

114TH CONGRESS  
2D SESSION

# S. 3047

To help individuals receiving assistance under means-tested welfare programs obtain self-sufficiency, to provide information on total spending on means-tested welfare programs, to provide an overall spending limit on means-tested welfare programs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 9, 2016

Mr. LEE (for himself, Mr. CRUZ, Mr. INHOFE, and Mr. VITTER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To help individuals receiving assistance under means-tested welfare programs obtain self-sufficiency, to provide information on total spending on means-tested welfare programs, to provide an overall spending limit on means-tested welfare programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare Reform and  
5 Upward Mobility Act”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—REPORTING OF MEANS-TESTED WELFARE SPENDING IN  
PRESIDENT'S BUDGET SUBMISSION

- Sec. 101. Additional information in President's budget submission.
- Sec. 102. Additional information from State recipients of means-tested welfare spending.
- Sec. 103. Definition of means-tested welfare spending.

TITLE II—MODIFICATIONS TO SUPPLEMENTAL NUTRITION  
ASSISTANCE PROGRAM

- Sec. 201. Work requirements for able-bodied adults without dependents.
- Sec. 202. Work activation program for adults with dependent children.

TITLE III—PREPARING MORE TANF RECIPIENTS FOR WORK

- Sec. 301. Work preparation program.
- Sec. 302. Changes to mandatory work requirements.

TITLE IV—MODIFICATION TO MEANS-TESTED HOUSING  
PROGRAMS

- Sec. 401. Definitions.
- Sec. 402. Repeal of means-tested housing programs.
- Sec. 403. Authorization of appropriations.
- Sec. 404. Grants to States.
- Sec. 405. State recipient reports.
- Sec. 406. Research.
- Sec. 407. Rule of construction.

TITLE V—PROHIBITION ON FUNDING OF ABORTION

- Sec. 501. Prohibition on funding for abortions.
- Sec. 502. Prohibition on funding for health benefits plans that cover abortion.
- Sec. 503. Prohibition on tax benefits relating to abortion.
- Sec. 504. Construction relating to separate coverage.
- Sec. 505. Construction relating to the use of non-Federal funds for health coverage.
- Sec. 506. Treatment of abortions related to rape, incest, or preserving the life of the mother.

1 **TITLE I—REPORTING OF MEANS-**  
 2 **TESTED WELFARE SPENDING**  
 3 **IN PRESIDENT’S BUDGET**  
 4 **SUBMISSION**

5 **SEC. 101. ADDITIONAL INFORMATION IN PRESIDENT’S**  
 6 **BUDGET SUBMISSION.**

7 Section 1105(a) of title 31, United States Code, is  
 8 amended by adding at the end the following:

9 “(40) the total level of means-tested welfare  
 10 spending (as defined in section 3 of the Congres-  
 11 sional Budget Act of 1974 (2 U.S.C. 622)) by the  
 12 Federal Government and the total level of means-  
 13 tested welfare spending by all State and local gov-  
 14 ernments and the Federal Government for the most  
 15 recent fiscal year for which such data is available  
 16 and estimated levels for the fiscal year during which  
 17 the budget submission of the President is made, for  
 18 the fiscal year beginning on October 1 of the cal-  
 19 endar year during which the budget submission is  
 20 made, and for each of the 9 ensuing fiscal years.”.

21 **SEC. 102. ADDITIONAL INFORMATION FROM STATE RECIPI-**  
 22 **ENTS OF MEANS-TESTED WELFARE SPEND-**  
 23 **ING.**

24 For each of fiscal years 2018 through 2028, each  
 25 State that receives means-tested welfare spending (as de-

1 fined in section 3 of the Congressional Budget Act of 1974  
2 (2 U.S.C. 622), as amended by this Act) by the Federal  
3 Government shall submit to the Director of the Congres-  
4 sional Budget Office an annual report regarding the total  
5 amount of means-tested welfare spending by the State for  
6 the fiscal year.

