, where applicable,
2 have been agreed to by the agency and the parent,
3 the extent of progress that has been made toward
4 meeting the service needs of the child and the fam-
5 ily, and the continuing necessity for and appro-
6 priateness of the services being provided with respect
7 to—

8 “(I) each child, parent, or caregiver who
9 comes to the attention of the State agency and
10 whose case is referred for assessment or inves-
11 tigation because of a concern about the risk of
12 abuse or neglect, and who receives preventive,
13 protective, crisis, permanency, independent liv-
14 ing, or post-permanency services under this
15 part; and

16 “(II) each child, parent, or caregiver who
17 receives post-permanency services under this
18 part when a child is returned to the birth fam-
19 ily, placed in an adoptive family, or placed per-
20 manently with a legal guardian or a fit and
21 willing relative.”

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section take effect on October 1, 2003.

1 **SEC. 8003. KINSHIP GUARDIANSHIP ASSISTANCE PAY-**
2 **MENTS FOR CHILDREN.**

3 (a) IN GENERAL.—Part E of title IV of the Social
4 Security Act (42 U.S.C. 670 et seq.) is amended by insert-
5 ing after section 472 the following:

6 **“SEC. 472A. KINSHIP GUARDIANSHIP ASSISTANCE PAY-**
7 **MENTS FOR CHILDREN.**

8 “(a) IN GENERAL.—Each State with a plan approved
9 under this part may, at State option, enter into kinship
10 guardianship assistance agreements to provide kinship
11 guardianship assistance payments on behalf of children to
12 grandparents and other relatives who have assumed legal
13 guardianship (as defined in section 475(7)) of the children
14 for whom they have cared as foster parents and for whom
15 they have committed to care for on a permanent basis.

16 “(b) KINSHIP GUARDIANSHIP ASSISTANCE AGREE-
17 MENT.—

18 “(1) IN GENERAL.—In order to receive pay-
19 ments under this section, a State shall—

20 “(A) negotiate and enter into a written,
21 binding, kinship guardianship assistance agree-
22 ment with the prospective relative guardian of
23 a child that meets the requirements of this sub-
24 section; and

25 “(B) provide the prospective relative
26 guardian with a copy of the agreement.

1 “(2) MINIMUM REQUIREMENTS.—The agree-
2 ment shall specify, at a minimum—

3 “(A) the amount of, and manner in which,
4 each kinship guardianship assistance payment
5 will be provided under the agreement;

6 “(B) the additional services and assistance
7 that the child and relative guardian will be eli-
8 gible for under the agreement;

9 “(C) the procedure by which the relative
10 guardian may apply for additional services as
11 needed, provided the agency and relative guard-
12 ian agree on the additional services as specified
13 in the case plan; and

14 “(D) subject to paragraph (4), that the
15 State will pay the total cost of nonrecurring ex-
16 penses associated with obtaining legal guardian-
17 ship of the child.

18 “(3) INTERSTATE APPLICATION.—The agree-
19 ment shall provide—

20 “(A) that the agreement shall remain in
21 effect without regard to the State residency of
22 the kinship guardian; and

23 “(B) for the protection of the interests of
24 the child in any case where the kinship guard-

1 ian and the child move to another State while
2 the agreement is in effect.

3 “(4) NO AFFECT ON FEDERAL REIMBURSE-
4 MENT.—Nothing in paragraph (1)(D) shall be con-
5 strued as affecting the ability of the State to obtain
6 reimbursement from the Federal Government for
7 costs described in that paragraph.

8 “(c) KINSHIP GUARDIANSHIP ASSISTANCE PAY-
9 MENT.—

10 “(1) IN GENERAL.—The kinship guardianship
11 assistance payment shall be based on consideration
12 of the needs of the relative guardian and of the child
13 and shall be at least equal to the amount of the fos-
14 ter care maintenance payment for which the child
15 would have been eligible if the child remained in fos-
16 ter care. The payment may be readjusted periodi-
17 cally based on relevant changes in such needs.

18 “(2) LIMITATION.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraph (B), no kinship guardianship as-
21 sistance payment may be made to a relative
22 guardian for any child who has attained age 18.

23 “(B) EXCEPTIONS.—A kinship guardian-
24 ship assistance payment may be made to a rel-
25 ative guardian with respect to a child who—

1 “(i) is a full-time student in a sec-
2 ondary school or in the equivalent level of
3 a vocational or technical training program
4 and has not attained age 19; or

5 “(ii) with respect to a child who the
6 State determines has a mental or physical
7 disability that warrants the continuation of
8 assistance to age 21.

9 “(d) CHILD’S ELIGIBILITY FOR A KINSHIP GUARD-
10 IANSHIP ASSISTANCE PAYMENT.—

11 “(1) IN GENERAL.—A child is eligible for a kin-
12 ship guardianship assistance payment under this
13 section if the State agency determines the following:

14 “(A) The child has been—

15 “(i) removed from his or her home
16 pursuant to a voluntary placement agree-
17 ment or as a result of a judicial determina-
18 tion to the effect that continuation in the
19 home would be contrary to the welfare of
20 the child; and

21 “(ii) under the care of the State agen-
22 cy for the 12-month period ending on the
23 date of such agency determination.

1 “(B) Being returned home or adopted are
2 not appropriate permanency options for the
3 child.

4 “(C) The child demonstrates a strong at-
5 tachment to the prospective relative guardian
6 and the relative guardian has a strong commit-
7 ment to caring permanently for the child.

8 “(D) With respect to a child who has at-
9 tained age 14, the child has been consulted re-
10 garding the kinship guardianship arrangement.

11 “(2) TREATMENT OF SIBLINGS.—With respect
12 to a child who is described in paragraph (1) whose
13 sibling or siblings are not so described—

14 “(A) the child and any sibling of the child
15 may be placed in the same kinship guardianship
16 arrangement if the State agency and the rel-
17 ative agree on the appropriateness of the ar-
18 rangement for the siblings; and

19 “(B) kinship guardianship assistance pay-
20 ments may be paid for the child and each sib-
21 ling so placed.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) STATE PLAN REQUIREMENT.—Section
24 471(a)(20) of such Act (42 U.S.C. 671(a)(20) is
25 amended by striking “before the foster or adoptive

1 parent may be finally approved for placement of a
2 child on whose behalf foster care maintenance pay-
3 ments or adoption assistance payments” and insert-
4 ing “or relative guardian before the foster or adop-
5 tive parent or relative guardian may be finally ap-
6 proved for placement of a child on whose behalf fos-
7 ter care maintenance payments, adoption assistance
8 payments, or kinship guardianship assistance pay-
9 ments”.

10 (2) DEFINITIONS.—Section 475(1) of such Act
11 (42 U.S.C. 675(1)) is amended by adding at the end
12 the following:

13 “(F) In the case of a child with respect to
14 whom the permanency plan is placement with a
15 relative and receipt of kinship guardianship as-
16 sistance payments under section 472A, a de-
17 scription of—

18 “(i) the steps that the agency has
19 taken to determine that it is not appro-
20 priate for the child to be returned home or
21 adopted;

22 “(ii) the reasons why a permanent
23 placement with a fit and willing relative
24 through a kinship guardianship assistance
25 arrangement is in the child’s best interests;

1 “(iii) the ways in which the child
2 meets the eligibility requirements for a kin-
3 ship guardianship assistance payment;

4 “(iv) the efforts the agency has made
5 to discuss adoption by the child’s relative
6 foster parent as a more permanent alter-
7 native to legal guardianship and, in the
8 case of a relative foster parent who has
9 chosen not to pursue adoption, documenta-
10 tion of the reasons why; and

11 “(v) the efforts made by the State
12 agency to secure the consent of the child’s
13 parent or parents to the kinship guardian-
14 ship assistance arrangement, or the rea-
15 sons why such efforts were not made.”.

16 **SEC. 8004. ELIMINATION OF FINANCIAL ELIGIBILITY RE-**
17 **QUIREMENT FOR FOSTER CARE MAINTENANCE AND ADOPTION ASSISTANCE PAY-**
18 **NANCE AND ADOPTION ASSISTANCE PAY-**
19 **MENTS.**

20 (a) FOSTER CARE MAINTENANCE PAYMENTS.—Sec-
21 tion 472(a) of the Social Security Act (42 U.S.C. 672(a))
22 is amended—

23 (1) in the matter preceding paragraph (1), by
24 striking “would have met the requirements of sec-
25 tion 406(a) (as so in effect) or of section 407 (as

1 such sections were in effect on July 16, 1996) but
2 for his removal from the home of a relative (speci-
3 fied in section 406(a)),” and inserting “has been re-
4 moved from his or her home”;

5 (2) in paragraph (2), by adding “and” at the
6 end;

7 (3) in paragraph (3), by striking “; and” and
8 inserting a period;

9 (4) by striking paragraph (4); and

10 (5) by striking the last 2 sentences of that sec-
11 tion.

12 (b) ADOPTION ASSISTANCE PAYMENTS.—Section
13 473(a)(2) of the Social Security Act (42 U.S.C. 673(a)(2))
14 is amended—

15 (1) in subparagraph (A)(i)—

16 (A) by striking “met the requirements of
17 section 406(a) or section 407 (as such sections
18 were in effect on July 16, 1996) or would have
19 met such requirements except for his removal
20 from the home of a relative (specified in section
21 406(a) (as so in effect))” and inserting “has
22 been removed from his or her home”; and

23 (B) by striking “(or 403 (as such section
24 was in effect on July 16, 1996))”;

1 (2) in subparagraph (A)(iii), by adding “and”
2 at the end;

3 (3) by striking subparagraph (B);

4 (4) by redesignating subparagraph (C) as sub-
5 paragraph (B); and

6 (5) by striking “The last sentence of section
7 472(a)” and all that follows and inserting “Any
8 child who meets the requirements of subparagraph
9 (B), who was determined eligible for adoption assist-
10 ance payments under this part with respect to a
11 prior adoption, who is available for adoption because
12 the prior adoption has been dissolved and the paren-
13 tal rights of the adoptive parents have been termi-
14 nated or because the child’s adoptive parents have
15 died, and who fails to meet the requirements of sub-
16 paragraph (A) but would meet such requirements if
17 the child were treated as if the child were in the
18 same circumstances the child was in the last time
19 the child was determined eligible for adoption assist-
20 ance payments under this part and the prior adop-
21 tion were treated as never having occurred, shall be
22 treated as meeting the requirements of this para-
23 graph for purposes of paragraph (1)(B)(ii).”.

1 **SEC. 8005. ESTABLISHMENT OF UNIFORM FEDERAL MATCH-**
2 **ING RATE.**

3 (a) IN GENERAL.—Section 474(a) of the Social Secu-
4 rity Act (42 U.S.C. 674(a)) is amended—

5 (1) in the matter preceding paragraph (1)—

6 (A) by striking “of—” and inserting “of
7 the following:”;

8 (B) by striking “(1) an amount” and all
9 that follows through the end of paragraph (3)
10 and inserting the following:

11 “(1) The Federal medical assistance percentage
12 (as defined in section 1905(b)) of each of the fol-
13 lowing:

14 “(A) The total amount expended during
15 such quarter as foster care maintenance pay-
16 ments under section 472 for children in foster
17 family homes or child-care institutions.

18 “(B) The total amount expended during
19 such quarter as kinship guardianship assistance
20 payments under section 472A for children with
21 a kinship guardianship assistance agreement.

22 “(C) The total amount expended during
23 such quarter as adoption assistance payments
24 under section 473 pursuant to adoption assist-
25 ance agreements.

1 “(D) Subject to paragraph (3), the total
2 amount expended during such quarter for pre-
3 ventive, protective, crisis, permanency, inde-
4 pendent living, and post-permanency services
5 and activities under section 474A.

6 “(E) The total amounts expended during
7 such quarter as found necessary by the Sec-
8 retary for the provision of child placement serv-
9 ices and for the proper and efficient administra-
10 tion of the State plan.

11 “(F) The total amounts expended during
12 such quarter as found necessary by the Sec-
13 retary for the training of—

14 “(i) personnel employed or preparing
15 for employment by the State agency or by
16 the local agency administering the plan in
17 the political subdivision (including short-
18 and long-term training at educational insti-
19 tutions through grants to such institutions
20 or by direct financial assistance to stu-
21 dents enrolled in such institutions);

22 “(ii) current or prospective foster or
23 adoptive parents and the members of the
24 staff of State-licensed or State-approved
25 child care institutions providing care to

1 foster and adopted children receiving as-
2 sistance under this part, in ways that in-
3 crease the ability of such current or pro-
4 spective parents, staff members, and insti-
5 tutions to provide support and assistance
6 to foster and adopted children, whether in-
7 curred directly by the State or by contract
8 but only for such expenditures (including
9 travel and per diem expenses) that are in-
10 curred for short-term training;

11 “(iii) the staff of private State li-
12 censed or State approved child welfare
13 agencies that provide preventive, crisis,
14 protective permanency, post-permanency,
15 and independent living services or care to
16 foster and adopted children and children
17 with relative guardians who are eligible for
18 assistance under this part (including joint
19 training and cross training of such staff);

20 “(iv) court staff, including judges, ju-
21 dicial personnel, law enforcement per-
22 sonnel, agency attorneys, attorneys rep-
23 resenting parents in proceedings conducted
24 by or under the supervision of an abuse or
25 neglect court, attorneys representing chil-

1 dren in such proceedings, guardian ad
2 litem, volunteers who participate in court-
3 appointed special advocate (CASA) pro-
4 grams, and citizen review board members
5 when under court auspices to keep children
6 safe and provide permanent families for
7 children, but only to the extent that any
8 training offered to judges or any judicial
9 personnel is offered by, or under contract
10 with, the State or local agency in collabo-
11 ration with the judicial conference or other
12 appropriate judicial governing body oper-
13 ating in the State; and

14 “(v) staff employed by State, local, or
15 private nonprofit substance abuse preven-
16 tion and treatment agencies, mental health
17 providers, domestic violence prevention and
18 treatment providers, health agencies, child
19 care agencies, schools, and community
20 service agencies that are collaborating with
21 the State or local agency administering the
22 State plan under this part to keep children
23 safe and provide permanent families for
24 children, including adoptive families.

1 “(G) The total amounts expended during
2 such quarter as found necessary by the Sec-
3 retary for the planning, design, development,
4 installation, or operation of statewide mecha-
5 nized data collection and information retrieval
6 systems (including expenditures for hardware
7 components for such systems) but only to the
8 extent that such systems—

9 “(i) meet the requirements imposed
10 by regulations promulgated pursuant to
11 section 479(b)(2);

12 “(ii) to the extent practicable, are ca-
13 pable of interfacing with the State data
14 collection system that collects information
15 relating to child abuse and neglect; and

16 “(iii) are determined by the Secretary
17 to be likely to provide more efficient, eco-
18 nomical, and effective administration of
19 the programs carried out under a State
20 plan approved under part B or this part.”;

21 (2) in paragraph (4)—

22 (A) by striking “the lesser” and inserting
23 “The lesser”; and

24 (B) by redesignating such paragraph as
25 paragraph (2); and

1 (3) by adding at the end the following new
2 paragraph:

3 “(3) With respect to a State that elects to pro-
4 vide preventive, protective, crisis, permanency, inde-
5 pendent living, and post-permanency services and ac-
6 tivities under section 474A, that begins the process
7 for accreditation of the State agency administering
8 the program under this part within 3 years after the
9 date of enactment of the Leave No Child Behind Act
10 of 2003, and that has such State agency accredited
11 by a nationally recognized accrediting agency ap-
12 proved by the Secretary to provide such accredita-
13 tion, the Federal medical assistance percentage for
14 the State shall be increased by 1 percentage point a
15 year for each of the 4 consecutive years in which the
16 agency is so accredited for purposes of making the
17 payments described in paragraph (1)(D), beginning
18 with the first fiscal year quarter that begins after
19 the State submits to the Secretary evidence of such
20 accreditation.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 473(a)(6)(B) of such Act (42
23 U.S.C. 673(a)(6)(B)) is amended by striking
24 “474(a)(3)(E)” and inserting “474(a)(1)(E)”.

1 (2) Section 477(h) of such Act (42 U.S.C.
2 677(h)) is amended by striking “474(a)(4)” and in-
3 serting “474(a)(2)”.

4 **SEC. 8006. ELIMINATION OF DISINCENTIVE FOR FOSTER**
5 **PARENTS TO ADOPT CHILDREN WITH SPE-**
6 **CIAL NEEDS WHO HAVE BEEN IN THEIR FOS-**
7 **TER CARE.**

8 The last sentence of section 473(a)(3) of the Social
9 Security Act (42 U.S.C 673(a)(3)) is amended to read as
10 follows: “However, an adoptive parent shall be eligible to
11 receive an adoption assistance payment under clause (ii)
12 of paragraph (1)(B) that is at least equal to the foster
13 care maintenance payment which would have been paid
14 during the period if the child with respect to whom the
15 adoption assistance payment is made had been in a foster
16 family home.”.

17 **SEC. 8007. EXTENSION OF ADOPTION ASSISTANCE PAY-**
18 **MENTS.**

19 Section 473(a)(4) of the Social Security Act (42
20 U.S.C. 673(a)(4)) is amended by striking “(or,” and in-
21 serting “(or, in the case of a child who is a full-time stu-
22 dent in a secondary school or in the equivalent educational
23 level of a vocational or technical training program, the age
24 of nineteen, or”.

1 **SEC. 8008. REIMBURSEMENT FOR ROOM AND BOARD IN**
2 **FOSTER FAMILY HOMES, CHILD CARE INSTI-**
3 **TUTIONS, OR SUPERVISED LIVING ARRANGE-**
4 **MENTS FOR YOUNG PEOPLE AGING OUT OF**
5 **FOSTER CARE.**

6 Section 472 of the Social Security Act (42 U.S.C.
7 672) is amended by adding at the end the following:

8 “(i)(1) Notwithstanding any other provision of this
9 part, a State may make foster care maintenance payments
10 (as defined in section 475(4)) under this section on behalf
11 of eligible individuals described in paragraph (2) for reim-
12 bursement of room and board expenses incurred for such
13 individuals in a foster family home, child care institution,
14 or other supervised living arrangement as approved by the
15 State agency, in order to assist such individuals to leave
16 foster care and transition to self-sufficiency.

17 “(2) An eligible individual described in this para-
18 graph is an individual who—

19 “(A) was in foster care on the date that the in-
20 dividual attained age 17 and had been in foster care
21 for at least 1 year prior to that date;

22 “(B) has not attained age 22;

23 “(C) is in the process of completing secondary
24 education, enrolled in an institution that provides
25 postsecondary education or vocational training, or is
26 employed for at least 80 hours per month;

1 “(D) is participating in independent living ac-
2 tivities of the type that may be supported under the
3 John H. Chafee Foster Care Independence Program
4 under section 477; and

5 “(E) has a case plan that includes a specific
6 plan for how the individual will achieve independent
7 living and that provides for the individual to reside
8 in a setting that promotes personal responsibility
9 and encourages self-sufficiency.

10 “(3)(A) A State may not receive payments under sec-
11 tion 474(a)(1)(A) for expenditures under this subsection
12 unless with respect to fiscal year 2004 and each fiscal year
13 thereafter, the total Federal, State, and local expenditures
14 for reimbursements described in paragraph (1) in the
15 State (or for related independent living services) equals
16 or exceeds the total of such expenditures for fiscal year
17 2003.

18 “(B) The amount of total Federal, State, and local
19 expenditures required under subparagraph (A) to be main-
20 tained for a fiscal year may be reduced appropriately if
21 the total Federal expenditures for that fiscal year are less
22 than such the amount of such expenditures for fiscal year
23 2003.

24 “(4) With respect to a fiscal year, a State that makes
25 foster care maintenance payments under this subsection

1 shall submit to the Secretary an annual report that in-
2 cludes the following:

3 “(A) The number of eligible individuals de-
4 scribed in paragraph (2) who received foster care
5 maintenance payments under this subsection and the
6 nature of the settings in which such individuals were
7 housed.

8 “(B) A description of the steps being under-
9 taken in the State to promote housing opportunities
10 for individuals transitioning from foster care after
11 attaining age 18 and for individuals that have al-
12 ready transitioned out of foster care as a result of
13 age.

14 “(C) Recommendations regarding the types of
15 Federal assistance that would assist the State to
16 better meet the housing need of the individuals de-
17 scribed in subparagraph (B).”.

18 **SEC. 8009. ADDITIONAL ACCOUNTABILITY.**

19 Section 471(a) of the Social Security Act (42 U.S.C.
20 671(a)), as amended by section 8001(b), is amended—

21 (1) in paragraph (24), by striking “and” at the
22 end;

23 (2) in paragraph (25)(E), by striking the period
24 and inserting a semicolon;

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

1 “(26) provides that, beginning with January 1,
2 2006, and each January 1 thereafter, the State
3 agency shall prepare and submit to the Secretary,
4 and make available to the public, including through
5 posting on the State agency’s Internet website, a re-
6 port that, with respect to the 2 preceding fiscal
7 years that are the subject of the report, describes—

8 “(A) how the funding made available
9 under section 474A has been used;

10 “(B) the impact that the services and ac-
11 tivities undertaken with such funding has had
12 on—

13 “(i) preventing the abuse and neglect
14 and repeat abuse and neglect of children;

15 “(ii) preventing the entry and re-entry
16 of children into foster care;

17 “(iii) decreasing the length of stay of
18 children in foster care in the State; and

19 “(iv) promoting permanent place-
20 ments for children;

21 “(C) efforts by the State agency to im-
22 prove the quality and retention of supervisors
23 and staff who are delivering services under the
24 State plan approved under this part, directly or

1 under contract, and to improve the workloads of
2 staff;

3 “(D) efforts by the State agency or local
4 agencies to use community partners to promote
5 safety and permanence for children, including a
6 description of—

7 “(i) collaborative work with substance
8 abuse, mental health, health, or domestic
9 violence agencies or providers to address
10 the needs of the families assisted under
11 this part;

12 “(ii) the involvement of community-
13 based organizations with the State agency;

14 “(iii) how parents are engaged in the
15 delivery of services; and

16 “(iv) efforts to utilize family team
17 meeting, family group decisionmaking, or
18 other activities that build on family
19 strengths and address what families need;

20 “(E) the procedures that are in place to
21 ensure that children who are returned home or
22 placed in other permanent settings receive the
23 support they need to remain home or in such a
24 setting; and

1 “(F) the status of the State’s most recent
2 child and family services review and its pro-
3 gram improvement plan activities, if applicable;
4 and

5 “(27) provides that, beginning on January 1,
6 2006, the independent body charged with reviewing
7 cases of children (such as a court, citizen review
8 board, or independent administrative review body)
9 biannually shall submit a report to the Secretary, in
10 such form and manner as the Secretary shall re-
11 quire, that describes—

12 “(A) the status of children in the State, as
13 reflected in the reviews conducted by such body;

14 “(B) the barriers to moving children in the
15 State in accordance with the permanency plans
16 for such children; and

17 “(C) recommendations for the amount of
18 resources, fiscal and otherwise, that are needed
19 to better meet the goals of safety and perma-
20 nence for children established in the Adoption
21 and Safe Families Act of 1997.”.

1 **SEC. 8010. AUTHORITY OF INDIAN TRIBES TO RECEIVE FED-**
2 **ERAL FUNDS FOR FOSTER CARE AND ADOP-**
3 **TION ASSISTANCE.**

4 (a) CHILDREN PLACED IN TRIBAL CUSTODY ELIGI-
5 BLE FOR FOSTER CARE FUNDING.—Section 472(a)(2) of
6 the Social Security Act (42 U.S.C. 672(a)(2)) is amend-
7 ed—

8 (1) by striking “or (B)” and inserting “(B)”;
9 and

10 (2) by inserting before the semicolon the fol-
11 lowing: “, or (C) an Indian tribe (as defined in sec-
12 tion 479B(e)) or an intertribal consortium if the In-
13 dian tribe or consortium is not operating a program
14 pursuant to section 479B and (i) has a cooperative
15 agreement with a State pursuant to section 479B(c)
16 or (ii) submits to the Secretary a description of the
17 arrangements (jointly developed or developed in con-
18 sultation with the State) made by the Indian tribe
19 or consortium for the payment of funds and the pro-
20 vision of the child welfare services and protections
21 required by this title”.

22 (b) PROGRAMS OPERATED BY INDIAN TRIBAL ORGA-
23 NIZATIONS.—Part E of title IV of the Social Security Act
24 (42 U.S.C. 670 et seq.) is amended by adding at the end
25 the following:

1 **“SEC. 479B. PROGRAMS OPERATED BY INDIAN TRIBAL OR-**
2 **GANIZATIONS.**

3 “(a) APPLICATION.—Except as provided in sub-
4 section (b), this part shall apply to an Indian tribe that
5 elects to operate a program under this part in the same
6 manner as this part applies to a State.

7 “(b) MODIFICATION OF PLAN REQUIREMENTS.—

8 “(1) IN GENERAL.—In the case of an Indian
9 tribe submitting a plan for approval under section
10 471, the plan shall—

11 “(A) in lieu of the requirement of section
12 471(a)(3), identify the service area or areas and
13 population to be served by the Indian tribe; and

14 “(B) in lieu of the requirement of section
15 471(a)(10), provide for the approval of foster
16 homes pursuant to tribal standards and in a
17 manner that ensures the safety of, and account-
18 ability for, children placed in foster care.

19 “(2) DETERMINATION OF FEDERAL SHARE.—

20 “(A) PER CAPITA INCOME.—

21 “(i) IN GENERAL.—For purposes of
22 determining the Federal medical assistance
23 percentage applicable to an Indian tribe el-
24 igible for payments under section 474(a),
25 the calculation of an Indian tribe’s per
26 capita income shall be based upon the serv-

1 ice population of the Indian tribe as de-
2 fined in its plan in accordance with para-
3 graph (1)(A).

4 “(ii) CONSIDERATION OF OTHER IN-
5 FORMATION.—An Indian tribe may submit
6 to the Secretary such information as the
7 Indian tribe considers relevant to the cal-
8 culation of the per capita income of the In-
9 dian tribe, and the Secretary shall consider
10 such information before making the cal-
11 culation.

12 “(B) SOURCES OF NON-FEDERAL
13 SHARE.—An Indian tribe may use Federal or
14 State funds to match payments for which the
15 Indian tribe is eligible under section 474.

16 “(3) MODIFICATION OF OTHER REQUIRE-
17 MENTS.—Upon the request of an Indian tribe or
18 tribes, the Secretary may modify any requirement
19 under this part if, after consulting with the Indian
20 tribe or tribes, the Secretary determines that modi-
21 fication of the requirement would advance the best
22 interests and the safety of children served by the In-
23 dian tribe or tribes.

24 “(4) CONSORTIUM.—The participating Indian
25 tribes of an intertribal consortium may develop and

1 submit a single plan under section 471 that meets
2 the requirements of this section.

3 “(c) COOPERATIVE AGREEMENTS.—An Indian tribe
4 or intertribal consortium and a State may enter into a
5 cooperative agreement for the administration or payment
6 of funds pursuant to this part. In any case where an In-
7 dian tribe or intertribal consortium and a State enter into
8 a cooperative agreement that incorporates any of the pro-
9 visions of this section, those provisions shall be valid and
10 enforceable. Any such cooperative agreement that is in ef-
11 fect as of the date of enactment of this section, shall re-
12 main in full force and effect subject to the right of either
13 party to the agreement to revoke or modify the agreement
14 pursuant to the terms of the agreement.

15 “(d) REGULATIONS.—Not later than 1 year after the
16 date of enactment of this section, the Secretary shall, in
17 full consultation with Indian tribes and tribal organiza-
18 tions, promulgate regulations to carry out this section.

19 “(e) DEFINITIONS OF INDIAN TRIBE; TRIBAL ORGA-
20 NIZATIONS.—In this section, the terms ‘Indian tribe’ and
21 ‘tribal organization’ have the meanings given those terms
22 in subsections (e) and (l) of section 4 of the Indian Self-
23 Determination and Education Assistance Act (25 U.S.C.
24 450b), respectively.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section take effect on the date of enactment of this
3 Act without regard to regulations to implement such
4 amendments being promulgated by such date.

5 **Subtitle B—Social Services Block**
6 **Grant**

7 **SEC. 8101. SHORT TITLE.**

8 This subtitle may be cited as the “Social Services
9 Block Grant Restoration Act”.

10 **SEC. 8102. FINDINGS.**

11 Congress makes the following findings:

12 (1) Since 1975, title XX of the Social Security
13 Act (42 U.S.C. 1397 et seq.), commonly referred to
14 as the Social Services Block Grant (in this section
15 referred to as “SSBG”), has authorized funding for
16 social services to ensure that at-risk children and
17 families, the elderly, and physically and mentally dis-
18 abled individuals remain stable, independent, and
19 economically self sufficient. In 1981, Congress and
20 the Reagan Administration converted SSBG into a
21 block grant designed to give maximum flexibility to
22 States to serve these fundamental purposes.

23 (2) Funds provided under the SSBG focus cost-
24 effective support at the community level that pre-
25 vents the need for inappropriate institutional care

1 which is more costly for Federal and State programs
2 such as the medicaid, medicare, and the social secu-
3 rity disability benefits programs.

4 (3) The SSBG helps to further the goals set
5 forth in the Personal Responsibility and Work Op-
6 portunity Reconciliation Act of 1996 (Public Law
7 104–193; 110 Stat. 2105) by supporting the Tem-
8 porary Assistance to Needy Families program
9 (TANF) and support-related programs such as on-
10 the-job training, child care, transportation, coun-
11 seling, and other services that facilitate long-term
12 family stability and economic self-sufficiency.

13 (4) The SSBG provides essential funding to
14 many States for child welfare services that support
15 the goals of the Adoption and Safe Families Act of
16 1997 (Public Law 105–89; 111 Stat. 2115) to pro-
17 mote a safe family environment and encourage adop-
18 tion to move children into stable and permanent
19 families.

20 (5) The SSBG helps promote independent living
21 for vulnerable and low-income elderly individuals by
22 supporting home care services, including home-deliv-
23 ered meals, adult protective services, adult day care,
24 and other essential case management services pro-
25 vided in every State.

1 (6) It is reported that 820,000 older Americans
2 are abused and neglected in this country each year.
3 There are additional concerns about the under re-
4 porting of elderly abuse and neglect. The SSBG sup-
5 ports adult protective services that prevent wide-
6 spread abuse and neglect of older Americans and
7 help more than 651,000 elderly individuals in 31
8 States.

9 (7) More than 570,000 disabled individuals re-
10 ceive a range of community-based services and sup-
11 ports nationwide. The SSBG provides significant re-
12 sources to fill the funding gaps in the developmental
13 disabilities system by supporting such services as
14 early intervention and crisis intervention, adult day
15 care, respite care, transportation, employment train-
16 ing, and independent living services in 38 States.

17 (8) The SSBG supports essential mental health
18 and related services to ensure that vulnerable adults
19 and children receive early intervention to prevent
20 more serious and costly mental health crises in the
21 future. Such services include the provision of coun-
22 seling to almost 400,000 adults and children, case
23 management services for nearly 900,000 families,
24 and the provision of information and referral assist-
25 ance to more than 1,300,000 individuals.

1 (9) There are nearly 3,000,000 reports of child
2 abuse and neglect each year. There are currently
3 over 300,000 children in the American foster care
4 system. The SSBG enables the provision of child
5 protective services to 1,300,000 children, adoption
6 services to over 150,000 children and families, and
7 prevention and intervention services to more than
8 700,000 families.

9 (10) The SSBG has been eroded by more than
10 \$1,000,000,000 over the last 6 years resulting in
11 cuts in services in many States and local commu-
12 nities.

13 (11) Temporary Assistance to Needy Families
14 (TANF) block grants cannot be used to make up
15 cuts to the SSBG because a large percentage of
16 SSBG funds are used for the elderly, disabled, and
17 other populations that are ineligible for TANF
18 funds.

19 (12) The 104th Congress made a commitment
20 to the SSBG in the Personal Responsibility and
21 Work Opportunity Reconciliation Act of 1996 (Pub-
22 lic Law 104–193; 110 Stat. 2105) by authorizing
23 the program at \$2,380,000,000 through fiscal year
24 2002 and returning the authorization for the pro-

1 gram to \$2,800,000,000 in fiscal year 2003 and
2 each succeeding fiscal year.

3 **SEC. 8103. RESTORATION OF AUTHORITY TO TRANSFER UP**
4 **TO 10 PERCENT OF TANF FUNDS TO THE SO-**
5 **CIAL SERVICES BLOCK GRANT.**

6 (a) IN GENERAL.—Section 404(d)(2) of the Social
7 Security Act (42 U.S.C. 604(d)(2)) is amended to read
8 as follows:

9 “(2) LIMITATION ON AMOUNT TRANSFERABLE
10 TO TITLE XX PROGRAMS.—A State may use not
11 more than 10 percent of the amount of any grant
12 made to the State under section 403(a) for a fiscal
13 year to carry out State programs pursuant to title
14 XX.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) applies to amounts made available for fiscal
17 year 2004 and each fiscal year thereafter.

18 **SEC. 8104. RESTORATION OF FUNDS FOR THE SOCIAL SERV-**
19 **ICES BLOCK GRANT.**

20 Section 2003(c) of the Social Security Act (42 U.S.C.
21 1397b(c)) is amended—

22 (1) in paragraph (10), by striking “and” at the
23 end; and

24 (2) in paragraph (11), by striking “ and each
25 fiscal year thereafter.” and inserting “; and”; and

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

2 “(12) \$2,380,000,000 for the fiscal year 2004
3 and each fiscal year thereafter.”.

4 **SEC. 8105. REQUIREMENT TO SUBMIT ANNUAL REPORT ON**
5 **STATE ACTIVITIES.**

6 (a) IN GENERAL.—Section 2006(c) of the Social Se-
7 curity Act (42 U.S.C. 1397e(c)) is amended by adding at
8 the end the following new sentence: “The Secretary shall
9 compile the information submitted by the States and sub-
10 mit that information to Congress on an annual basis.”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) applies to information submitted by States
13 under section 2006 of the Social Security Act (42 U.S.C.
14 1397e) with respect to fiscal year 2003 and each fiscal
15 year thereafter.

16 **Subtitle C—Child Protection and**
17 **Alcohol and Drug Partnerships**

18 **SEC. 8201. SHORT TITLE.**

19 This subtitle may be cited as the “Child Protection/
20 Alcohol and Drug Partnership Act”.

21 **SEC. 8202. CHILD PROTECTION/ALCOHOL AND DRUG PART-**
22 **NERSHIPS FOR CHILDREN.**

23 Part B of title IV of the Social Security Act (42
24 U.S.C. 620 et seq.) is amended by adding at the end the
25 following:

1 **“Subpart 3—Child Protection/Alcohol and Drug**
2 **Partnerships For Children**

3 **“SEC. 440. DEFINITIONS.**

4 “In this subpart:

5 “(1) ALASKA NATIVE ORGANIZATION.—The
6 term ‘Alaska Native Organization’ means any orga-
7 nized group of Alaska Natives eligible to operate a
8 Federal program under the Indian Self-Determina-
9 tion Act (25 U.S.C. 450f et seq.) or such group’s
10 designee.

11 “(2) ADMINISTRATIVE COSTS.—

12 “(A) IN GENERAL.—The term ‘administra-
13 tive costs’ means the costs for the general ad-
14 ministration of administrative activities, includ-
15 ing contract costs and all overhead costs.

16 “(B) EXCLUSION.—Such term does not in-
17 clude the direct costs of providing services and
18 costs related to case management, training,
19 technical assistance, evaluation, establishment,
20 and operation of information systems, and such
21 other similar costs that are also an integral
22 part of service delivery.

23 “(3) ELIGIBLE STATE.—The term ‘eligible
24 State’ means a State that submits a joint applica-
25 tion from the State agencies that—

1 “(A) includes a plan that meets the re-
2 quirements of section 442; and

3 “(B) is approved by the Secretary for a 5-
4 year period after consultation with the Assist-
5 ant Secretary for the Administration for Chil-
6 dren and Families and the Administrator of the
7 Substance Abuse and Mental Health Services
8 Administration.

9 “(4) INDIAN TRIBE.—The term ‘Indian tribe’
10 means any Indian tribe, band, Nation or other orga-
11 nized group or community of Indians, including any
12 Alaska Native Organization, that is recognized as el-
13 igible for the special programs and services provided
14 by the United States to Indians because of their sta-
15 tus as Indians.

16 “(5) STATE.—

17 “(A) IN GENERAL.—The term ‘State’
18 means each of the 50 States, the District of Co-
19 lumbia, and the territories described in sub-
20 paragraph (B).

21 “(B) TERRITORIES.—

22 “(i) IN GENERAL.—The territories de-
23 scribed in this subparagraph are Puerto
24 Rico, Guam, the United States Virgin Is-

1 lands, American Samoa, and the Northern
2 Mariana Islands.

3 “(ii) AUTHORITY TO MODIFY RE-
4 QUIREMENTS.—The Secretary may modify
5 the requirements of this subpart with re-
6 spect to a territory described in clause (i)
7 to the extent necessary to allow such a ter-
8 ritory to conduct activities through funds
9 provided under a grant made under this
10 subpart.

11 “(6) STATE AGENCIES.—The term ‘State agen-
12 cies’ means the State child welfare agency and the
13 unit of State government responsible for the admin-
14 istration of the substance abuse prevention and
15 treatment block grant provided under subpart II of
16 part B of title XIX of the Public Health Service Act
17 (42 U.S.C. 300x–21 et seq.).

