

108TH CONGRESS
1ST SESSION

S. 947

To better assist lower income families in obtaining decent, safe, and affordable housing through the conversion of the section 8 housing choice voucher program into a State-administered block grant.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2003

Mr. ALLARD introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To better assist lower income families in obtaining decent, safe, and affordable housing through the conversion of the section 8 housing choice voucher program into a State-administered block grant.

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 (a) SHORT TITLE.—This Act may be cited as the
5 “Housing Assistance for Needy Families Act of 2003”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

1 (1) the section 8 tenant-based assistance pro-
2 gram now provides rental and homeownership assist-
3 ance to more than 1,800,000 families;

4 (2) despite this success, during the past several
5 years, billions of dollars of funds appropriated for
6 tenant-based assistance have remained unspent, and
7 as a result, several hundred thousand families have
8 not been provided housing assistance made available
9 by Congress;

10 (3) over 2,600 public housing agencies, half of
11 which administer 250 or fewer vouchers, administer
12 the tenant-based assistance program through direct
13 contracts with the Secretary of Housing and Urban
14 Development, and thus the Secretary must admin-
15 ister the program through rules and regulations that
16 apply directly to more than 2,600 entities through-
17 out the Nation;

18 (4) this administrative structure has contrib-
19 uted to the development of regulatory and statutory
20 measures that have made the tenant-based assist-
21 ance program overly prescriptive and difficult to ad-
22 minister, with hundreds of pages of regulations and
23 guidance;

24 (5) the complexity of the tenant-based assist-
25 ance program, its inability to allow adequate timely

1 adjustments to changing local markets, and its mul-
2 tiplicity of Federal directives, all have contributed to
3 several hundred thousand families not being pro-
4 vided the housing assistance made available by Con-
5 gress;

6 (6) the linkage between housing assistance and
7 the government's role in supporting self-sufficiency
8 efforts for low-income families is critical, and this
9 role is now largely carried out by the States under
10 the Temporary Assistance for Needy Families pro-
11 gram authorized by the Personal Responsibility and
12 Work Opportunity Reconciliation Act of 1996 (42
13 U.S.C. 601 et. seq.) and other programs; and

14 (7) since assuming responsibility for the Tem-
15 porary Assistance for Needy Families program, and
16 with respect to other initiatives, such as the One-
17 Stop Career Center system under the Workforce In-
18 vestment Act of 1998 (P.L. 105–220; 112 Stat.
19 936), States have shown that they can bring cre-
20 ative, effective administration to programs for assist-
21 ance to needy families.

22 (b) PURPOSES.—The purpose of this Act is to provide
23 for housing assistance through a State-administered block
24 grant, and thereby to—

1 (1) provide for the necessary program flexibility
2 and oversight so that funds are used promptly and
3 effectively to assist needy families;

4 (2) facilitate greater program responsiveness to
5 local markets and needs;

6 (3) provide for administrative decision-making
7 closer to the communities and families affected, by
8 their elected officials;

9 (4) provide for additional program flexibility to
10 address local needs;

11 (5) give States the authority to reallocate funds
12 or take other actions necessary to ensure that pro-
13 gram funds are expended promptly and effectively;

14 (6) improve government support of self-suffi-
15 ciency efforts by assisted families, by facilitating
16 greater coordination with the Temporary Assistance
17 for Needy Families program, programs under the
18 Workforce Investment Act, and other Federal and
19 State programs that promote self-sufficiency;

20 (7) provide greater flexibility for addressing
21 special needs of elderly and disabled families; and

22 (8) facilitate State and local efforts to reduce
23 homelessness.

24 **SEC. 3. DEFINITIONS.**

25 In this Act:

1 (1) FAMILIES; ELDERLY FAMILIES; DISABLED
 2 FAMILIES.—The terms “families”, “elderly fami-
 3 lies”, and “disabled families” have the meanings
 4 given those terms in section 3(b)(3) of the United
 5 States Housing Act of 1937 (42 U.S.C.
 6 1437a(b)(3)).