7 **SEC. 103. DEFINITION OF MEANS-TESTED WELFARE SPEND-**  
8 **ING.**

9 Section 3 of the Congressional Budget Act of 1974  
10 (2 U.S.C. 622) is amended by adding at the end the fol-  
11 lowing:

12 “(12)(A) The term ‘means-tested welfare  
13 spending’—

14 “(i) means spending for any Federal pro-  
15 gram that is designed to specifically provide as-  
16 sistance or benefits exclusively to low-income  
17 Americans;

18 “(ii) does not include such a program if  
19 the program—

20 “(I) is based on earned eligibility;

21 “(II) is not need-based;

22 “(III) is a program designed exclu-  
23 sively or primarily for veterans of military  
24 service; or

1           “(IV) offers universal or near uni-  
2           versal eligibility to the working population  
3           and their dependents; and

4           “(iii) includes community and economic de-  
5           velopment programs targeted to low-income  
6           communities or populations.

7           “(B) For purposes of subparagraph (A), the  
8           spending on the following Federal programs shall be  
9           means-tested welfare spending:

10           “(i) CASH AND GENERAL PROGRAMS.—

11           “(I) Supplemental Security Income.

12           “(II) Earned Income Tax Credit (Re-  
13           fundable Portion).

14           “(III) Refundable Child Credit.

15           “(IV) Temporary Assistance to Needy  
16           Families.

17           “(V) Title IV–E Foster Care.

18           “(VI) Title IV–E Adoption Assist-  
19           ance.

20           “(VII) General Assistance to Indians.

21           “(VIII) Assets for Independence.

22           “(ii) MEDICAL.—

23           “(I) Medicaid.

24           “(II) State Children’s Health Insur-  
25           ance Program.

1 “(III) Indian Health Services.

2 “(IV) Consolidated Health Centers/  
3 Community Health Centers.

4 “(V) Maternal and Child Health.

5 “(VI) Healthy Start.

6 “(VII) Refundable Premiums and Out  
7 of Pocket Subsidies under the Patient Pro-  
8 tection and Affordable Health Care Act  
9 (PPACA).

10 “(iii) FOOD.—

11 “(I) Food Stamps Program.

12 “(II) School Lunch Program.

13 “(III) Women, Infant and Children  
14 (WIC) Food Program.

15 “(IV) School Breakfast.

16 “(V) Child Care Food Program.

17 “(VI) Nutrition Program for the El-  
18 derly, Nutrition Service Incentives.

19 “(VII) Summer Food Service Pro-  
20 gram.

21 “(VIII) Commodity Supplemental  
22 Food Program.

23 “(IX) Temporary Emergency Food  
24 Program.

25 “(X) Needy Families.

1                   “(XI) Farmer’s Market Nutrition  
2 Program.

3                   “(XII) Special Milk Program.

4                   “(iv) HOUSING.—

5                   “(I) Section 8 Housing (HUD).

6                   “(II) Public Housing (HUD).

7                   “(III) State Housing Expenditures.

8                   “(IV) Home Investment Partnership  
9 Program (HUD).

10                  “(V) Homeless Assistance Grants  
11 (HUD).

12                  “(VI) Rural Housing Insurance Fund  
13 (Agriculture).

14                  “(VII) Rural Housing Service (Agri-  
15 culture).

16                  “(VIII) Housing for the Elderly  
17 (HUD).

18                  “(IX) Native American Housing  
19 Block Grants (HUD).

20                  “(X) Other Assisted Housing Pro-  
21 grams (HUD).

22                  “(XI) Housing for Persons with Dis-  
23 abilities (HUD).

24                  “(v) ENERGY AND UTILITIES.—

1           “(I) Low-Income Home Energy As-  
2           sistance.

3           “(II) Universal Service Fund—Sub-  
4           sidized Phone Service for Low-Income Per-  
5           sons.

6           “(III) Weatherization.

7           “(vi) EDUCATION.—

8           “(I) Federal Pell Grants.