18 “(7) TRIBAL ORGANIZATION.—The term ‘tribal
19 organization’ means the recognized governing body
20 of an Indian tribe.

21 **“SEC. 441. GRANTS TO PROMOTE CHILD PROTECTION/AL-**
22 **COHOL AND DRUG PARTNERSHIPS FOR CHIL-**
23 **DREN.**

24 “(a) AUTHORITY TO AWARD GRANTS.—The Sec-
25 retary may award grants to eligible States and directly

1 to Indian tribes in accordance with the requirements of
2 this subpart for the purpose of promoting joint activities
3 among Federal, State, and local public child welfare and
4 alcohol and drug abuse prevention and treatment agencies
5 (and among child welfare and alcohol and drug abuse pre-
6 vention and treatment agencies that are providing services
7 to children in Indian tribes) that focus on families with
8 alcohol or drug abuse problems who come to the attention
9 of the child welfare system and are designed to—

10 “(1) increase the capacity of both the child wel-
11 fare system and the alcohol and drug abuse preven-
12 tion and treatment system to address comprehen-
13 sively and in a timely manner the needs of such fam-
14 ilies to improve child safety, family stability, and
15 permanence; and

16 “(2) promote recovery from alcohol and drug
17 abuse problems.

18 “(b) NOTIFICATION.—Not later than 60 days after
19 the date a joint application is submitted by the State agen-
20 cies or an application is submitted by an Indian tribe, the
21 Secretary shall notify a State or Indian tribe that the ap-
22 plication has been approved or disapproved.

23 **“SEC. 442. PLAN REQUIREMENTS.**

24 “(a) CONTENTS.—Subject to subsection (c), the plan
25 shall contain the following:

1 “(1) A detailed description of how the State
2 agencies will work jointly to implement a range of
3 activities to meet the alcohol and drug abuse preven-
4 tion and treatment needs of families who come to
5 the attention of the child welfare system and to pro-
6 mote child safety, permanence, and family stability.

7 “(2) An assurance that the heads of the State
8 agencies shall jointly administer the grant program
9 funded under this subpart and a description of how
10 they will do so.

11 “(3) A description of the nature and extent of
12 the problem of alcohol and drug abuse among fami-
13 lies who come to the attention of the child welfare
14 system in the State, and of any plans being imple-
15 mented to further identify and assess the extent of
16 the problem.

17 “(4) A description of any joint activities already
18 being undertaken by the State agencies in the State
19 on behalf of families with alcohol and drug abuse
20 problems who come to the attention of the child wel-
21 fare system (including any existing data on the im-
22 pact of such joint activities) such as activities relat-
23 ing to—

24 “(A) the appropriate screening and assess-
25 ment of cases;

1 “(B) consultation on cases involving alco-
2 hol and drug abuse;

3 “(C) arrangements for addressing con-
4 fidentiality and sharing of information;

5 “(D) cross training of staff;

6 “(E) co-location of services;

7 “(F) support for comprehensive treatment
8 programs for parents and their children; and

9 “(G) establishing priority of child welfare
10 families for assessment or treatment.

11 “(5)(A) A description of the joint activities to
12 be funded in whole or in part with the funds pro-
13 vided under the grant, including the sequencing of
14 the activities proposed to be conducted under the 5-
15 year funding cycle and the goals to be achieved dur-
16 ing such funding cycle. The activities and goals shall
17 be designed to improve the capacity of the State
18 agencies to work jointly to improve child safety, fam-
19 ily stability, and permanence for children whose fam-
20 ilies come to the attention of the child welfare sys-
21 tem and to promote their parents’ recovery from al-
22 cohol and drug abuse.

23 “(B) The description shall include a statement
24 as to why the State agencies chose the specified ac-
25 tivities and goals.

1 “(6) A description as to whether and how the
2 joint activities described in paragraph (5), and other
3 related activities funded with Federal funds, will ad-
4 dress some or all of the following practices and pro-
5 cedures:

6 “(A) Practices and procedures designed to
7 appropriately—

8 “(i) identify alcohol and drug treat-
9 ment needs;

10 “(ii) assess such needs;

11 “(iii) assess risks to the safety of a
12 child and the need for permanency with re-
13 spect to the placement of a child;

14 “(iv) enroll families in appropriate
15 services and treatment in their commu-
16 nities; and

17 “(v) regularly assess the progress of
18 families receiving such treatment.

19 “(B) Practices and procedures designed to
20 provide comprehensive and timely individualized
21 alcohol and drug abuse prevention and treat-
22 ment services for families who come to the at-
23 tention of the child welfare system that include
24 a range of options that are available, accessible,

1 and appropriate, and that may include the fol-
2 lowing components:

3 “(i) Preventive and early intervention
4 services for children of parents with alcohol
5 and drug abuse problems that integrate al-
6 cohol and drug abuse prevention services
7 with mental health and domestic violence
8 services, and that recognize the mental,
9 emotional, and developmental problems the
10 children may experience.

11 “(ii) Prevention and early intervention
12 services for parents at risk for alcohol and
13 drug abuse problems.

14 “(iii) Comprehensive home-based, out-
15 patient, and residential treatment options.

16 “(iv) After-care support (both formal
17 and informal) for families in recovery that
18 promotes child safety and family stability.

19 “(v) Services and supports that focus
20 on parents, parents with their children,
21 parents’ children, other family members,
22 and parent-child interaction.

23 “(C) Elimination of existing barriers to
24 treatment and to child safety and permanence,
25 such as difficulties in sharing information

1 among agencies and differences between the
2 values and treatment protocols of the different
3 agencies.

4 “(D) Effective engagement and retention
5 strategies.

6 “(E) Pre-service and in-service joint train-
7 ing of management and staff of child welfare
8 and alcohol and drug abuse prevention and
9 treatment agencies, and, where appropriate,
10 judges and other court staff, to—

11 “(i) increase such individuals’ aware-
12 ness and understanding of alcohol and
13 drug abuse and related child abuse and ne-
14 glect;

15 “(ii) more accurately identify and
16 screen alcohol and drug abuse and child
17 abuse in families;

18 “(iii) improve assessment skills of
19 both child abuse and alcohol and drug
20 abuse staff, including skills to assess risk
21 to children’s safety;

22 “(iv) increase staff knowledge of the
23 services and resources that are available in
24 such individuals’ communities and appro-
25 priate for such families; and

1 “(v) increase awareness of the impor-
2 tance of permanence for children and the
3 timelines for decisionmaking regarding per-
4 manence in the child welfare system.

5 “(F) Progress in enhancing the abilities of
6 the State agencies to improve the data systems
7 of such agencies in order to monitor the
8 progress of families, evaluate service and treat-
9 ment outcomes, and determine which ap-
10 proaches and activities are most effective.

11 “(G) Evaluation strategies to demonstrate
12 the effectiveness of treatment and identify the
13 aspects of treatment that have the greatest im-
14 pact on families in different circumstances.

15 “(H) Training and technical assistance to
16 increase the capacity within the State to carry
17 out 1 or more of the activities described in this
18 paragraph or related activities that are designed
19 to expand prevention and treatment services
20 for, and staff training to assist families with al-
21 cohol and drug abuse problems who come to the
22 attention of the child welfare system.

23 “(7) A description of the jurisdictions in the
24 State (including whether such jurisdictions are
25 urban, suburban, or rural) where the joint activities

1 will be provided, and the plans for expanding such
2 activities to other parts of the State during the 5-
3 year funding cycle.

4 “(8) A description of the methods to be used in
5 measuring progress toward the goals identified
6 under paragraph (5), including how the State agen-
7 cies will jointly measure their performance in accord-
8 ance with section 445, and how remaining barriers
9 to meeting the needs of families with alcohol or drug
10 abuse problems who come to the attention of the
11 child welfare system will be assessed.

12 “(9) A description of what input was obtained
13 in the development of the plan and the joint applica-
14 tion from each of the following groups of individuals,
15 and the manner in which each will continue to be in-
16 volved in the proposed joint activities:

17 “(A) Staff who provide alcohol and drug
18 abuse prevention and treatment and related
19 services to families who come to the attention
20 of the child welfare system.

21 “(B) Advocates for children and parents
22 who come to the attention of the child welfare
23 and alcohol and drug abuse prevention and
24 treatment systems.

1 “(C) Consumers of both child welfare and
2 alcohol and drug abuse prevention and treat-
3 ment services.

4 “(D) Direct service staff and supervisors
5 from public and private child welfare and alco-
6 hol and drug abuse prevention and treatment
7 agencies.

8 “(E) Judges and court staff.

9 “(F) Representatives of the State agencies
10 and private providers providing health, mental
11 health, domestic violence, housing, education,
12 and employment services.

13 “(G) A representative of the State agency
14 in charge of administering the temporary assist-
15 ance to needy families program funded under
16 part A of this title.

17 “(10) An assurance of the coordination, to the
18 extent feasible and appropriate, of the activities
19 funded under a grant made under this subpart with
20 the services or benefits provided under other Federal
21 or federally assisted programs that serve families
22 with alcohol and drug abuse problems who come to
23 the attention of the child welfare system, including
24 health, mental health, domestic violence, housing,
25 and employment programs, the temporary assistance

1 to needy families program funded under part A of
2 this title, other child welfare and alcohol and drug
3 abuse prevention and treatment programs, and the
4 courts.

5 “(11) An assurance that not more than 10 per-
6 cent of expenditures under the plan for any fiscal
7 year shall be for administrative costs.

8 “(12) An assurance that alcohol and drug
9 treatment services provided at least in part with
10 funds provided under a grant made under this sub-
11 part shall be licensed, certified, or otherwise ap-
12 proved by the appropriate State alcohol and drug
13 abuse agencies, or in the case of an Indian tribe, by
14 a State alcohol and drug abuse agency, the Indian
15 Health Service, or other designated licensing agency.

16 “(13) An assurance that Federal funds pro-
17 vided to the State under a grant made under this
18 subpart will not be used to supplant Federal or non-
19 Federal funds for services and activities provided as
20 of the date of the submission of the plan that assist
21 families with alcohol and drug abuse problems who
22 come to the attention of the child welfare system.

23 “(b) AMENDMENTS.—

1 “(1) IN GENERAL.—An eligible State or Indian
2 tribe may amend, in whole or in part, its plan at any
3 time through transmittal of a plan amendment.

4 “(2) 60-DAY APPROVAL DEADLINE.—A plan
5 amendment is considered approved unless the Sec-
6 retary notifies an eligible State or Indian tribe in
7 writing, within 60 days after receipt of the amend-
8 ment, that the amendment is disapproved (and the
9 reasons for disapproval) or that specified additional
10 information is needed.

11 “(c) REQUIREMENTS FOR APPLICATIONS BY INDIAN
12 TRIBES.—

13 “(1) IN GENERAL.—In order to be eligible for
14 a grant made under this subpart, an Indian tribe
15 shall—

16 “(A) submit a plan to the Secretary that
17 describes—

18 “(i) the activities the tribe will under-
19 take with both child welfare and alcohol
20 and drug agencies that serve the tribe’s
21 children to address the needs of families
22 who come to the attention of the child wel-
23 fare agencies and have alcohol and drug
24 problems; and

1 “(ii) whether and how such activities
2 address any of the practice and policy
3 areas in subsection (a)(6); and

4 “(B) subject to paragraph (2), meet the
5 other requirements of subsection (a) unless,
6 with respect to a specific requirement of such
7 subsection, the Secretary determines that it
8 would be inappropriate to apply such require-
9 ment to an Indian tribe, taking into account the
10 resources, needs, and other circumstances of
11 the Indian tribe.

12 “(2) ADMINISTRATIVE COSTS; USE OF FEDERAL
13 FUNDS.—Paragraphs (11) and (13) of subsection
14 (a) shall not apply to a plan submitted by an Indian
15 tribe. The indirect cost rate agreement in effect for
16 an Indian tribe shall apply with respect to adminis-
17 trative costs under the tribe’s plan.

18 “(3) AUTHORITY FOR INTERTRIBAL CONSOR-
19 TIUM.—The participating Indian tribes of an inter-
20 tribal consortium may develop and submit a single
21 plan that meets the applicable requirements of sub-
22 section (a) (as so determined by the Secretary) and
23 paragraph (1) of this subsection.

1 **“SEC. 443. APPROPRIATION OF FUNDS.**

2 “(a) APPROPRIATIONS.—For the purpose of pro-
3 viding allotments to eligible States and Indian tribes under
4 this subpart and research and training under subsection
5 (b)(3), there is appropriated out of any money in the
6 Treasury not otherwise appropriated—

7 “(1) for fiscal year 2004, \$200,000,000;

8 “(2) for fiscal year 2005, \$275,000,000;

9 “(3) for fiscal year 2006, \$375,000,000;

10 “(4) for fiscal year 2007, \$475,000,000; and

11 “(5) for fiscal year 2008, \$575,000,000.

12 “(b) RESERVATION OF FUNDS.—With respect to a
13 fiscal year:

14 “(1) TERRITORIES.—The Secretary shall re-
15 serve 2 percent of the amount appropriated under
16 subsection (a) for such fiscal year for payments to
17 Puerto Rico, Guam, the United States Virgin Is-
18 lands, American Samoa, and the Northern Mariana
19 Islands.

20 “(2) INDIAN TRIBES.—The Secretary shall re-
21 serve not less than 3 nor more than 5 percent of the
22 amount appropriated under subsection (a) for such
23 fiscal year for direct payments to Indian tribes and
24 Indian tribal organizations for activities intended to
25 increase the capacity of the Indian tribes and tribal
26 organizations to expand treatment, services, and

1 training to assist families with alcohol and drug
2 abuse problems who come to the attention of the
3 child welfare agencies.

4 “(3) RESEARCH AND TRAINING.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), the Secretary shall reserve 1 percent
7 of the amount appropriated under subsection
8 (a) for such fiscal year for practice-based re-
9 search on the effectiveness of various ap-
10 proaches for the screening, assessment, engage-
11 ment, treatment, retention, and monitoring of
12 families with alcohol and drug abuse problems
13 who come to the attention of the child welfare
14 system, and for training of staff in such areas
15 and shall ensure that a portion of such amount
16 is used for research on the effectiveness of these
17 approaches for Indian children and for the
18 training of staff serving children from the In-
19 dian tribes.

20 “(B) DETERMINATION OF USE OF
21 FUNDS.—Funds reserved under subparagraph
22 (A) may only be used to carry out a research
23 agenda that addresses the areas described in
24 such subparagraph and that is established by
25 the Secretary, together with the Assistant Sec-

1 retary for the Administration for Children and
2 Families and the Administrator of Substance
3 Abuse and Mental Health Services Administra-
4 tion, with input from public and private non-
5 profit providers, consumers, representatives of
6 Indian tribes, and advocates, as well as others
7 with expertise in research in such areas.

8 **“SEC. 444. PAYMENTS TO ELIGIBLE STATES AND INDIAN**
9 **TRIBES.**

10 “(a) AMOUNT OF GRANT.—

11 “(1) ELIGIBLE STATES OTHER THAN TERRI-
12 TORIES.—

13 “(A) IN GENERAL.—From the amount ap-
14 propriated under subsection (a) of section 443
15 for a fiscal year, after the reservation of funds
16 required under subsection (b) of that section for
17 the fiscal year and subject to subparagraphs
18 (B) and (C), the Secretary shall pay to each eli-
19 gible State (after the Secretary has determined
20 that the State has satisfied the matching re-
21 quirement under subsection (b)) an amount
22 that bears the same ratio to such amount for
23 such fiscal year as the number of children
24 under the age of 18 that reside in the eligible
25 State bears to the total number of children

1 under the age of 18 who reside in all such eligi-
2 ble States for such fiscal year.

3 “(B) MINIMUM ALLOTMENT.—In no case
4 shall the amount of a payment to an eligible
5 State for a fiscal year be less than an amount
6 equal to 0.5 percent of the amount appropriated
7 under subsection (a) of section 443 for the fis-
8 cal year, after the reservation of funds required
9 under subsection (b) of that section.

10 “(C) PRO RATA REDUCTIONS.—The Sec-
11 retary shall make pro rata reductions in the
12 amounts of the allotments determined under
13 subparagraph (A) for a fiscal year to the extent
14 necessary to comply with subparagraph (B).

15 “(2) TERRITORIES.—From the amounts re-
16 served under section 443(b)(1) for a fiscal year, the
17 Secretary shall pay to each territory described in
18 section 440(5)(B) with an approved plan that meets
19 the requirements of section 442 (after the Secretary
20 has determined that the territory has satisfied the
21 matching requirement under subsection (b)) an
22 amount that bears the same ratio to such amount
23 for such fiscal year as the number of children under
24 the age of 18 that reside in the territory bears to

1 the total number of children under the age of 18
2 who reside in all such territories for such fiscal year.

3 “(3) INDIAN TRIBES OR TRIBAL ORGANIZA-
4 TIONS.—From the amount reserved under section
5 443(b)(2) for a fiscal year, the Secretary shall pay
6 to each Indian tribe with an approved plan that
7 meets the requirements of section 442(c) (after the
8 Secretary has determined that the Indian tribe has
9 satisfied the matching requirement under subsection
10 (b)) an amount that bears the same ratio to such re-
11 served amount for such fiscal year as the number of
12 children under the age of 18 in the Indian tribe
13 bears to the total number of children under the age
14 of 18 in all Indian tribes with plans so approved for
15 such fiscal year, as determined by the Secretary on
16 the basis of the most current and reliable informa-
17 tion available to the Secretary. For purposes of mak-
18 ing the allocations required under the preceding sen-
19 tence, an Indian tribe may submit data and other in-
20 formation that it has on the number of Indian chil-
21 dren under the age of 18 for consideration by the
22 Secretary.

23 “(b) MATCHING REQUIREMENT.—

24 “(1) IN GENERAL.—In order to receive a grant
25 under this subpart for a fiscal year, an eligible State

1 or Indian tribe shall provide through non-Federal
2 contributions the applicable percentage determined
3 under paragraph (2) for such fiscal year of the costs
4 of conducting activities funded in whole or in part
5 with funds provided under the grant. Such contribu-
6 tions shall be paid jointly by the State agencies, in
7 the case of an eligible State, or by an Indian tribe.

8 “(2) APPLICABLE PERCENTAGE.—For purposes
9 of paragraph (1), the applicable percentage for an
10 eligible State or Indian tribe for a fiscal year is—

11 “(A) 15 percent, in the case of fiscal years
12 2004 and 2005;

13 “(B) 20 percent, in the case of fiscal years
14 2006 and 2007; and

15 “(C) 25 percent, in the case of fiscal year
16 2008.

17 “(3) SOURCE OF MATCH.—

18 “(A) ELIGIBLE STATES.—The non-Federal
19 contributions required of an eligible State under
20 this subsection may be in cash or in kind, fairly
21 evaluated, including plant, equipment, or serv-
22 ices. The contributions may be made directly or
23 through donations from public or private enti-
24 ties. Amounts provided by the Federal Govern-
25 ment, or services assisted or subsidized to any

1 significant extent by the Federal Government
2 may not be included in determining whether an
3 eligible State has provided the applicable per-
4 centage of such contributions for a fiscal year.

5 “(B) INDIAN TRIBES.—With respect to an
6 Indian tribe, such contributions may be made in
7 cash, through donated funds, through non-pub-
8 lic third party in kind contributions, or from
9 Federal funds received under any of the fol-
10 lowing provisions of law:

11 “(i) The Indian Child Welfare Act of
12 1978 (25 U.S.C. 1901 et seq.).

13 “(ii) The Indian Self-Determination
14 and Education Assistance Act (25 U.S.C.
15 450b et seq.).

16 “(iii) Title I of the Housing and Com-
17 munity Development Act of 1974 (42
18 U.S.C. 5301 et seq.).

19 “(4) WAIVER.—

20 “(A) ELIGIBLE STATES.—In the case of an
21 eligible State, the Secretary, after consultation
22 with the Assistant Secretary for the Adminis-
23 tration for Children and Families and the Ad-
24 ministrator of the Substance Abuse and Mental
25 Health Services Administration, may modify the

1 applicable percentage determined under para-
2 graph (2) for matching funds if the Secretary
3 determines that economic conditions in the eli-
4 gible State justify making such modification.

5 “(B) INDIAN TRIBES.—In the case of an
6 Indian tribe, the Secretary may modify the ap-
7 plicable percentage determined under such
8 paragraph if the Secretary determines that it
9 would be inappropriate to apply to the Indian
10 tribe, taking into the resources and needs of the
11 tribe and the amount of funds the tribe would
12 receive under a grant made under this section.

13 “(c) USE OF FUNDS.—Funds provided under a grant
14 made under this subpart may only be used to carry out
15 activities specified in the plan, as approved by the Sec-
16 retary.

17 “(d) DEADLINE FOR REQUEST FOR PAYMENT.—An
18 eligible State or Indian tribe shall apply to be paid funds
19 under a grant made under this subpart not later than the
20 beginning of the fourth quarter of a fiscal year or such
21 funds shall be reallocated under subsection (f).

22 “(e) CARRYOVER OF FUNDS.—Funds paid to an eli-
23 gible State or Indian tribe under a grant made under this
24 subpart for a fiscal year may be expended in that fiscal
25 year or the succeeding fiscal year.

1 “(f) REALLOTMENT OF FUNDS.—

2 “(1) ELIGIBLE STATES.—In the case of an eli-
3 gible State that does not apply for funds allotted to
4 the eligible State under a grant made under this
5 subpart for a fiscal year within the time provided
6 under subsection (d), or that does not expend such
7 funds during the time provided under subsection (e),
8 the funds which the eligible State would have been
9 entitled to for such fiscal year shall be reallocated to
10 1 or more other eligible States on the basis of each
11 such State’s relative need for additional payments,
12 as determined by the Secretary, after consultation
13 with the Assistant Secretary for the Administration
14 for Children and Families and the Administrator of
15 the Substance Abuse and Mental Health Services
16 Administration.

17 “(2) INDIAN TRIBES.—In the case of an Indian
18 tribe that does not expend funds allotted to the tribe
19 during the time provided under subsection (e), the
20 funds to which the Indian tribe would have been en-
21 titled to for such fiscal year shall be reallocated to the
22 remaining Indian tribes that are implementing ap-
23 proved plans in amounts that are proportional to the
24 percentage of Indian children under the age of 18 in
25 each such tribe.

1 **“SEC. 445. PERFORMANCE ACCOUNTABILITY; REPORTS**
2 **AND EVALUATIONS.**

3 “(a) PERFORMANCE MEASUREMENT.—

4 “(1) ESTABLISHMENT OF INDICATORS.—The
5 Secretary, in consultation with the Assistant Sec-
6 retary for the Administration for Children and Fam-
7 ilies, the Administrator of the Substance Abuse and
8 Mental Health Services Administration, Chief Exec-
9 utive Officers of a State or Territory, State legisla-
10 tors, State and local public officials responsible for
11 administering child welfare and alcohol and drug
12 abuse prevention and treatment programs, court
13 staff, consumers of the services, and advocates for
14 children and parents who come to the attention of
15 the child welfare system, shall, within 12 months of
16 the date of enactment of the Child Protection/Alco-
17 hol and Drug Partnership Act, establish indicators
18 that will be used to assess periodically the perform-
19 ance of eligible States and Indian tribes in using
20 grant funds provided under this subpart to promote
21 child safety, permanence, and well-being and recov-
22 ery in families who come to the attention of the child
23 welfare system.

24 “(2) COORDINATION.—The indicators estab-
25 lished under paragraph (1) shall be based on and co-
26 ordinated with the performance outcomes established

1 for the child welfare system pursuant to section
2 203(b) of the Adoption and Safe Families Act of
3 1997 and the performance measures developed
4 under subpart II of part B of title XIX of the Public
5 Health Service Act (relating to the substance abuse
6 prevention and treatment block grant).

7 “(3) PURPOSE.—The indicators will be used to
8 measure periodically the progress made by the State
9 agencies and by child welfare and alcohol and drug
10 abuse prevention and treatment agencies serving
11 children in Indian tribes in the activities that such
12 agencies jointly engage in with such grant funds. An
13 eligible State or Indian tribe will be measured
14 against itself, assessing progress over time against a
15 baseline established at the time the grant activities
16 were undertaken.

17 “(4) ILLUSTRATIVE EXAMPLES.—The indica-
18 tors developed should address the range of activities
19 that eligible States and Indian tribes have the option
20 of engaging in with such grant funds. Examples of
21 the types of progress to be measured in the different
22 areas of activity include the following:

23 “(A) Improving the screening and assess-
24 ment of families who come to the attention of
25 the child welfare system with alcohol and drug

1 problems, so such families can be promptly re-
2 ferred for appropriate treatment when nec-
3 essary.

4 “(B) Increasing the availability of com-
5 prehensive and timely individualized treatment
6 for families with alcohol and drug problems who
7 come to the attention of the child welfare sys-
8 tem.

9 “(C) Increasing the number or proportion
10 of families who, when they come to the atten-
11 tion of the child welfare system with alcohol
12 and drug problems, promptly enter appropriate
13 treatment.

14 “(D) Increasing the engagement and re-
15 tention in treatment of families with alcohol
16 and drug problems who come to the attention
17 of the child welfare system.

18 “(E) Decreasing the number of children
19 who re-enter foster care after being returned to
20 families who had alcohol or drug problems when
21 the children entered foster care.

22 “(F) Increasing the number or proportion
23 of staff in both the public child welfare and al-
24 cohol and drug abuse prevention and treatment
25 agencies who have received training on the

1 needs of families that come to the attention of
2 the child welfare and alcohol and drug abuse
3 prevention and treatment systems for help, and
4 the help that can be provided to such families.

5 “(G) Increasing the proportion of parents
6 who complete treatment for alcohol or drug
7 abuse and show improvement in their pre-em-
8 ployment or employment status.

9 “(5) DETERMINATION OF PROGRESS.—

10 “(A) INITIAL REPORT.—Not later than the
11 end of the first fiscal year in which funds are
12 received under a grant made under this sub-
13 part, the State agencies in each eligible State
14 that receives such funds, and the Indian tribes
15 that receive such funds, shall submit to the Sec-
16 retary a report on the activities carried out dur-
17 ing the fiscal year with such funds. The report
18 shall contain such information as the Secretary
19 determines is necessary to provide an accurate
20 description of the activities conducted with such
21 funds and of any changes in the use of such
22 funds that are planned for the succeeding fiscal
23 year.

24 “(B) USE OF INDICATORS.—As soon as
25 possible after the establishment of indicators

1 under paragraph (1), the State agencies and In-
2 dian tribes shall conduct evaluations, directly or
3 under contract, of their progress with respect to
4 such indicators that are directly related to ac-
5 tivities the eligible State or Indian tribe is en-
6 gaging in with such grant funds and include in-
7 formation on the evaluation in the reports to
8 the Secretary required under subparagraphs
9 (C) and (D). After the third year in which such
10 activities are conducted, an eligible State or In-
11 dian tribe shall include in the evaluation at
12 least some indicators that address improve-
13 ments in treatment for families with alcohol
14 and drug problems who come to the attention
15 of the child welfare system.

16 “(C) SUBSEQUENT REPORTS.—After the
17 initial report is submitted under subparagraph
18 (A), an eligible State or Indian tribe shall sub-
19 mit to the Secretary, not later than June 30 of
20 each fiscal year thereafter in which the State or
21 tribe carries out activities with grant funds pro-
22 vided under this subpart, a report on the appli-
23 cation of the indicators established under para-
24 graph (1) to such activities. The reports shall
25 include an explanation regarding why the spe-

1 cific indicators used were chosen, how such in-
2 dicators are expected to impact a child’s safety,
3 permanence, well-being, and parental recovery,
4 and the results (as of the date of submission of
5 the report) of the evaluation conducted under
6 subparagraph (B).

7 “(D) FINAL REPORT.—Not later than Sep-
8 tember 30, 2008, each eligible State and Indian
9 tribe with an approved plan under this part
10 shall submit a final report on the evaluations
11 conducted under subparagraph (B) and the
12 progress made in achieving the goals specified
13 in the plan of the State or Indian tribe.

14 “(E) FAILURE TO REPORT.—

15 “(i) IN GENERAL.—Subject to clause
16 (ii), an eligible State or Indian tribe that
17 fails to submit the reports required under
18 this paragraph or to conduct the evalua-
19 tion required under subparagraph (B) shall
20 not be eligible to receive grant funds pro-
21 vided under this subpart for the fiscal year
22 following the fiscal year in which such
23 State or Indian tribe failed to submit such
24 report or conduct such evaluation.

1 “(ii) CORRECTIVE ACTION.—An eligi-
2 ble State or Indian tribe to which clause
3 (i) applies may, notwithstanding such
4 clause, receive grant funds under this sub-
5 part for a succeeding fiscal year if prior to
6 September 30 of the fiscal year in which
7 such failure occurred, the State agencies of
8 the eligible State, or the Indian tribe, sub-
9 mit to the Secretary a plan to monitor and
10 evaluate in a timely manner the activities
11 conducted with such funds, and such plan
12 is approved in a timely manner by the Sec-
13 retary, after consultation with the Admin-
14 istration for Children and Families and the
15 Substance Abuse and Mental Health Serv-
16 ices Administration.

17 “(b) SECRETARIAL REPORTS AND EVALUATIONS.—

18 “(1) ANNUAL REPORTS.—On the basis of re-
19 ports submitted under subsection (a), the Secretary,
20 in consultation with the Assistant Secretary for the
21 Administration for Children and Families and the
22 Administrator of the Substance Abuse and Mental
23 Health Services Administration, shall report annu-
24 ally, beginning on October 1, 2005, to the Com-
25 mittee on Ways and Means of the House of Rep-

1 representatives and the Committee on Finance of the
2 Senate on the joint activities conducted with funds
3 provided under grants made under this subpart, the
4 indicators that have been established, and the
5 progress that has been made in addressing the needs
6 of families with alcohol and drug abuse problems
7 who come to the attention of the child welfare sys-
8 tem and in achieving the goals of child safety, per-
9 manence, and family stability.

10 “(2) EVALUATIONS.—Not later than 6 months
11 after the end of each 5-year funding cycle under this
12 subpart, the Secretary shall submit a report to the
13 committees described in paragraph (1) that summa-
14 rizes the results of the evaluations conducted by eli-
15 gible States and Indian tribes under subsection
16 (a)(5)(B), as reported by such States and Indian
17 tribes in accordance with subparagraphs (C) and
18 (D) of subsection (a)(5). The Secretary shall include
19 in the report required under this paragraph rec-
20 ommendations for further legislative or administra-
21 tive actions that are designed to assist children and
22 families with alcohol and drug abuse problems who
23 come to the attention of the child welfare system.”.

1 **Subtitle D—Permanency Grants**

2 **SEC. 8301. ESTABLISHMENT OF PERMANENCY GRANTS**
3 **PROGRAM.**

4 Part E of title IV of the Social Security Act (42
5 U.S.C. 670 et seq.), as amended by section 8011(b), is
6 amended by adding at the end the following:

7 **“SEC. 479C. PERMANENCY GRANTS.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) QUALIFIED STATE AGENCY.—The term
10 ‘qualified State agency’ means, with respect to a
11 State, the State agency—

12 “(A) with responsibility for administering
13 the program authorized by subpart 1 of part B
14 and the program authorized under this part;
15 and

16 “(B) that submits an application in ac-
17 cordance with the requirements of subsection
18 (c).

19 “(2) WAITING CHILDREN.—The term ‘waiting
20 children’ means the children described in subsection
21 (b)(2).

22 “(b) AUTHORITY TO AWARD GRANTS.—The Sec-
23 retary shall award a one-time grant to each qualified State
24 agency for the purposes of—

1 “(1) promoting the permanency goals of the
2 Adoption and Safe Families Act of 1997; and

3 “(2) enabling the agency to reduce existing
4 backlogs of children with permanent placement plans
5 pursuant to that Act who, as of the date of enact-
6 ment of that Act, were waiting to be placed in per-
7 manent homes, through return to their families,
8 placement in adoptive homes, or placement with a
9 legal guardian or a fit or willing relative.

10 “(c) APPLICATION.—A State agency desiring a grant
11 under this section shall submit an application for a grant,
12 in such form and manner as the Secretary shall require,
13 that contains a description of the following:

14 “(1) The barriers to achieving the permanency
15 goals established in the Adoption and Safe Families
16 Act of 1997.

17 “(2) The results of the review of the perma-
18 nency plans for children in foster care on November
19 19, 1997 (the date of enactment of that Act), in-
20 cluding—

21 “(A) the number of children who have per-
22 manency plans;

23 “(B) a description of the permanency goals
24 for such children;

25 “(C) the age of such children;

1 “(D) the current placements and special
2 needs of such children; and

3 “(E) the number of such children who
4 have and the number of such children who have
5 not yet been placed in accordance with those
6 plans.

7 “(3) The activities the agency proposes, includ-
8 ing a specific plan and timetable, to—

9 “(A) move the waiting children to perma-
10 nent homes; and

11 “(B) reduce the backlog of waiting chil-
12 dren.

13 “(4) How the grant funds will be used
14 to help secure permanent homes for wait-
15 ing children.

16 “(5) Subject to subsection (e), the in-
17 formation described in that subsection.

18 “(c) USE OF FUNDS.—Funds provided under a grant
19 made under this section may be used for any purpose that
20 the Secretary determines will assist the State agency to
21 secure permanent homes for waiting children.

22 “(d) AVAILABILITY OF FUNDS.—Funds awarded
23 under a grant made under this section shall remain avail-
24 able for expenditure by a qualified State agency through
25 the end of the second succeeding fiscal year.

1 “(e) COORDINATION WITH GRANTS TO COURTS TO
2 REDUCE BACKLOGS.—If a qualified State agency receiv-
3 ing a grant under this section is in a State where the State
4 or local courts are recipients of grants pursuant to the
5 Strengthening Abuse and Neglect Courts Act of 2000 to
6 reduce pending backlogs of abuse and neglect cases and
7 promote permanency, the application submitted under
8 subsection (b) shall include a description of how the pro-
9 posed backlog reduction activities undertaken with funds
10 provided under a grant under this section will be coordi-
11 nated with the activities undertaken by the State or local
12 courts with funds provided under that Act.

13 “(f) PRIORITY OF AWARDS.—In awarding grants
14 under this section, the Secretary shall give priority to
15 qualified State agencies that can demonstrate that they
16 already have taken steps to move waiting children to per-
17 manent homes.

18 “(g) REPORT.—Not later than 60 days after the end
19 of each fiscal year for which a qualified State agency ex-
20 pends funds under a grant made under this section, and
21 90 days after the date of the final expenditure of such
22 funds, the agency shall submit a report to the Secretary
23 that includes any information that the Secretary deter-
24 mines would assist other jurisdictions in achieving the per-

1 manency goals of the Adoption and Safe Families Act of
2 1997, including the following:

3 “(1) The barriers to permanence that are being
4 or were addressed with grant funds.

5 “(2) The most effective strategies used to re-
6 duce the backlog of waiting children.

7 “(3) The activities funded under the grant that
8 helped to reduce such backlog.

9 “(4) The numbers of waiting children who were
10 moved to permanent homes, including the ages of
11 such children, any special needs of such children,
12 and a description of the children’s placements.

13 “(5) The efforts being made to ensure that the
14 placements continue to be permanent.

15 “(6) The number of waiting children who re-
16 main in care without permanent families.

17 “(h) FUNDING.—There is appropriated, out of any
18 money in the Treasury not otherwise appropriated,
19 \$200,000,000 for each of fiscal years 2004 and 2005 for
20 the purpose of making grants under this section.”.

21 **Subtitle E—Addressing the Needs**
22 **of Children Exposed to Domes-**
23 **tic Violence**

24 **SEC. 8401. FINDINGS.**

25 Congress makes the following findings:

1 (1) Domestic violence and sexual assault occur
2 frequently in the United States. 1,500,000 women
3 are raped or physically assaulted by an intimate
4 partner annually in the United States, and 1 in 4
5 women in the United States will experience domestic
6 violence or sexual assault in her lifetime.

7 (2) At least 3,300,000 children in the United
8 States are exposed to parental violence every year.

9 (3) Child abuse and domestic violence often
10 occur within the same families. Because of this over-
11 lap, cross-training for child welfare workers, courts,
12 law enforcement, prosecutors, and domestic violence
13 and sexual assault victim service providers is essen-
14 tial.

15 (4) Forty to 60 percent of men who abuse
16 women also abuse children.

17 (5) In 43 percent of households where intimate
18 violence occurs, at least 1 child under the age of 12
19 lives in the home. Domestic violence has been shown
20 to occur disproportionately in homes with children
21 under age 5.

22 (6) In most States, more than 50 percent of the
23 residents in battered women's shelters are children.

1 (7) As many as 500,000 children may be en-
2 countered by police during domestic violence arrests
3 each year.

4 (8) Children who live in homes where domestic
5 violence occurs are at a higher risk of anxiety and
6 depression, and exhibit more aggressive, antisocial,
7 inhibited, and fearful behaviors than other children.

8 (9) Children's experiences vary widely as the re-
9 sult of their exposure to domestic violence depending
10 on their family situations, community environment,
11 and the child's own personality. Children need com-
12 prehensive services that serve the continuum of their
13 individual needs.