7 (2) ANNUAL GROSS INCOME; GROSS MONTHLY
 8 INCOME.—The terms “annual gross income” and
 9 “gross monthly income” mean income, during the
 10 appropriate period of time, from all sources of each
 11 member of a household, as determined in accordance
 12 with criteria prescribed by the State in which the
 13 household is located.

14 (3) SECRETARY.—The term “Secretary” means
 15 the Secretary of Housing and Urban Development.

16 (4) STATE.—The term “State” means the sev-
 17 eral States, the District of Columbia, the Common-
 18 wealth of Puerto Rico, the territories and posses-
 19 sions of the United States, and the Commonwealth
 20 of the Northern Mariana Islands.

21 (5) TENANT-BASED RENTAL AND HOMEOWNER-
 22 SHIP HOUSING ASSISTANCE.—The term “tenant-
 23 based rental and homeownership housing assistance”
 24 means assistance provided to an eligible family

1 under this Act to select suitable housing, and to re-
2 locate to other suitable housing.

3 **SEC. 4. AUTHORITY.**

4 (a) IN GENERAL.—The Secretary may—

5 (1) make grants to States to provide tenant-
6 based rental and homeownership housing assistance;
7 and

8 (2) carry out activities related to the provision
9 of those grants in accordance with this Act.

10 (b) ASSISTANCE.—Subject to the availability of ap-
11 propriations, each State receiving a grant under this Act
12 shall, for each of the fiscal years 2005 through 2009, pro-
13 vide tenant-based rental and homeownership housing as-
14 sistance to not fewer than the average number of families
15 served in such State during the 120-day period ending on
16 September 30, 2004, by the Housing Choice Voucher pro-
17 gram authorized under section 8 of the United States
18 Housing Act of 1937 (42 U.S.C. 1437f), including those
19 families receiving enhanced voucher assistance authorized
20 under such section 8 during that 120-day period.

21 (c) DESIGNATION OF AGENCIES.—The chief execu-
22 tive officer of any State may, in any fiscal year during
23 which a grant under this Act is received by the State, des-
24 ignate any agency or instrumentality of the State to act
25 on behalf of the State with regard to this Act.

1 **SEC. 5. ELIGIBLE ACTIVITIES.**

2 Grants awarded pursuant to section 4 may be used
3 for—

4 (1) tenant-based rental housing assistance;

5 (2) homeownership assistance for first-time
6 homebuyers, including monthly homeownership as-
7 sistance and downpayment assistance as described in
8 section 8 of the United States Housing Act of 1937
9 (42 U.S.C. 1437f);

10 (3) defraying the costs of administering grant
11 amounts under this Act, except that such costs shall
12 not exceed 10 percent of grant amounts provided to
13 the State; and

14 (4) any other activities specified by the Sec-
15 retary in support of tenant-based rental housing and
16 homeownership assistance.

17 **SEC. 6. PLANNING AND PERFORMANCE.**

18 (a) STATE PLAN.—In any fiscal year, prior to the
19 receipt of a grant under this Act, a State shall, as part
20 of its comprehensive housing affordability strategy (or any
21 consolidated plan incorporating such strategy) under sec-
22 tion 105 of the Cranston-Gonzalez National Affordable
23 Housing Act (42 U.S.C. 12705), set forth quantifiable ob-
24 jectives related to performance standards established by
25 the Secretary under subsection (b).

1 (b) PERFORMANCE STANDARDS.—The Secretary
2 shall establish uniform performance standards for States
3 receiving grants under this Act that shall address the—

4 (1) utilization of all grant funds received under
5 this Act;

6 (2) overall effective financial management of
7 grant funds received under this Act;

8 (3) number of families served by grant funds
9 received under this Act;

10 (4) quality of affordable housing subsidized by
11 grant funds received under this Act;

12 (5) overall reduction of homelessness, including
13 homelessness among veterans, within the State;

14 (6) improvement of living conditions for elderly
15 and disabled families;

16 (7) the effectiveness of voucher assistance in
17 helping families move toward homeownership and
18 self-sufficiency; and

19 (8) the extent to which State or local govern-
20 ments remove barriers to affordable housing.

21 (c) PERFORMANCE REPORT.—

22 (1) IN GENERAL.—Each State shall submit to
23 the Secretary, at a time and in a form determined
24 by the Secretary, a report detailing—

1 (A) the progress the State has made in
 2 carrying out its strategy or plan under sub-
 3 section (a); and

4 (B) the success of the State in meeting the
 5 quantifiable objectives established by the State
 6 under subsection (a).

7 (2) ADDITIONAL INFORMATION.—The report re-
 8 quired under paragraph (1) shall also set forth—

9 (A) the number of families and individuals
 10 receiving tenant-based rental and homeowner-
 11 ship housing assistance under the State pro-
 12 gram;

13 (B) of those families reported under sub-
 14 paragraph (A), the—

15 (i) number of families with children;
 16 (ii) number of elderly families;
 17 (iii) number of disabled families;
 18 (iv) annual gross income of each fam-
 19 ily;

20 (v) sources of income of each family;
 21 and

22 (vi) changes in income and employ-
 23 ment status of each family;

1 (C) the total amount of housing assistance
 2 received under this Act by all families reported
 3 under subparagraph (A);

4 (D) the amount of grant funds distributed
 5 under this Act that are spent on administrative
 6 fees;

7 (E) the poverty rates of neighborhoods in
 8 which families receiving tenant-based home-
 9 ownership and housing assistance reside; and

10 (F) any other information on the use of
 11 Federal assistance as the Secretary may pre-
 12 scribe.

13 (3) SUFFICIENCY OF REPORT.—If a State fails
 14 to submit the report required under this subsection
 15 to the Secretary in a satisfactory and timely man-
 16 ner, the Secretary may take any compliance action
 17 authorized under section 13(b) of this Act.

18 (4) PUBLIC DISCLOSURE.—The Secretary shall
 19 make available to the public any report submitted to
 20 the Secretary under this subsection.

21 (d) ALTERNATIVE ADMINISTRATION.—

22 (1) IN GENERAL.—If, at any time after Sep-
 23 tember 30, 2004, the Secretary determines that a
 24 State cannot administer grant amounts in con-
 25 formity with this Act, the Secretary shall—

1 (A) oversee all future disbursements of
2 grant funds within the State;

3 (B) require such modifications to the ad-
4 ministration of grant amounts within the State
5 as the Secretary deems necessary to bring the
6 State into conformity with this Act; or

7 (C) authorize the administration of grant
8 funds by 1 or more public housing agencies or
9 other entities.

10 (2) APPLICABILITY OF LAW.—Any public hous-
11 ing agency or other entity authorized to oversee the
12 administration of grant funds pursuant to paragraph
13 (1)(C) shall be treated as a State for purposes of
14 this Act.

15 **SEC. 7. ELIGIBLE FAMILIES.**

16 (a) INITIAL ELIGIBILITY.—

17 (1) IN GENERAL.—A family shall be eligible to
18 receive tenant-based rental and homeownership
19 housing assistance if that family—

20 (A) is not receiving assistance under sec-
21 tion 8 of the United States Housing Act of
22 1937 (42 U.S.C. 1437f); and

23 (B) does not have a gross income exceed-
24 ing 80 percent of the median income for the
25 area, as determined by the Secretary with ad-

1 justments based upon the size of the family, ex-
2 cept that the Secretary may establish income
3 ceilings higher than 80 percent of the median
4 for the area for elderly and disabled families.