14 (10) Adolescents who have grown up in violent
15 homes are at risk for recreating the abusive relation-
16 ships they have observed. Forty percent of violent
17 juvenile offenders come from homes where there is
18 domestic violence, and 50 percent of children who
19 come before delinquency court have been exposed to
20 violence in the home.

21 (11) Men who as children witnessed their par-
22 ent's domestic violence are twice as likely to abuse
23 their own wives as are sons of nonviolent parents.
24 One-third of women who are physically abused by a

1 husband or boyfriend grew up in a household where
2 their mother was also abused.

3 (12) The most successful strategies for dealing
4 with the overlap between domestic violence and child
5 abuse are those that provide for the safety of both
6 the children and the nonabusing parent.

7 (13) Recent studies show that battered women
8 parent effectively and attend to their children's
9 needs.

10 (14) In a major metropolitan area, 80 percent
11 of surveyed battered women with children reported
12 that they and their children were safe and together
13 as a family after receiving domestic violence advo-
14 cacy services. In contrast, the rate of substantiated
15 cases of sexual abuse in foster care is more than 4
16 times higher than the rate in the general population.

17 **SEC. 8402. PURPOSE.**

18 The purpose of this subtitle is to—

19 (1) reduce the impact of domestic violence, sex-
20 ual assault, and stalking in the lives of youth and
21 children;

22 (2) provide appropriate services for children
23 and youth experiencing or exposed to domestic vio-
24 lence, sexual assault, and stalking;

1 (3) develop and implement education programs
2 to prevent children and youth from becoming victims
3 or perpetrators of domestic violence, sexual assault,
4 or stalking;

5 (4) encourage cross training and collaboration
6 among child welfare agencies, domestic violence and
7 sexual assault service providers, courts, law enforce-
8 ment entities, health care professionals, crisis nurs-
9 eries, and other social services to recognize and re-
10 sponsibly address domestic violence and sexual as-
11 sault and the effects of domestic violence on children
12 and youth;

13 (5) promote the safety of children and youth by
14 increasing the safety, autonomy, capacity, and finan-
15 cial security of the nonabusing parents who are also
16 victims of domestic violence and sexual assault so
17 that they may remain safely together, thereby pre-
18 venting the unnecessary and harmful removal of the
19 child or youth from the nonabusing parent; and

20 (6) ensure the effective handling of cases where
21 domestic violence or sexual assault and child abuse
22 and neglect intersect in such a way that—

23 (A) holds the adult perpetrator of violence
24 accountable;

1 (B) assures the safety and well-being of
2 both the child and the child’s nonabusing par-
3 ent; and

4 (C) prevents the unnecessary and harmful
5 removal of the child from the nonabusing par-
6 ent thereby increasing the child’s chance to
7 heal.

8 **SEC. 8403. AMENDMENTS TO ACTS ADDRESSING THE**
9 **NEEDS OF CHILDREN EXPOSED TO DOMES-**
10 **TIC VIOLENCE.**

11 (a) DEFINITIONS.—Section 309 of the Family Vio-
12 lence Prevention and Services Act (42 U.S.C. 10408) is
13 amended by adding at the end the following:

14 “(7) The term ‘dating violence’ means violence
15 committed by a person—

16 “(A) who is or has been in a social rela-
17 tionship of a romantic or intimate nature with
18 the victim; and

19 “(B) where the existence of such a rela-
20 tionship shall be determined based on a consid-
21 eration of—

22 “(i) the length of the relationship;

23 “(ii) the type of relationship; and

1 “(iii) the frequency of interaction be-
2 tween the persons involved in the relation-
3 ship.

4 “(8) The term ‘domestic violence’ includes acts
5 or threats of violence, not including acts of self-de-
6 fense, committed by a current or former spouse of
7 the victim, by a person with whom the victim shares
8 a child in common, by a person who is cohabiting
9 with or has cohabited with the victim, by a person
10 who is or has been in a continuing social relationship
11 of a romantic or intimate nature with the victim, by
12 a person similarly situated to a spouse of the victim
13 under the domestic or family violence laws of the ju-
14 risdiction, or by any other person against a victim
15 who is protected from that person’s acts under the
16 domestic or family violence laws of the jurisdiction.

17 “(9) The term ‘sexual assault’ means any con-
18 duct proscribed by chapter 109A of title 18, United
19 States Code, whether or not the conduct occurs in
20 the special maritime and territorial jurisdiction of
21 the United States or in a Federal prison and in-
22 cludes both assaults committed by offenders who are
23 strangers to the victim and assaults committed by
24 offenders who are known to the victim or related by
25 blood or marriage to the victim.

1 “(10) The term ‘stalking’ means engaging in a
 2 course of conduct directed at a specific person that
 3 would cause a reasonable person to fear death, sex-
 4 ual assault, or bodily injury to such person or a
 5 member of such person’s immediate family, when the
 6 person engaging in such conduct has knowledge or
 7 should have knowledge that the specific person will
 8 be placed in reasonable fear of death, sexual assault,
 9 or bodily injury to such person or a member of such
 10 person’s immediate family and when the conduct in-
 11 duces fear in the specific person of death, sexual as-
 12 sault, or bodily injury to such person or a member
 13 of such person’s immediate family.”.

14 (b) SERVICES FOR CHILDREN EXPOSED TO DOMES-
 15 TIC VIOLENCE.—The Family Violence Prevention and
 16 Services Act (42 U.S.C. 10401 et seq.) is amended by add-
 17 ing at the end the following:

18 **“SEC. 320. SERVICES FOR CHILDREN EXPOSED TO DOMES-**
 19 **TIC VIOLENCE.**

20 “(a) GRANTS AUTHORIZED.—The Secretary, acting
 21 through the Director of Community Services of the Ad-
 22 ministration for Children and Families, may award com-
 23 petitive grants to eligible entities to enable such entities
 24 to conduct programs to serve children who have been ex-
 25 posed to domestic violence.

1 “(b) ELIGIBLE GRANTEES.—To be eligible to receive
2 a grant under this section, an entity shall—

3 “(1) meet the requirements of section
4 303(a)(2)(A) or section 303(b)(1); and

5 “(2) have in place, and describe in its applica-
6 tion, policies and procedures that—

7 “(A) enhance or ensure the safety and se-
8 curity of a battered parent or caregiver, and as
9 a result, the child of the parent; and

10 “(B) ensure that all services are provided
11 in a developmentally appropriate and culturally
12 competent manner.

13 “(c) USE OF FUNDS.—

14 “(1) IN GENERAL.—An entity that receives a
15 grant under this section shall use amounts provided
16 under the grant to design or replicate, and imple-
17 ment, programs and services using domestic violence
18 intervention models to respond to the needs of chil-
19 dren who are exposed to domestic violence and
20 whose parent or caregiver is a victim of domestic vi-
21 olence and who is receiving services from such enti-
22 ty. Such a program—

23 “(A) shall be a new program or service, or
24 new component of an existing program or serv-
25 ice not currently offered by the entity;

1 “(B) shall provide direct counseling and
2 advocacy for children who have been exposed to
3 domestic violence;

4 “(C) may include early childhood and men-
5 tal health services;

6 “(D) may assist in legal advocacy efforts
7 on behalf of children with respect to issues re-
8 lated directly to services the children are receiv-
9 ing from the program;

10 “(E) may include respite care, supervised
11 visitation, and specialized services for children;
12 and

13 “(F) may use not more than 25 percent of
14 the grant funds to contract with others to pro-
15 vide additional services and resources for chil-
16 dren including child care, transportation, edu-
17 cational support, respite care, supervised visita-
18 tion, and access to specialized services for chil-
19 dren.

20 “(2) CONFIDENTIALITY.—Programs developed
21 and implemented under paragraph (1) shall ensure
22 the safety and confidentiality of child and adult vic-
23 tims in a manner that is consistent with applicable
24 Federal and State laws.

1 “(d) APPLICATION.—To be eligible to receive a grant
2 under subsection (a), an entity shall prepare and submit
3 to the Secretary an application at such time, in such man-
4 ner, and containing such information as the Secretary may
5 require.

6 “(e) TERM AND AMOUNT.—

7 “(1) TERM.—The Secretary shall make the
8 grants under this section for a period of not more
9 than 3 fiscal years.

10 “(2) AMOUNT.—Each grant awarded under this
11 section shall be in an amount of not less than
12 \$50,000 per year and not more than \$300,000 per
13 year.

14 “(f) EVALUATION, MONITORING, ADMINISTRATION,
15 AND TECHNICAL ASSISTANCE.—Of the amount appro-
16 priated under subsection (j) for each fiscal year, not more
17 than 4 percent shall be used by the Secretary for evalua-
18 tion, monitoring, administrative, and technical assistance
19 costs under this section.

20 “(g) EQUITABLE DISTRIBUTION.—In awarding
21 grants under subsection (a), the Secretary shall ensure an
22 equitable geographic distribution to State, local, and tribal
23 programs working in throughout the United States in
24 rural, urban, and suburban areas.

1 “(h) UNDERSERVED POPULATIONS.—In awarding
2 grants under subsection (a), the Secretary shall—

3 “(1) consider the needs of underserved popu-
4 lations as defined by section 2007(7) of part T of
5 title I of the Omnibus Crime Control and Safe
6 Streets Act of 1968; and

7 “(2) from the amounts made available under
8 subsection (j), award not less than 10 percent of
9 such amounts for the funding of tribal programs as
10 defined in section 303(b)(1).

11 “(i) ANNUAL REPORTS.—An entity receiving a grant
12 under this section shall annually submit to the Secretary
13 a report that describes, at a minimum—

14 “(1) how the funds under the grant were used;

15 “(2) the extent to which underserved popu-
16 lations were reached;

17 “(3) the adequacy of staff training and agency
18 services to ensure that children’s needs are ad-
19 dressed properly;

20 “(4) the adequacy of the physical arrangements
21 for meeting children’s needs; and

22 “(5) the existence of continuing barriers the en-
23 tity faces to more fully addressing children’s needs.

24 “(j) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) IN GENERAL.—There is authorized to be
2 appropriated to carry out this section, \$15,000,000
3 for each of fiscal years 2004 through 2008.

4 “(2) AVAILABILITY.—Funds appropriated
5 under paragraph (1) shall remain available until ex-
6 pended.”.

7 (c) GRANTS TO COMBAT THE IMPACT OF EXPERI-
8 ENCING OR WITNESSING DOMESTIC VIOLENCE ON ELE-
9 MENTARY AND SECONDARY SCHOOL CHILDREN.—Sub-
10 part 2 of part A of title IV of the Elementary and Sec-
11 ondary Act of 1965 (20 U.S.C. 7131 et seq.) is amended
12 by adding at the end the following:

13 **“SEC. 4131. GRANTS TO COMBAT THE IMPACT OF EXPERI-**
14 **ENCING OR WITNESSING DOMESTIC VIO-**
15 **LENCE ON ELEMENTARY AND SECONDARY**
16 **SCHOOL CHILDREN.**

17 “(a) GRANTS AUTHORIZED.—

18 “(1) AUTHORITY.—The Secretary is authorized
19 to award grants and contracts to elementary schools
20 and secondary schools that work with experts to en-
21 able the elementary schools and secondary schools—

22 “(A) to provide training to school adminis-
23 trators, faculty, and staff, with respect to issues
24 concerning children experiencing domestic vio-
25 lence in dating relationships and witnessing do-

1 mestic violence, and the impact of the violence
2 described in this subparagraph on children;

3 “(B) to provide educational programming
4 to students regarding domestic violence and the
5 impact of experiencing or witnessing domestic
6 violence on children;

7 “(C) to provide support services for stu-
8 dents and school personnel for the purpose of
9 developing and strengthening effective preven-
10 tion and intervention strategies with respect to
11 issues concerning children experiencing domes-
12 tic violence in dating relationships and wit-
13 nessing domestic violence, and the impact of the
14 violence described in this subparagraph on chil-
15 dren; and

16 “(D) to develop and implement school sys-
17 tem policies regarding appropriate, safe re-
18 sponses identification and referral procedures
19 for students who are experiencing or witnessing
20 domestic violence.

21 “(2) AWARD BASIS.—The Secretary shall award
22 grants and contracts under this section—

23 “(A) on a competitive basis; and

24 “(B) in a manner that ensures that such
25 grants and contracts are equitably distributed

1 throughout a State among elementary schools
2 and secondary schools located in rural, urban,
3 and suburban areas in the State.

4 “(3) POLICY DISSEMINATION.—The Secretary
5 shall disseminate to elementary schools and sec-
6 ondary schools any Department of Education policy
7 guidance regarding the prevention of domestic vio-
8 lence and the impact of experiencing or witnessing
9 domestic violence on children.

10 “(b) USES OF FUNDS.—Funds provided under this
11 section may be used for the following purposes:

12 “(1) To provide training for elementary school
13 and secondary school administrators, faculty, and
14 staff that addresses issues concerning elementary
15 school and secondary school students who experience
16 domestic violence in dating relationships or witness
17 domestic violence, and the impact of such violence on
18 the students.

19 “(2) To provide education programs for elemen-
20 tary school and secondary school students that are
21 developmentally appropriate for the students’ grade
22 levels and are designed to meet any unique cultural
23 and language needs of the particular student popu-
24 lations.

1 “(3) To develop and implement elementary
2 school and secondary school system policies regard-
3 ing appropriate, safe responses identification and re-
4 ferral procedures for students who are experiencing
5 or witnessing domestic violence.

6 “(4) To provide the necessary human resources
7 to respond to the needs of elementary school and
8 secondary school students and personnel who are
9 faced with the issue of domestic violence, such as a
10 resource person who is either on-site or on-call, and
11 who is an expert.

12 “(5) To provide media center materials and
13 educational materials to elementary schools and sec-
14 ondary schools that address issues concerning chil-
15 dren who experience domestic violence in dating rela-
16 tionships and witness domestic violence, and the im-
17 pact of the violence described in this paragraph on
18 the children.

19 “(6) To conduct evaluations to assess the im-
20 pact of programs and policies assisted under this
21 section in order to enhance the development of the
22 programs.

23 “(c) CONFIDENTIALITY.—Policies, programs, train-
24 ing materials, and evaluations developed and implemented
25 under subsection (b) shall address issues of safety and

1 confidentiality for the victim and the victim's family in a
2 manner consistent with applicable Federal and State laws.

3 “(d) APPLICATION.—

4 “(1) IN GENERAL.—To be eligible to be award-
5 ed a grant or contract under this section for any fis-
6 cal year, an elementary school or secondary school,
7 in consultation with an expert, shall submit an appli-
8 cation to the Secretary at such time and in such
9 manner as the Secretary shall prescribe.

10 “(2) CONTENTS.—Each application submitted
11 under paragraph (1) shall—

12 “(A) describe the need for funds provided
13 under the grant or contract and the plan for
14 implementation of any of the activities de-
15 scribed in subsection (b);

16 “(B) describe how the experts shall work
17 in consultation and collaboration with the ele-
18 mentary school or secondary school; and

19 “(C) provide measurable goals for and ex-
20 pected results from the use of the funds pro-
21 vided under the grant or contract.”.

22 (d) GRANTS FOR TRAINING AND COLLABORATION
23 AMONG CHILD WELFARE AGENCIES, DOMESTIC VIO-
24 LENCE AND SEXUAL ASSAULT SERVICE PROVIDERS, THE
25 COURTS, AND LAW ENFORCEMENT AGENCIES.—The

1 Family Violence Prevention and Services Act (42 U.S.C.
2 10401 et seq.), as amended by subsection (b), is further
3 amended by adding at the end the following:

4 **“SEC. 321. GRANTS FOR TRAINING AND COLLABORATION**
5 **AMONG CHILD WELFARE AGENCIES, DOMES-**
6 **TIC VIOLENCE AND SEXUAL ASSAULT SERV-**
7 **ICE PROVIDERS, THE COURTS, AND LAW EN-**
8 **FORCEMENT AGENCIES.**

9 “(a) PURPOSE.—It is the purpose of this section to—

10 “(1) encourage cross training and collaboration
11 between child welfare agencies and domestic violence
12 and sexual assault service providers and, where ap-
13 plicable, the courts and law enforcement agencies to
14 identify, assess, and respond appropriately to domes-
15 tic violence or sexual assault in homes where chil-
16 dren are present and may be exposed to the violence,
17 to domestic violence or sexual assault in child pro-
18 tection cases, and to the needs of both child and
19 adult victims of domestic violence and sexual as-
20 sault;

21 “(2) establish and implement policies, proce-
22 dures, and practices in child welfare agencies, do-
23 mestic violence or sexual assault service programs
24 and, where applicable, juvenile, family or other trial
25 courts with jurisdiction over child maltreatment and

1 domestic violence cases (referred to in this section as
2 the ‘courts’), and law enforcement agencies that are
3 consistent with the principles of—

4 “(A) protecting children;

5 “(B) increasing the safety and well-being
6 of children, by—

7 “(i) tending to their immediate and
8 longer term needs for treatment and sup-
9 port;

10 “(ii) increasing the safety of parents
11 of children who are not the perpetrators of
12 domestic violence and sexual assault (re-
13 ferred to in this section as the ‘nonabusing
14 parent’);

15 “(iii) supporting the autonomy, capac-
16 ity, and financial security of the non-
17 abusing parents of children who are also
18 the victims of domestic violence or sexual
19 assault (referred to in this section as ‘adult
20 victims’);

21 “(iv) protecting the safety, security
22 and well being of the child by preventing
23 the unnecessary removal of the child from
24 the nonabusing parent; and

1 “(v) in cases where removal of the
2 child is necessary to protect the child’s
3 safety, taking the necessary steps to pro-
4 vide appropriate services to the child and
5 the nonabusing parent to promote the safe
6 and appropriately prompt reunification of
7 the child with the nonabusing parent;

8 “(C) recognizing—

9 “(i) the relationship between child
10 abuse and neglect, including child sexual
11 abuse, and domestic violence and sexual
12 assault in families;

13 “(ii) the impact of the perpetrator’s
14 behavior on child and adult victims of do-
15 mestic violence and sexual assault;

16 “(iii) the dangers posed to both child
17 and adult victims of domestic violence and
18 sexual assault;

19 “(iv) the physical, emotional, and de-
20 velopmental impact of domestic violence
21 and sexual assault on child and adult vic-
22 tims;

23 “(v) the physical, emotional, and fi-
24 nancial needs of adult victims of domestic
25 violence and sexual assault; and

1 “(vi) the need to hold adult perpetra-
2 tors of domestic violence and sexual as-
3 sault accountable for their abusive behav-
4 iors to provide appropriate services to re-
5 duce risks to child and adult victims of do-
6 mestic violence or sexual assault;

7 “(D) in the case of training for court per-
8 sonnel and law enforcement, holding adult per-
9 petrators of domestic violence, sexual assault,
10 and child abuse and neglect, not the child and
11 adult victims of domestic violence, sexual as-
12 sault, and child abuse and neglect, accountable
13 for stopping abusive behaviors; and

14 “(3) increase cooperation and enhance linkages
15 between child welfare agencies, domestic violence
16 and sexual assault service providers, juvenile, family
17 or other trial courts with jurisdiction over child mal-
18 treatment and domestic violence cases, and law en-
19 forcement agencies to protect and more comprehen-
20 sively and effectively serve both child and adult vic-
21 tims of domestic violence and sexual assault, and to
22 engage where necessary other entities addressing the
23 safety, health, mental health, social service, housing
24 and economic needs of child and adult victims of do-
25 mestic violence and sexual assault, including commu-

1 nity-based supports such as schools, local health cen-
2 ters, community action groups, and neighborhood
3 coalitions.

4 “(b) GRANT AUTHORITY.—

5 “(1) IN GENERAL.—The Secretary shall make
6 grants to eligible entities to enable the entities to
7 jointly carry out cross training and other initiatives
8 to promote collaboration that seeks to carry out the
9 purposes of this section.

10 “(2) GRANT PERIODS.—Grants shall be award-
11 ed under paragraph (1) for a period of 3 years.

12 “(3) ELIGIBLE ENTITIES.—To be eligible to re-
13 ceive a grant under this section, a grant applicant
14 shall establish a partnership that—

15 “(A) shall include—

16 “(i) a State child welfare agency, an
17 Indian tribal organization that serves as a
18 child welfare agency, or a local child wel-
19 fare agency; and

20 “(ii) a domestic violence or sexual as-
21 sault service provider, such as—

22 “(I) a State, local, or tribal do-
23 mestic violence or sexual assault coali-
24 tion; or

1 “(II) another private non-profit
2 organization such as a community-
3 based domestic violence or sexual as-
4 sault program that is concerned with
5 domestic violence or sexual assault
6 and has a documented history of ef-
7 fective work concerning domestic vio-
8 lence or sexual assault and the impact
9 domestic violence or sexual assault
10 has on children; and

11 “(B) may include—

12 “(i) a State or local juvenile, family,
13 or other trial court with jurisdiction over
14 child maltreatment and domestic violence
15 cases; or

16 “(ii) a State or local law enforcement
17 agency with responsibility for responding
18 to reports of domestic violence or sexual
19 assault or child abuse and neglect.

20 “(c) USES OF FUNDS.—An entity that receives a
21 grant under this section shall use the funds made available
22 through the grant for cross-training and collaborative ef-
23 forts, consistent with the principles described in subsection
24 (a)(2), including—

1 “(1) to educate the staff of child welfare agen-
2 cies and domestic violence and sexual assault service
3 providers, and, as applicable, the staff of courts and
4 law enforcement agencies to responsibly address do-
5 mestic violence and sexual assault (recognizing it as
6 a serious problem that threatens both its child and
7 adult victims), and to understand—

8 “(A) domestic violence and sexual assault
9 and their effects on children and adults;

10 “(B) child abuse and neglect and its ef-
11 fects on children; and

12 “(C) child welfare policies that affect child
13 and adult victims of domestic violence and sex-
14 ual assault;

15 “(2) to ensure the effective handling of cases
16 where domestic violence or sexual assault and child
17 abuse and neglect intersect so as to—

18 “(A) assure the safety and well-being of
19 both the child and the nonabusing parent;

20 “(B) prevent the unnecessary removal of
21 the child from the nonabusing parent, and,
22 when removal is necessary to protect the child’s
23 safety;

1 “(C) promote the delivery of appropriate
2 services to the child and to the nonabusing par-
3 ent; and

4 “(D) facilitate the safe and appropriately
5 prompt reunification of the child with the non-
6 abusing parent through the development and
7 implementation of policies, procedures, and pro-
8 grams that are consistent with the purposes of
9 this section;

10 “(3) to identify and assess, and respond appro-
11 priately to, domestic violence or sexual assault in
12 child protection cases and the needs of child victims
13 of abuse and neglect in domestic violence or sexual
14 assault cases;

15 “(4) to ensure that child welfare agencies and
16 domestic violence and sexual assault service pro-
17 viders will not be required to share confidential in-
18 formation with one another about families receiving
19 services except as required by law or with the in-
20 formed, written consent of the adult victim being
21 served;

22 “(5) to provide appropriate resources in child
23 abuse and neglect cases to respond to domestic vio-
24 lence and sexual assault, including developing a serv-
25 ice plan and providing other appropriate services

1 and interventions that ensure the safety of both the
2 child and adult victims of the domestic violence and
3 sexual assault;

4 “(6) to establish and enhance linkages and col-
5 laboration between child welfare agencies, domestic
6 violence or sexual assault service providers and,
7 where applicable, State or local juvenile, family, or
8 other trial courts with jurisdiction over child mal-
9 treatment and domestic violence cases, law enforce-
10 ment agencies, and other entities addressing the
11 safety, health, mental health, social service, housing,
12 and economic needs of child and adult victims of do-
13 mestic violence and sexual assault, including commu-
14 nity-based supports such as schools, local health cen-
15 ters, community action groups, and neighborhood
16 coalitions to—

17 “(A) respond effectively and comprehen-
18 sively to the varying needs of child and adult
19 victims of domestic violence and sexual assault
20 to prevent child and adult victims from having
21 to turn to child welfare agencies for assistance;

22 “(B) include linguistically and culturally
23 appropriate services and linkages to existing
24 services; and

1 “(C) include at least the following services
2 where appropriate:

3 “(i) Appropriate referrals to commu-
4 nity-based domestic violence programs and
5 sexual assault victim service providers with
6 the capacities to support adult victims of
7 domestic violence or sexual assault who are
8 parents of children who have been abused
9 or neglected or are at risk of being abused
10 or neglected.

11 “(ii) Emergency shelter and transi-
12 tional housing for adult victims of domestic
13 violence or sexual assault and their chil-
14 dren.

15 “(iii) Legal assistance and advocacy
16 for victims of domestic violence or sexual
17 assault including, when appropriate, assist-
18 ance in obtaining and entering orders of
19 protection.

20 “(iv) Support and training to assist
21 parents to help their children cope with the
22 impact of domestic violence or sexual as-
23 sault.

1 “(v) Programs to help children who
2 have been exposed to domestic violence or
3 sexual assault.

4 “(vi) Intervention and treatment for
5 adult perpetrators of domestic violence or
6 sexual assault whose children are the sub-
7 jects of child protection cases to promote
8 the safety and well-being of the children,
9 and appropriate coordination of such treat-
10 ment with the juvenile, family, and crimi-
11 nal courts, and law enforcement agencies
12 with which the perpetrators are involved.

13 “(vii) Health, mental health, and
14 other necessary supportive services.

15 “(viii) Assistance to obtain housing
16 and necessary economic supports.

17 “(d) APPLICATION.—To be eligible to receive a grant
18 under this section, the entities that are members of the
19 applicant partnership described in subsection (b)(3), shall
20 jointly submit an application to the Secretary at such
21 time, in such manner, and containing such information as
22 the Secretary may require. The application shall—

23 “(1) outline the specific training and other ac-
24 tivities that will be undertaken under the grant to
25 promote collaboration;

1 “(2) describe how the training and other activi-
2 ties described in subsection (c) will help achieve the
3 purposes of this section;

4 “(3) identify the agencies and providers that
5 will be responsible for carrying out the initiatives for
6 which the entities seek the grant;

7 “(4) include documentation from child welfare
8 agencies and domestic violence and sexual assault
9 victims service providers, and where applicable,
10 State or local juvenile, family, or other trial courts
11 with jurisdiction over child maltreatment and domes-
12 tic violence cases, and law enforcement agencies that
13 have been involved in the development of the appli-
14 cation;

15 “(5) describe the ongoing involvement of child
16 welfare and domestic violence and sexual assault vic-
17 tims service providers (including a description of
18 their roles as subcontractors, and documentation of
19 appropriate compensation, if relevant) and, where
20 applicable, courts and law enforcement agencies, in
21 the development of the training policies, procedures,
22 programs, and practices described in subsection
23 (c)(1); and

24 “(6) provide assurances that activities described
25 in subsection (c) will—

1 “(A) be provided to child welfare staff, in-
2 cluding line staff, supervisors, and administra-
3 tors, and be provided first to staff responsible
4 for investigation, follow-up, screening, intake,
5 assessment, and provision of services; and

6 “(B) be conducted jointly with child wel-
7 fare agency staff, staff from community-based
8 domestic violence programs and sexual assault
9 crisis centers and where applicable, courts and
10 law enforcement agencies;

11 “(C) comply with the principles described
12 in subsection (a)(2); and

13 “(D) address—

14 “(i) the dynamics and lethality of do-
15 mestic violence and sexual assault, the im-
16 pact of domestic violence and sexual as-
17 sault on children exposed to domestic vio-
18 lence and sexual assault, the impact of do-
19 mestic violence and sexual assault on adult
20 victims, and the relationship of domestic
21 violence and sexual assault to child abuse
22 and neglect;

23 “(ii) screening for domestic violence
24 and sexual assault and assessing danger to

1 the child and adult victims of domestic vio-
2 lence and sexual assault;

3 “(iii) applicable Federal, State, and
4 local laws pertaining to child abuse and ne-
5 glect and domestic violence and sexual as-
6 sault;

7 “(iv) the safety needs of child and
8 adult victims of child abuse and neglect or
9 domestic violence, or sexual assault and
10 appropriate interventions for the child and
11 adult victims that protect their the safety,
12 including appropriate services and treat-
13 ment for children and the nonabusing par-
14 ent to prevent the unnecessary removal of
15 children from the nonabusing parent, and
16 to promote prompt reunification if removal
17 becomes necessary of both types of victims
18 and give appropriate consideration to pre-
19 serving the safety of family members not
20 responsible for the child abuse or neglect;

21 “(v) appropriate interventions for
22 adult perpetrators of domestic violence to
23 reduce the risk of further violence toward
24 child and adult victims of domestic violence

1 and sexual assault which emphasize perpe-
2 trator accountability;

3 “(vi) appropriate supervision of child
4 welfare staff working with families in
5 which there has been domestic violence and
6 sexual assault, including supervision relat-
7 ing to issues involving the safety of the
8 child and adult victims and of the staff;

9 “(vii) the confidentiality needs of the
10 child and adult victims, consistent with
11 laws requiring mandatory reporting of
12 child abuse and neglect; and

13 “(viii) develop child protection case
14 plans that recognize the need to protect
15 the safety of the child and of the adult vic-
16 tim and to hold adult perpetrators, not vic-
17 tims, responsible for stopping domestic vio-
18 lence and sexual assault.

19 “(e) PRIORITY.—In awarding grants under this sec-
20 tion, the Secretary shall give priority to entities that have
21 submitted applications in partnership with State or local
22 juvenile, family, or other trial courts with jurisdiction over
23 child maltreatment and domestic violence cases, and law
24 enforcement agencies.

1 “(f) REPORTING, AND DISSEMINATION OF INFORMA-
2 TION.—

3 “(1) REPORTS.—Each of the entities that are
4 members of the applicant partnership described in
5 subsection (b)(3), that receive a grant under this
6 section shall jointly annually prepare and submit to
7 the Secretary a report detailing the activities that
8 the entities have undertaken under the grant and
9 such additional information as the Secretary shall
10 require. At a minimum, such report shall address
11 the nature of the cross-training and other activities
12 to promote collaboration among child welfare agen-
13 cies, domestic violence or sexual assault service pro-
14 viders, and where applicable, State or local juvenile,
15 family, or other trial courts with jurisdiction over
16 child maltreatment and domestic violence cases and
17 law enforcement agencies that were undertaken with
18 such grants and examples of enhanced collaboration
19 that has occurred to better protect both child and
20 adult victims of child abuse and domestic violence or
21 sexual assault.

22 “(2) DISSEMINATION OF INFORMATION.—Not
23 later than 9 months after the end of the grant pe-
24 riod under this section, the Secretary shall distribute
25 to all State child welfare agencies, domestic violence

1 or sexual assault victim service providers, and where
2 applicable, State or local juvenile, family, or other
3 trial courts with jurisdiction over child maltreatment
4 and domestic violence cases, law enforcement agen-
5 cies, and Congress summaries that contain informa-
6 tion on—

7 “(A) the activities implemented by the re-
8 cipients of the grants; and

9 “(B) related initiatives undertaken by the
10 Secretary to promote attention by the staff of
11 child welfare agencies, domestic violence or sex-
12 ual assault service providers and where applica-
13 ble, courts and law enforcement agencies to do-
14 mestic violence and sexual assault and their im-
15 pact on both child and adult victims.

16 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this section,
18 \$15,000,000 in each of fiscal years 2004 through 2006,
19 and \$25,000,000 in each of fiscal years 2007 and 2008.”.

20 (e) MULTISYSTEM INTERVENTIONS FOR CHILDREN
21 WHO HAVE BEEN EXPOSED TO DOMESTIC VIOLENCE.—
22 The Family Violence Prevention and Services Act (42
23 U.S.C. 10401 et seq.), as amended by subsection (d), is
24 further amended by adding at the end the following:

1 **“SEC. 322. MULTISYSTEM INTERVENTIONS FOR CHILDREN**
2 **WHO HAVE BEEN EXPOSED TO DOMESTIC VI-**
3 **OLENCE.**

4 “(a) GRANTS AUTHORIZED.—The Secretary, acting
5 through the Director of Community Services of the Ad-
6 ministration for Children and Families, may award grants
7 to eligible entities to enable such entities to conduct pro-
8 grams to encourage the development and use of multi-
9 system intervention models that respond to the needs of
10 children who have been exposed to domestic violence.

11 “(b) ELIGIBLE ENTITIES.—To be eligible to receive
12 a grant under this section, an entity shall—

13 “(1) be a nonprofit private organization;

14 “(2)(A) demonstrate recognized expertise in the
15 area of domestic violence and the impact of domestic
16 violence on children; or

17 “(B) have entered into a memorandum of un-
18 derstanding regarding the intervention program to
19 be established under the grant and the role of the
20 entity in the program with—

21 “(i) the appropriate State or tribal domes-
22 tic violence coalition; and

23 “(ii) entities carrying out domestic violence
24 programs that provide shelter or related assist-
25 ance in the locality in which the intervention

1 program will be operated and that have an un-
2 derstanding of its effects on children;

3 “(3)(A) demonstrate a recognized expertise in
4 child mental health services; or

5 “(B) have entered into a memorandum of un-
6 derstanding regarding the intervention program to
7 be established under the grant with providers that
8 have expertise in child mental health to ensure that
9 children of all ages have access to appropriate men-
10 tal health services; and

11 “(4) demonstrate a history of providing advo-
12 cacy, health care, mental health, or other crisis-re-
13 lated services to children.

14 “(c) USE OF FUNDS.—An entity that receives a grant
15 under this section shall use amounts provided under the
16 grant to design or replicate, and implement, multisystem
17 intervention models to respond to the needs of children
18 exposed to domestic violence. Such activities shall—

19 “(1)(A) involve collaborative partnerships
20 with—

21 “(i) local entities carrying out domestic vi-
22 olence programs that provide shelter or related
23 assistance or have expertise in the field of pro-
24 viding services to victims of domestic violence

1 and an understanding of its effects on children;
2 and

3 “(ii) other partners including courts,
4 schools, social service providers, health care
5 providers, police, early childhood agencies, enti-
6 ties carrying out Head Start programs under
7 the Head Start Act (42 U.S.C. 9831 et seq.),
8 or entities carrying out child protection, wel-
9 fare, job training, housing, battered women’s
10 service, or children’s mental health programs;
11 and

12 “(B) be carried out to design and implement
13 protocols and systems to identify, and appropriately
14 respond to the needs of children who have been ex-
15 posed to domestic violence and who participate in
16 programs administered by the partners;

17 “(2) establish or implement guidelines to evalu-
18 ate the needs of a child and make appropriate inter-
19 vention recommendations;

20 “(3) include the development or replication of a
21 mental health treatment model to meet the needs of
22 children for whom such treatment has been identi-
23 fied as appropriate;

24 “(4) establish or implement institutionalized
25 procedures to enhance or ensure the safety and secu-

1 rity of a battered parent, and as a result, the child
2 of the parent;

3 “(5) provide direct counseling and advocacy for
4 adult victims of domestic violence and their children
5 who have been exposed to domestic violence;

6 “(6) establish or implement policies and proto-
7 cols for maintaining the confidentiality of the bat-
8 tered parent and child;

9 “(7) provide community outreach and training
10 to enhance the capacity of professionals who work
11 with children to appropriately identify and respond
12 to the needs of children who have been exposed to
13 domestic violence;

14 “(8) establish procedures for documenting
15 interventions used for each child and family;

16 “(9) establish plans to perform a systematic
17 outcome evaluation to evaluate the effectiveness of
18 the interventions;

19 “(10) ensure that all services are provided in a
20 culturally competent manner; and

21 “(11) provide remuneration to local domestic vi-
22 olence services organizations who are asked to join
23 collaborations.

24 “(d) APPLICATION.—To be eligible to receive a grant
25 under this section, an entity shall prepare and submit to

1 the Secretary an application at such time, in such manner,
2 and containing such information as the Secretary may re-
3 quire.

4 “(e) TERM AND AMOUNT.—A grant awarded under
5 this section shall be awarded for a term of 3 years and
6 in an amount of not more than \$500,000 for each such
7 year.

8 “(f) TECHNICAL ASSISTANCE.—Not later than 90
9 days after the date of enactment of this section, the Sec-
10 retary shall identify successful programs that provide
11 multisystem and mental health interventions to address
12 the needs of children who have been exposed to domestic
13 violence. Not later than 60 days before the Secretary solici-
14 its applications for grants under this section, the Sec-
15 retary shall enter into an agreement with 1 or more enti-
16 ties carrying out the identified programs to provide tech-
17 nical assistance to applicants and recipients of such
18 grants. The Secretary may use not more than 5 percent
19 of the amount appropriated for a fiscal year under sub-
20 section (g) to provide such technical assistance.

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—

22 “(1) IN GENERAL.—There is authorized to be
23 appropriated to carry out this section, \$15,000,000
24 for each of fiscal years 2004 through 2008.

1 “(2) AVAILABILITY.—Amounts appropriated
2 under paragraph (1) shall remain available until ex-
3 pended.”.

4 (f) CRISIS NURSERY DEMONSTRATION GRANTS PRO-
5 GRAM.—The Family Violence Prevention and Services Act
6 (42 U.S.C. 10401 et seq.), as amended by subsection (e),
7 is further amended by adding at the end the following:

8 **“SEC. 323. CRISIS NURSERY DEMONSTRATION GRANT PRO-**
9 **GRAMS.**

10 “(a) AUTHORITY TO ESTABLISH DEMONSTRATION
11 GRANT PROGRAMS.—The Secretary may establish dem-
12 onstration programs under which grants are awarded to
13 States to assist private nonprofit and public agencies and
14 organizations in providing crisis nurseries for children who
15 are abused and neglected, are at risk of abuse and neglect,
16 are in families experiencing domestic violence, or are in
17 families receiving child protective services.