5 (2) NEW ADMISSIONS.—

6 (A) IN GENERAL.—In any fiscal year, not
7 less than 75 percent of families receiving their
8 first payment of tenant-based rental and home-
9 ownership housing assistance within a State
10 shall have incomes that do exceed 30 percent of
11 the area median income, as determined by the
12 Secretary, with adjustments based upon the size
13 of each family.

14 (B) WAIVER.—

15 (i) IN GENERAL.—Any State desiring
16 a waiver of the income requirements in
17 subparagraph (A) shall submit to the Sec-
18 retary such evidence sufficient to allow for
19 a finding that the requirements cannot
20 reasonably be met during a particular fis-
21 cal year.

22 (ii) MODIFICATION.—In any fiscal
23 year in which a waiver of the income re-
24 quirements is granted, the Secretary shall
25 modify the requirements of subparagraph

1 (A) to a level that the State can reasonably
2 attain.

3 (iii) LIMITATION.—The Secretary may
4 grant a waiver of the income requirements
5 only to the extent that not less than 55
6 percent of new admissions in the State in
7 any fiscal year have incomes that do not
8 exceed 30 percent of the area median in-
9 come.

10 (b) CONTINUED ELIGIBILITY.—Subject to subsection
11 (d), continued eligibility for tenant-based housing and
12 homeownership assistance shall be determined in accord-
13 ance with standards established—

14 (1) by the State in which the family resides; or
15 (2) in those instances in which the State does
16 not administer grant funds, by either the Secretary
17 or the entity responsible for the administration of
18 such grant funds.

19 (c) PREFERENCES.—In distributing grant funds,
20 each State may establish a uniform system that provides
21 preference to families having certain characteristics, in-
22 cluding—

23 (1) working families;
24 (2) families currently receiving assistance under
25 the Temporary Assistance for Needy Families pro-

1 gram authorized by the Personal Responsibility and
 2 Work Opportunity Reconciliation Act of 1996 (42
 3 U.S.C. 601 et seq.);

4 (3) individuals at risk of chronic homelessness;

5 (4) families affected by the conversion, sale, or
 6 demolition of public housing projects;

7 (5) families relocating from structures receiving
 8 project-based assistance under section 8(o)(13) of
 9 the United States Housing Act of 1937 (42 U.S.C.
 10 1437f(o)(13)); and

11 (6) veterans of the Armed Forces of the United
 12 States.

13 (d) GRANDFATHERING PROVISION.—

14 (1) SECTION 8 TENANT-BASED ASSISTANCE;
 15 VOUCHER ASSISTANCE.—Any family or entity receiv-
 16 ing homeownership, project-based certificate,
 17 project-based voucher assistance, or tenant-based as-
 18 sistance under section 8(o) of the United States
 19 Housing Act of 1937 (42 U.S.C. 1437f(o)) as of the
 20 date of enactment of this Act shall—

21 (A) for each of the fiscal years 2005
 22 through 2009, continue to receive such assist-
 23 ance subject to the terms and conditions of that
 24 Act, from amounts made available pursuant to
 25 section 14 of this Act; and

1 (B) for each of the fiscal years after 2009,
2 receive such assistance subject to the terms and
3 conditions of this Act.

4 (2) INSUFFICIENT FUNDS.—If grant funds re-
5 ceived by the State pursuant to this Act are insuffi-
6 cient to fund all currently assisted families pursuant
7 to paragraph (1)(A), the State shall make every ef-
8 fort to continue to provide assistance to the same
9 number of families currently receiving assistance in
10 the State.

11 (3) CONFORMING AMENDMENT.—Section 8(o)
12 of the United States Housing Act of 1937 (42
13 U.S.C. 1437f(o)) is amended by adding at the end
14 the following:

15 “(20) PHASE-OUT.—Any family or entity re-
16 ceiving homeownership, project-based certificate,
17 project-based voucher, or tenant-based assistance
18 (provided under this subsection) shall, for fiscal year
19 2010 and each fiscal year thereafter, receive such
20 assistance only according to the terms and condi-
21 tions of the Housing Assistance for Needy Families
22 Act of 2003.”.