18 “(b) ASSURANCES FOR TRAINING IN DOMESTIC VIO-
19 LENCE.—

20 “(1) IN GENERAL.—Private nonprofit and pub-
21 lic agencies and organizations who receive funds
22 under this section shall provide assurances to the
23 Secretary that personnel working with children and
24 families in crisis nurseries receive or have received
25 training in domestic violence, the impact of domestic

1 violence on children, appropriate procedures for
2 maintaining the safety and security of victims of do-
3 mestic violence and their children, and appropriate
4 procedures for maintaining the confidentiality of
5 both child and adult victims of domestic violence uti-
6 lizing the services of crisis nurseries.

7 “(2) TRAINING REQUIREMENT.—Training re-
8 quired under paragraph (1) shall be conducted in
9 consultation with State, local, or tribal domestic vio-
10 lence coalitions or other private nonprofit organiza-
11 tions such as a community-based domestic violence
12 program that has a documented history of serving
13 both child and adult victims of domestic violence.

14 “(c) COORDINATION.—An applicant for a grant
15 under this section shall demonstrate how activities funded
16 under this section will be coordinated with other crisis
17 nursery activities funded under section 201 of the Child
18 Abuse Prevention and Treatment Act (42 U.S.C. 5116).

19 “(d) REPORTING.—A recipient of a grant under this
20 section shall annually report on the crisis nursery activi-
21 ties funded under this grant. At a minimum, such a report
22 shall describe—

23 “(1) the number of children and families served
24 through crisis nursery activities established under
25 the grant;

1 “(2) the nature and extent of the crisis nursery
2 activities;

3 “(3) the percentage of children served by the
4 crisis nursery activities established under the grant
5 who are from families experiencing domestic vio-
6 lence;

7 “(4) the type of domestic violence training pro-
8 vided to crisis nursery staff and the nature and ex-
9 tent of training coordination with local domestic vio-
10 lence service providers;

11 “(5) the nature and extent of other Federal and
12 State funding sources used to support the services of
13 the crisis nursery;

14 “(6) the gaps between the service needs of the
15 crisis nursery and the current capacity of crisis
16 nurseries to serve children and families; and

17 “(7) outcome evaluation data on the effective-
18 ness of crisis nursery activities, if available.

19 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
20 is authorized to be appropriated to carry out this section,
21 \$15,000,000 for each of fiscal years 2004 through 2008.”.

22 (g) RESEARCH AND DATA COLLECTION ON THE IM-
23 PACT OF DOMESTIC VIOLENCE ON CHILDREN.—The
24 Family Violence Prevention and Services Act (42 U.S.C.

1 10401 et seq.), as amended by subsection (f), is further
2 amended by adding at the end the following:

3 **“SEC. 324. RESEARCH AND DATA COLLECTION ON THE IM-**
4 **PACT OF DOMESTIC VIOLENCE ON CHIL-**
5 **DREN.**

6 “(a) GRANTS.—The Secretary, acting through the
7 Assistant Secretary for Children and Families, may award
8 competitive grants to eligible entities to enable such enti-
9 ties to conduct research and data collection activities con-
10 cerning the impact of domestic violence on children.

11 “(b) ELIGIBLE ENTITIES.—To be eligible to receive
12 a grant under this section, an entity shall be an institution
13 of higher education or another nonprofit organization
14 (such as a research entity, hospital, or mental health insti-
15 tution), with documented experience with research or data
16 collection concerning the impact of domestic violence on
17 children.

18 “(c) USE OF FUNDS.—An entity that receives a grant
19 under this section shall use amounts provided under the
20 grant to conduct new or expand current research or data
21 collection—

22 “(1) on the prevalence of childhood exposure to
23 domestic violence and the effects of the exposure in
24 child and adult victims;

1 “(2) on the co-occurrence of domestic violence,
2 and child abuse or neglect;

3 “(3) on linkages between children’s exposure to
4 domestic violence and violent behavior in youth and
5 adults;

6 “(4) that evaluates new or existing treatments
7 aimed at children exposed to domestic violence;

8 “(5) on the prevalence of childhood exposure to
9 domestic violence for Native American children;

10 “(6) on the effects and benefits of keeping chil-
11 dren with their nonabusive parent and providing co-
12 ordinated services to both;

13 “(7) on the role of children’s resilience and
14 other factors that help mitigate the effects of expo-
15 sure to domestic violence; and

16 “(8) on related matters, if the research or data
17 collection directly addresses the impact of domestic
18 violence on children.

19 “(d) TERM AND AMOUNT.—The Secretary shall
20 award grants under this section for terms of 3 years and
21 in amount of not more than \$500,000 for each such year.

22 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section,
24 \$2,000,000 for each of fiscal years 2004 through 2006,
25 and \$5,000,000 for each of fiscal years 2007 and 2008.”.

1 **Subtitle F—Enhancing Healthy**
2 **Emotional Development in**
3 **Young Children**

4 **SEC. 8501. ENHANCING HEALTHY EMOTIONAL DEVELOP-**
5 **MENT.**

6 (a) FINDINGS.—Congress finds the following:

7 (1) Researchers have identified external risk
8 factors that, particularly when found in combination,
9 can increase a young child’s risk for experiencing
10 problems in social or emotional development, includ-
11 ing factors such as exposure to traumatic events,
12 child abuse and neglect, parental mental health dis-
13 orders, unsatisfactory relationships, and deprivation.
14 Experiences involving these risk factors may occur
15 at home or in the community.

16 (2) There is growing evidence that positive ad-
17 aptation and social and emotional well-being in
18 young children can be enhanced, and that the im-
19 pact of risk factors for behavioral and emotional dis-
20 orders can be reduced by intervening early in homes,
21 child care and other early childhood programs, and
22 other settings.

23 (3) The Surgeon General’s Conference on Chil-
24 dren’s Mental Health has recommended the creation
25 of tangible tools for early childhood service providers

1 to help the providers assess children’s social and
2 emotional needs, discuss issues relating to those
3 needs with families, and make referrals.

4 (4) Experience demonstrates that mental health
5 consultants can help staff, as well as children and
6 families, in early childhood programs promote
7 healthy social and emotional development in young
8 children, including those children already exposed to
9 violence and other damaging experiences.

10 (5) Success in school is dependent on social and
11 emotional development, as well as the attainment of
12 other competencies and skills, and investing early in
13 the promotion of healthy development in young chil-
14 dren will help children enter school ready to learn.

15 (b) DEFINITIONS.—In this section:

16 (1) SECRETARY.—The term “Secretary” means
17 the Secretary of Health and Human Services, acting
18 through the Assistant Secretary for Children and
19 Families.

20 (2) STATE AGENCY.—The term “State agency”
21 means—

22 (A) the State office that coordinates early
23 childhood services in a State; or

24 (B) if an office described in subparagraph

25 (A) does not exist in a State, the State office

1 that is responsible for early childhood programs
2 in the State.

3 (3) YOUNG CHILDREN.—The term “young chil-
4 dren” means individuals who are below the age of
5 compulsory school attendance for the State involved.

6 (c) GRANTS TO STATE AGENCIES.—

7 (1) GRANTS.—The Secretary shall establish a
8 program through which the Secretary may make
9 grants to State agencies, to enable the State agen-
10 cies to assist eligible entities to serve young children
11 and the families of the children by addressing the
12 mental health and developmental needs of the young
13 children in order to promote the children’s resilience,
14 emotional wellness, and healthy emotional develop-
15 ment.

16 (2) GRANT PERIODS.—The Secretary shall
17 make the grants for periods of not more than 3
18 years.

19 (d) STATE APPLICATIONS.—To be eligible to receive
20 a grant under subsection (c), a State agency shall submit
21 an application to the Secretary at such time, in such man-
22 ner, and containing such information as the Secretary may
23 require. The application shall include the information and
24 assurances described in subsection (g), with respect to the
25 State.

1 (e) GRANTS TO ELIGIBLE ENTITIES.—A State agen-
2 cy that receives a grant under subsection (e) shall use the
3 funds made available through the grant to make grants
4 to eligible entities to carry out programs to serve young
5 children and the families of the children as described in
6 subsection (e).

7 (f) ELIGIBLE ENTITIES.—To be eligible to receive a
8 grant under subsection (e), an entity shall—

9 (1) be an agency or organization that carries
10 out a home or center-based early childhood program,
11 child welfare program, substance abuse treatment
12 program, or domestic violence service and treatment
13 program, that serves or has regular contact with
14 young children;

15 (2) be an established consortium of agencies or
16 organizations described in paragraph (1); or

17 (3) be another entity (such as a child care re-
18 source and referral agency, an early childhood serv-
19 ice coordinating body, or a community mental health
20 center) that works with parents, agencies, or organi-
21 zations that serve young children in a community in
22 promoting the mental health and healthy emotional
23 development of young children; and

1 (4) obtain the approval of the State agency for
2 an application submitted in accordance with sub-
3 section (g).

4 (g) LOCAL APPLICATIONS.—

5 (1) IN GENERAL.—To be eligible to receive a
6 grant under this section, an entity shall submit an
7 application to the State agency at such time, in such
8 manner, and containing such information as the
9 State agency may require.

10 (2) CONTENTS.—At a minimum, the applica-
11 tion shall contain—

12 (A) a description of the young children
13 who are targeted to be served, or are most like-
14 ly to be served, with the funds made available
15 through the grant, and the problems the chil-
16 dren are facing or affected by (such as exposure
17 to parental depression, parental substance
18 abuse, child abuse or neglect, domestic violence,
19 community violence, homelessness, a parental
20 transition to the workforce, or other risk fac-
21 tors);

22 (B) an assurance that the assistance pro-
23 vided with funds made available through the
24 grant will be undertaken in a developmentally
25 appropriate and culturally competent manner,

1 be child-centered, and, as applicable, family-fo-
2 cused, and consistent with the best knowledge
3 available about effective prevention and inter-
4 vention strategies to promote mental health and
5 healthy emotional development in young chil-
6 dren;

7 (C) the name of the entity that would ad-
8 minister the program carried out under the
9 grant;

10 (D) a description of the types of assistance
11 that will be provided with the funds to improve
12 the mental health and healthy emotional devel-
13 opment of young children;

14 (E) a description of how the program to be
15 carried out under the grant will complement
16 and be coordinated with the activities of, or car-
17 ried out by, any early childhood service coordi-
18 nating offices in the community in which the
19 grant activities will be carried out;

20 (F) an assurance that the applicant will
21 work collaboratively with mental health, early
22 childhood development, early intervention, edu-
23 cation, health, and other specialized violence
24 prevention or treatment experts, and other ex-
25 perts in the applicant's community to coordi-

1 nate services provided under this subtitle with
2 similar services and to better address the needs
3 of the young children the applicant serves;

4 (G) documentation that the applicant has
5 explored the extent to which funding under part
6 C of the Individuals with Disabilities Education
7 Act (20 U.S.C. 1431 et seq.) and from other re-
8 lated Federal and State sources is available to
9 address the needs of the young children; and

10 (H) an assurance that the funds made
11 available through the grant will not be used for
12 activities that the State pays for with funds
13 made available under the medicaid program
14 carried out under title XIX of the Social Secu-
15 rity Act (42 U.S.C. 1396 et seq.), under the
16 State children's health insurance program car-
17 ried out under title XXI of the Social Security
18 Act (42 U.S.C. 1397aa et seq.), or from State
19 and local funds for mental health programs.

20 (h) USE OF FUNDS.—

21 (1) IN GENERAL.—Except as provided in para-
22 graphs (2) and (3), an entity that receives a grant
23 under this section may use the funds made available
24 through the grant to promote the mental health and

1 healthy emotional development of young children
2 by—

3 (A) providing screening and assessments of
4 the mental health and developmental needs of
5 the young children to be served under the grant
6 and, as appropriate, their families;

7 (B) providing for consultations with staff
8 of programs described in subsection (f)(1) by
9 mental health and other early childhood devel-
10 opment experts, such as speech and language
11 therapists and special education consultants,
12 who can provide programmatic and individual
13 child-centered and family-focused assistance to
14 help the staff respond in the manner most con-
15 ducive to promoting the mental health and
16 healthy emotional development of young chil-
17 dren;

18 (C) providing professional development, in-
19 cluding specialized training and supervision, for
20 staff of programs described in subsection (f)(1)
21 and other early childhood service providers and,
22 as appropriate, for families of young children,
23 about the mental health and developmental
24 needs of young children, to enable the staff and
25 families to develop the skills and competencies

1 necessary to respond to the needs of, and pro-
2 vide needed assistance to, the young children
3 and their families to promote the children's
4 mental health and healthy emotional develop-
5 ment;

6 (D) providing prevention and early inter-
7 vention services, including home visitation, par-
8 enting education, and other activities, parent-
9 child groups, and other individualized supports
10 for families of young children (including par-
11 ents, grandparents, other relative caregivers,
12 foster parents, and other individuals responsible
13 for raising young children), that are designed to
14 promote mental health and healthy emotional
15 development of young children;

16 (E) providing crisis services;

17 (F) facilitating access to treatment and
18 services to enable staff of programs described in
19 subsection (f)(1) to promote mental health and
20 healthy emotional development by attending ap-
21 propriately to the emotional and behavioral con-
22 cerns facing young children and their families;

23 (G) providing increased collaboration be-
24 tween staff of programs providing early child-
25 hood, child development, and children's mental

1 health services, and, as appropriate, staff from
2 other service delivery systems such as—

3 (i) the courts; and

4 (ii) service delivery systems for sub-
5 stance abuse treatment, domestic violence
6 service and treatment, health, and adult
7 and child mental health programs; and

8 (H) providing case management services
9 for young children and, as appropriate, their
10 families, to help link the children and families
11 who need more specialized interventions to ap-
12 propriate services and treatment.

13 (2) PLANNING AND COLLABORATION.—

14 (A) IN GENERAL.—An entity that requests
15 authority to use grant funds made available
16 under this section for planning and collabora-
17 tion activities, and receives a grant under this
18 section, may use a portion of the grant funds
19 as described in subparagraph (B).

20 (B) ACTIVITIES.—The entity may use not
21 more than 50 percent of the grant funds for a
22 period of not more than 6 months at the begin-
23 ning of the grant period to carry out planning
24 and collaboration activities that will help ensure
25 that the needs of young children will be ad-

1 dressed appropriately through the activities car-
2 ried out under the grant. The planning and col-
3 laboration activities shall build on the work of
4 and, to the extent possible, be carried out by
5 early childhood service coordinating offices in
6 the community in which the grant activities will
7 be carried out.

8 (3) DESIGNATED ACTIVITIES.—The Secretary
9 may, during the 3-year period beginning on the date
10 of the establishment of the program described in
11 subsection (c), award grants to State agencies under
12 subsection (c), to enable the State agencies to assist
13 eligible entities specifically to promote the training
14 of early childhood mental health specialists, in con-
15 junction with entities such as community colleges,
16 schools of social work, and institutions offering psy-
17 chology programs, through degree programs or in-
18 ternships or fellowships in early childhood mental
19 health.

20 (i) STATE COLLABORATION.—The State agency shall
21 review applications submitted under subsection (g), make
22 grants under subsection (e), and carry out the administra-
23 tion and oversight of the programs described in subsection
24 (e) in collaboration with—

25 (1) the State mental health agency;

1 (2) the State entity designated to receive col-
2 laboration grants under section 640(a)(5) of the
3 Head Start Act (42 U.S.C. 9835(a)(5)); and

4 (3) other State offices responsible for child wel-
5 fare programs, substance abuse treatment programs,
6 or domestic violence service programs, serving young
7 children within the State.

8 (j) SUPPLEMENT NOT SUPPLANT.—Funds appro-
9 priated pursuant to the authority of this section shall be
10 used to supplement and not supplant other public funds
11 expended to promote the mental health and healthy emo-
12 tional development of young children.

13 (k) COLLABORATION.—In carrying out this section,
14 the Secretary shall collaborate with the Administrator of
15 the Substance Abuse and Mental Health Services Admin-
16 istration, the Administrator of the Health Care Financing
17 Administration, and the heads of relevant offices of the
18 Department of Education that address the concerns of
19 young children.

20 (l) REPORT.—A State that receives a grant under
21 this section shall, not later than 90 days after the end
22 of the grant period, prepare and submit to the Secretary
23 a report that includes—

1 (1) information on the needs of the young chil-
2 dren, and their families, who were assisted with the
3 grant funds;

4 (2) information on the strategies for which the
5 grant funds were used, and how the funds were com-
6 bined with other funds to expand the strategies;

7 (3) documentation that the activities provided
8 were developmentally appropriate, child-centered,
9 and, as appropriate, family-focused, and directed to-
10 ward preventing emotional problems, and involved
11 collaboration with mental health and other develop-
12 mental experts;

13 (4) a discussion of—

14 (A) the extent to which entities in the
15 State increased the number of activities (similar
16 to activities carried out under this section) car-
17 ried out in the State that were funded from
18 sources other than funds made available under
19 this section during the grant period; and

20 (B) the barriers to increasing the number
21 of those activities that were so funded; and

22 (5) a discussion of how the funds made avail-
23 able through the grant helped to improve outcomes
24 for the young children and families served, particu-
25 larly with regard to the goal of school readiness.

1 (m) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to carry out this sec-
 3 tion—

4 (1) \$25,000,000 for fiscal year 2004;

5 (2) \$40,000,000 for fiscal year 2005;

6 (3) \$55,000,000 for fiscal year 2006;

7 (4) \$70,000,000 for fiscal year 2007; and

8 (5) \$85,000,000 for fiscal year 2008.

9 **TITLE IX—SUCCESSFUL**
 10 **TRANSITION TO ADULTHOOD**
 11 **Subtitle A—Youth Development**
 12 **CHAPTER 1—SHORT TITLE; POLICY;**
 13 **DEFINITIONS**

14 **SEC. 9001. SHORT TITLE.**

15 This subtitle may be cited as the “Younger Ameri-
 16 cans Act”.

17 **SEC. 9002. A NATIONAL YOUTH POLICY.**

18 It is the policy of the United States, in keeping with
 19 the traditional United States concept that youth are the
 20 Nation’s most valuable resource, that youth of the Nation
 21 need, and it is the joint and several duty and responsibility
 22 of governments of the United States, of the several States
 23 and political subdivisions, and of Indian tribes, to ensure
 24 that all youth have access to and participate in the full
 25 array of core resources needed to fully prepare youth to

1 become healthy and productive adults and effective citi-
2 zens, including—

3 (1) ongoing relationships with caring adults;

4 (2) safe places with structured activities;

5 (3) services that promote healthy lifestyles, in-
6 cluding services designed to improve physical and
7 mental health;

8 (4) opportunities to acquire marketable skills
9 and competencies; and

10 (5) opportunities for community service and
11 civic participation.

12 **SEC. 9003. DEFINITIONS.**

13 In this Subtitle:

14 (1) AREA PLAN.—The term “area plan” means
15 an area youth development plan described in section
16 9108.

17 (2) ASSOCIATE COMMISSIONER.—The term “As-
18 sociate Commissioner” means the Associate Commis-
19 sioner of the Family and Youth Services Bureau of
20 the Administration on Children, Youth, and Families
21 of the Administration for Children and Families of
22 the Department of Health and Human Services.

23 (3) COMMUNITY-BASED.—The term “commu-
24 nity-based”, used with respect to an organization,
25 means an organization that—

1 (A) is representative of a community or
2 significant segment of a community; and

3 (B) is engaged in providing services to the
4 community.

5 (4) CONSORTIUM.—The term “consortium”
6 means a youth development consortium established
7 in accordance with section 9107(a).

8 (5) CONVENING COMMUNITY-BASED AGENCY.—
9 The term “convening community-based agency”
10 means an organization that—

11 (A) is directed by a board with wide rep-
12 resentation from a community;

13 (B) generates and distributes charitable
14 funds for diverse health and human service pro-
15 grams and coordinates the efforts of multiple
16 agencies as needed or requested;

17 (C) does not itself provide direct services
18 to children, youth, or their families; and

19 (D) operates within the geographic bound-
20 aries of the youth development area for which
21 it exercises its convening duty.

22 (6) CONVENING UNIT OF GENERAL PURPOSE
23 LOCAL GOVERNMENT.—The term “convening unit of
24 general purpose local government” means the unit of
25 general purpose local government with the greatest

1 number of youth residing within the geographic
2 boundaries of the youth development area for which
3 it exercises its convening duty.

4 (7) COUNCIL.—The term “Council” means the
5 Coordinating Council for National Youth Policy.

6 (8) INDIAN.—The term “Indian” has the mean-
7 ing given the term in section 4(d) of the Indian Self-
8 Determination and Education Assistance Act (25
9 U.S.C. 450b(d)).

10 (9) LIBRARY.—The term “library” has the
11 meaning given the term in section 213(2) of the Mu-
12 seum and Library Services Act of 1996.

13 (10) NATIVE AMERICAN ORGANIZATION.—The
14 term “Native American organization” means—

15 (A) a tribal organization, as defined in sec-
16 tion 4(l) of the Indian Self-Determination and
17 Education Assistance Act (25 U.S.C. 450b(l));

18 (B) a Native Hawaiian Organization, as
19 defined in section 4009(4) of the Augustus F.
20 Hawkins-Robert T. Stafford Elementary and
21 Secondary School Improvement Amendments of
22 1988 (20 U.S.C. 4909(4)) (as in effect on the
23 day before the date of enactment of the Improv-
24 ing America’s Schools Act of 1994);

1 (C) an Alaska Native Village Corporation
2 or Regional Corporation as defined in or estab-
3 lished pursuant to the Alaskan Native Claims
4 Settlement Act (43 U.S.C. 1601 et seq.); or

5 (D) a private nonprofit organization estab-
6 lished for the purpose of serving youth who are
7 Indians or Native Hawaiians.

8 (11) NATIVE HAWAIIAN.—The term “Native
9 Hawaiian” has the meaning given the term in sec-
10 tion 4009(1) of the Augustus F. Hawkins-Robert T.
11 Stafford Elementary and Secondary School Improve-
12 ment Amendments of 1988 (20 U.S.C. 4909(1)) (as
13 in effect on the day before the date of enactment of
14 the Improving America’s Schools Act of 1994).

15 (12) OUTLYING AREA.—The term “outlying
16 area” means the United States Virgin Islands,
17 Guam, American Samoa, and the Commonwealth of
18 the Northern Mariana Islands.

19 (13) STATE.—The term “State” means each of
20 the several States of the United States, the District
21 of Columbia, and the Commonwealth of Puerto Rico.

22 (14) STATE PLAN.—The term “State plan”
23 means a State youth development plan described in
24 section 9105.

1 (15) UNIT OF GENERAL PURPOSE LOCAL GOV-
2 ERNMENT.—The term “unit of general purpose local
3 government” means—

4 (A) a political subdivision of a State whose
5 authority is general and not limited to only 1
6 function or combination of related functions; or

7 (B) a Native American organization.

8 (16) YOUTH.—The term “youth” means an in-
9 dividual who is not younger than age 10 and not
10 older than age 19.

11 (17) YOUTH DEVELOPMENT AREA.—The term
12 “youth development area” means a geographic area
13 designated by the State youth development agency in
14 accordance with section 9104(a)(1)(E).

15 (18) YOUTH DEVELOPMENT ORGANIZATION.—
16 The term “youth development organization” means
17 a public or private youth-serving organization with a
18 major emphasis on providing youth development pro-
19 grams.

20 (19) YOUTH DEVELOPMENT PROGRAMS.—The
21 term “youth development programs” means pro-
22 grams, services, supports, opportunities, and activi-
23 ties that prepare youth to contribute to their com-
24 munities and to meet the challenges of adolescence
25 and adulthood through a structured, progressive se-

1 ries of activities and experiences (in contrast to def-
 2 icit-based approaches that focus solely on youth
 3 problems) that—

4 (A) help the youth obtain social, emotional,
 5 ethical, physical, and cognitive competencies;
 6 and

7 (B) address the broader developmental re-
 8 sources all children and youth need, such as the
 9 core resources described in section 9002.

10 (20) YOUTH-SERVING ORGANIZATION.—The
 11 term “youth-serving organization” means a public or
 12 private organization with a primary focus on pro-
 13 viding youth development programs, or health, men-
 14 tal health, fitness, education, workforce preparation,
 15 substance abuse prevention, child welfare, evaluation
 16 and assessment, parenting, arts and cultural engage-
 17 ment, recreation, teen pregnancy prevention, reha-
 18 bitative, or residential services to youth.

19 **CHAPTER 2—GRANTS FOR STATE AND**
 20 **COMMUNITY PROGRAMS**

21 **SEC. 9101. PURPOSE.**

22 The purpose of this chapter is to encourage and as-
 23 sist States and youth development consortia in mobilizing
 24 and supporting communities in planning, implementing,
 25 and being accountable for strategies that link community-

1 based organizations, local government, volunteer centers,
2 schools, community colleges, colleges, universities, faith-
3 based organizations, businesses, parks and recreation
4 agencies, libraries and museums, arts and cultural organi-
5 zations, other youth-serving organizations, and other seg-
6 ments of the community to ensure that all youth have ac-
7 cess to, and participate in, the full array of core resources
8 described in section 9002.

9 **SEC. 9102. AUTHORIZATION OF APPROPRIATIONS.**

10 There are authorized to be appropriated to carry out
11 this chapter \$500,000,000 for fiscal year 2004,
12 \$750,000,000 for fiscal year 2005, \$1,000,000,000 for fis-
13 cal year 2006, \$1,500,000,000 for fiscal year 2007, and
14 \$2,000,000,000 for fiscal year 2008.

15 **SEC. 9103. ALLOTMENTS TO STATES.**

16 (a) RESERVATIONS.—From sums appropriated under
17 section 9102 for each fiscal year, the Associate Commis-
18 sioner shall reserve—

19 (1) 94 percent of the sums for allotments to
20 States to enable the States to make allocations to
21 youth development consortia and to perform State
22 activities;

23 (2) 1 percent of the sums for grants to Native
24 American organizations to carry out activities con-
25 sistent with the objectives of this chapter;

1 (3) 1 percent of the sums for grants to outlying
2 areas to carry out activities consistent with the ob-
3 jectives of this chapter;

4 (4) 3 percent of the sums for Federal competi-
5 tive grant programs aimed at demonstrating ways to
6 respond, through programs that meet the require-
7 ments of subsection (b), to the special developmental
8 needs of youth—

9 (A) in areas with high concentrations of
10 poverty;

11 (B) in rural areas;

12 (C) in situations in which the youth are at
13 higher risk due to abuse, neglect, disconnection
14 from family, disconnection from school, or an-
15 other community risk factor;

16 (D) in alternative educational settings or
17 who have been expelled or suspended from
18 school;

19 (E) in correctional facilities and other out-
20 of-home residential settings;

21 (F) with disabilities; and

22 (G) coming from homes where the primary
23 languages spoken are not English; and

24 (5) 1 percent of the sums for the Associate
25 Commissioner to carry out planning, policy develop-

1 ment, administration, and accountability duties and
2 activities under this chapter and under chapter 3 of
3 this subtitle.

4 (b) USE OF FUNDS.—For each fiscal year for which
5 a State receives a State allotment, the State shall ensure
6 that funds made available through the allotment, and used
7 by the State or a youth development consortium in the
8 State to fund youth development programs, shall be used
9 for the purpose of conducting community-based youth de-
10 velopment programs that—

11 (1) recognize the primary role of the family in
12 youth development in order to strengthen families;

13 (2) promote the involvement of youth (including
14 program participants), parents, grandparents, and
15 guardians, and other community members in the
16 planning and implementation of the youth develop-
17 ment programs;

18 (3) coordinate services with other entities pro-
19 viding youth and family services in the community;

20 (4) eliminate barriers, such as a lack of trans-
21 portation, cost, and service delivery location, to the
22 accessibility of youth development services;

23 (5) provide, directly or through a written con-
24 tract, a broad variety of accessible youth develop-
25 ment programs for youth that are designed to assist

1 youth in acquiring skills, competencies, and connec-
2 tions that are necessary to make a successful transi-
3 tion from childhood to adulthood;

4 (6) incorporate activities that foster relation-
5 ships between positive adult role models and youth,
6 provide age-appropriate activities, and provide activi-
7 ties that engage youth in, and promote youth devel-
8 opment, including activities such as—

9 (A) youth clubs, character development ac-
10 tivities, mentoring, community service, civic en-
11 gagement, leadership development, community
12 action, recreation, and literacy and educational
13 tutoring;

14 (B) sports, workforce readiness activities,
15 peer counseling, and fine and performing arts;
16 and

17 (C) camping and environmental or science
18 education, arts and cultural engagement, risk
19 avoidance programs, academic enrichment, and
20 participant-defined special interest group activi-
21 ties, courses, or clubs; and

22 (7) employ strong outreach efforts to engage
23 the participation of a wide range of youth, families,
24 and service providers.

25 (c) ALLOTMENTS.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), from sums reserved under subsection
3 (a)(1), the Associate Commissioner shall allot to
4 each State the sum (referred to in this chapter as
5 the “State allotment”) of—

6 (A) an amount that bears the same ratio
7 to $\frac{1}{2}$ of the reserved sums as the number of in-
8 dividuals who are not younger than age 10 and
9 not older than age 19 in the State bears to the
10 number of such individuals in all the States;
11 and

12 (B) an amount that bears the same ratio
13 to $\frac{1}{2}$ of the reserved sums as the number of
14 youth in poverty as measured by the most re-
15 cent decennial and annual demographic pro-
16 gram data available from the Bureau of the
17 Census in the State bears to the number of
18 such youth in all the States.

19 (2) STATE MINIMUM.—No State shall be allot-
20 ted less than 0.40 percent of the reserved sums for
21 a fiscal year.

22 (3) DETERMINATIONS.—For purposes of this
23 subsection, the number of individuals who are not
24 younger than age 10 and not older than age 19 in
25 any State and in all the States, and the number of

1 youth in poverty in any State and in all the States,
2 shall be determined by the Associate Commissioner
3 on the basis of the most recent decennial and annual
4 demographic program data available from the Bu-
5 reau of the Census, and other reliable demographic
6 data satisfactory to the Associate Commissioner.

7 (d) WITHHOLDING.—

8 (1) IN GENERAL.—If the Associate Commis-
9 sioner finds that any State has failed to meet the
10 State plan requirements of section 9105 or the allo-
11 cation requirements of section 9106(b), the Asso-
12 ciate Commissioner shall withhold the State allot-
13 ment from such State.

14 (2) DISBURSAL.—The Associate Commissioner
15 shall disburse the funds withheld directly to any en-
16 tity that is a public or private institution, organiza-
17 tion, or agency, or unit of general purpose local gov-
18 ernment of such State that submits an approved
19 plan described in section 9108, if the plan includes
20 an agreement that the entity will—

21 (A) make available (directly or through do-
22 nations from public or private entities) non-
23 Federal contributions, in cash or in kind, in an
24 amount equal to a percentage determined for
25 the State of the funds; and

1 (B) comply with the requirements of this
2 subtitle that apply to States receiving State al-
3 lotments under this section.

4 (e) REALLOTMENTS.—Whenever the Associate Com-
5 missioner determines that any amount allotted to a State
6 for a fiscal year under this section will not be used by
7 such State for such fiscal year to carry out the purpose
8 for which the allotment was made, the Associate Commis-
9 sioner shall make such amount available for carrying out
10 such purpose to 1 or more other States to the extent the
11 Associate Commissioner determines that such other States
12 will be able to use such amount for carrying out such pur-
13 pose.

14 **SEC. 9104. STATE YOUTH DEVELOPMENT AGENCIES AND**
15 **YOUTH DEVELOPMENT AREAS.**

16 (a) STATE YOUTH DEVELOPMENT AGENCIES.—In
17 order for a State to be eligible to receive a State allotment
18 under this chapter—

19 (1) the State shall, in accordance with regula-
20 tions issued by the Associate Commissioner, des-
21 ignate a State agency as the sole State agency to—

22 (A) be primarily responsible for the plan-
23 ning, policy development, administration, co-
24 ordination, priority setting, accountability, and

1 evaluation of all State activities related to the
2 objectives of this subtitle;

3 (B) coordinate its activities with other
4 State, local, and private agencies, offices, and
5 programs, including—

6 (i) State Commissions on National
7 and Community Service established under
8 section 178 of the National and Commu-
9 nity Service Act of 1990 (42 U.S.C.
10 12638);

11 (ii) entities carrying out programs
12 under the Runaway and Homeless Youth
13 Act (42 U.S.C. 5701 et seq.) and other
14 programs under the Juvenile Justice and
15 Delinquency Prevention Act of 1974 (42
16 U.S.C. 5601 et seq.);

17 (iii) entities carrying out independent
18 living programs;

19 (iv) entities carrying out child welfare
20 programs;

21 (v) youth councils established under
22 section 117(h) of the Workforce Invest-
23 ment Act of 1998 (29 U.S.C. 2832(h));

24 (vi) entities carrying out related ac-
25 tivities under the Elementary and Sec-

1 ondary Education Act of 1965 (20 U.S.C.
2 6301 et seq.); and

3 (vii) entities carrying out literacy ac-
4 tivities under the Museum and Library
5 Services Act of 1996 (20 U.S.C. 9101 et
6 seq.);

7 (C) develop a State youth development
8 plan to be submitted to the Associate Commis-
9 sioner for approval pursuant to section 9105;

10 (D) provide assurances that the State will
11 solicit and take into account, with regard to
12 general policy related to the development and
13 the administration of the State plan for any fis-
14 cal year, the views of youth who are the tar-
15 geted and actual recipients of services provided
16 for in the plan;

17 (E) administer the State plan;

18 (F) develop and disseminate a uniform for-
19 mat for use by youth development consortia in
20 developing area plans;

21 (G) divide the State into distinct youth de-
22 velopment areas, after considering the views of-
23 fered by units of general purpose local govern-
24 ment and appropriate public or private agencies
25 and organizations in the State, in accordance

1 with regulations issued by the Associate Com-
2 missioner;

3 (H) ensure that each unit of general pur-
4 pose local government of the State is included
5 in a youth development area;

6 (I) in accordance with guidelines issued by
7 the Associate Commissioner, make allocations
8 to youth development consortia pursuant to sec-
9 tion 9106(b);

10 (J) provide assurances that Federal funds
11 made available under this chapter for the State
12 for any period will be used to supplement, and
13 not supplant, the State, local, and other funds
14 that would in the absence of such Federal funds
15 be made available for the youth development
16 programs described in this chapter;

17 (K) compile reports from youth develop-
18 ment consortia, including outcome and utiliza-
19 tion data developed under section 9301(1) and
20 evaluation information regarding youth develop-
21 ment programs funded under this chapter and
22 provide an annual report based on the compila-
23 tion to the Associate Commissioner;

24 (L) serve as an effective and visible advo-
25 cate for youth in the State government, by ac-

1 tively reviewing and commenting on all State
2 plans, policies, and programs affecting youth;

3 (M) provide public forums for discussion
4 on issues regarding youth, publicize the core re-
5 sources youth need, and obtain information re-
6 lating to ensuring all youth have access to, and
7 participate in, the full array of core resources
8 described in section 9002, by conducting public
9 hearings, and by conducting or sponsoring con-
10 ferences, workshops, and other similar meet-
11 ings;

12 (N) develop mechanisms to foster collabo-
13 ration and resolve administrative and pro-
14 grammatic conflicts between State programs
15 that would be barriers to parents, grand-
16 parents, and guardians, community-based,
17 youth-serving, and youth development organiza-
18 tions, local government entities, State govern-
19 ment entities, tribes, older adult organizations,
20 faith-based organizations, and organizations
21 supporting youth involved in community service
22 and civic participation, related to the coordina-
23 tion of services and funding for programs pro-
24 moting access to, and participating in, the full

1 array of core resources described in section
2 9002; and

3 (O) consult with and assist local govern-
4 ments and community-based organizations with
5 respect to barriers the governments encounter
6 related to the coordination of services and fund-
7 ing for youth development and youth services
8 programs.

9 (b) YOUTH DEVELOPMENT AREA.—

10 (1) UNIT OF GENERAL PURPOSE LOCAL GOV-
11 ERNMENT.—

12 (A) CRITERIA.—In carrying out subsection
13 (a)(1), the State agency may designate as a
14 youth development area any unit of general
15 purpose local government.

16 (B) HEARING.—In any case in which a
17 unit of general purpose local government ap-
18 plies to the State agency to be designated as a
19 youth development area under this paragraph,
20 the State agency shall, upon request, provide an
21 opportunity for a hearing to such unit of gen-
22 eral purpose local government.

23 (2) REGION.—The State agency may designate
24 as a youth development area under subsection (a)(1)
25 any region in the State that includes 1 or more units

1 of general purpose local government if the State
2 agency determines that the designation of such a re-
3 gional youth development area is necessary for, and
4 will enhance, the effective administration of the
5 youth development programs authorized by this
6 chapter.

7 (3) **ADDITIONAL AREAS.**—The State agency
8 may include in any youth development area des-
9 ignated under subsection (a)(1) such additional
10 areas, adjacent to a unit of general purpose local
11 government, as the State agency determines are nec-
12 essary for, and will enhance, the effective adminis-
13 tration of the youth development programs author-
14 ized by this chapter.

15 (4) **INDIAN RESERVATIONS.**—The State agency,
16 in carrying out subsection (a)(1), shall to the extent
17 practicable include all portions of an Indian reserva-
18 tion in a single youth development area.

19 **SEC. 9105. STATE YOUTH DEVELOPMENT PLANS.**

20 (a) **IN GENERAL.**—To be eligible to receive a State
21 allotment under this title, a State shall develop, prepare,
22 and submit to the Associate Commissioner a State youth
23 development plan, for a 2- or 3-year period, at such time,
24 in such manner, and meeting such criteria as the Asso-
25 ciate Commissioner may by regulation prescribe, and shall

1 make such annual revisions as may be necessary to the
2 plan.

3 (b) CONTENTS.—Each such State plan shall contain
4 assurances that the plan is based on area youth develop-
5 ment plans developed under section 9108 by youth devel-
6 opment consortia in the State and describes the State’s
7 intended use of its allotment for State discretionary grants
8 authorized in section 9106(a)(1)(C).

9 **SEC. 9106. DISTRIBUTION OF FUNDS FOR STATE ACTIVI-**
10 **TIES AND AREA ALLOCATIONS.**

11 (a) IN GENERAL.—From a State allotment made
12 under this chapter for any fiscal year—

13 (1)(A) the State agency may use such amount
14 as the State agency determines to be appropriate,
15 but not more than 7 percent, for the purposes of
16 subparagraphs (B) and (C);

17 (B) the State agency may use such amount as
18 the State agency determines to be appropriate, but
19 not more than 4 percent of the State allotment, for
20 paying the cost of—

21 (i) reviewing area youth development plans
22 and distributing funds to youth development
23 consortia;

1 (ii) assisting youth development consortia
2 in carrying out activities under this chapter;
3 and

4 (iii) monitoring and evaluating activities
5 funded through this subtitle by youth develop-
6 ment consortia; and

7 (C) the State agency may use such amount as
8 the State agency determines to be appropriate, but
9 not less than 3 percent and not more than 7 percent
10 of the State allotment, for making State discre-
11 tionary grants to respond to the special develop-
12 mental needs of youth—

13 (i) in areas with high concentrations of
14 poverty;

15 (ii) in rural areas;

16 (iii) in situations in which the youth are at
17 greater risk due to abuse, neglect, disconnection
18 from family, disconnection from school, or an-
19 other community risk factor;

20 (iv) in alternative educational settings or
21 who have been expelled or suspended from
22 school;

23 (v) in correctional facilities and other out-
24 of-home residential settings;

25 (vi) with disabilities; and

1 (vii) coming from homes where the primary
2 languages spoken are not English; and

3 (2) the State agency shall use the remainder of
4 such allotment to make allocations under subsection
5 (b) to youth development consortia to pay for the
6 cost of youth development programs under this
7 chapter that are specified in area youth development
8 plans that—

9 (A) are developed through a comprehensive
10 and coordinated system of planning;

11 (B) have been approved by the consortia
12 involved;

13 (C) are submitted by the consortia for
14 their respective youth development areas; and

15 (D) have been approved by the State agen-
16 cy.

17 (b) ALLOCATIONS AND COMPETITIVE GRANTS.—

18 (1) ALLOCATIONS.—Except as provided in
19 paragraph (2), from the remainder of the State al-
20 lotment described in subsection (a)(2), the State
21 agency, using the best available data, shall allocate
22 for each youth development area in the State the
23 sum of—

24 (A) an amount that bears the same ratio
25 to $\frac{1}{2}$ of the remainder as the number of indi-

1 individuals who are not younger than age 10 and
2 not older than age 19 in the youth development
3 area bears to the number of such individuals in
4 the State; and

5 (B) an amount that bears the same ratio
6 to $\frac{1}{2}$ of the remainder as the number of youth
7 in poverty as measured by the most recent de-
8 cennial and annual demographic program data
9 available from the Bureau of the Census in the
10 youth development area bears to the number of
11 such youth in the State.

12 (2) COMPETITIVE GRANTS.—

13 (A) IN GENERAL.—For any fiscal year for
14 which the amount appropriated to carry out
15 this subtitle is less than \$150,000,000, the
16 State agency shall use the remainder of the
17 State allotment described in subsection (a)(2)
18 to make competitive grants to consortia.

19 (B) RESPONSIBILITIES.—A consortium
20 that receives such a grant shall be considered to
21 have received an allocation under this sub-
22 section, and shall comply with the requirements
23 of this subtitle relating to funds received
24 through such an allocation. A State that makes
25 such grants shall be considered to have com-

1 plied with the requirements of this subsection
2 relating to making allocations.

3 (c) NON-FEDERAL SHARE.—A State that uses Fed-
4 eral funds provided under this chapter to carry out the
5 activities described in section 9106(a)(1)(B) shall make
6 available (directly or through donations from public or pri-
7 vate entities) non-Federal contributions in cash in an
8 amount equal to not less than \$1 for every \$1 of the Fed-
9 eral funds.

10 (d) REALLOTMENTS.—If the State agency does not
11 receive from a youth development consortium a letter of
12 intent declaring the consortium’s intention to submit an
13 area youth development plan to the State agency, within
14 120 days of the State agency’s announcement of the avail-
15 ability of allocations under subsection (b) to youth devel-
16 opment areas to pay for the cost of youth development
17 programs under this chapter, the State agency shall deter-
18 mine that any amount allotted to the youth development
19 area for a fiscal year under this section will not be used
20 by such area for carrying out the purpose for which the
21 allotment was made and shall make such amount available
22 for carrying out such purpose to 1 or more other youth
23 development areas to the extent the State agency deter-
24 mines that such other areas will be able to use such
25 amount for carrying out such purpose.

1 **SEC. 9107. YOUTH DEVELOPMENT CONSORTIA.**

2 (a) YOUTH DEVELOPMENT CONSORTIA.—

3 (1) CONVENED.—

4 (A) CONVENING UNITS OF GENERAL PUR-
5 POSE LOCAL GOVERNMENT AND CONVENING
6 COMMUNITY-BASED AGENCIES.—Except as oth-
7 erwise provided in this paragraph, in order to
8 receive funds from a State pursuant to this
9 chapter, a youth development area shall have a
10 youth development consortium convened jointly
11 by the chief executive officer of a convening
12 community-based agency in the area and the
13 chief executive officer of the convening unit of
14 general purpose local government in the area.

15 (B) PRIVATE AGENCIES AND LOCAL GOV-
16 ERNMENTS.—In the event that a convening
17 community-based agency is not represented in
18 the youth development area, or the chief execu-
19 tive officer of a convening community-based
20 agency in the area is unwilling or unable to
21 participate in jointly convening the consortium,
22 the State agency, after consideration of the
23 views offered by units of general purpose local
24 government and by nonprofit agencies and or-
25 ganizations in such area, shall designate a pri-
26 vate nonprofit agency or organization in the

1 area to convene the consortium jointly with the
2 chief executive officer of the convening unit of
3 general purpose local government in the area.

4 (C) LOCAL FUNDING AND COORDINATING
5 AGENCIES AND PUBLIC ENTITIES.—In the event
6 that a chief executive officer of the convening
7 unit of general purpose local government in the
8 youth development area is unwilling or unable
9 to participate in jointly convening the consor-
10 tium, the State agency, after consideration of
11 the views offered by units of general purpose
12 local government and by youth-serving agencies
13 and organizations in such area, shall designate
14 an executive official of a public entity in the
15 area to convene the consortium jointly with the
16 chief executive officer of a convening commu-
17 nity-based agency and any other chief executive
18 officers of units of general purpose local govern-
19 ment in the area.

20 (D) EXISTING ENTITY.—An existing entity
21 in the youth development area may serve as the
22 consortium if—

23 (i) such entity's membership meets
24 the requirements for a consortium or is
25 adapted to meet such requirements; and

1 (ii) such entity is approved by the
2 State agency.

3 (E) PUBLIC NOTICE.—A consortium may
4 not be convened under this paragraph before
5 the expiration of the 30-day period beginning
6 on the date the particular convening authorities
7 described in this paragraph provide such rea-
8 sonable public notice of the date and time of
9 the first convening of the consortium as is suffi-
10 cient to inform all units of local general purpose
11 government, and nonprofit youth-serving and
12 youth development agencies, of such first con-
13 vening.

14 (2) CHAIRPERSONS.—The consortium shall
15 elect 2 chairpersons from among its membership.
16 One chairperson shall be an officer or official of a
17 general unit of local purpose government and 1
18 chairperson shall be an officer or official from a non-
19 profit youth-serving and youth development agency.

20 (3) COMPOSITION.—A consortium shall consist
21 of an equal number of local representatives from
22 each of the following 3 groups:

23 (A) A group comprised of individuals
24 under age 20 at the time of service on the con-
25 sortium.

1 (B) A group comprised of representatives
2 of—

3 (i) private youth-serving and youth
4 development organizations;

5 (ii) public youth-serving and youth de-
6 velopment organizations;

7 (iii) organizations supporting youth
8 involved in community service and civic
9 participation; and

10 (iv) organizations providing or oper-
11 ating local youth correctional programs or
12 facilities and local law enforcement agen-
13 cies.

14 (C) A group comprised of representatives
15 of—

16 (i) local elected officials;

17 (ii) educational entities, including
18 local elementary and secondary schools,
19 community colleges, colleges, and univer-
20 sities;

21 (iii) libraries and museums;

22 (iv) parks and recreation agencies;

23 (v) volunteer centers;

24 (vi) philanthropic organizations, in-
25 cluding community foundations;

1 (vii) businesses and employee organi-
2 zations;

3 (viii) faith-based organizations;

4 (ix) health and mental health agen-
5 cies;

6 (x) parents, grandparents, and guard-
7 ians, including at least 1 parent, grand-
8 parent, or guardian of a youth who has
9 participated in an activity described in sec-
10 tion 9112(b) within the 3-year period pre-
11 ceding service on the consortium;

12 (xi) if a military installation is located
13 in the youth development area, personnel
14 of the installation; and

15 (xii) arts and cultural organizations.

16 (4) RESPONSIBILITIES.—Each consortium in
17 each youth development area shall—

18 (A) submit to the State agency within 120
19 days of the State agency's announcement of the
20 availability of allocations under section 9106(b)
21 to youth development areas to pay for the cost
22 of youth development programs under this
23 chapter, a letter of intent declaring the consor-
24 tium's intention to submit an area youth devel-
25 opment plan to the State agency;

1 (B) prepare, submit, implement, and evalu-
2 ate the area plan described in section 9108;

3 (C) designate for the youth development
4 area a fiscal agent that agrees not to seek an
5 award of a grant, or to enter into a contract,
6 to carry out youth development programs under
7 the area plan; and

8 (D) compile reports from entities carrying
9 out youth development programs approved by
10 the consortium for funding under this subtitle,
11 including outcome and utilization data devel-
12 oped under section 9301(1) and evaluation in-
13 formation regarding youth development pro-
14 grams funded under this chapter, and provide
15 an annual report based on the compilation to
16 the State agency.

17 (b) COMMUNITY MOBILIZATION EXPENSES.—The
18 fiscal agent and other entities as determined appropriate
19 by the consortium may use such amount as the consortium
20 determines to be appropriate, but not more than 8 percent
21 of the area allotment, for paying the cost of—

22 (1) generating additional commitments of cash
23 and in-kind resources;

24 (2) administration;

25 (3) planning;

- 1 (4) monitoring;
- 2 (5) evaluation;
- 3 (6) training; and
- 4 (7) technical assistance.

5 **SEC. 9108. AREA YOUTH DEVELOPMENT PLANS.**

6 (a) IN GENERAL.—Each consortium for a youth de-
7 velopment area shall, in order to be approved by the State
8 agency and receive an allocation under this chapter, de-
9 velop, prepare, and submit to the State agency a single
10 area youth development plan, approved by the consortium,
11 for the youth development area, at such time, in such
12 manner, and meeting such criteria as the State agency
13 may prescribe. Such plan shall be for a 2- or 3-year period
14 with such annual revisions as may be necessary. Each
15 such plan shall be based upon a uniform format for area
16 plans in the State prepared in accordance with section
17 9105(b).

18 (b) CONTENTS.—Each such plan shall—

- 19 (1) provide specific outcome objectives for youth
20 development programs to be carried out in the youth
21 development area, based on an assessment of needs
22 and resources, sufficient to ensure that all youth in
23 the area have access and participate through a com-
24 prehensive and coordinated system to the full array
25 of core resources described in section 9002;

1 (2) provide an assurance that, in awarding
2 grants and contracts to entities to implement the
3 area plan to provide youth with access to core re-
4 sources described in section 9002 through youth de-
5 velopment programs, the agency will give priority to
6 entities as described in section 9110(b);

7 (3) provide that not less than 30 percent of the
8 funds allocated under this chapter for the youth de-
9 velopment area will be used for youth development
10 programs that respond to the special developmental
11 needs of youth—

12 (A) in areas with high concentrations of
13 poverty;

14 (B) in rural areas;

15 (C) in situations in which the youth are at
16 higher risk due to abuse, neglect, disconnection
17 from family, disconnection from school, or an-
18 other community risk factor;

19 (D) in alternative educational settings or
20 who have been expelled or suspended from
21 school;

22 (E) in correctional facilities and other out-
23 of-home residential settings;

24 (F) with disabilities; and

1 (G) coming from homes where the primary
2 languages spoken are not English;

3 (4) provide assurances that youth engaged in
4 youth development programs carried out under the
5 area plan will be treated equitably;

6 (5) contain strategies for mobilizing and coordi-
7 nating community resources to meet the outcome ob-
8 jectives;

9 (6) describe activities for which funds made
10 available through the allocation will be used to fill
11 gaps between unmet needs and available resources;

12 (7) describe the inclusive process used by the
13 consortium to engage all segments of the commu-
14 nities in the youth development area in developing
15 the area plan;

16 (8) provide measures of program effectiveness
17 to be used in evaluating the progress of the youth
18 development programs approved by the consortium
19 in the area in ensuring access for all youth to the
20 full array of core resources described in section
21 9002, including specific measures for providing ac-
22 cess to such resources for youth with special develop-
23 mental needs, and including specific measures of the
24 participation of youth;

1 (9) describe how local requirements for pro-
2 viding matching funds will be met, how resources
3 will be leveraged, and the uses to which matching
4 funds and leveraged resources will be applied, in car-
5 rying out the area plan;

6 (10) provide for the establishment and mainte-
7 nance of outreach sufficient to ensure that youth
8 and their families in the youth development area are
9 aware of youth development programs providing ac-
10 cess to the core resources described in section 9002,
11 and to ensure that the participation of youth is sus-
12 tained;

13 (11) provide that the consortium will—

14 (A) conduct periodic evaluations of, and
15 public hearings on, activities carried out under
16 the area plan;

17 (B) furnish technical assistance to entities
18 carrying out youth development programs under
19 this title within the youth development area;

20 (C) establish effective and efficient proce-
21 dures for the coordination of—

22 (i) entities carrying out youth develop-
23 ment programs under this chapter within
24 the youth development area; and

1 (ii) entities carrying out other Fed-
2 eral, State, local, and private programs for
3 youth within the youth development area;
4 and

5 (D) take into account in connection with
6 matters of general policy arising in the develop-
7 ment and administration of the area plan, the
8 views of youth who have participated in youth
9 development programs or who desire to partici-
10 pate in youth development programs pursuant
11 to the plan; and

12 (12) provide for the utilization of entities car-
13 rying out volunteer service centers and organizations
14 supporting youth in community service and civic
15 participation in the area to—

16 (A) encourage and enlist the services of
17 local volunteer groups to provide assistance and
18 services appropriate to the unique develop-
19 mental needs of youth in the youth development
20 area;

21 (B) encourage, organize, and promote
22 youth to serve as volunteers to communities in
23 the area; and

24 (C) promote recognition of the contribution
25 made by youth volunteers to youth development

1 programs administered in the youth develop-
2 ment area.

3 **SEC. 9109. GRANTS AND CONTRACTS TO ELIGIBLE ENTI-**
4 **TIES.**

5 (a) REQUEST FOR PROPOSALS.—In implementing an
6 area plan, once the plan has been submitted to and ap-
7 proved by the State agency, a consortium shall issue a re-
8 quest for proposals to award grants and contracts to eligi-
9 ble entities to carry out youth development programs
10 under the plan.

11 (b) GRANTS AND CONTRACTS.—The consortium shall
12 use the funds made available through the allocation made
13 to the consortium under this chapter to award grants and
14 contracts on a competitive basis to eligible entities to pay
15 for the Federal share of the cost of carrying out the youth
16 development programs. Not more than 50 percent of the
17 funds made available through the allocation made to the
18 consortium may be awarded to a single recipient of a grant
19 or contract unless the recipient is a coalition as described
20 in section 9110(a)(1).

21 (c) CONFLICT PROVISION.—The bylaws of the con-
22 sortium shall contain a conflict of interest provision that
23 requires any member of the consortium or employee of the
24 consortium who has a conflict of interest regarding any
25 matter related to awarding a grant or contract under sub-

1 section (b) to declare the conflict and refrain from voting
2 on the award.

3 (d) PERIOD.—The consortium may award such a
4 grant or contract for a period of not more than 4 years.
5 The consortium may terminate the funding made available
6 through such grant or contract during such grant or con-
7 tract period for a youth development program if insuffi-
8 cient Federal funds are appropriated under section 9102
9 to permit continuation of funding.

10 (e) FEDERAL SHARE.—

11 (1) IN GENERAL.—The Federal share of the
12 cost of carrying out a program described in this sec-
13 tion shall be—

14 (A) 80 percent for the first and second
15 year for which the program receives funding
16 under this section;

17 (B) 70 percent for the third such year;

18 (C) 60 percent for the fourth such year;

19 and

20 (D) 50 percent for any subsequent year.

21 (2) NON-FEDERAL SHARE.—An entity that re-
22 ceives a grant or contract under this section may
23 provide for the non-Federal share of the cost from
24 non-Federal sources (which may include State or

1 local public sources) in cash or in kind, fairly evalu-
2 ated, including facilities, equipment, or services.

3 (3) ADJUSTMENTS.—A State agency may ad-
4 just the Federal share of the cost that applies to an
5 entity that receives a grant or contract under this
6 section from a consortium, in the event that the con-
7 sortium demonstrates significant economic need suf-
8 ficient to cause difficulties in area plan implementa-
9 tion.

10 **SEC. 9110. ELIGIBLE ENTITIES.**

11 (a) IN GENERAL.—To be eligible to receive a grant
12 or contract under section 9109, an entity shall be—

13 (1) a coalition of community-based youth-serv-
14 ing or youth development organizations, public agen-
15 cies, health and mental health agencies, education
16 entities including community colleges, colleges, and
17 universities, libraries and museums, parks and recre-
18 ation agencies, arts and cultural organizations, vol-
19 unteer centers, faith-based organizations, older adult
20 organizations, or organizations supporting youth in-
21 volved in community service and civic participation;
22 or

23 (2) a community-based public or private youth-
24 serving or youth development organization.

1 (b) PRIORITY.—In awarding grants and contracts
2 under section 9109, a consortium shall give priority to—

3 (1) existing entities that carry out youth devel-
4 opment programs or health, mental health, fitness,
5 education, workforce preparation, substance abuse
6 prevention, child welfare, evaluation and assessment,
7 parenting, recreation, arts and cultural engagement,
8 teen pregnancy prevention, rehabilitative, or residen-
9 tial services to youth (as of the date of submission
10 of the area plan) that use proven methods and mate-
11 rials supported by evaluation and can demonstrate
12 effective service delivery and sustainability; and

13 (2) entities that submit applications under sec-
14 tion 9111 that—

15 (A) evidence collaboration among commu-
16 nity agencies in providing services under an
17 area plan;

18 (B) are outcome driven;

19 (C) evidence youth leadership opportuni-
20 ties;

21 (D) evidence sustainable, continuous, and
22 sequential activities for youth;

23 (E) evidence strong management practices;

24 (F) evidence strong workforce training and
25 retention efforts; and

1 (G) evidence a commitment to evaluation
2 or other methods of continual reflection on im-
3 proving quality and efficacy.

4 (c) ADMINISTRATIVE EXPENSES.—An entity that re-
5 ceives a grant or contract under section 9109 may use
6 up to 5 percent of the funds received through the grant
7 or contract for the cost of administrative expenses.

8 (d) LIMITATION.—A for-profit entity that receives a
9 grant or contract under section 9109 may not use funds
10 made available through the grant or contract for the pur-
11 poses of generating additional profits.

12 **SEC. 9111. APPLICATIONS.**

13 To be eligible to receive a grant or contract under
14 section 9109 to carry out youth development programs
15 under an area plan, an entity shall submit an application
16 to the consortium for the area at such time, in such man-
17 ner, and containing such information as the consortium
18 and the appropriate State agency, may reasonably require.
19 Such application shall include specific descriptions of how
20 the entity will implement section 9112(a).

21 **SEC. 9112. YOUTH DEVELOPMENT PROGRAMS.**

22 (a) ACCESS.—An eligible entity that receives a grant
23 or contract under section 9109 to carry out a youth devel-
24 opment program shall implement a program that pro-
25 motes, either directly, through a contract, or indirectly

1 through collaboration with other community entities, ac-
2 cess to the full array of core resources described in section
3 9002.

4 (b) ACTIVITIES.—An eligible entity that receives a
5 grant or contract under section 9109 to carry out a youth
6 development program may include among eligible activities
7 provided through the program, which are part of an effort
8 to provide access to, and participation in, the full array
9 of core resources described in section 9002—

10 (1) character development and ethical enrich-
11 ment activities;

12 (2) mentoring activities, including one-to-one
13 relationship building and tutoring;

14 (3) provision and support of community youth
15 centers and clubs;

16 (4) nonschool hours, weekend, and summer pro-
17 grams and camps;

18 (5) sports, recreation, and other activities pro-
19 moting physical fitness and teamwork;

20 (6) services that promote health and healthy de-
21 velopment and behavior on the part of youth, includ-
22 ing risk avoidance programs;

23 (7) academic enrichment, peer counseling and
24 teaching, and literacy activities;

1 (8) camping, environmental, and science edu-
2 cation;

3 (9) arts and cultural engagement, including
4 through music, fine and performing arts;

5 (10) workforce preparation, youth entrepreneur-
6 ship, and technological and vocational skill building;

7 (11) opportunities for community service and
8 community action aimed at involving youth in pro-
9 viding the full array of core resources described in
10 section 9002 to other youth, including opportunities
11 provided in conjunction with activities being per-
12 formed by entities under the National and Commu-
13 nity Service Act of 1990 (42 U.S.C. 12501 et seq.);

14 (12) opportunities that engage youth in civic
15 participation and as leaders or partners in decision-
16 making, especially opportunities with respect to pro-
17 grams and strategies that seek to offer access to,
18 and participation in, the full array of core resources
19 described in section 9002;

20 (13) special interest group activities or courses,
21 including activities or courses regarding video pro-
22 duction, cooking, gardening, pet care, photography,
23 and other youth-identified interests;

1 (14) efforts focused on building the capacity of
2 community-based youth workers, utilizing commu-
3 nity colleges, colleges, and universities;

4 (15) public and private youth led programs, in-
5 cluding such programs provided by youth-serving or
6 youth development organizations;

7 (16) transportation services to foster the par-
8 ticipation of youth in youth development programs
9 in the community involved;

10 (17) subsidies for youth that meet the income
11 eligibility guidelines for a free or reduced price lunch
12 under section 9(b) of the Richard B. Russell Na-
13 tional School Lunch Act (42 U.S.C. 1758(b)), if the
14 provision of such a subsidy allows a youth to fully
15 participate in a youth development program that is
16 part of a strategy to promote access to, and partici-
17 pation in, the full array of core resources described
18 in section 9002;

19 (18) training or group counseling to assist
20 youth, by State certified counselors, psychologists,
21 social workers, or other State licensed or certified
22 mental health professionals who are qualified under
23 State law to provide such services to youth; and

24 (19) referrals to State certified counselors, psy-
25 chologists, social workers, or other State licensed or

1 certified mental health professionals or health pro-
2 fessionals who are qualified under State law to pro-
3 vide such services to youth.

4 (c) INFORMATION.— An eligible entity that receives
5 a grant or contract under section 9109 shall be considered
6 to be a person directly connected with the administration
7 of a Federal education program for purposes of section
8 9(b)(2)(C)(iii)(II)(aa) of the Richard B. Russell National
9 School Lunch Act (7 U.S.C. 1758(b)(2)(C)(iii)(II)). A
10 school serving youth who are receiving services under this
11 chapter from the eligible entity shall provide information
12 to the eligible entity on the income eligibility status of the
13 youth who are children described in section 9(b)(2)(C)(iv)
14 of such Act (7 U.S.C. 1758(b)(2)(C)(iv)), in accordance
15 with that section, to enable the eligible entity to determine
16 eligibility for subsidies under subsection (b)(17).

17 (d) PARTICIPATION IN PLANNING, DESIGN, AND IM-
18 PLEMENTATION.—An eligible entity that receives a grant
19 or contract under section 9109 shall actively engage par-
20 ents, grandparents, guardians, and youth in the planning,
21 design, and implementation of youth development pro-
22 grams supported by funds made available through the
23 grant or contract, including using consumer feedback and
24 evaluation mechanisms at least once a year.

1 **CHAPTER 3—ACCOUNTABILITY**

2 **SEC. 9201. PURPOSES.**

3 The purposes of this chapter are—

4 (1) to ensure that funds appropriated to carry
5 out this subtitle are expended in compliance with
6 this subtitle; and

7 (2) to establish mechanisms at the Federal,
8 State, and local levels to monitor expenditures of the
9 funds and respond to noncompliance with this sub-
10 title.

11 **SEC. 9202. FEDERAL LEVEL ACCOUNTABILITY.**

12 (a) DATA COLLECTION AND USE.—The Associate
13 Commissioner shall collect, collate, and review data re-
14 ceived from States under section 9104(a)(2)(K) and shall
15 make such data available, in the aggregate and by State,
16 to the Coordinating Council for National Youth Policy,
17 Congress, and (on request) to the general public.

18 (b) CORRECTION OF DEFICIENCIES.—If the Asso-
19 ciate Commissioner determines, based on a review of State
20 annual reports, State youth development plans, State data
21 submissions, audits, evaluations, or other documentation
22 required under this subtitle, that a State or eligible entity
23 that receives funds through a grant or contract made
24 under this subtitle is not complying with the requirements
25 of this subtitle, the Associate Commissioner shall—

1 (1) notify the State or eligible entity of the defi-
2 ciencies that require correction and request that the
3 State or entity submit a plan to correct the defi-
4 ciencies;

5 (2) negotiate a plan to correct the deficiencies,
6 and provide appropriate training or technical assist-
7 ance designed to assist the State or eligible entity in
8 complying with the requirements of this subtitle; and

9 (3) if the State or eligible entity fails to submit
10 or negotiate a plan to correct the deficiencies or fails
11 to make substantial efforts, within 6 months after
12 the date of the notification described in paragraph
13 (1), to correct the deficiencies and comply with the
14 requirements of this subtitle—

15 (A) terminate the provision of funds under
16 this subtitle to the State or entity for the re-
17 mainder of the period of the grant or contract;
18 and

19 (B) disburse such funds in the manner
20 prescribed in section 9103(e) for funds withheld
21 under that section.

22 **SEC. 9203. STATE LEVEL ACCOUNTABILITY.**

23 If the State agency designated in section 9104(a)(1)
24 determines, based on a review of reports, data submis-
25 sions, audits, evaluations, or other documentation required

1 under this subtitle, that a consortium or eligible entity
2 that receives funds through a grant or contract made
3 under this subtitle is not complying with the requirements
4 of this subtitle, the State agency shall—

5 (1) notify the consortium or eligible entity of
6 the deficiencies that require correction and request
7 that the consortium or entity submit a plan to cor-
8 rect the deficiencies;

9 (2) negotiate a plan to correct the deficiencies,
10 and provide appropriate training or technical assist-
11 ance designed to assist the consortium or eligible en-
12 tity in complying with the requirements of this sub-
13 title; and

14 (3) if the consortium or eligible entity fails to
15 submit or negotiate a plan to correct the deficiencies
16 or fails to make substantial efforts, within 6 months
17 after the date of the notification described in para-
18 graph (1), to correct the deficiencies and comply
19 with the requirements of this subtitle, terminate the
20 provision of funds under this subtitle to the consor-
21 tium or entity for the remainder of the period of the
22 grant or contract.

23 **SEC. 9204. LOCAL LEVEL ACCOUNTABILITY.**

24 If a consortium determines, based on a review of re-
25 ports, data submissions, audits, evaluations, or other doc-

1 umentation required under this subtitle, that an eligible
2 entity that receives funds through a grant or contract
3 made under this subtitle is not complying with the require-
4 ments of this subtitle, the consortium shall—

5 (1) notify the eligible entity of the deficiencies
6 that require correction and request that the entity
7 submit a plan to correct the deficiencies;

8 (2) negotiate a plan to correct the deficiencies
9 and provide appropriate training or technical assist-
10 ance designed to assist the eligible entity in com-
11 plying with the requirements of this subtitle; and

12 (3) if the eligible entity fails to submit or nego-
13 tiate a plan to correct the deficiencies or fails to
14 make substantial efforts, within 6 months after the
15 date of the notification described in paragraph (1),
16 to correct the deficiencies and comply with the re-
17 quirements of this subtitle, terminate the provision
18 of funds under this subtitle of the entity for the re-
19 mainder of the period of the grant or contract.

20 **SEC. 9205. STATE AUDIT.**

21 Each State that receives funds under this subtitle
22 shall submit annually, to the Associate Commissioner, the
23 findings of an independent audit conducted in accordance
24 with chapter 75 of title 31, United States Code, con-
25 cerning the use of such funds.

1 **CHAPTER 4—TRAINING, RESEARCH, AND**
2 **EVALUATION**

3 **SEC. 9301. PURPOSE.**

4 The purpose of this chapter is to expand the Nation’s
5 knowledge and understanding of youth, youth development
6 programs, and community mobilization aimed at providing
7 all youth with access to, and participation in, the full array
8 of core resources described in section 9002 by—

9 (1) assisting States in evaluating the effective-
10 ness of activities implemented under this subtitle
11 (including evaluating the outcomes resulting from
12 the activities alongside the activities’ inputs and fi-
13 delity of these inputs), including assisting in the
14 specification of a minimum set of quality, outcome,
15 and utilization data to be collected, and development
16 of common definitions to be used, by entities receiv-
17 ing funds under this subtitle;

18 (2) placing priority on the education and train-
19 ing of personnel, with respect to youth development
20 programs, to work with youth, with a special empha-
21 sis on youth with special developmental needs;

22 (3) conducting research (that includes samples
23 that are representative of broader populations; that
24 is longitudinal; that can examine effects across mul-
25 tiple levels, such as the effects on youth, programs,

1 and communities; and that addresses participation,
2 selection, participant retention, and program reach)
3 and identifying effective practices directly related to
4 the field of youth development;

5 (4) disseminating widely information acquired
6 through such research to national, State, and local
7 youth development organizations and youth-serving
8 organizations; and

9 (5) establishing a clearinghouse for the collec-
10 tion, dissemination, training, and technical assist-
11 ance of youth development best practices, including
12 quality, outcome, and performance measurements.

13 **SEC. 9302. GRANTS AND CONTRACTS.**

14 (a) **IN GENERAL.**—The Associate Commissioner may
15 award grants and contracts to eligible entities to carry out
16 evaluation, education and training, and dissemination ac-
17 tivities described in this section.

18 (b) **EVALUATION.**—

19 (1) **SYSTEM.**—The Associate Commissioner
20 shall develop and establish a system for evaluating
21 the effectiveness of activities implemented under this
22 subtitle, including mechanisms for determining and
23 measuring programmatic inputs and outcomes re-
24 sulting from those activities.

1 (2) DISTRIBUTION.—In awarding grants and
2 contracts under subsection (a), the Associate Com-
3 missioner shall use 50 percent of the funds appro-
4 priated to carry out this chapter for an equitable
5 distribution among the States to allow State agen-
6 cies to be responsible for evaluating the effectiveness
7 of the activities implemented in the State under this
8 subtitle, including, at a minimum, collecting the
9 quality, outcome, and utilization data described in
10 section 9301(1).

11 (c) EDUCATION AND TRAINING.—The Associate
12 Commissioner shall develop and establish a system for
13 providing education and training of personnel of States
14 and consortia to increase their capacity to work with
15 youth, with a special emphasis on youth with special devel-
16 opmental needs, in carrying out quality youth development
17 programs under this subtitle.

18 (d) IMPACT EVALUATION.—

19 (1) BIENNIAL EVALUATION.—

20 (A) IN GENERAL.—The Associate Commis-
21 sioner shall conduct an independent biennial
22 evaluation of the impact of youth development
23 programs assisted under this subtitle to pro-
24 mote positive youth development.

1 (B) CONTENTS.—The evaluation shall re-
2 port on—

3 (i) whether the entities carrying out
4 the youth development programs—

5 (I) provided a thorough assess-
6 ment of local resources and barriers
7 to access to, and participation in, the
8 full array of core resources;

9 (II) used objective data and the
10 knowledge of a wide range of commu-
11 nity members;

12 (III) developed measurable goals
13 and objectives;

14 (IV) implemented research-based
15 youth development programs that
16 have been shown to be effective and
17 meet identified needs; and

18 (V) conducted periodic evalua-
19 tions to assess progress made toward
20 achieving the goals and objectives and
21 used evaluations to improve the goals
22 and objectives, and the youth develop-
23 ment programs;

24 (ii) whether the youth development
25 programs have been designed and imple-

1 mented in a manner that specifically tar-
2 gets, if relevant to the youth development
3 programs—

4 (I) research-based variables that
5 are predictive of healthy youth devel-
6 opment;

7 (II) risk factors that are pre-
8 dictive of an increased likelihood that
9 youth will use drugs, alcohol, or to-
10 bacco, become sexually active, or en-
11 gage in violence or drop out of school;
12 or

13 (III) protective factors, buffers,
14 or assets that are known to protect
15 youth from exposure to risk, either by
16 reducing the exposure to risk factors
17 or by changing the way a youth re-
18 sponds to risk, and to increase the
19 likelihood of positive youth develop-
20 ment;

21 (iii) whether the entities carrying out
22 the youth development programs have ap-
23 preciably reduced individual risk-taking be-
24 havior and community risk factors and in-

1 creased either individual or community
2 protective factors; and

3 (iv) whether the entities carrying out
4 the youth development programs have in-
5 corporated effective youth and parent in-
6 volvement.

7 (2) BIENNIAL REPORT.—Not later than Janu-
8 ary 1, 2006, and every 2 years thereafter, the Asso-
9 ciate Commissioner shall submit to the President
10 and Congress a report on the findings of the evalua-
11 tion conducted under paragraph (1) together with
12 data available from other sources on the well-being
13 of youth.

14 (e) DISSEMINATION.—The Associate Commissioner
15 shall develop a system to facilitate the broad dissemination
16 of information acquired through research to States, youth
17 development consortia, and the public about successful
18 and promising strategies for providing all youth with the
19 full array of core resources described in section 9002.

20 **SEC. 9303. AUTHORIZATION OF APPROPRIATIONS.**

21 There are authorized to be appropriated to carry out
22 this chapter \$7,000,000 for fiscal year 2004, and such
23 sums as may be necessary for each of fiscal years 2005,
24 2006, 2007, and 2008.

1 **Subtitle E—Coordination of**
2 **National Youth Policy**

3 **SEC. 9401. COORDINATING COUNCIL FOR NATIONAL YOUTH**
4 **POLICY.**

5 (a) ESTABLISHMENT.—There is established in the
6 Executive Office of the President a Coordinating Council
7 for National Youth Policy.

8 (b) ADMINISTRATION.—The Assistant to the Presi-
9 dent for Domestic Policy within the Executive Office of
10 the President shall oversee the functioning of the Council
11 established under subsection (a).

12 (c) COMPOSITION.—

13 (1) NUMBER.—The Council shall be composed
14 of the following members:

15 (A) The Attorney General.

16 (B) The Secretary of Education.

17 (C) The Secretary of Health and Human
18 Services.

19 (D) The Secretary of Housing and Urban
20 Development.

21 (E) The Secretary of Labor.

22 (F) The Secretary of Transportation.

23 (G) The Commissioner of Social Security.

1 (H) The Chief Executive Officer of the
2 Corporation for National and Community Serv-
3 ice.

4 (I) The heads of such other Federal de-
5 partments and agencies as the Secretary con-
6 siders appropriate.

7 (J) 15 individuals who are neither officers
8 nor employees of the United States.

9 (2) QUALIFICATIONS OF NON-FEDERAL MEM-
10 BERS.—The President shall appoint the members of
11 the Council specified in paragraph (1)(J) from
12 among—

13 (A) individuals who have expertise in or ex-
14 perience with youth development or youth-serv-
15 ing programs, especially programs serving rural
16 and inner-city urban youth and youth with spe-
17 cial developmental needs;

18 (B) representatives of national organiza-
19 tions with an interest in youth development pro-
20 grams;

21 (C) representatives of business and faith
22 communities;

23 (D) parents, grandparents, and guardians;
24 and

1 (E) youth who have participated in local
2 youth development programs or who desire to
3 participate in local youth development pro-
4 grams.