23 (e) ANNUAL REVIEW OF FAMILY INCOME.—Each
24 State administering a grant under this Act shall conduct
25 an annual review of the family income of each family re-

1 ceiving assistance under this Act, except that the State
2 shall be required to review the income of elderly families
3 every 3 years.

4 **SEC. 8. AMOUNT OF ASSISTANCE.**

5 (a) IN GENERAL.—

6 (1) ADMINISTRATION.—Subject to subsections
7 (b), (c), and (d), the amount of any monthly assist-
8 ance payment to a family pursuant to this Act shall
9 be determined by the State, or such other entity re-
10 sponsible for administering such assistance.

11 (2) MINIMUM PAYMENTS.—

12 (A) IN GENERAL.—Except as provided in
13 subsection (b), no family residing in a dwelling
14 unit that is assisted with grant funds under this
15 Act shall be required at the time of entering the
16 lease to pay more than 30 percent of such fam-
17 ily's gross monthly income as rent (including
18 the amount allowed for tenant-paid utilities), or
19 as homeownership expenses.

20 (B) EXCEPTION.—A family may choose to
21 pay a greater amount of its gross monthly in-
22 come to secure higher quality housing.

23 (b) MINIMUM RENTAL AMOUNT.—

24 (1) IN GENERAL.—Each State shall establish a
25 minimum monthly rental amount of \$50 per month

1 for any dwelling unit assisted with grant funds
2 under this Act.

3 (2) **HARDSHIP EXEMPTION.**—A State may
4 grant a hardship exemption on a case-by-case basis.

5 (c) **REASONABLE RENT.**—The rent for dwelling units
6 assisted under this Act shall be reasonable and appro-
7 priate in comparison with rents charged for non-luxury
8 dwelling units in the private, unassisted local market.

9 (d) **MAXIMUM SUBSIDY.**—States shall establish max-
10 imum subsidy levels for housing assistance under this Act
11 that are reasonable and appropriate for the market area.

12 **SEC. 9. AUTHORIZATION, ALLOCATION, AND DISTRIBUTION**
13 **OF FUNDS.**

14 (a) **ALLOCATIONS FOR FISCAL YEARS 2004 AND**
15 **2005.**—The Secretary shall allocate amounts made avail-
16 able in an appropriations Act for homeownership, project-
17 based certificate, project-based voucher, or tenant-based
18 assistance under section 8(o) of the United States Hous-
19 ing Act of 1937 (42 U.S.C. 1437f) as follows:

20 (1) **FISCAL YEAR 2004.**—For fiscal year 2004,
21 allocate to public housing agencies under section 8
22 of the United States Housing Act of 1937 (42
23 U.S.C. 1437f), except that the Secretary may reallo-
24 cate to a State, from public housing agencies in the
25 same State, any amounts made available under such

1 section 8 that are not being utilized by the end of
2 that fiscal year.

3 (2) FISCAL YEAR 2005.—In fiscal year 2005,
4 the Secretary shall allocate to each State an amount
5 that bears the same ratio to the total amount avail-
6 able for assistance under this Act for such fiscal
7 year that the amount allocated in fiscal year 2004
8 to public housing agencies within the State bears to
9 the total amount made available under this Act for
10 fiscal year 2004.

11 (b) BASE ALLOCATIONS FOR FISCAL YEAR 2006 AND
12 SUBSEQUENT FISCAL YEARS.—

13 (1) ESTABLISHMENT OF FORMULA.—Not later
14 than 12 months after the date of enactment of this
15 Act, the Secretary shall, by regulation, establish a
16 formula allocating amounts available for fiscal year
17 2006 and subsequent fiscal years for block grants to
18 States under this Act.