5 (3) AGE OF NON-FEDERAL MEMBERS.—At least
6 $\frac{1}{3}$ of the individuals appointed under paragraph
7 (1)(J) shall be younger than 20 years of age at the
8 time of appointment.

9 (d) APPOINTMENT AND TERMS OF NON-FEDERAL
10 MEMBERS.—

11 (1) TERMS.—

12 (A) IN GENERAL.—Except as otherwise
13 provided in this section, a member of the Coun-
14 cil appointed under subsection (c)(1)(J) shall
15 serve for a term of 4 years.

16 (B) END OF TERM.—The term shall end
17 on March 31 regardless of the actual date of
18 the appointment of such member.

19 (2) SERVICE.—Members of the Council ap-
20 pointed under subsection (c)(1)(J) shall serve with-
21 out regard to the provisions of title 5, United States
22 Code.

23 (e) SERVICE DURING VACANCIES.—Any member of
24 the Council appointed under subsection (c)(1)(J) ap-
25 pointed to fill a vacancy occurring prior to the expiration

1 of the term for which such public member's predecessor
2 was appointed shall be appointed for the remainder of
3 such term. Members of the Council appointed under sub-
4 section (c)(1)(J) shall be eligible for reappointment and
5 may continue to serve after the expiration of their terms
6 until their successors have taken office.

7 (f) VACANCIES.—Any vacancy in the Council shall
8 not affect the powers of the Council, but shall be filled
9 in the same manner as the original appointment was
10 made.

11 (g) CHAIRPERSON.—The Secretary of Health and
12 Human Services shall serve as Chairperson for the Coun-
13 cil.

14 (h) MEETINGS.—The Council shall meet at the call
15 of the Chairperson at least twice a year.

16 (i) DUTIES.—The Council shall—

17 (1) serve as an effective and visible advocate for
18 youth in the Federal Government, by actively review-
19 ing and commenting on all Federal policies affecting
20 youth;

21 (2) advise and assist the President and the
22 heads of Federal departments and agencies on mat-
23 ters regarding the core resources youth need and the
24 capacity of youth to contribute to the Nation and
25 their communities;

1 (3) make recommendations to the President
2 and to Congress with respect to Federal policies re-
3 garding youth;

4 (4) provide public forums for discussion on
5 issues regarding youth, publicize the core resources
6 youth need, and obtain information relating to en-
7 suring all youth access and participate in the full
8 array of core resources described in section 9002, by
9 conducting public hearings, and by conducting or
10 sponsoring conferences, workshops, and other similar
11 meetings;

12 (5) develop mechanisms to foster collaboration
13 and resolve administrative and programmatic con-
14 flicts between Federal programs that would be bar-
15 riers to parents, grandparents, and guardians, com-
16 munity-based, youth-serving, and youth development
17 organizations, local government entities, State gov-
18 ernment entities, tribes, older adult organizations,
19 parks and recreation agencies, libraries and muse-
20 ums, arts and cultural organizations, faith-based or-
21 ganizations, and organizations supporting youth in-
22 volved in community service and civic participation,
23 related to the coordination of services and funding
24 for programs promoting access to, and participation

1 in, the full array of core resources described in sec-
2 tion 9002; and

3 (6) consult with and assist State and local gov-
4 ernments with respect to barriers the governments
5 encounter related to the coordination of services and
6 funding for youth development and youth services
7 programs.

8 (j) REPORTS.—Not later than March 31, 2005, and
9 each subsequent year, the Council shall prepare and sub-
10 mit to the President an annual report of the findings and
11 recommendations of the Council. The President shall
12 transmit each such report to Congress together with com-
13 ments and recommendations.

14 (k) TRAVEL EXPENSES.—Public members of the
15 Council shall not receive compensation for the perform-
16 ance of services for the Council, but shall be allowed travel
17 expenses, including per diem in lieu of subsistence, at
18 rates authorized for employees of agencies under sub-
19 chapter I of chapter 57 of title 5, United States Code,
20 while away from their homes or regular places of business
21 in the performance of services for the Council. Notwith-
22 standing section 1342 of title 31, United States Code, the
23 President may accept the voluntary and uncompensated
24 services of members of the Council.

1 (l) PERMANENT COMMITTEE.—Section 14 of the
 2 Federal Advisory Committee Act (5 U.S.C. App.) shall not
 3 apply to the Council.

4 (m) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated to carry out this section
 6 \$500,000 for fiscal year 2004 and such sums as may be
 7 necessary for fiscal years 2005 through 2008.

8 **Subtitle B—Youth Programs**

9 **SEC. 9201. AMERICORPS.**

10 Section 501(a)(2)(A) of the National and Community
 11 Service Act of 1990 (42 U.S.C. 12681(a)(2)(A)) is amend-
 12 ed by striking “\$300,000,000” and all that follows and
 13 inserting “\$500,000,000 for fiscal year 2004 and such
 14 sums as may be necessary for fiscal year 2005.”.

15 **SEC. 9202. YOUTHBUILD PROGRAM.**

16 Section 402 of the Cranston-Gonzalez National Af-
 17 fordable Housing Act (42 U.S.C. 12870) is amended by
 18 adding at the end the following:

19 “(d) FISCAL YEARS 2004 AND 2005.—There are au-
 20 thorized to be appropriated for grants under subtitle D,
 21 \$107,000,000 for fiscal year 2004 and \$120,000,000 for
 22 fiscal year 2005.”.

23 **SEC. 9203. YOUTH WORKFORCE INVESTMENT ACTIVITIES.**

24 (a) YOUTH OPPORTUNITIES GRANTS.—Section
 25 127(b)(1)(A)(ii)(II) of the Workforce Investment Act of

1 1998 (29 U.S.C. 2852(b)(1)(A)(ii)(II)) is amended by
2 striking “\$1,250,000,000 or greater, \$250,000,000.” and
3 inserting “\$1,391,000,000 or greater, \$391,000,000.”

4 (b) YOUTH ACTIVITIES FORMULA GRANTS.—Section
5 137(a) of the Workforce Investment Act of 1998 (29
6 U.S.C. 2872(a)) is amended—

7 (1) by striking “are authorized” and inserting
8 “is authorized”; and

9 (2) by striking “such sums” and all that follows
10 and inserting “\$2,427,000,000 for fiscal year
11 2004.”.

12 (c) JOB CORPS.—Section 161 of the Workforce In-
13 vestment Act of 1998 (29 U.S.C. 2901) is amended—

14 (1) by striking “are authorized” and inserting
15 “is authorized”; and

16 (2) by striking “such sums” and all that follows
17 and inserting “\$1,400,000,000 for fiscal year
18 2004.”.

19 **SEC. 9204. TRANSITION TRAINING FOR REINTEGRATING**
20 **YOUTH OFFENDERS.**

21 Section 821(j) of the Higher Education Amendments
22 of 1998 (20 U.S.C. 1151(j)) is amended—

23 (1) by striking “are authorized” and inserting
24 “is authorized”; and

1 (2) by striking “\$17,000,000” and all that fol-
2 lows and inserting “\$75,000,000 for fiscal year
3 2004.”.

4 **TITLE X—SAFE START—**
5 **JUVENILE JUSTICE**
6 **Subtitle A—Juvenile Delinquency**
7 **Prevention and Protection**

8 **SEC. 10001. DEFINITION OF JUVENILE.**

9 Section 103 of the Juvenile Justice and Delinquency
10 Prevention Act of 1974 (42 U.S.C. 5603) is amended—

11 (1) in paragraph (28), by striking “and” at the
12 end;

13 (2) in paragraph (29), by striking the period
14 and inserting “; and”; and

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

16 “(30) the term ‘juvenile’ means an individual
17 who is less than 18 years of age.”.

18 **SEC. 10002. STATE PLAN ALLOCATION.**

19 Section 222(a)(2)(A) of the Juvenile Justice and De-
20 linquency Prevention Act of 1974 (42 U.S.C.
21 5632(a)(2)(A)) is amended—

22 (1) by striking “\$325,000” and inserting
23 “\$600,000”; and

24 (2) by striking “\$400,000” and inserting
25 \$750,000.

1 **SEC. 10003. STATE PLAN REQUIREMENTS.**

2 Section 223(a) of the Juvenile Justice and Delin-
3 quency Prevention Act of 1974 (42 U.S.C. 5633(a)) is
4 amended—

5 (1) in paragraph (27), by striking “and” at the
6 end;

7 (2) in paragraph (28), by striking the period
8 and inserting a semicolon; and

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

10 “(29) provide an assurance that the State shall
11 address the disparate treatment of members of mi-
12 nority groups at all stages of the juvenile justice sys-
13 tem, including intake, arrest, detention, adjudica-
14 tion, disposition, and transfer;

15 “(30) provide an assurance that the State shall
16 make the amended plan submitted annually under
17 this section available to the public and shall include
18 in the amended plan a report of the State’s progress
19 in addressing the disparate treatment of members of
20 minority groups at all stages of the juvenile justice
21 system, including data on any disproportionate rep-
22 resentation of African American, Latino, Native
23 American, and Asian juveniles;

24 “(31) contain satisfactory evidence that the
25 State has held a public hearing on the plan;

1 “(32) provide an assurance that the State shall
2 provide every accused or adjudicated juvenile with
3 reasonable safety and security, adequate food, heat,
4 light, sanitary facilities, bedding, clothing, recre-
5 ation, counseling, education, training, and medical
6 care, including, if necessary, mental health services;

7 “(33) provide that not more than 3 percent of
8 funds received by the State under section 222 shall
9 be expended to establish a State juvenile justice coa-
10 lition, which coalition shall include the participation
11 of juveniles; and

12 “(34) provide that 3 percent of funds received
13 by the State under section 222 shall be expended to
14 carry out paragraph (24).”.

15 **Subtitle B—Mental Health Juvenile** 16 **Justice**

17 **SEC. 10101. SHORT TITLE.**

18 This subtitle may be cited as the “Mental Health Ju-
19 venile Justice Act”.

20 **SEC. 10102. TRAINING OF JUSTICE SYSTEM PERSONNEL.**

21 Title II of the Juvenile Justice and Delinquency Pre-
22 vention Act of 1974 (42 U.S.C. 5611 et seq.) is amended
23 by adding at the end the following:

1 **“PART K—ACCESS TO MENTAL HEALTH AND**
2 **SUBSTANCE ABUSE TREATMENT**
3 **“SEC. 299AA. GRANTS FOR TRAINING OF JUSTICE SYSTEM**
4 **PERSONNEL.**

5 “(a) IN GENERAL.—The Administrator shall make
6 grants to State and local juvenile justice agencies in col-
7 laboration with State and local mental health agencies, for
8 purposes of training the officers and employees of the
9 State juvenile justice system (including employees of facili-
10 ties that are contracted for operation by State and local
11 juvenile authorities) regarding appropriate access to men-
12 tal health and substance abuse treatment programs and
13 services in the State for juveniles who come into contact
14 with the State juvenile justice system who have mental
15 health or substance abuse problems.

16 “(b) USE OF FUNDS.—A State or local juvenile jus-
17 tice agency that receives a grant under this section may
18 use the grant for purposes of—

19 “(1) providing cross-training, jointly with the
20 public mental health system, for State juvenile court
21 judges, public defenders, and mental health and sub-
22 stance abuse agency representatives with respect to
23 the appropriate use of effective, community-based al-
24 ternatives to juvenile justice or mental health system
25 institutional placements; or

1 **“SEC. 299BB. GRANTS FOR STATE PARTNERSHIPS.**

2 “(a) IN GENERAL.—The Attorney General and the
3 Secretary of Health and Human Services shall make
4 grants to partnerships between State and local or county
5 juvenile justice agencies and State and local mental health
6 authorities (or appropriate children service agencies) in
7 accordance with this section.

8 “(b) USE OF FUNDS.—A partnership described in
9 subsection (a) that receives a grant under this section
10 shall use such amounts for the establishment and imple-
11 mentation of programs that address the service needs of
12 juveniles who come into contact with the justice system
13 (including facilities contracted for operation by State or
14 local juvenile authorities) and who have mental health or
15 substance abuse problems by requiring the following:

16 “(1) DIVERSION.—Appropriate diversion of
17 those juveniles from incarceration—

18 “(A) who are at imminent risk of being
19 taken into custody;

20 “(B) at the time they are initially taken
21 into custody;

22 “(C) after they are charged with an of-
23 fense or act of juvenile delinquency;

24 “(D) after they are adjudicated delinquent
25 but prior to case disposition; and

1 “(E) after they are released from a juve-
2 nile facility, for the purposes of attending after-
3 care programs.

4 “(2) TREATMENT.—

5 “(A) SCREENING AND ASSESSMENT OF JU-
6 VENILES.—

7 “(i) INITIAL SCREENING.—

8 “(I) IN GENERAL.—Initial men-
9 tal health screening shall be completed
10 for all juveniles immediately upon en-
11 tering the juvenile justice system or a
12 juvenile facility.

13 “(II) QUALIFIED PROFESSIONALS.—Screening shall be con-
14 ducted by qualified health and mental
15 health professionals or by staff who
16 have been trained by qualified health,
17 mental health, and substance abuse
18 professionals.

19 “(III) REVIEW.—In the case of a
20 screening by staff, the screening re-
21 sults should be reviewed by qualified
22 health or mental health professionals
23 not later than 24 hours after the
24 screening.
25

1 “(ii) ACUTE MENTAL ILLNESS.—

2 “(I) IN GENERAL.—Juveniles
3 who suffer from acute mental dis-
4 orders, are suicidal, or are in need of
5 detoxification shall be placed in, or
6 immediately transferred to, an appro-
7 priate medical or mental health facil-
8 ity.

9 “(II) ADMISSION.—Juveniles de-
10 scribed in subclause (I) shall be ad-
11 mitted to a secure correctional facility
12 only with written medical clearance.

13 “(iii) COMPREHENSIVE ASSESS-
14 MENT.—

15 “(I) IN GENERAL.—Except as
16 provided in subclause (II), all juve-
17 niles entering the juvenile justice sys-
18 tem shall have a comprehensive as-
19 sessment conducted and an individual-
20 ized treatment plan written and im-
21 plemented within 2 weeks of entering
22 the system.

23 “(II) SECURE FACILITY.—For
24 juveniles incarcerated in secure facili-
25 ties, the assessment referred to in

1 subclause (I) shall be conducted not
2 later than 1 week after the juvenile
3 enters the juvenile justice system.

4 “(III) QUALIFIED PROFESSIONAL.—Comprehensive assessments
5 conducted under this clause shall be
6 completed by qualified health, mental
7 health, and substance abuse profes-
8 sionals.
9

10 “(B) TREATMENT.—

11 “(i) IN GENERAL.—If the need for
12 treatment is indicated by the assessment of
13 a juvenile, the juvenile shall be referred to
14 or treated by a qualified professional. A ju-
15 venile who is currently receiving treatment
16 for a mental or emotional disorder shall
17 have treatment continued.

18 “(ii) PERIOD.—

19 “(I) IN GENERAL.—Treatment
20 shall continue until an additional
21 mental health assessment determines
22 that the juvenile is no longer in need
23 of treatment.

1 “(II) REEVALUATION.—Treat-
2 ment plans shall be reevaluated at
3 least every 30 days.

4 “(iii) DISCHARGE PLAN.—

5 “(I) IN GENERAL.—An incarcer-
6 ated juvenile shall have a discharge
7 plan prepared when the juvenile en-
8 ters the correctional facility in order
9 to integrate the juvenile back into the
10 family or the community.

11 “(II) UPDATING OF PLAN;
12 AFTERCARE SERVICES.—The dis-
13 charge plan referred to in subclause
14 (I) shall be updated in consultation
15 with the juvenile’s family or guardian
16 before the juvenile leaves the facility
17 and shall address the provision of
18 aftercare services.

19 “(iv) MEDICATION.—

20 “(I) IN GENERAL.—Any juvenile
21 receiving psychotropic medications
22 shall be under the care of a licensed
23 psychiatrist.

24 “(II) MONITORING.—Psycho-
25 tropic medications shall be monitored

1 regularly by trained staff for their ef-
2 ficacy and side effects.

3 “(v) SPECIALIZED TREATMENT.—Spe-
4 cialized treatment and services shall be
5 continually available to a juvenile who—

6 “(I) has a history of mental
7 health problems or treatment;

8 “(II) has a documented history
9 of sexual abuse or offenses, as victim
10 or as perpetrator;

11 “(III) has substance abuse prob-
12 lems, health problems, learning dis-
13 abilities, or histories of family abuse
14 or violence; or

15 “(IV) has developmental disabil-
16 ities.

17 “(C) MEDICAL AND MENTAL HEALTH
18 EMERGENCIES.—

19 “(i) WRITTEN POLICIES.—All correc-
20 tional facilities shall have—

21 “(I) written policies and proce-
22 dures on suicide prevention; and

23 “(II) written arrangements with
24 a hospital or other facility for pro-

1 viding emergency medical and mental
2 health care.

3 “(ii) TRAINED STAFF.—All staff
4 working in correctional facilities shall be
5 trained and certified annually in suicide
6 prevention.

7 “(iii) SERVICE AVAILABILITY.—Phys-
8 ical and mental health services shall be
9 available to an incarcerated juvenile 24
10 hours per day, 7 days per week.

11 “(D) CLASSIFICATION OF JUVENILES.—

12 “(i) IN GENERAL.—Juvenile facilities
13 shall classify and house juveniles in living
14 units according to a plan that includes age,
15 gender, offense, special medical or mental
16 health condition, size, and vulnerability to
17 victimization. Younger, smaller, weaker,
18 and more vulnerable juveniles shall not be
19 placed in housing units with older, more
20 aggressive juveniles.

21 “(ii) BOOT CAMPS.—Juveniles who
22 are under 13 years old or who have serious
23 medical conditions or mental illness shall
24 not be placed in paramilitary boot camps.

1 “(E) CONFIDENTIALITY OF RECORDS.—
2 Mental health and substance abuse treatment
3 records of juveniles shall be treated as confiden-
4 tial and shall be excluded from the records that
5 States require to be routinely released to other
6 correctional authorities and school officials.

7 “(F) MANDATORY REPORTING.—

8 “(i) IN GENERAL.—States shall keep
9 records of the incidence and types of men-
10 tal health and substance abuse disorders in
11 their juvenile justice populations, the range
12 and scope of services provided, and bar-
13 riers to service.

14 “(ii) ANNUAL SUBMISSION.—States
15 shall submit an analysis of this informa-
16 tion annually to the Department of Jus-
17 tice.

18 “(G) STAFF RATIOS FOR CORRECTIONAL
19 FACILITIES.—

20 “(i) IN GENERAL.—Each secure cor-
21 rectional facility shall have a minimum
22 ratio of—

23 “(I) not fewer than 1 mental
24 health counselor to every 50 juveniles;

1 “(II) 1 clinical psychologist for
2 every 100 juveniles; and

3 “(III) 1 licensed psychiatrist for
4 every 100 juveniles receiving psy-
5 chiatric care.

6 “(ii) MENTAL HEALTH COUN-
7 SELORS.—Mental health counselors shall
8 be professionally trained and certified or li-
9 censed.

10 “(H) USE OF FORCE.—

11 “(i) WRITTEN GUIDELINES.—All juve-
12 nile facilities shall have a written behav-
13 ioral management system based on incen-
14 tives and rewards to reduce misconduct
15 and to decrease the use of restraints and
16 seclusion by staff.

17 “(ii) LIMITATIONS ON RESTRAINT.—

18 “(I) IN GENERAL.—Control tech-
19 niques such as restraint, seclusion,
20 chemical sprays, and room confine-
21 ment shall be used only in response to
22 extreme threats to life or safety.

23 “(II) DOCUMENTATION.—Use of
24 these techniques shall be approved by
25 the facility superintendent or chief

1 medical officer and documented in the
2 juvenile's file along with the justifica-
3 tion for use and the failure of less re-
4 strictive alternatives.

5 “(iii) LIMITATION ON ISOLATION.—

6 “(I) IN GENERAL.—Isolation and
7 seclusion shall be used only for imme-
8 diate and short-term security or safety
9 reasons.

10 “(II) APPROVAL.—No juvenile
11 shall be placed in isolation without ap-
12 proval of the facility superintendent or
13 chief medical officer or their official
14 staff designee.

15 “(III) TIME LIMIT.—A juvenile
16 shall be in isolation only the amount
17 of time necessary to achieve security
18 and safety of the juvenile and staff.

19 “(IV) MONITORING.—Staff shall
20 monitor each juvenile in isolation once
21 every 15 minutes and conduct a pro-
22 fessional review of the need for isola-
23 tion at least every 4 hours.

24 “(V) EXAMINATION.—Any juve-
25 nile held in seclusion for 24 hours

1 shall be examined by a physician or li-
2 censed psychologist.

3 “(VI) DOCUMENTATION.—All
4 cases shall be documented in the juve-
5 nile’s file along with the justification.

6 “(I) IDEA AND REHABILITATION ACT.—
7 All juvenile facilities shall abide by all manda-
8 tory requirements and time lines set forth
9 under the Individuals with Disabilities Edu-
10 cation Act (42 U.S.C. 12101 et seq.) and sec-
11 tion 504 of the Rehabilitation Act of 1973 (29
12 U.S.C. 794).

13 “(J) ADVOCACY ASSISTANCE.—

14 “(i) IN GENERAL.—The Secretary of
15 Health and Human Services shall make
16 grants to the systems established under
17 part C of the Developmental Disabilities
18 Assistance and Bill of Rights Act (42
19 U.S.C. 6041 et seq.)—

20 “(I) to monitor the mental health
21 and special education services pro-
22 vided by grantees to juveniles under
23 subparagraphs (A), (B), (C), (H), and
24 (I); and

1 “(II) to advocate on behalf of ju-
2 veniles to assure that such services
3 are properly provided.

4 “(ii) APPROPRIATION.—The Secretary
5 of Health and Human Services will reserve
6 not less than 3 percent of the funds appro-
7 priated under this section for the purposes
8 set forth in clause (i).

9 “(c) AUTHORIZATION OF APPROPRIATIONS.—

10 “(1) IN GENERAL.—There are authorized to be
11 appropriated from the Violent Crime Reduction
12 Trust Fund, \$500,000,000 for each of the fiscal
13 years 2004 through 2008 to carry out this section.

14 “(2) ALLOCATION.—Of amounts appropriated
15 under paragraph (1)—

16 “(A) 35 percent shall be used for diversion
17 programs under subsection (b)(1); and

18 “(B) 65 percent shall be used for treat-
19 ment programs under subsection (b)(2).

20 “(3) INCENTIVES.—The Attorney General and
21 the Secretary of Health and Human Services shall
22 give preference under subsection (b)(2) to partner-
23 ships that integrate treatment programs to serve ju-
24 veniles with co-occurring mental health and sub-
25 stance abuse disorders.

1 “(4) WAIVERS.—The Attorney General and the
2 Secretary of Health and Human Services may grant
3 a waiver of requirements under subsection (b)(2) for
4 good cause.

5 **“SEC. 299CC. GRANTS FOR PARTNERSHIPS.**

6 “(a) IN GENERAL.—Any partnership desiring to re-
7 ceive a grant under this part shall submit an application
8 at such time, in such manner, and containing such infor-
9 mation as the Attorney General and the Secretary of
10 Health and Human Services may prescribe.

11 “(b) CONTENTS.—In accordance with guidelines es-
12 tablished by the Attorney General and the Secretary of
13 Health and Human Services, each application submitted
14 under subsection (a) shall—

15 “(1) set forth a program or activity for carrying
16 out one or more of the purposes specified in section
17 299BB(b) and specifically identify the purpose each
18 such program or activity is designed to carry out;

19 “(2) provide that such program or activity shall
20 be administered by or under the supervision of the
21 applicant;

22 “(3) provide for the proper and efficient admin-
23 istration of such program or activity;

24 “(4) provide for regular evaluation of such pro-
25 gram or activity;

1 “(5) provide an assurance that the proposed
2 program or activity will supplement, not supplant,
3 similar programs and activities already available in
4 the community; and

5 “(6) provide for such fiscal control and fund ac-
6 counting procedures as may be necessary to ensure
7 prudent use, proper disbursement, and accurate ac-
8 counting of funds receiving under this part.”.

9 **SEC. 10104. INITIATIVE FOR COMPREHENSIVE, INTER-**
10 **SYSTEM PROGRAMS.**

11 Subpart 3 of part B of title V of the Public Health
12 Service Act (42 U.S.C. 290bb–31 et seq.) is amended by
13 adding at the end the following:

14 **“SEC. 520K. INITIATIVE FOR COMPREHENSIVE, INTER-**
15 **SYSTEM PROGRAMS.**

16 “(a) IN GENERAL.—The Secretary and the Attorney
17 General, acting through the Director of the Center for
18 Mental Health Services, shall award competitive grants to
19 eligible entities for programs that address the service
20 needs of juveniles and juveniles with serious mental ill-
21 nesses by requiring the State or local juvenile justice sys-
22 tem, the mental health system, and the substance abuse
23 treatment system to work collaboratively to ensure—

24 “(1) the appropriate diversion of such juveniles
25 and juveniles from incarceration;

1 “(2) the provision of appropriate mental health
2 and substance abuse services as an alternative to in-
3 carceration and for those juveniles on probation or
4 parole; and

5 “(3) the provision of followup services for juve-
6 niles who are discharged from the juvenile justice
7 system.

8 “(b) ELIGIBILITY.—To be eligible to receive a grant
9 under this section an entity shall—

10 “(1) be a State or local juvenile justice agency,
11 mental health agency, or substance abuse agency
12 (including community diversion programs);

13 “(2) prepare and submit to the Secretary an
14 application at such time, in such manner, and con-
15 taining such information as the Secretary may re-
16 quire, including—

17 “(A) an assurance that the applicant has
18 the consent of all entities described in para-
19 graph (1) in carrying out and coordinating ac-
20 tivities under the grant; and

21 “(B) with respect to services for juveniles,
22 an assurance that the applicant has collabo-
23 rated with the State or local educational agency
24 and the State or local welfare agency in car-

1 rying out and coordinating activities under the
2 grant;

3 “(3) be given priority if it is a joint application
4 between juvenile justice and substance abuse or
5 mental health agencies; and

6 “(4) ensure that funds from non-Federal
7 sources are available to match amounts provided
8 under the grant in an amount that is not less
9 than—

10 “(A) with respect to the first 3 years
11 under the grant, 25 percent of the amount pro-
12 vided under the grant; and

13 “(B) with respect to the fourth and fifth
14 years under the grant, 50 percent of the
15 amount provided under the grant.

16 “(c) USE OF FUNDS.—

17 “(1) INITIAL YEAR.—An entity that receives a
18 grant under this section shall, in the first fiscal year
19 in which amounts are provided under the grant, use
20 such amounts to develop a collaborative plan—

21 “(A) for how the guarantee will institute a
22 system to provide intensive community serv-
23 ices—

1 “(i) to prevent high-risk juveniles
2 from coming in contact with the justice
3 system; and

4 “(ii) to meet the mental health and
5 substance abuse treatment needs of juve-
6 niles on probation or recently discharged
7 from the justice system; and

8 “(B) providing for the exchange by agen-
9 cies of information to enhance the provision of
10 mental health or substance abuse services to ju-
11 veniles.

12 “(2) 2–5TH YEARS.—With respect to the sec-
13 ond through fifth fiscal years in which amounts are
14 provided under the grant, the grantee shall use
15 amounts provided under the grant—

16 “(A) to furnish services, such as assertive
17 community treatment, wrap-around services for
18 juveniles, multisystemic therapy, outreach, inte-
19 grated mental health and substance abuse
20 treatment, case management, health care, edu-
21 cation and job training, assistance in securing
22 stable housing, finding a job or obtaining in-
23 come support, other benefits, access to appro-
24 priate school-based services, transitional and
25 independent living services, mentoring pro-

1 grams, home-based services, and provision of
2 appropriate after school and summer pro-
3 gramming;

4 “(B) to establish a network of boundary
5 spanners to conduct regular meetings with
6 judges, provide liaison with mental health and
7 substance abuse workers, share and distribute
8 information, and coordinate with mental health
9 and substance abuse treatment providers, and
10 probation or parole officers concerning provision
11 of appropriate mental health and drug and alco-
12 hol addiction services for individuals on proba-
13 tion or parole;

14 “(C) to provide cross-system training
15 among police, corrections, and mental health
16 and substance abuse providers with the purpose
17 of enhancing collaboration and the effectiveness
18 of all systems;

19 “(D) to provide coordinated and effective
20 aftercare programs for juveniles with emotional
21 or mental disorders who are discharged from
22 jail, prison, or juvenile facilities;

23 “(E) to purchase technical assistance to
24 achieve the grant project’s goals; and

1 “(F) to furnish services, to train personnel
2 in collaborative approaches, and to enhance
3 intersystem collaboration.

4 “(3) DEFINITION.—In paragraph (2)(B), the
5 term ‘boundary spanners’ means professionals who
6 act as case managers for juveniles with mental dis-
7 orders and substance abuse addictions, within both
8 justice agency facilities and community mental
9 health programs and who have full authority from
10 both systems to act as problem-solvers and advocates
11 on behalf of individuals targeted for service under
12 this program.

13 “(d) AREA SERVED BY THE PROJECT.—An entity re-
14 ceiving a grant under this section shall conduct activities
15 under the grant to serve at least a single political jurisdic-
16 tion.

17 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
18 shall be made available to carry out the section, not less
19 than 10 percent of the amount appropriated under section
20 1935(a) for each of the fiscal years 2004 through 2008.”.

21 **SEC. 10105. FEDERAL COORDINATING COUNCIL ON THE**
22 **CRIMINALIZATION OF JUVENILES WITH MEN-**
23 **TAL DISORDERS.**

24 (a) ESTABLISHMENT.—There is established a Fed-
25 eral Coordinating Council on Criminalization of Juveniles

1 with Mental Disorders (referred to in this section as the
2 “Council”) as an interdepartmental council to—

3 (1) study and coordinate the criminal and juve-
4 nile justice and mental health and substance abuse
5 activities of the Federal Government; and

6 (2) report to Congress on proposed legislation
7 to improve the treatment of mentally ill juveniles
8 who come in contact with the juvenile justice system.

9 (b) MEMBERSHIP.—The Council shall include rep-
10 resentatives from—

11 (1) the appropriate Federal agencies, as deter-
12 mined by the President, including, at a minimum—

13 (A) the Office of the Secretary of Health
14 and Human Services;

15 (B) the Office for Juvenile Justice and De-
16 linquency Prevention;

17 (C) the National Institute of Mental
18 Health;

19 (D) the Social Security Administration;

20 (E) the Department of Education; and

21 (F) the Substance Abuse and Mental
22 Health Services Administration; and

23 (2) children’s mental health advocacy groups.

24 (c) DUTIES.—The Council shall—

1 (1) review Federal policies that hinder or facili-
 2 tate coordination at the State and local level between
 3 the mental health and substance abuse systems on
 4 the one hand and the juvenile justice and corrections
 5 system on the other;

6 (2) study the possibilities for improving collabo-
 7 ration at the Federal, State, and local level among
 8 these systems; and

9 (3) recommend to Congress any appropriate
 10 new initiatives which require legislative action.

11 (d) FINAL REPORT.—The Council shall submit—

12 (1) 18 months after the Council is established,
 13 an interim report on current coordination and col-
 14 laboration, or lack thereof; and

15 (2) 2 years after the Council is established, a
 16 final report to Congress that includes recommenda-
 17 tions for new initiatives in improving coordination
 18 and collaboration.

19 (e) EXPIRATION.—The Council shall expire 2 years
 20 after the Council is established.

21 **SEC. 10106. MENTAL HEALTH SCREENING AND TREATMENT**
 22 **FOR PRISONERS.**

23 (a) ADDITIONAL REQUIREMENTS FOR THE USE OF
 24 FUNDS UNDER THE VIOLENT OFFENDER INCARCER-
 25 ATION AND TRUTH-IN-SENTENCING GRANTS PROGRAM.—

1 Section 20105(b) of the Violent Crime Control and Law
2 Enforcement Act of 1994 (42 U.S.C. 13705(b)) is amend-
3 ed to read as follows:

4 “(b) ADDITIONAL REQUIREMENTS.—

5 “(1) ELIGIBILITY FOR GRANT.—To be eligible
6 to receive a grant under section 20103 or 20104, a
7 State shall, not later than January 1, 2004, have a
8 program of mental health screening and treatment
9 for appropriate categories of juvenile and other of-
10 fenders during periods of incarceration and juvenile
11 and criminal justice supervision, that is consistent
12 with guidelines issued by the Attorney General.

13 “(2) USE OF FUNDS.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of this subtitle, amounts made
16 available to a State under section 20103 or
17 20104, may be applied to the costs of programs
18 described in paragraph (1), consistent with
19 guidelines issued by the Attorney General.

20 “(B) ADDITIONAL USE.—In addition to
21 being used as specified in subparagraph (A),
22 the funds referred to in that subparagraph may
23 be used by a State to pay the costs of providing
24 to the Attorney General a baseline study on the
25 mental health problems of juvenile offenders

1 and prisoners in the State, which study shall be
 2 consistent with guidelines issued by the Attor-
 3 ney General.”.

4 **SEC. 10107. INAPPLICABILITY OF AMENDMENTS.**

5 Section 3626 of title 18, United States Code, is
 6 amended by adding at the end the following:

7 “(h) INAPPLICABILITY OF AMENDMENTS.—A civil
 8 action brought pursuant to section 1983 of title 42,
 9 United States Code, that seeks to remedy conditions of
 10 confinement for individuals who are under the age of 18
 11 shall be governed by the terms of this section, as in effect
 12 on the day before the date of enactment of the Prison Liti-
 13 gation Reform Act of 1995 and the amendments made by
 14 that Act (18 U.S.C. 3601 note).”.

15 **Subtitle C—Juvenile Justice and**
 16 **Accountability**

17 **SEC. 10201. INCREASE IN FUNDING FOR TITLE III OF THE**
 18 **JJDPA.**

19 There are authorized to be appropriated to carry out
 20 the Runaway and Homeless Youth Act (42 U.S.C. 5701
 21 et seq.)—

22 (1) \$120,000,000 for fiscal year 2004, of which
 23 \$100,000,000 shall be for the Basic Centers and
 24 Transitional Living Program and \$20,000,000 shall
 25 be for the Sexual Abuse Prevention Program; and

1 (2) such sums as necessary for fiscal year 2005.

2 **SEC. 10202. FUNDING FOR THE SERVICES FOR YOUTHFUL**
 3 **OFFENDERS.**

4 There is authorized to be appropriated to carry out
 5 section 520D of title V of the Public Health Service Act
 6 (42 U.S.C. 290bb-35)—

7 (1) \$40,000,000 for fiscal year 2004; and

8 (2) such sums as necessary for fiscal year 2005.

9 **TITLE XI—SAFE START—GUN**
 10 **SAFETY**
 11 **Subtitle A—Closing the Gun Show**
 12 **Loophole**

13 **SEC. 11001. EXTENSION OF BRADY BACKGROUND CHECKS**
 14 **TO GUN SHOWS.**

15 (a) FINDINGS.—Congress finds that—

16 (1) more than 4,400 traditional gun shows are
 17 held annually across the United States, with each
 18 show attracting thousands of attendees and hun-
 19 dreds of Federal firearms licensees and nonlicensed
 20 firearms sellers;

21 (2) traditional gun shows, flea markets, and
 22 other organized events, at which a large number of
 23 firearms are offered for sale by Federal firearms li-
 24 censees and nonlicensed firearms sellers, comprise a
 25 significant part of the national firearms market;

1 (3) firearms and ammunition exhibited or of-
2 ferred for sale or exchange at gun shows, flea mar-
3 kets, and other organized events move easily in, and
4 substantially affect, interstate commerce;

5 (4) before a firearm is exhibited or offered for
6 sale or exchange at a gun show, flea market, or
7 other organized event, the gun, its component parts,
8 ammunition, and the raw materials from which the
9 gun is manufactured have moved in interstate com-
10 merce;

11 (5) gun shows, flea markets, and other orga-
12 nized events at which firearms are exhibited or of-
13 ferred for sale or exchange, provide a convenient and
14 centralized commercial location at which firearms
15 may be bought and sold anonymously, often without
16 background checks or records that enable gun trac-
17 ing;

18 (6) criminals and other ineligible persons obtain
19 guns without background checks at gun shows, flea
20 markets, and other organized events at which guns
21 are exhibited or offered for sale or exchange, and
22 frequently use these untraceable guns to commit
23 crimes;

24 (7) many persons who buy and sell firearms at
25 gun shows, flea markets, and other organized events

1 cross State lines to attend these events and to en-
2 gage in the interstate transportation of firearms ob-
3 tained at these events;

4 (8) gun violence is a pervasive, national prob-
5 lem that is exacerbated by the availability of guns at
6 gun shows, flea markets, and other organized events;

7 (9) firearms associated with gun shows have
8 been—

9 (A) transferred illegally to residents of
10 other States by Federal firearms licensees and
11 nonlicensed firearms sellers; and

12 (B) involved in subsequent crimes, includ-
13 ing drug offenses, crimes of violence, property
14 crimes, and illegal possession of firearms, by
15 felons and other prohibited persons; and

16 (10) Congress has the power, under the inter-
17 state commerce clause and other provisions of the
18 Constitution of the United States, to ensure that
19 criminals and other prohibited persons do not obtain
20 firearms at gun shows, flea markets, and other orga-
21 nized events.