19 (2) FACTORS.—In establishing the formula
20 under paragraph (1), the Secretary shall consider
21 factors reflecting the need of low-income families in
22 each State, including—

23 (A) the number of families receiving ten-
24 ant-based housing and homeownership assist-
25 ance under this Act in each State;

1 (B) the extent of poverty within the State;

2 (C) the cost of housing in the State or
3 areas of the State;

4 (D) the performance of the State in ad-
5 ministering grant amounts under this Act;

6 (E) the extent to which the State has
7 available any funds previously appropriated
8 under this Act; and

9 (F) other objectively measurable criteria as
10 the Secretary may specify.

11 (3) SPECIAL PROVISIONS.—Subject to para-
12 graph (4), for each of the fiscal years 2006 through
13 2009, the formula established under paragraph (1)
14 shall provide that—

15 (A) for a fiscal year in which the amount
16 appropriated for block grants under this Act is
17 equal to or greater than the amount appro-
18 priated in fiscal year 2005, the Secretary shall
19 provide each State with an allocation that is not
20 less than the allocation that the State received
21 in fiscal year 2005 adjusted for changes in
22 housing costs in the preceding year, and for the
23 State's performance in using funds and exe-
24 cuting its plan or strategy under section 6(a);
25 or

1 (B) for a fiscal year in which the total
2 amount made available to States for assistance
3 under this Act is less than the total amount
4 made available to States for fiscal year 2005,
5 the amount provided to each State for such fis-
6 cal year shall not be less than the amount that
7 bears the same ratio to the total amount avail-
8 able for assistance under this Act for such fis-
9 cal year that the amount provided to the State
10 for fiscal year 2005 bears to the total amount
11 made available to States for fiscal year 2005
12 adjusted for changes in housing costs in the
13 preceding year and for the State's performance
14 in using funds and executing its plan or strat-
15 egy under section 6(a).

16 (4) RETENTION OF FUNDS; EFFECT ON ALLO-
17 CATION.—

18 (A) IN GENERAL.—Beginning on Sep-
19 tember 30, 2005, any amounts made available
20 during a time determined by the Secretary for
21 housing assistance to any State that exceed the
22 amounts being utilized for housing assistance
23 by the end of the fiscal year shall be identified
24 and shall be retained by the State.

1 (B) ADJUSTMENT OF ALLOCATION.—In
 2 calculating the amount of assistance to allocate
 3 to a State in any fiscal year following the 2005
 4 fiscal year, the Secretary shall reduce the
 5 amount that would otherwise be allocated to
 6 that State pursuant to this paragraph by the
 7 amounts identified in subparagraph (A).

8 (C) PERFORMANCE ADJUSTMENT.—In any
 9 fiscal year following the 2005 fiscal year, sub-
 10 ject to the availability of appropriated amounts,
 11 and in addition to amounts provided under the
 12 formula established under paragraph (1), the
 13 Secretary shall allocate an amount at least
 14 equal to the total amount of the reductions in
 15 assistance made in such fiscal year pursuant to
 16 this subparagraph to those States that have ex-
 17 ceeded, as determined by the Secretary, the per-
 18 formance standards established by the Sec-
 19 retary under section 6(b).

20 (c) TENANT-PROTECTION ASSISTANCE.—Subject to
 21 the availability of appropriations, the Secretary shall allo-
 22 cate additional amounts to each State for tenant-protec-
 23 tion assistance as authorized by section 8(t) of the United
 24 States Housing Act of 1937 (42 U.S.C. 1437f(t)) in fiscal
 25 year 2005 and each fiscal year thereafter based on the

1 number of eligible tenants previously receiving such assist-
2 ance in that State.

3 **SEC. 10. ENVIRONMENTAL REVIEW.**

4 For purposes of environmental review, a grant under
5 this Act shall be treated as assistance for a special project
6 that is subject to section 305(c) of the Multifamily Hous-
7 ing Property Disposition Reform Act of 1994 (42 U.S.C.
8 3547), and shall be subject to the regulations issued by
9 the Secretary to implement such section.