22 (b) DEFINITIONS.—Section 921(a) of title 18, United
23 States Code, is amended by adding at the end the fol-
24 lowing:

1 “(36) GUN SHOW.—The term ‘gun show’ means any
2 event at which 50 or more firearms are offered or exhib-
3 ited for sale, transfer, or exchange, if 1 or more of the
4 firearms has been shipped or transported in, or otherwise
5 affects, interstate or foreign commerce.

6 “(37) GUN SHOW PROMOTER.—The term ‘gun show
7 promoter’ means any person who organizes, plans, pro-
8 motes, or operates a gun show.

9 “(38) GUN SHOW VENDOR.—The term ‘gun show
10 vendor’ means any person who exhibits, sells, offers for
11 sale, transfers, or exchanges 1 or more firearms at a gun
12 show, whether or not the person arranges with the gun
13 show promoter for a fixed location from which to exhibit,
14 sell, offer for sale, transfer, or exchange those firearms.”.

15 (c) REGULATION OF FIREARMS TRANSFERS AT GUN
16 SHOWS.—

17 (1) IN GENERAL.—Chapter 44 of title 18,
18 United States Code, is amended by adding at the
19 end the following:

20 **“§932. Regulation of firearms transfers at gun shows**

21 “(a) RESPONSIBILITIES OF GUN SHOW PRO-
22 MOTERS.—It shall be unlawful for any person to organize,
23 plan, promote, or operate a gun show unless that person—

24 “(1) registers with the Attorney General in ac-
25 cordance with regulations promulgated by the Attor-

1 ney General, including the payment of a registration
2 fee, in an amount determined by the Attorney Gen-
3 eral;

4 “(2) before commencement of the gun show—

5 “(A) verifies the identity of each gun show
6 vendor participating in the gun show by exam-
7 ining a valid identification document (as defined
8 in section 1028(d)(2)) of the vendor containing
9 a photograph of the vendor;

10 “(B) requires each gun show vendor to
11 sign—

12 “(i) a ledger with identifying informa-
13 tion concerning the vendor; and

14 “(ii) a notice advising the vendor of
15 the obligations of the vendor under this
16 chapter;

17 “(3) notifies each person who attends the gun
18 show of the requirements of this chapter, in accord-
19 ance with regulations promulgated by the Attorney
20 General; and

21 “(4) maintains a copy of the records described
22 in paragraph (3) at the permanent place of business
23 of the gun show promoter for such period of time
24 and in such form as the Attorney General shall re-
25 quire by regulation.

1 “(b) RESPONSIBILITIES OF TRANSFERORS OTHER
2 THAN LICENSEES.—

3 “(1) IN GENERAL.—If any part of a firearm
4 transaction takes place at a gun show, it shall be
5 unlawful for any person who is not licensed under
6 this chapter to transfer a firearm to another person
7 who is not licensed under this chapter, unless the
8 firearm is transferred through a licensed importer,
9 licensed manufacturer, or licensed dealer in accord-
10 ance with subsection (d).

11 “(2) CRIMINAL BACKGROUND CHECKS.—A per-
12 son who is subject to the requirement of paragraph
13 (1)—

14 “(A) shall not transfer the firearm to the
15 transferee until the licensed importer, licensed
16 manufacturer, or licensed dealer through which
17 the transfer is made under subsection (d)
18 makes the notification described in subsection
19 (d)(3)(A); and

20 “(B) notwithstanding subparagraph (A),
21 shall not transfer the firearm to the transferee
22 if the licensed importer, licensed manufacturer,
23 or licensed dealer through which the transfer is
24 made under subsection (d) makes the notifica-
25 tion described in subsection (d)(3)(B).

1 “(3) ABSENCE OF RECORDKEEPING REQUIRE-
2 MENTS.—Nothing in this section shall permit or au-
3 thorize the Attorney General to impose record-
4 keeping requirements on any nonlicensed vendor.

5 “(c) RESPONSIBILITIES OF TRANSFEREES OTHER
6 THAN LICENSEES.—

7 “(1) IN GENERAL.—If any part of a firearm
8 transaction takes place at a gun show, it shall be
9 unlawful for any person who is not licensed under
10 this chapter to receive a firearm from another per-
11 son who is not licensed under this chapter, unless
12 the firearm is transferred through a licensed im-
13 porter, licensed manufacturer, or licensed dealer in
14 accordance with subsection (d).

15 “(2) CRIMINAL BACKGROUND CHECKS.—A per-
16 son who is subject to the requirement of paragraph
17 (1)—

18 “(A) shall not receive the firearm from the
19 transferor until the licensed importer, licensed
20 manufacturer, or licensed dealer through which
21 the transfer is made under subsection (d)
22 makes the notification described in subsection
23 (d)(3)(A); and

24 “(B) notwithstanding subparagraph (A),
25 shall not receive the firearm from the transferor

1 if the licensed importer, licensed manufacturer,
2 or licensed dealer through which the transfer is
3 made under subsection (d) makes the notifica-
4 tion described in subsection (d)(3)(B).

5 “(d) RESPONSIBILITIES OF LICENSEES.—A licensed
6 importer, licensed manufacturer, or licensed dealer who
7 agrees to assist a person who is not licensed under this
8 chapter in carrying out the responsibilities of that person
9 under subsection (b) or (c) with respect to the transfer
10 of a firearm shall—

11 “(1) enter such information about the firearm
12 as the Attorney General may require by regulation
13 into a separate bound record;

14 “(2) record the transfer on a form specified by
15 the Attorney General;

16 “(3) comply with section 922(t) as if transfer-
17 ring the firearm from the inventory of the licensed
18 importer, licensed manufacturer, or licensed dealer
19 to the designated transferee (although a licensed im-
20 porter, licensed manufacturer, or licensed dealer
21 complying with this subsection shall not be required
22 to comply again with the requirements of section
23 922(t) in delivering the firearm to the nonlicensed
24 transferor), and notify the nonlicensed transferor
25 and the nonlicensed transferee—

1 “(A) of such compliance; and

2 “(B) if the transfer is subject to the re-
3 quirements of section 922(t)(1), of any receipt
4 by the licensed importer, licensed manufacturer,
5 or licensed dealer of a notification from the na-
6 tional instant criminal background check sys-
7 tem that the transfer would violate section 922
8 or State law;

9 “(4) not later than 10 days after the date on
10 which the transfer occurs, submit to the Attorney
11 General a report of the transfer, which report—

12 “(A) shall be on a form specified by the
13 Attorney General by regulation; and

14 “(B) shall not include the name of, or
15 other identifying information relating to, any
16 person involved in the transfer who is not li-
17 censed under this chapter;

18 “(5) if the licensed importer, licensed manufac-
19 turer, or licensed dealer, during any 5 consecutive
20 business days, assists a person other than a licensee
21 in transferring any combination of pistols and re-
22 volvers totaling 2 or more to the same nonlicensed
23 person, prepare a report of the multiple transfers on
24 a form specified by the Attorney General;

1 “(6) not later than the close of business on the
2 date on which the transfer occurs, submit the report
3 prepared pursuant to paragraph (5) to—

4 “(A) the office specified on the form de-
5 scribed in paragraph (5); and

6 “(B) the appropriate State law enforce-
7 ment agency of the jurisdiction in which the
8 transfer occurs; and

9 “(7) retain a record of the transfer as part of
10 the permanent business records of the licensed im-
11 porter, licensed manufacturer, or licensed dealer.

12 “(e) RECORDS OF LICENSEE TRANSFERS.—If any
13 part of a firearm transaction takes place at a gun show,
14 each licensed importer, licensed manufacturer, and li-
15 censed dealer who transfers 1 or more firearms to a person
16 who is not licensed under this chapter shall, not later than
17 10 days after the date on which the transfer occurs, sub-
18 mit to the Attorney General a report of the transfer, which
19 report—

20 “(1) shall be in a form specified by the Attor-
21 ney General by regulation;

22 “(2) shall not include the name of or other
23 identifying information relating to the transferee;
24 and

1 “(3) shall not duplicate information provided in
2 any report required under subsection (d)(4).

3 “(f) DEFINED TERM.—In this section, the term ‘fire-
4 arm transaction’—

5 “(1) includes the offer for sale, sale, transfer,
6 or exchange of a firearm; and

7 “(2) does not include the mere exhibition of a
8 firearm.”.

9 (2) PENALTIES.—Section 924(a) of title 18,
10 United States Code, is amended by adding at the
11 end the following:

12 “(8)(A) Whoever knowingly violates subsection
13 (a)(1), (d), or (e) of section 932 shall be fined under this
14 title, imprisoned not more than 5 years, or both.

15 “(B) Whoever knowingly violates subsection (a) (ex-
16 cept for paragraph (1)), (c), or (d) of section 932, shall
17 be—

18 “(i) fined under this title, imprisoned not more
19 than 2 years, or both; and

20 “(ii) in the case of a second or subsequent con-
21 viction, fined under this title, imprisoned not more
22 than 5 years, or both.

23 “(C) In addition to any other penalties imposed
24 under this paragraph, the Attorney General may, with re-

1 spect to any person who knowingly violates any provision
2 of section 932—

3 “(i) if the person is registered pursuant to sec-
4 tion 932(a)(1), after notice and opportunity for a
5 hearing, suspend for not more than 6 months or re-
6 voke the registration of that person under section
7 932(a)(1); and

8 “(ii) impose a civil fine in an amount equal to
9 not more than \$10,000.”.

10 (3) TECHNICAL AND CONFORMING AMEND-
11 MENTS.—Chapter 44 of title 18, United States
12 Code, is amended—

13 (A) in the chapter analysis, by adding at
14 the end the following:

“932. Regulation of firearms transfers at gun shows.”;

15 and

16 (B) in the first sentence of section 923(j),
17 by striking “a gun show or event” and inserting
18 “an event”.

19 (d) INSPECTION AUTHORITY.—Section 923(g)(1) is
20 amended by adding at the end the following:

21 “(E)(i) Notwithstanding subparagraph (B), the At-
22 torney General may enter, during business hours, the
23 place of business of any gun show promoter and any place
24 where a gun show is held for the purposes of examining

1 the records required by sections 923 and 932 and the in-
2 ventory of licensees conducting business at the gun show.

3 “(ii) An entry and examination under clause (i) shall
4 be conducted to determine compliance with this chapter
5 by gun show promoters and licensees conducting business
6 at the gun show and shall not require a showing of reason-
7 able cause or a warrant.”.

8 (e) INCREASED PENALTIES FOR SERIOUS RECORD-
9 KEEPING VIOLATIONS BY LICENSEES.—Section 924(a) of
10 title 18, United States Code, is amended by striking para-
11 graph (3) and inserting the following:

12 “(3)(A) Except as provided in subparagraph (B), any
13 licensed dealer, licensed importer, licensed manufacturer,
14 or licensed collector who knowingly makes any false state-
15 ment or representation with respect to the information re-
16 quired by this chapter to be kept in the records of a person
17 licensed under this chapter, or violates section 922(m),
18 shall be fined under this title, imprisoned not more than
19 5 years, or both.

20 “(B) If the violation described in subparagraph (A)
21 is in relation to an offense—

22 “(i) under paragraph (1) or (3) of section
23 922(b), such person shall be fined under this title,
24 imprisoned not more than 5 years, or both; and

1 “(ii) under subsection (a)(6) or (d) of section
2 922, such person shall be fined under this title, im-
3 prisoned not more than 10 years, or both.”.

4 (f) INCREASED PENALTIES FOR VIOLATIONS OF
5 CRIMINAL BACKGROUND CHECK REQUIREMENTS.—

6 (1) PENALTIES.—Section 924(a) of title 18,
7 United States Code, as amended by subsection (e),
8 is further amended—

9 (A) in paragraph (5), by striking “sub-
10 section (s) or (t) of section 922” and inserting
11 “section 922(s)”; and

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

13 “(9) Whoever knowingly violates section 922(t) shall
14 be fined under this title, imprisoned not more than 5
15 years, or both.”.

16 (2) ELIMINATION OF CERTAIN ELEMENTS OF
17 OFFENSE.—Section 922(t)(5) of title 18, United
18 States Code, is amended by striking “and, at the
19 time” and all that follows through “State law”.

20 (g) GUN OWNER PRIVACY AND PREVENTION OF
21 FRAUD AND ABUSE OF SYSTEM INFORMATION.—Section
22 922(t)(2)(C) of title 18, United States Code, is amended
23 by inserting before the period at the end “, as soon as
24 possible, in accordance with section 103(h) of the Brady
25 Handgun Violence Prevention Act (18 U.S.C. 922 note),

1 and not later than 90 days after the date on which the
 2 licensee first contacts the system with respect to the trans-
 3 fer”.

4 (h) EFFECTIVE DATE.—This section and the amend-
 5 ments made by this section shall take effect 180 days after
 6 the date of enactment of this Act.

7 **Subtitle B—Child Safety Locks**

8 **SEC. 11101. REQUIREMENT OF CHILD HANDGUN SAFETY** 9 **LOCKS.**

10 (a) DEFINITIONS.—Section 921(a) of title 18, United
 11 States Code, as amended by section 11001(b), is further
 12 amended by adding at the end the following:

13 “(39) LOCKING DEVICE.—The term ‘locking de-
 14 vice’ means a device or locking mechanism that is
 15 approved by a licensed firearms manufacturer for
 16 use on the handgun with which the device or locking
 17 mechanism is sold, delivered, or transferred and
 18 that—

19 “(A) if installed on a firearm and secured
 20 by means of a key or a mechanically, electroni-
 21 cally, or electromechanically-operated combina-
 22 tion lock, is designed to prevent the firearm
 23 from being discharged without first deactivating
 24 or removing the device by means of a key or

1 mechanically, electronically, or
 2 electromechanically-operated combination lock;

3 “(B) if incorporated into the design of a
 4 firearm, is designed to prevent discharge of the
 5 firearm by any person who does not have access
 6 to the key or other device designed to unlock
 7 the mechanism and thereby allow discharge of
 8 the firearm; or

9 “(C) is a safe, gun safe, gun case, lock
 10 box, or other device that is designed to—

11 “(i) store a firearm; and

12 “(ii) be unlocked only by means of a
 13 key, a combination, or other similar
 14 means.”.

15 (b) UNLAWFUL ACTS.—

16 (1) IN GENERAL.—Section 922 of title 18,
 17 United States Code, is amended by inserting at the
 18 end the following:

19 “(z) LOCKING DEVICES.—

20 “(1) IN GENERAL.—Except as provided in para-
 21 graph (2), it shall be unlawful for any licensed man-
 22 ufacturer, licensed importer, or licensed dealer to
 23 sell, deliver, or transfer any handgun to any person
 24 other than a licensed manufacturer, licensed im-

1 porter, or licensed dealer, unless the transferee is
2 provided with a locking device for that handgun.

3 “(2) EXCEPTIONS.—Paragraph (1) does not
4 apply to—

5 “(A) the manufacture for, transfer to, or
6 possession of a firearm by—

7 “(i) the United States;

8 “(ii) a department or agency of the
9 United States;

10 “(iii) a State; or

11 “(iv) a department, agency, or polit-
12 ical subdivision of a State;

13 “(B) the transfer to, or possession of a
14 firearm for law enforcement purposes by, a law
15 enforcement officer employed by an entity re-
16 ferred to in subparagraph (A); and

17 “(C) the transfer to, or possession of a
18 firearm for law enforcement purposes by, a rail
19 police officer, employed by a rail carrier and
20 certified or commissioned as a police officer
21 under the laws of a State.”.

22 (2) EFFECTIVE DATE.—Section 922(z) of title
23 18, United States Code, as added by this subsection,
24 shall take effect 180 days after the date of enact-
25 ment of this Act.

1 (c) CIVIL PENALTIES.—Section 924 of title 18,
2 United States Code, is amended—

3 (1) in subsection (a)(1), by striking “or (f)”
4 and inserting “(f), or (q)”; and

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

6 “(q) PENALTIES RELATING TO LOCKING DEVICES.—

7 “(1) IN GENERAL.—

8 “(A) SUSPENSION OR REVOCATION OF LI-
9 CENSE; CIVIL PENALTIES.—With respect to
10 each violation of section 922(z)(1) by a licensee,
11 the Attorney General may, after notice and op-
12 portunity for hearing—

13 “(i) suspend or revoke any license
14 issued to the licensee under this chapter;
15 or

16 “(ii) subject the licensee to a civil
17 penalty in an amount equal to not more
18 than \$10,000.

19 “(B) REVIEW.—An action of the Attorney
20 General under this paragraph may be reviewed
21 only as provided under section 923(f).

22 “(2) ADMINISTRATIVE REMEDIES.—The sus-
23 pension or revocation of a license or the imposition
24 of a civil penalty under paragraph (1) does not pre-

1 clude any administrative remedy that is otherwise
2 available to the Attorney General.”.

3 (d) CONSUMER PRODUCT SAFETY ACT.—The Con-
4 sumer Product Safety Act (15 U.S.C. 2051 et seq.) is
5 amended by adding at the end the following:

6 **“SEC. 39. CHILD HANDGUN SAFETY LOCKS.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) CHILD.—The term ‘child’ means an indi-
9 vidual who is less than 13 years of age.

10 “(2) LOCKING DEVICE.—The term ‘locking de-
11 vice’ has the meaning given that term in section
12 921(a)(39)(A) of title 18, United States Code.

13 “(b) ESTABLISHMENT OF STANDARD.—

14 “(1) RULEMAKING.—

15 “(A) INITIATION OF RULEMAKING.—Not-
16 withstanding section 3(a)(1), the Commission
17 shall initiate, not later than 90 days after the
18 date of enactment of this section, a rulemaking
19 proceeding under section 553 of title 5, United
20 States Code, to establish a consumer product
21 safety standard for locking devices. For good
22 cause, the Commission may extend this 90-day
23 period for an additional 90 days.

24 “(B) FINAL STANDARD.—The Commission
25 shall promulgate, not later than 12 months

1 after the date on which the Commission initi-
2 ated the rulemaking, a final consumer product
3 safety standard. For good cause, the Commis-
4 sion may extend this 12-month period.

5 “(C) EFFECTIVE DATE.—The consumer
6 product safety standard promulgated under this
7 paragraph shall take effect 6 months after the
8 date on which the final standard is promulgated
9 pursuant to subparagraph (B).

10 “(D) STANDARD REQUIREMENTS.—The
11 standard promulgated pursuant to subpara-
12 graph (B) shall require locking devices that—

13 “(i) are sufficiently difficult for chil-
14 dren to deactivate or remove; and

15 “(ii) prevent the discharge of the
16 handgun unless the locking device has been
17 deactivated or removed.

18 “(2) NONAPPLICABLE PROVISIONS.—

19 “(A) PROVISIONS OF THIS ACT.—Sections
20 7, 9, and 30(d) shall not apply to the rule-
21 making proceeding under paragraph (1) and
22 section 11 shall not apply to any consumer
23 product safety standard promulgated under
24 paragraph (1).

1 “(B) TITLE 5.—Except for section 553,
2 chapter 5 of title 5, United States Code, shall
3 not apply to this section and chapter 6 of such
4 title 5 shall not apply to this section.

5 “(C) NATIONAL ENVIRONMENTAL POLICY
6 ACT OF 1969.—The National Environmental
7 Policy Act of 1969 (42 U.S.C. 4321) shall not
8 apply to this section.

9 “(b) NO EFFECT ON STATE LAW.—

10 “(1) IN GENERAL.—Notwithstanding section
11 26, this section shall not annul, alter, impair, affect,
12 or exempt any person subject to the provisions of
13 this section from complying with any provision of
14 the law of any State or any political subdivision
15 thereof, except to the extent that such provisions of
16 State law are inconsistent with any provision of this
17 section.

18 “(2) CONSTRUCTION.—A provision of State law
19 is not inconsistent with this section if such provision
20 provides children with greater protection from hand-
21 guns than is provided by this section.

22 “(c) ENFORCEMENT.—Notwithstanding subsection
23 (b)(2)(A), the consumer product safety standard promul-
24 gated by the Commission pursuant to subsection (b) shall

1 be enforced under this Act as if it were a consumer prod-
 2 uct safety standard described in section 7(a).”.

3 (e) CONFORMING AMENDMENT FOR CONSUMER
 4 PRODUCT SAFETY ACT.—Section 1 of the Consumer
 5 Product Safety Act is amended by adding at the end of
 6 the table of contents the following:

“Sec. 39. Child handgun safety locks.

7 (f) AUTHORIZATION OF APPROPRIATIONS FOR CON-
 8 SUMER PRODUCT SAFETY COMMISSION.—There are au-
 9 thorized to be appropriated to the Consumer Product
 10 Safety Commission \$2,000,000 to carry out the provisions
 11 of section 39 of the Consumer Product Safety Act, as
 12 added by subsection (d), which shall remain available until
 13 expended.

14 (g) LIABILITY; EVIDENCE.—

15 (1) LIABILITY.—Nothing in this section, or the
 16 amendments made by this section, shall be construed
 17 to—

18 (A) create a cause of action against any
 19 dealer of firearms or any other person for any
 20 civil liability; or

21 (B) establish any standard of care.

22 (2) EVIDENCE.—Notwithstanding any other
 23 provision of law, evidence regarding compliance or
 24 noncompliance with the amendments made by this

1 section shall not be admissible as evidence in any
 2 proceeding of any court, agency, board, or other en-
 3 tity, except with respect to an action to enforce this
 4 section.

5 (3) **RULE OF CONSTRUCTION.**—Nothing in this
 6 subsection shall be construed to bar a governmental
 7 action to impose a penalty under section 924(q) of
 8 title 18, United States Code, as added by subsection
 9 (d), for a failure to comply with section 922(z) of
 10 that title.

11 **Subtitle C—Unlawful Weapons** 12 **Transfers**

13 **SEC. 11201. UNLAWFUL WEAPONS TRANSFERS TO JUVE-** 14 **NILES.**

15 (a) **IN GENERAL.**—Section 922(x) of title 18, United
 16 States Code, is amended to read as follows:

17 “(x) **JUVENILES.**—

18 “(1) **TRANSFERS TO JUVENILES.**—It shall be
 19 unlawful for a person to sell, deliver, or otherwise
 20 transfer to a person who the transferor knows, or
 21 has reasonable cause to believe, is a juvenile—

22 “(A) a handgun;

23 “(B) ammunition that is suitable for use
 24 only in a handgun (in this section referred to
 25 as “ammunition”);

1 “(C) a semiautomatic assault weapon; or

2 “(D) a large capacity ammunition feeding
3 device.

4 “(2) POSSESSION BY JUVENILES.—It shall be
5 unlawful for any person who is a juvenile to know-
6 ingly possess—

7 “(A) a handgun;

8 “(B) ammunition;

9 “(C) a semiautomatic assault weapon; or

10 “(D) a large capacity ammunition feeding
11 device.

12 “(3) EXCEPTIONS.—This subsection shall not
13 apply to—

14 “(A) a temporary transfer to a juvenile of
15 a handgun, ammunition, large capacity ammu-
16 nition feeding device, or a semiautomatic as-
17 sault weapon or the possession or use by a juve-
18 nile of a handgun, ammunition, large capacity
19 ammunition feeding device, or a semiautomatic
20 assault weapon—

21 “(i) if the handgun, ammunition,
22 large capacity ammunition feeding device,
23 or semiautomatic assault weapon is pos-
24 sessed and used by the juvenile—

25 “(I) in the course of employment;

1 “(II) in the course of ranching or
2 farming related to activities at the
3 residence of the juvenile (or on prop-
4 erty used for ranching or farming at
5 which the juvenile, with the permis-
6 sion of the property owner or lessee, is
7 performing activities related to the op-
8 eration of the farm or ranch);

9 “(III) for target practice;

10 “(IV) for hunting; or

11 “(V) for a course of instruction
12 in the safe and lawful use of a fire-
13 arm;

14 “(ii) if the juvenile’s possession and
15 use of a handgun, ammunition, large ca-
16 pacity ammunition feeding device, or a
17 semiautomatic assault weapon under this
18 subparagraph are in accordance with State
19 and local law;

20 “(iii) if a parent or guardian of the
21 juvenile is not in the immediate and super-
22 visory presence of the juvenile, the juvenile,
23 at all times when a handgun, ammunition,
24 large capacity ammunition feeding device,
25 or semiautomatic assault weapon has pos-

1 session of the prior written consent of the
2 juvenile’s parent or guardian who is not
3 prohibited by Federal, State, or local law
4 from possessing a firearm or ammunition;

5 “(iv) if, during transportation by the
6 juvenile to and from the place at which an
7 activity described in clause (i) is to take
8 place, the firearm is kept unloaded and
9 stored in a locked container or case; and

10 “(v) if, with respect to the employ-
11 ment, ranching or farming activities de-
12 scribed in clause (i)—

13 “(I) the juvenile possesses and
14 uses a handgun, ammunition, a large
15 capacity ammunition feeding device,
16 or a semiautomatic assault rifle with
17 the prior written approval of the juve-
18 nile’s parent or legal guardian; and

19 “(II)(aa) such approval is on file
20 with the parent or legal guardian;

21 “(bb) the parent or legal guard-
22 ian is not prohibited by Federal,
23 State, or local law from possessing a
24 firearm or ammunition; and

1 “(cc) the parent or legal guard-
2 ian is directing the ranching or farm-
3 ing activities of the juvenile;

4 “(B) a juvenile, as a member of the Armed
5 Forces of the United States or the National
6 Guard, who possesses or is armed with a hand-
7 gun, ammunition, large capacity ammunition
8 feeding device, or semiautomatic assault weapon
9 in the line of duty;

10 “(C) a transfer to a juvenile by inheritance
11 of title (but not possession) of a handgun, am-
12 munition, large capacity ammunition feeding
13 device, or a semiautomatic assault weapon; or

14 “(D) the possession by a juvenile of a
15 handgun, ammunition, large capacity ammuni-
16 tion feeding device, or a semiautomatic assault
17 weapon taken in the lawful defense of the juve-
18 nile or other persons in the residence of the ju-
19 venile or a residence in which the juvenile is an
20 invited guest.

21 “(4) PROPERTY RIGHT RETAINED.—The trans-
22 fer to a juvenile of a handgun, ammunition, a large
23 capacity ammunition feeding device, or a semiauto-
24 matic assault weapon that does not violate this sub-
25 section shall not result in the permanent confiscation

1 of the firearm by the Government if its possession
2 by the juvenile subsequently becomes unlawful be-
3 cause of the conduct of the juvenile, but shall be re-
4 turned to the lawful owner when such handgun, am-
5 munition, large capacity ammunition feeding device,
6 or semiautomatic assault weapon is no longer re-
7 quired by the Government for the purposes of inves-
8 tigation or prosecution.

9 “(5) CRIMINAL PROCEDURE.—

10 “(A) MANDATORY ATTENDANCE OF PAR-
11 ENT OR LEGAL GUARDIAN AT PROCEEDINGS.—

12 In a prosecution of a violation of this sub-
13 section, the court shall require the presence of
14 a parent or legal guardian of the juvenile de-
15 fendant at all proceedings.

16 “(B) CONTEMPT POWER.—The court may
17 use the contempt power to enforce compliance
18 with subparagraph (A).

19 “(C) WAIVER.—The court may waive the
20 attendance requirement under subparagraph
21 (A) for good cause shown.

22 “(6) DEFINITIONS.—As used in this subsection,
23 the following definitions shall apply:

1 “(A) JUVENILE.—The term ‘juvenile’
2 means an individual who is less than 21 years
3 of age.

4 “(B) LARGE CAPACITY AMMUNITION FEED-
5 ING DEVICE.—The term ‘large capacity ammu-
6 nition feeding device’ has the same meaning as
7 in section 921(a)(31).”.

8 (b) EFFECTIVE DATE.—This section and the amend-
9 ment made by this section shall take effect 180 days after
10 the date of enactment of this Act.

11 **Subtitle D—Large Capacity** 12 **Ammunition Feeding Devices**

13 **SEC. 11301. BAN ON IMPORTING LARGE CAPACITY AMMUNI-** 14 **TION FEEDING DEVICES.**

15 (a) IN GENERAL.—Section 922(w) of title 18, United
16 States Code, is amended—

17 (1) in paragraph (1), by striking “(1) Except as
18 provided in paragraph (2)” and inserting “(1)(A)
19 Except as provided in subparagraph (B)”;

20 (2) in paragraph (2), by striking “(2) Para-
21 graph (1)” and inserting “(B) Subparagraph (A)”;

22 (3) by inserting before paragraph (3) the fol-
23 lowing:

24 “(2) It shall be unlawful for any person to import
25 a large capacity ammunition feeding device.”; and

1 (4) in paragraph (4)—

2 (A) by striking “(1)” each place it appears
3 and inserting “(1)(A)”; and

4 (B) by striking “(2)” and inserting
5 “(1)(B)”.

6 (b) CONFORMING AMENDMENT.—Section 921(a)(31)
7 of title 18, United States Code, is amended by striking
8 “manufactured after the date of enactment of the Violent
9 Crime Control and Law Enforcement Act of 1994”.

10 **Subtitle E—Enforcement of Gun** 11 **Laws**

12 **SEC. 11401. ENHANCE ENFORCEMENT OF GUN VIOLENCE**

13 **LAWS.**

14 (a) CRIMINAL GUN TRAFFICKER APPREHENSION.—

15 (1) DEFINITION OF LICENSED DEALER.—Sec-
16 tion 921(a)(22) of title 18, United States Code, is
17 amended—

18 (A) by redesignating clauses (i) through
19 (iii) as subclauses (I) through (III);

20 (B) by redesignating subparagraphs (A)
21 through (C) as clauses (i) through (iii);

22 (C) by inserting “(A)” after “(22)”;

23 (D) by striking “: *Provided,*” and inserting
24 a period;

1 (E) by striking “That proof” and inserting
2 the following:

3 “(B) For purposes of this paragraph, proof”; and

4 (F) by striking “For purposes of this para-
5 graph, the term” and inserting the following:

6 “(C) For purposes of this paragraph, the intent un-
7 derlying the sale or disposition of a firearm is presumed
8 to be predominantly one of obtaining livelihood and pecu-
9 niary gain if a person transfers more than 50 firearms
10 during any 12-month period, or more than 30 firearms
11 during any 30-day period, excluding any infrequent trans-
12 fer of a firearm by gift, bequest, intestate succession, or
13 other means by an individual to a parent, child, grand-
14 parent, or grandchild of the individual.

15 “(D) For purposes of this paragraph, the term”.

16 (2) REQUIREMENT THAT LICENSEE OPERATE
17 FROM FIXED PREMISES.—Section 923(d)(1)(E) of
18 title 18, United States Code, is amended to read as
19 follows:

20 “(E) the applicant has, in a State—

21 “(i) fixed premises (other than a private
22 residence) that are primarily devoted to the sale
23 of firearms, and conspicuously designated to the
24 public as such, from which the applicant con-
25 ducts business subject to a license issued pursu-

1 ant to this chapter or from which the applicant
 2 intends to conduct such business within a rea-
 3 sonable period of time; or

4 “(ii) in the case of a collector, premises
 5 from which the collector conducts collecting ac-
 6 tivities subject to a licensed issued pursuant to
 7 this chapter, or from which the collector intends
 8 to conduct such collecting within a reasonable
 9 period of time.”.

10 (3) SECURE STORAGE OF FIREARMS INVEN-
 11 TORIES.—

12 (A) STORAGE REQUIREMENTS.—Section
 13 923 of title 18, United States Code, is amended
 14 by adding at the end the following:

15 “(m) SECURE STORAGE OF FIREARMS INVEN-
 16 TORIES.—

17 “(1) IN GENERAL.—Beginning on the date on
 18 which the Attorney General issues final regulations
 19 under paragraph (2), it shall be unlawful for any li-
 20 censed importer, licensed manufacturer, or licensed
 21 dealer (other than a dealer described in section
 22 921(a)(11)(B)) to store any firearm on premises de-
 23 scribed in subsection (d)(1)(E)(i), other than in ac-
 24 cordance with those regulations.

25 “(2) REGULATIONS.—

1 “(A) IN GENERAL.—Not later than 180
 2 days after the date of enactment of this sub-
 3 section, the Attorney General shall issue final
 4 regulations governing the secure storage of fire-
 5 arms on premises described in subsection
 6 (d)(1)(E)(i) by licensed importers, licensed
 7 manufacturers, and licensed dealers.

8 “(B) FACTORS FOR CONSIDERATION.—In
 9 promulgating regulations issued under this
 10 paragraph, the Attorney General shall con-
 11 sider—

12 “(i) the type and quantity of the fire-
 13 arm or firearms to be stored; and

14 “(ii) the standards of safety and secu-
 15 rity recognized in the firearms industry.”.

16 (B) PENALTIES.—Section 924 of title 18,
 17 United States Code, as amended by section
 18 11101, is further amended—

19 (i) in subsection (a)(1), by striking
 20 “(f), or (q)” and inserting “(f), (q), or
 21 (r)”; and

22 (ii) by adding at the end the fol-
 23 lowing:

24 “(r) FAILURE TO SECURELY STORE FIREARMS IN-
 25 VENTORY.—

1 “(1) IN GENERAL.—The Attorney General may,
2 after notice and opportunity for hearing—

3 “(A) suspend or revoke any license issued
4 under this chapter;

5 “(B) may subject the licensee to a civil
6 penalty of not more than \$10,000; or

7 “(C) if the holder of such license has
8 knowingly violated section 923(m), impose the
9 penalties under subparagraphs (A) and (B).

10 “(2) REVIEW.—An action of the Attorney Gen-
11 eral under this subsection may be reviewed only as
12 provided in section 923(f).”.

13 (C) CONDITION OF LICENSING.—

14 (i) IN GENERAL.—Section
15 923(d)(1)(F) of title 18, United States
16 Code, is amended—

17 (I) in clause (ii)(II), by striking

18 “and” at the end; and

19 (II) by adding at the end the fol-

20 lowing:

21 “(iv) not later than 30 days after the date on
22 which the application is approved, the firearms in-
23 ventory of the business will be stored in accordance
24 with the regulations issued pursuant to section
25 923(m)(2); and”.

1 (ii) EFFECTIVE DATE.—The amend-
 2 ments made by this subparagraph shall
 3 apply to any application submitted under
 4 section 923 of title 18, United States
 5 Code, on or after the date on which final
 6 regulations are issued by the Attorney
 7 General under subsection (m)(2) of such
 8 section, as added by this paragraph.

9 (4) REQUIRING THEFTS FROM COMMON CAR-
 10 RIERS TO BE REPORTED.—

11 (A) IN GENERAL.—Section 922(f) of title
 12 18, United States Code, is amended by adding
 13 at the end the following:

14 “(3)(A) It shall be unlawful for any common or con-
 15 tract carrier to fail to report the theft or loss of a firearm,
 16 within 48 hours after the theft or loss is discovered, to—

17 “(i) the Attorney General; and

18 “(ii) the appropriate local authorities.

19 “(B) The Attorney General may impose a civil fine
 20 of not more than \$10,000 on any person who knowingly
 21 violates subparagraph (A).”.

22 (B) PENALTIES.—Section 924(a)(1)(B) of
 23 title 18, United States Code, is amended by
 24 striking “(f),” and inserting “(f)(1), (f)(2),”.

25 (b) CRIMINAL GUN DEALER DETECTION.—

1 (1) RECORDKEEPING INSPECTIONS.—Section
2 923(g)(1)(B)(ii)(I) of title 18, United States Code,
3 is amended by striking “once” and inserting “4
4 times”.

5 (2) DISPOSAL OF PERSONAL FIREARMS COL-
6 LECTION BY CERTAIN LICENSEES MADE SUBJECT TO
7 REGULATIONS.—Section 923(e) of title 18, United
8 States Code, is amended—

9 (A) by inserting “(1) before the first sen-
10 tence;

11 (B) by striking the second sentence and in-
12 serting the following:

13 “(2) For purposes of this chapter, a personal collec-
14 tion of firearms of a licensed manufacturer, licensed im-
15 porter, or licensed dealer shall be considered to be part
16 of the business inventory of the licensee, except that the
17 provisions of this chapter applicable to the disposition of
18 a firearm from the business inventory of a licensee shall
19 not apply to the infrequent transfer of a firearm by gift,
20 bequest, intestate succession, or other means from the per-
21 sonal collection of firearms of a licensee to a parent, child,
22 grandparent, or grandchild of the licensee.”; and

23 (C) in the third sentence, by striking “If
24 any firearm” and inserting the following:

25 “(3) If any firearm”.

1 (3) SUSPENSION OR REVOCATION OF FIREARMS
2 DEALER LICENSE AND CIVIL PENALTIES.—

3 (A) IN GENERAL.—Section 923(e) of title
4 18, United States Code, is amended to read as
5 follows:

6 “(e) SUSPENSION OR REVOCATION OF DEALER LI-
7 CENSE; CIVIL PENALTIES.—

8 “(1) WILLFUL VIOLATIONS.—If the holder of a
9 license issued under this section has willfully violated
10 any provision of this chapter or any rule or regula-
11 tion prescribed by the Attorney General pursuant to
12 this chapter, the Attorney General may, after notice
13 and opportunity for hearing—

14 “(A) suspend or revoke such license;

15 “(B) assess that licensee with a civil pen-
16 alty equal to not more than \$10,000 per viola-
17 tion; or

18 “(C) take the actions described in subpara-
19 graphs (A) and (B).

20 “(2) TRANSFER OF ARMOR PIERCING AMMUNI-
21 TION.—If a dealer willfully transfers armor piercing
22 ammunition, the Attorney General may, after notice
23 and opportunity for hearing—

24 “(A) suspend or revoke the license of that
25 dealer;

1 “(B) assess that dealer with a civil penalty
2 equal to not more than \$10,000; or

3 “(C) take the actions described in subpara-
4 graphs (A) and (B).

5 “(3) COMPROMISE, MITIGATION, OR REMIT-
6 TANCE OF LIABILITY.—The Attorney General may
7 at any time compromise, mitigate, or remit the li-
8 ability with respect to any willful violation of this
9 chapter or any rule or regulation prescribed by the
10 Attorney General under this chapter.

11 “(4) REVIEW.—An action of the Attorney Gen-
12 eral under this subsection may be reviewed only as
13 provided in subsection (f).”.

14 (B) NOTICE OF LICENSE REVOCATION OR
15 DENIAL.—Section 923(f) of title 18, United
16 States Code, is amended to read as follows:

17 “(f) RIGHTS OF APPLICANTS AND LICENSEES.—

18 “(1) NOTICE REQUIREMENTS.—

19 “(A) IN GENERAL.—If the Attorney Gen-
20 eral denies an application for, revokes, or sus-
21 pends, a license, or assesses a civil penalty
22 under this section, the Attorney General shall
23 provide the affected party with written notice of
24 such denial, revocation, suspension, or assess-
25 ment.

1 “(B) NOTICE TO BE GIVEN BEFORE EF-
2 FECTIVE DATE OF REVOCATION OR SUSPEN-
3 SION.—Any notice of a revocation or suspension
4 of a license under this paragraph shall be given
5 to the holder of such license before the effective
6 date of the revocation or suspension, as applica-
7 ble.

8 “(2) APPEALS PROCESS.—

9 “(A) HEARING.—If the Attorney General
10 denies an application for, revokes, or suspends
11 a license, or assesses a civil penalty under this
12 section, the Attorney General shall—

13 “(i) upon request of the aggrieved
14 party, promptly hold a hearing, at a loca-
15 tion convenient to the aggrieved party, to
16 review the denial, revocation, suspension,
17 or assessment; and

18 “(ii) in the case of a suspension or
19 revocation of a license, upon the request of
20 the holder of the license, stay the effective
21 date of the suspension or revocation.

22 “(B) NOTICE OF DECISION.—If, after a
23 hearing held under subparagraph (A), the At-
24 torney General decides not to reverse the deci-
25 sion to deny the application, revoke or suspend

1 the license, or assess the civil penalty, as appli-
2 cable, the Attorney General shall provide the
3 aggrieved party with notice of such decision.

4 “(C) PETITION FOR DE NOVO REVIEW.—

5 “(i) IN GENERAL.—During the 60-day
6 period beginning on the date on which an
7 aggrieved party receives a notice under
8 subparagraph (B), the aggrieved party
9 may file a petition with the district court
10 of the United States for the judicial dis-
11 trict in which the aggrieved party resides,
12 or has a principal place of business, for a
13 de novo judicial review of such denial, rev-
14 ocation, suspension, or assessment.

15 “(ii) JUDICIAL PROCEEDING.—In any
16 judicial proceeding arising from a petition
17 under clause (i)—

18 “(I) the court may consider any
19 evidence submitted by the parties to
20 the proceeding, regardless of whether
21 or not such evidence was considered
22 at the hearing held under subpara-
23 graph (A); and

24 “(II) if the court decides that the
25 Attorney General was not authorized

1 to make such denial, revocation, sus-
 2 pension, or assessment, the court shall
 3 order the Attorney General to take
 4 such actions as may be necessary to
 5 comply with the judgment of the
 6 court.”.

7 (c) VIOLENT FELON GUN BAN ENFORCEMENT.—

8 (1) ADMINISTRATIVE RELIEF FROM CERTAIN
 9 FIREARMS AND EXPLOSIVES PROHIBITIONS.—

10 (A) FIREARMS.—Section 925(c) of title 18,
 11 United States Code, is amended—

12 (i) in the first sentence, by striking
 13 “A person” and inserting “(1) A person
 14 (other than a natural person)”;

15 (ii) in the second sentence, by striking
 16 “Any person” and inserting the following:
 17 “(2) Any person”;

18 (iii) in the fourth sentence—

19 (I) by striking “A licensed im-
 20 porter” and inserting the following:

21 “(3) A person (other than a natural person) who is
 22 a licensed importer”; and

23 (II) by striking “his license” and
 24 inserting “the license of that person”;
 25 and

1 (iv) by striking the last sentence and
2 inserting the following:

3 “(4) Whenever the Attorney General grants relief
4 under this section to any person, the Attorney General
5 shall promptly publish, in the Federal Register, a notice
6 of such action that includes—

7 “(A) the name of the person;

8 “(B) the disability with respect to which the re-
9 lief is granted;

10 “(C) if the disability was imposed by reason of
11 a criminal conviction of the person, the crime for
12 which, and the court in which, the person was con-
13 victed; and

14 “(D) the reasons for the decision of the Attor-
15 ney General.”.

16 (B) EXPLOSIVE MATERIALS.—Section
17 845(b) of title 18, United States Code, is
18 amended—

19 (i) in the first sentence, by striking
20 “A person” and inserting “(1) A person
21 (other than a natural person)”; and

22 (ii) in the second sentence, by striking
23 “A licensee or permittee” and inserting the
24 following:

1 “(2) A licensee or permittee (other than a natural
2 person)”.

3 (C) APPLICABILITY.—The amendments
4 made by this paragraph shall apply to any ap-
5 plication for administrative relief and any ac-
6 tion for judicial review that—

7 (i) is pending on the date of enact-
8 ment of this section; and

9 (ii) is brought or filed on or after the
10 date of enactment of this section.

11 (2) PERMANENT FIREARM PROHIBITION FOR
12 CONVICTED VIOLENT FELONS AND SERIOUS DRUG
13 OFFENDERS.—Section 921(a)(20) of title 18, United
14 States Code, is amended—

15 (A) in the first sentence—

16 (i) by redesignating subparagraphs
17 (A) and (B) as clauses (i) and (ii), respec-
18 tively; and

19 (ii) by inserting “(A)” after “(20)”;

20 (B) in the second sentence, by striking
21 “What” and inserting the following:

22 “(B) What”; and

23 (C) by striking the third sentence and in-
24 serting the following:

1 “(C) A State conviction shall not be considered to be
2 a conviction for purposes of this chapter, if—

3 “(i) the conviction is for an offense other than
4 a serious drug offense or violent felony (as those
5 terms are defined in section 924(e)(2));

6 “(ii)(I) the person is pardoned;

7 “(II) the person has any civil right restored,
8 which had been taken away by virtue of the convic-
9 tion; or

10 “(III) the conviction is expunged; and

11 “(iii) the authority that grants the pardon, the
12 restoration of civil rights, or the expunction—

13 “(I) expressly authorizes the person to
14 ship, transport, receive, and possess firearms;
15 and

16 “(II) expressly determines that the cir-
17 cumstances regarding the conviction and the
18 record and reputation of the person are such
19 that the person is not likely to act in a manner
20 that is dangerous to public safety, and that the
21 granting of the relief is not contrary to the pub-
22 lic interest.”.

23 (d) INTENSIVE GUN VIOLENCE REDUCTION STRAT-
24 EGY.—

1 (1) FUNDING FOR FEDERAL DOMESTIC VIO-
2 LENCE OFFENDER RECORDKEEPING IMPROVE-
3 MENTS.—

4 (A) AUTHORIZATION OF APPROPRIA-
5 TIONS.—In addition to any other amounts au-
6 thorized to be appropriated for such purpose,
7 there are authorized to be appropriated
8 \$70,000,000 for fiscal year 2004 for the im-
9 provement of the national instant criminal
10 background check system established under sec-
11 tion 103 of the Brady Handgun Violence Pre-
12 vention Act (18 U.S.C. 922 note), including the
13 improvement of the records described in sub-
14 paragraph (B), and especially felony and mis-
15 demeanor convictions for crimes of domestic vi-
16 olence and restraining orders with respect to in-
17 cidents of domestic violence.

18 (B) RECORDS INCLUDED.—The records
19 described in this subparagraph are—

20 (i) the records described in para-
21 graphs (1) through (3) of section 509(b) of
22 the Omnibus Crime Control and Safe
23 Streets Act of 1968 (42 U.S.C. 3759(b));
24 and

1 (ii) the records required by the Attor-
 2 ney General under section 103 of the
 3 Brady Handgun Violence Prevention Act
 4 (18 U.S.C. 922 note) for the purpose of
 5 implementing that Act.

6 (2) FUNDING FOR STATE AND LOCAL DOMESTIC
 7 VIOLENCE OFFENDER RECORDKEEPING IMPROVE-
 8 MENTS.—

9 (A) GRANTS FOR STATE AND LOCAL DO-
 10 MESTIC VIOLENCE OFFENDER RECORDKEEPING
 11 IMPROVEMENTS.—Title III of the Violent Crime
 12 Control and Law Enforcement Act of 1994 is
 13 amended by adding at the end the following:

14 **“Subtitle Y—Grants for State and**
 15 **Local Domestic Violence Of-**
 16 **fender Recordkeeping Improve-**
 17 **ments**

18 **“SEC. 32501. GRANT AUTHORIZATION.**

19 “The Attorney General may award grants to State
 20 or local law enforcement agencies for the purpose of im-
 21 proving—

22 “(1) the organization of criminal records, in-
 23 cluding records relating to convictions for crimes of
 24 domestic violence and restraining orders with respect
 25 to domestic violence; and

1 “(2) the reporting of such records to the na-
2 tional instant criminal background check system es-
3 tablished under section 103 of the Brady Handgun
4 Violence Prevention Act (18 U.S.C. 922 note).

5 **“SEC. 32502. USE OF FUNDS.**

6 “(a) IN GENERAL.—Grants awarded by the Attorney
7 General under this subtitle shall be used to fund programs
8 for the purpose specified in section 32501.

9 “(b) MATCHING REQUIREMENT.—The Federal share
10 of a grant awarded under this subtitle may not exceed 50
11 percent of the total costs of the programs described in the
12 applications submitted under section 32503 for the fiscal
13 year for which the programs receive assistance under this
14 subtitle.

15 “(c) RESEARCH AND EVALUATION.—The Attorney
16 General shall use not less than 1 percent of the funds
17 available under this subtitle, and not more than 3 percent
18 of such funds, for the purposes of research and evaluation
19 of the activities carried out under this subtitle.

20 **“SEC. 32503. APPLICATIONS.**

21 “(a) IN GENERAL.—A State or local law enforcement
22 agency desiring a grant under this subtitle shall submit
23 to the Attorney General an application, in such form and
24 containing such information as the Attorney General may
25 reasonably require.

1 “(b) CONTENTS.—Each application submitted under
2 this section shall include—

3 “(1) a request for funds for the purpose speci-
4 fied in section 32501;

5 “(2) a description of how the applicant intends
6 to improve—

7 “(A) the organization of the applicant’s
8 criminal records, including records relating to
9 convictions for crimes of domestic violence and
10 to restraining orders with respect to domestic
11 violence; and

12 “(B) the applicants reporting of such
13 records to the national instant criminal back-
14 ground check system; and

15 “(3) assurances that Federal funds received
16 under this subtitle shall be used to supplement, and
17 not supplant, non-Federal funds that would other-
18 wise be available for activities funded under this sec-
19 tion.

20 “(c) SELECTION CRITERIA.—In awarding grants
21 under this subtitle, the Attorney General shall consider the
22 demonstrated need for, and the evidence of the ability of
23 the applicant to make, the improvements described in sub-
24 section (b)(2), as described in the application submitted
25 under subsection (a).

1 **“SEC. 32504. REPORTS.**

2 “(a) REPORT TO ATTORNEY GENERAL.—Not later
3 than March 1 of each fiscal year, each law enforcement
4 agency that received funds from a grant awarded under
5 this subtitle for that fiscal year shall submit to the Attor-
6 ney General a report describing the progress achieved in
7 carrying out the program for which the grant was award-
8 ed.

9 “(b) REPORT TO CONGRESS.—Beginning not later
10 than October 1 of the first fiscal year following the initial
11 fiscal year during which grants are awarded under this
12 subtitle, and not later than October 1 of each fiscal year
13 thereafter, the Attorney General shall submit to Congress
14 a report, which shall contain—

15 “(1) a detailed statement regarding grant
16 awards and the activities of grant recipients;

17 “(2) a compilation of statistical information
18 submitted by applicants; and

19 “(3) an evaluation of programs established with
20 amounts from grants awarded under this subtitle
21 during the preceding fiscal year.

22 **“SEC. 32505. DEFINITION OF STATE.**

23 “In this subtitle, the term ‘State’ means each of the
24 several States of the United States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, the Common-

1 wealth of the Northern Mariana Islands, American
2 Samoa, Guam, and the United States Virgin Islands.

3 **“SEC. 32506. AUTHORIZATION OF APPROPRIATIONS.**

4 “There are authorized to be appropriated to carry out
5 this subtitle—

6 “(1) \$20,000,000 for fiscal year 2004; and

7 “(2) such sums as may be necessary for fiscal
8 year 2005.”.

9 (B) TECHNICAL AND CONFORMING AMEND-
10 MENT.—The table of contents in section 2 of
11 the Violent Crime Control and Law Enforce-
12 ment Act of 1994 is amended by inserting after
13 the item relating to subtitle X the following:

“Subtitle Y—Grants for State and Local Domestic Violence Offender
Recordkeeping Improvements

“Sec. 32501. Grant authorization.

“Sec. 32502. Use of funds.

“Sec. 32503. Applications.

“Sec. 32504. Reports.

“Sec. 32505. Definition of State.

“Sec. 32506. Authorization of appropriations.”.

14 (3) AUTHORIZATION OF FUNDING FOR ADDI-
15 TIONAL OFFICERS IN THE BUREAU OF ALCOHOL, TO-
16 BACCO, FIREARMS, AND EXPLOSIVES.—In addition
17 to any other amounts authorized to be appropriated
18 for such purpose, there are authorized to be appro-
19 priated \$53,000,000 for fiscal year 2004 for the hir-
20 ing of 600 firearms agents and inspectors for the
21 Bureau of Alcohol, Tobacco and Firearms.

1 (4) LOCAL ANTIGUN VIOLENCE MEDIA CAM-
2 PAIGNS.—

3 (A) GRANTS FOR LOCAL ANTIGUN VIO-
4 LENCE MEDIA CAMPAIGNS.—Title III of the
5 Violent Crime Control and Law Enforcement
6 Act of 1994, as amended by paragraph (2), is
7 further amended by adding at the end the fol-
8 lowing:

9 **“Subtitle Z—Grants for Local**
10 **Antigun Violence Media Cam-**
11 **paigs**

12 **“SEC. 32701. GRANT AUTHORIZATION.**

13 “The Attorney General may award grants to public
14 entities or private nonprofit entities for the purpose of
15 supporting the creation or expansion of local antigun vio-
16 lence media campaigns.

17 **“SEC. 32702. USE OF FUNDS; MATCHING REQUIREMENT.**

18 “(a) USE OF FUNDS.—Grants awarded by the Attor-
19 ney General under this subtitle shall be used to fund pro-
20 grams for media campaigns on gun violence and gun safe-
21 ty, including campaigns that—

22 “(1) highlight coordination among Federal,
23 State, and local law enforcement agencies;

24 “(2) publicize penalties for violations of fire-
25 arms laws; and

1 “(3) emphasize the safe storage of firearms and
2 the prevention of access to firearms by children.

3 “(b) **MATCHING REQUIREMENT.**—The Federal share
4 of a grant awarded under this subtitle may not exceed 50
5 percent of the total cost of the program described in the
6 application submitted under section 32703 for the fiscal
7 year for which the program receives assistance under this
8 subtitle.

9 **“SEC. 32703. APPLICATIONS.**

10 “To be eligible to receive a grant award under this
11 subtitle for a fiscal year, a public entity or private non-
12 profit entity shall submit to the Attorney General an appli-
13 cation, in such form and containing such information as
14 the Attorney General may reasonably require.

15 **“SEC. 32704. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated
17 \$10,000,000 for fiscal year 2004 to carry out this sub-
18 title.”.

19 (B) **TECHNICAL AND CONFORMING AMEND-**
20 **MENT.**—The table of contents in section 2 of
21 the Violent Crime Control and Law Enforce-
22 ment Act of 1994 (as amended by paragraph
23 (2)(B)), is amended by inserting after the item
24 relating to subtitle Y the following:

 “Subtitle Z—Grants for Local Antigun Violence Media Campaigns

 “Sec. 32701. Grant authorization.

“Sec. 32702. Use of funds; matching requirement.

“Sec. 32703. Applications.

“Sec. 32704. Authorization of appropriations.”.

1 (5) SMART GUN TECHNOLOGY.—

2 (A) IN GENERAL.—The Attorney General,
3 acting through the Director of the National In-
4 stitute of Justice, shall carry out a program to
5 research and develop smart gun technology.

6 (B) DEFINED TERM.—In this paragraph,
7 the term “smart gun technology” means a de-
8 vice—

9 (i) incorporated by manufacture and
10 design into a handgun in such a manner
11 that the device cannot be readily removed
12 or deactivated;

13 (ii) that allows the handgun to be
14 fired only by a particular individual; and

15 (iii) that may allow the handgun to be
16 personalized to an additional individual.

17 (C) AUTHORIZATION OF APPROPRIA-
18 TIONS.—In addition to any other amounts au-
19 thorized to be appropriated for such purpose,
20 there are authorized to be appropriated
21 \$10,000,000 for fiscal year 2004 to carry out
22 this paragraph .

23 (6) FOREIGN BALLISTICS.—Section 921(a) of
24 title 18, United States Code, as amended by sections

1 11001 and 11101, is further amended by adding at
2 the end the following:

3 “(40) The term ‘forensic ballistics’ means a compara-
4 tive analysis of fired bullets and cartridge casings to iden-
5 tify the firearm from which the bullets or cartridge casings
6 were discharged through the identification of the unique
7 characteristics that each firearm imprints on bullets and
8 cartridge casings.”.

9 (7) TEST FIRING AND AUTOMATED STORAGE OF
10 FORENSIC BALLISTICS RECORDS.—

11 (A) AMENDMENTS TO TITLE 18, UNITED
12 STATES CODE.—

13 (i) IN GENERAL.—Chapter 44 of title
14 18, United States Code, as amended by
15 section 11001, is further amended by add-
16 ing at the end the following:

17 **“§933. Test firing and automated storage of forensic**
18 **ballistics records**

19 “(a) IN GENERAL.—A licensed manufacturer or li-
20 censed importer shall not transfer a firearm to any person
21 before—

22 “(1) test firing the firearm;

23 “(2) preparing forensic ballistics records of the
24 fired bullet and cartridge casings from the test fire;

25 and

1 “(3) making the ballistics records available to
2 the Attorney General for entry in a computerized
3 database.

4 “(b) PENALTIES.—

5 “(1) IN GENERAL.—If a licensed manufacturer
6 or licensed importer violates subsection (a), the At-
7 torney General may, after notice and opportunity for
8 hearing—

9 “(A)(i) suspend the license of such licensee
10 for not more than 1 year; or

11 “(ii) revoke the license;

12 “(B) impose on the licensee a civil fine of
13 not more than \$10,000; or

14 “(C) take the actions described in subpara-
15 graphs (A) and (B).

16 “(2) REVIEW.—An action of the Attorney Gen-
17 eral under paragraph (1) may be reviewed only as
18 provided in section 923(f).

19 “(3) OTHER ADMINISTRATIVE REMEDIES.—The
20 suspension or revocation of a license or the imposi-
21 tion of a civil fine under paragraph (1) shall not pre-
22 clude any administrative remedy that is available to
23 the Attorney General under any other provision of
24 law.

1 “(c) MANDATORY FORENSIC BALLISTICS TESTING
 2 OF FIREARMS IN FEDERAL CUSTODY.—The Attorney
 3 General shall conduct mandatory forensic ballistics testing
 4 of all firearms that are, or have been, taken into the cus-
 5 tody of, or procured or utilized by, the Department of Jus-
 6 tice.”.

7 (ii) TECHNICAL AND CONFORMING
 8 AMENDMENT.—The analysis for chapter 44
 9 of title 18, United States Code, is amended
 10 by adding at the end the following:

“933. Test firing and automated storage of forensic ballistics records.”.

11 (iii) AUTHORIZATION OF APPROPRIA-
 12 TIONS.—There are authorized to be appro-
 13 priated \$38,000,000 for each of the fiscal
 14 years 2004 through 2007 to carry out sec-
 15 tion 933(c) of title 18, United States Code.

16 (iv) EFFECTIVE DATE.—The amend-
 17 ments made by this subparagraph shall
 18 take effect on the date on which the Attor-
 19 ney General certifies that the Department
 20 of Justice has established a National Inte-
 21 grated Ballistics Network.

22 (B) COMPLIANCE ASSISTANCE.—

23 (i) IN GENERAL.—The Attorney Gen-
 24 eral shall assist licensed manufacturers
 25 and licensed importers in complying with

1 section 933(a) of title 18, United States
2 Code, through—

3 (I) the acquisition, disposition,
4 and upgrade of computerized forensic
5 ballistics equipment and bullet recovery
6 equipment to be placed at the
7 sites of licensed manufacturers and li-
8 censed importers or at regional fire-
9 arm centers established by the Attor-
10 ney General;

11 (II) the hiring or designation of
12 personnel necessary to develop and
13 maintain a database of forensic ballis-
14 tics records, research, and evaluation;
15 and

16 (III) any other steps necessary to
17 implement effective forensic ballistics
18 testing.

19 (ii) ONLINE ACCESS TO FORENSIC
20 BALLISTICS RECORDS.—The Attorney Gen-
21 eral shall establish a system through which
22 State and local law enforcement agencies,
23 through online computer technology, can
24 promptly access forensic ballistics records
25 stored under section 933 of title 18,

1 United States Code, as soon as the capa-
2 bility to do so is available.

3 (C) ANNUAL REPORTS.—Not later than 1
4 year after the effective date of section 933 of
5 title 18, United States Code, and annually
6 thereafter, the Attorney General shall submit,
7 to the Committees on the Judiciary of the
8 House of Representatives and the Senate, a re-
9 port regarding the effects of such section 933,
10 including the number of Federal and State
11 criminal investigations, arrests, indictments,
12 and prosecutions of all cases in which access to
13 forensic ballistics records provided under such
14 section 933, served as a valuable investigative
15 tool.

16 (D) EDUCATION AND OUTREACH.—

17 (i) IN GENERAL.—The Attorney Gen-
18 eral shall work with representatives of the
19 firearm industry (including firearm manu-
20 facturers and importers) to—

21 (I) provide education about the
22 role of forensic ballistics as part of a
23 comprehensive firearm crime reduc-
24 tion strategy; and

1 (II) reduce firearm-related crime
2 and illegal firearm trafficking through
3 coordination among Federal, State,
4 and local law enforcement and regu-
5 latory agencies and the firearm indus-
6 try.

7 (ii) OUTREACH.—In implementing
8 clause (i), the Attorney General shall con-
9 duct outreach with firearm manufacturers
10 and importers that—

11 (I) have agreed to participate as
12 a pilot site for the National Inte-
13 grated Ballistics Information Net-
14 work;

15 (II) manufacture or import more
16 than 1,000 firearms per year, as re-
17 ported in the Annual Firearms Manu-
18 facturing and Export Report of the
19 Bureau of Alcohol, Tobacco, Fire-
20 arms, and Explosives, or as deter-
21 mined from information obtained in
22 annual regulatory inspection audits
23 conducted by the Attorney General; or

1 (III) have a policy that requires
2 the test firing of all firearms prior to
3 transfer.

4 (iii) ANNUAL REPORTS.—Not later
5 than 1 year after the date of enactment of
6 this Act, and annually thereafter, the At-
7 torney General shall submit to the Com-
8 mittees on the Judiciary of the House of
9 Representatives and the Senate a report
10 containing—

11 (I) the number of firearm manu-
12 facturers and importers and other
13 representatives of the firearm industry
14 participating in the outreach effort
15 under this subparagraph;

16 (II) the number and type of per-
17 sonnel that the Department of Justice
18 has hired or assigned to carry out this
19 subparagraph;

20 (III) a summary of the activities
21 established by firearm manufacturers
22 and importers as a result of their par-
23 ticipation in the outreach effort under
24 this subparagraph;

1 (IV) an evaluation of any
2 changes in firearm-related crime per-
3 taining to particular types of firearms
4 manufactured by a firearm manufac-
5 turer or importer that is an active
6 participant in the outreach effort
7 under this subparagraph;

8 (V) the volume of forensic ballis-
9 tics records compiled as a result of
10 the mandatory forensic ballistics test-
11 ing by participating firearm manufac-
12 turers and importers;

13 (VI) for each firearm manufac-
14 turer and firearm importer, the num-
15 ber of times a tracing request based
16 on forensic ballistics analysis resulted
17 in the identification of a firearm man-
18 ufactured or imported by the firearm
19 manufacturer or firearm importer;
20 and

21 (VII) an evaluation of the man-
22 ner in which the implementation of fo-
23 rensic ballistics testing affected the
24 volume of production or importation

1 of firearms by participating firearm
2 manufacturers and firearm importers.

3 (iv) AUTHORIZATION OF APPROPRIA-
4 TIONS.—There are authorized to be appro-
5 priated \$38,306,000 for each of the fiscal years
6 2004 through 2007 to carry out this subpara-
7 graph, including funding for—

8 (I) the installation of forensic
9 ballistics equipment and bullet recov-
10 ery equipment;

11 (II) the establishment of regional
12 centers for firearm testing;

13 (III) salaries and expenses of
14 necessary personnel; and

15 (IV) research and evaluation.

16 (E) REPORT.—Not later than 1 year after
17 the date of enactment of this Act, the Attorney
18 General shall submit to the Committees on Ap-
19 propriations of the House of Representatives
20 and the Senate a report, which shall include an
21 analysis of—

22 (i) the capacity to provide the online
23 access required under subparagraph
24 (B)(ii), and the process by which the on-
25 line access will be implemented; and

1 (ii) any future technical or legal
2 changes that may be required to make on-
3 line access available, including estimates of
4 the costs of making those changes.

5 **Subtitle F—Miscellaneous**

6 **SEC. 11501. STUDY OF MARKETING PRACTICES OF THE** 7 **FIREARMS INDUSTRY.**

8 (a) **IN GENERAL.**—The Federal Trade Commission
9 (referred to in this section as the “Commission”) and the
10 Attorney General shall jointly conduct a study of the mar-
11 keting practices of the firearms industry, with respect to
12 minors.

13 (b) **ISSUES EXAMINED.**—In conducting the study
14 under subsection (a), the Commission and the Attorney
15 General shall examine the extent to which the firearms
16 industry advertises and promotes its products to minors,
17 including through media outlets in which minors comprise
18 a substantial percentage of the audience.

19 (c) **REPORT.**—Not later than 1 year after the date
20 of enactment of this Act, the Commission and the Attor-
21 ney General shall submit to Congress a report on the
22 study conducted under subsection (a).

1 **SEC. 11502. REGULATION OF INTERNET FIREARMS TRANS-**
2 **FERS.**

3 (a) PROHIBITIONS.—Section 922 of title 18, United
4 States Code, as amended by section 11101(b), is further
5 amended by inserting after subsection (z) the following:

6 “(aa) REGULATION OF INTERNET FIREARMS TRANS-
7 FERS.—

8 “(1) IN GENERAL.—It shall be unlawful for any
9 person to operate an Internet website, if a purpose
10 of the website is to offer 1 or more firearms for sale
11 or exchange, or to otherwise facilitate the sale or ex-
12 change of 1 or more firearms posted or listed on the
13 website, unless—

14 “(A) the person is licensed as a manufac-
15 turer, importer, or dealer under section 923;

16 “(B) the person notifies the Attorney Gen-
17 eral of the Internet address of the website, and
18 any other information concerning the website as
19 the Attorney General may require by regulation;
20 and

21 “(C) if any firearm posted or listed for sale
22 or exchange on the website is not from the busi-
23 ness inventory or personal collection of that
24 person—

25 “(i) the person, as a term or condition
26 for posting or listing the firearm for sale

1 or exchange on the website on behalf of a
2 prospective transferor, requires that, in the
3 event of any agreement to sell or exchange
4 the firearm pursuant to that posting or
5 listing, the firearm be transferred to that
6 person for disposition in accordance with
7 clause (iii);

8 “(ii) the person prohibits the posting
9 or listing on the website of any information
10 (including any name, nickname, telephone
11 number, address, or electronic mail ad-
12 dress) that is reasonably likely to enable
13 the prospective transferor and prospective
14 transferee to directly contact each other
15 prior to the shipment of the firearm to
16 that person under clause (i); and

17 “(iii) with respect to each firearm re-
18 ceived from a prospective transferor under
19 clause (i), the person—

20 “(I) enters such information
21 about the firearm as the Attorney
22 General may require by regulation
23 into a separate bound record;

24 “(II) in transferring the firearm
25 to any transferee, complies with the

1 requirements of this chapter as if the
2 firearm were being transferred from
3 the business inventory of that person;
4 and

5 “(III) if the prospective trans-
6 feror does not provide the person with
7 a certified copy of a valid firearms li-
8 cense issued to the prospective trans-
9 feror under this chapter, submits to
10 the Attorney General a report of the
11 transfer or other disposition of the
12 firearm on a form specified by the At-
13 torney General, which report shall not
14 include the name of, or any other
15 identifying information relating to, the
16 transferor.

17 “(2) TRANSFERS BY PERSONS OTHER THAN LI-
18 CENSEES.—It shall be unlawful for any person who
19 is not licensed under section 923 to transfer a fire-
20 arm pursuant to a posting or listing of the firearm
21 for sale or exchange on an Internet website de-
22 scribed in paragraph (1) to any person other than
23 the operator of the website.”.

1 (b) PENALTIES.—Section 924(a) of title 18, United
2 States Code, as amended by section 11001, is further
3 amended by adding at the end the following:

4 “(10) Whoever willfully violates section 922(aa)(2)
5 shall be fined under this title, imprisoned not more than
6 2 years, or both.”.

7 **SEC. 11503. REDUCTION OF GUN TRAFFICKING.**

8 (a) PROHIBITION AGAINST MULTIPLE HANDGUN
9 SALES OR PURCHASES.—Section 922 of title 18, United
10 States Code, as amended by sections 11101 and 11502,
11 is further amended by inserting at the end the following:

12 “(bb) PROHIBITION AGAINST MULTIPLE HANDGUN
13 SALES OR PURCHASES.—

14 “(1) IN GENERAL.—It shall be unlawful for any
15 licensed dealer—

16 “(A) during any 30-day period, to sell 2 or
17 more handguns to an individual who is not li-
18 censed under section 923; or

19 “(B) to sell a handgun to an individual
20 who is not licensed under section 923 and who
21 purchased a handgun during the 30-day period
22 ending on the date of the sale.

23 “(2) TIME LIMITATION.—It shall be unlawful
24 for any individual who is not licensed under section

1 923 to purchase 2 or more handguns during any 30-
2 day period.

3 “(3) EXCHANGES.—Paragraph (1) does not
4 apply to an exchange of 1 handgun for 1 handgun.”.

5 (b) PENALTIES.—Section 924(a)(2) of title 18,
6 United States Code, is amended by striking “or (o)” and
7 inserting “(o), or (bb)”.

8 (c) DEADLINES FOR DESTRUCTION OF RECORDS RE-
9 LATED TO CERTAIN FIREARMS TRANSFERS.—

10 (1) HANDGUN TRANSFERS SUBJECT TO THE
11 WAITING PERIOD.—Section 922(s)(6)(B)(i) of title
12 18, United States Code, is amended by striking “20
13 business days” and inserting “35 calendar days”.

14 (2) FIREARMS TRANSFERS SUBJECT TO IN-
15 STANT CHECK.—Section 922(t)(2)(C) of title 18,
16 United States Code, is amended by inserting “not
17 later than 35 calendar days after the date the sys-
18 tem provides the licensee with the number,” before
19 “destroy”.

20 (d) REVISED DEFINITION.—Section 921(a)(21)(C) of
21 title 18, United States Code, is amended by inserting “,
22 except that such term shall include any person who trans-
23 fers more than 1 handgun in any 30-day period to a per-
24 son who is not a licensed dealer” before the semicolon.

TITLE XII—MISCELLANEOUS**SEC. 12001. ADVISORY COMMITTEE ON PRIVATE SECTOR
SUPPORT FOR CHILDREN AND FAMILIES.**

(a) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall establish an advisory committee to be known as the “Advisory Committee on Private Sector Support for Children and Families” (in this section referred to as the “Committee”) that shall review, highlight and promote the private sector policies and practices that will best create family-friendly workplaces and allow parents to succeed at work and at home.

(b) DUTIES.—The Committee shall—

(1) solicit advice and recommendations concerning employer and community efforts that are designed to assist parents caring for their children and ensure that every child residing in the United States has a healthy start, a head start, a fair start, and a safe start in life and successful passage to adulthood;

(2) review and consider the full range of private sector family-centered efforts, including flexibility in the workplace, family and medical leave policies, em-

1 ployer sponsored health care and child care services,
2 parent support centers, and literacy training; and

3 (3) prepare and submit the report required
4 under subsection (d).

5 (c) MEMBERSHIP.—The Committee shall—

6 (1) be appointed by the Secretary in consulta-
7 tion with the Secretary of the Treasury, the Sec-
8 retary of Labor, and the Secretary of Education;
9 and

10 (2) consist of representatives of children and
11 family advocates, business groups, labor organiza-
12 tions, faith-based institutions, and charitable founda-
13 tions.

14 (d) REPORT.—

15 (1) SECRETARY.—Not later than 18 months
16 after the date of enactment of this Act, the Com-
17 mittee shall submit to the Secretary a report that
18 contains the Committee’s findings and recommenda-
19 tions resulting from carrying out the duties required
20 under subsection (b), together with recommendations
21 for such legislation and administrative actions as the
22 Committee considers appropriate

23 (2) CONGRESS.—The Secretary shall transmit
24 copies of the report to the Committee on Health,
25 Education, Labor, and Pensions and the Committee

1 on Finance of the Senate and the Committee on
2 Education and the Workforce, the Committee on
3 Energy and Commerce, and the Committee on Ways
4 and Means of the House of Representatives.

5 **SEC. 12002. IMPROVEMENT OF DATA COLLECTION AND RE-**
6 **PORTING REGARDING CHILDREN AND FAMI-**
7 **LIES.**

8 (a) REPORT ON ECONOMIC WELL-BEING OF CUR-
9 RENT AND FORMER TANF FAMILIES.—

10 (1) ANNUAL REPORT TO CONGRESS.—Section
11 411(b) of the Social Security Act (42 U.S.C. 611(b))
12 is amended—

13 (A) in paragraph (3), by striking “and” at
14 the end;

15 (B) in paragraph (4), by striking the pe-
16 riod and inserting “; and”; and

17 (C) by adding at the end the following new
18 paragraph:

19 “(5) the economic well-being of children and
20 families receiving assistance under the State pro-
21 grams funded under this part and of children and
22 families that have ceased to receive such assistance,
23 using longitudinal matched data gathered from fed-
24 erally supported programs, and including State-by-
25 State data that details the distribution of earnings

1 and stability of employment of such families and (to
2 the extent feasible) describes, with respect to such
3 families, the distribution of income from known
4 sources (including employer-reported wages, assist-
5 ance under the State program funded under this
6 part, and benefits under the food stamp program),
7 the ratio of such families' income to the poverty line,
8 and the extent to which such families receive or re-
9 ceived noncash benefits and child care assistance.”.

10 (2) CONFORMING AMENDMENTS.—Section
11 411(a) of the Social Security Act (42 U.S.C. 611(a))
12 is amended—

13 (A) by redesignating paragraph (7) as
14 paragraph (8); and

15 (B) by inserting after paragraph (6), the
16 following new paragraph:

17 “(7) REPORT ON ECONOMIC WELL-BEING OF
18 CURRENT AND FORMER RECIPIENTS.—The report
19 required by paragraph (1) for a fiscal quarter shall
20 include for that quarter such information as the Sec-
21 retary may specify in order for the Secretary to in-
22 clude in the annual reports to Congress required
23 under subsection (b) the information described in
24 paragraph (5) of that subsection.”.

1 (b) REPORT ON DATA FROM STATE STUDIES RE-
2 GARDING FORMER TANF AND FOOD STAMP RECIPI-
3 ENTS.—Section 413 of the Social Security Act (42 U.S.C.
4 613) is amended by adding at the end the following new
5 subsection:

6 “(k) REPORT ON STATUS OF FORMER RECIPIENTS
7 OF ASSISTANCE AND FOOD STAMP BENEFITS.—Not later
8 than 6 months after the date of enactment of the Leave
9 No Child Behind Act of 2003, the Secretary shall compile
10 and report to Congress data from existing State-level stud-
11 ies funded (in whole or in part) by the Secretary on the
12 extent of employment, receipt of non-cash benefits, occur-
13 rence of extreme poverty, and hardship among previous
14 recipients of assistance under the State program funded
15 under this part and benefits under the food stamp pro-
16 gram.”.

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