10 **SEC. 11. INSPECTION OF UNITS.**

11 (a) IN GENERAL.—The Secretary shall require that
12 any State administering grant funds under this Act in-
13 spect a dwelling unit prior to the disbursement of those
14 funds to determine whether the dwelling unit meets the
15 housing quality standards described in subsection (b).

16 (b) HOUSING QUALITY STANDARDS.—All dwelling
17 units in a State receiving assistance under this Act shall
18 meet—

19 (1) all applicable State and local housing qual-
20 ity standards and code requirements; or

21 (2) if there are no such standards or code re-
22 quirements, housing quality standards established by
23 the Secretary.

24 (c) INSPECTIONS.—Each State administering hous-
25 ing assistance provided under this Act shall ensure that

1 all dwelling units receiving such assistance are maintained
 2 in accordance with the standards described in subsection
 3 (b). Every dwelling unit in the State receiving assistance
 4 under this Act shall be inspected not less than once every
 5 3 years.

6 (d) CORRECTIVE ACTIONS.—No assistance payment
 7 may be made pursuant to this Act to a dwelling unit which
 8 fails to meet the standards described in subsection (b).

9 **SEC. 12. PORTABILITY.**

10 (a) IN GENERAL.—Any family receiving housing as-
 11 sistance pursuant to this Act shall be eligible to receive
 12 assistance in any State in which a program is being ad-
 13 ministered under this Act.

14 (b) ADMINISTRATION OF ASSISTANCE.—Assistance
 15 for any family relocating pursuant to subsection (a) shall
 16 be administered in accordance with the provisions estab-
 17 lished pursuant to this Act in the State to which the fam-
 18 ily moves.

19 **SEC. 13. COMPLIANCE.**

20 (a) COMPLIANCE MONITORING.—The Secretary may
 21 conduct such reviews and audits as may be necessary to
 22 determine whether a State has—

23 (1) carried out the housing assistance activities
 24 and objectives set forth in its plan under section
 25 6(a) in a timely or effective manner;

1 (2) carried out those activities and objectives,
2 including certifications, in accordance with the re-
3 quirements of this Act and other applicable laws;

4 (3) the capacity to continue to undertake those
5 activities in a timely and effective manner; and

6 (4) met the performance standards established
7 by the Secretary pursuant to section 6(b).

8 (b) COMPLIANCE ACTIONS.—In addition to any other
9 actions authorized under this or any other Act, if the Sec-
10 retary finds, after notice and opportunity for a hearing,
11 that a State receiving a grant under this Act has failed
12 to comply substantially with any provision of this Act, in-
13 cluding any performance standard established by the Sec-
14 retary pursuant to this Act, and until the Secretary is sat-
15 isfied that there is no longer any such failure to comply,
16 the Secretary may—

17 (1) terminate grant payments under this Act to
18 the State and provide for alternative administration
19 of such grant amounts;

20 (2) withhold from the State amounts from the
21 total allocation that would otherwise be available to
22 the State under this Act;

23 (3) reduce the amount of future grants to the
24 State by an amount equal to the amount of such

1 grants that were not expended in accordance with
2 this Act;

3 (4) limit the availability of grant amounts pro-
4 vided to the State to programs and activities under
5 this Act not affected by such failure to comply;

6 (5) withhold from the State other amounts allo-
7 cated for the State under other programs adminis-
8 tered by the Secretary;

9 (6) refer the matter to the Attorney General of
10 the United States with a recommendation that an
11 appropriate civil action be instituted; or

12 (7) order other corrective action with respect to
13 the State.

14 **SEC. 14 AUTHORIZATION OF APPROPRIATIONS.**

15 There are authorized to be appropriated such sums
16 as may be necessary to carry out this Act for each of fiscal
17 years 2004 through 2009.

○