9           “(II) Grants for improving basic pro-  
10          grams operated by local educational agen-  
11          cies.

12          “(III) Federal TRIO Programs.

13          “(IV) Federal Supplemental Edu-  
14          cational Opportunity Grants.

15          “(V) Programs for the education of  
16          migratory children.

17          “(VI) Gaining Early Awareness and  
18          Readiness for Undergraduate Programs  
19          (GEAR UP).

20          “(VII) Education for Homeless Chil-  
21          dren and Youth.

22          “(VIII) Leveraging Educational As-  
23          sistance Partnership (LEAP) Program.

24          “(IX) Even Start.

25          “(vii) TRAINING.—



1 “(I) Job Corps.

2 “(II) Youth Opportunity Grants.

3 “(III) Adult Employment and Train-  
4 ing Activities.

5 “(IV) Senior Community Service Em-  
6 ployment.

7 “(V) Employment and Training Pro-  
8 gram, of the Food Stamp Program or the  
9 Supplemental Nutrition Assistance Pro-  
10 gram.

11 “(VI) Workforce Investment Activities  
12 for Migrant and Seasonal Farmworkers.

13 “(VII) YouthBuild.

14 “(VIII) Workforce Investment Activi-  
15 ties for Indians or Native Hawaiians.

16 “(viii) SERVICES.—

17 “(I) Social Services Block Grant.

18 “(II) Community Services Block  
19 Grant.

20 “(III) Services for Refugees, Asylees,  
21 and Other Special Populations.

22 “(IV) State and Community Pro-  
23 grams on Aging.

24 “(V) Legal Assistance Grants and  
25 Contracts.

1 “(VI) Family Planning Services.

2 “(VII) Emergency Food and Shelter.

3 “(VIII) Healthy Marriage Promotion  
4 and Responsible Fatherhood Grants.

5 “(IX) AmeriCorps VISTA.

6 “(ix) CHILD CARE AND CHILD DEVELOP-  
7 MENT.—

8 “(I) Head Start (including Early  
9 Head Start).

10 “(II) Child Care and Development  
11 Block Grant (not under the Temporary As-  
12 sistance to Needy Families Program).

13 “(III) Child Care and Development  
14 Block Grant (under the Temporary Assist-  
15 ance to Needy Families Program).

16 “(x) COMMUNITY DEVELOPMENT.—

17 “(I) Community Development Block  
18 Grant.

19 “(II) Economic Development Adminis-  
20 tration.

21 “(III) Appalachian Regional Develop-  
22 ment.

23 “(IV) Empowerment Zones, Enter-  
24 prise Communities, Renewal Communities.

1                   “(V) Urban Development Block  
2                   Grant.

3                   “(C) For purposes of subparagraph (A), spend-  
4                   ing on the following Federal programs shall not be  
5                   means-tested welfare spending:

6                   “(i) The Social Security Disability Insur-  
7                   ance program.

8                   “(ii) Medicare.

9                   “(iii) Retirement insurance benefits and  
10                  survivor benefits under the Social Security pro-  
11                  gram.

12                  “(iv) Any program designed exclusively or  
13                  primarily for veterans of military service.

14                  “(v) Unemployment insurance benefits.

15                  “(vi) Programs designed specifically to  
16                  provide benefits to workers to compensate for  
17                  job-related injuries or illnesses.

18                  “(D) The term ‘means-tested welfare spending’  
19                  includes the full cost of benefits and services pro-  
20                  vided under a program and the administrative costs  
21                  for operating the program, subject to the limitations  
22                  under subparagraph (E).

23                  “(E)(i)(I) For purposes of this paragraph, only  
24                  the refundable portion of the following tax credits  
25                  shall be means-tested welfare spending:

1           “(aa) The earned income tax credit.

2           “(bb) The child tax credit.

3           “(cc) The making work pay tax credit.

4           “(II) For purposes of this paragraph, only the  
5 refundable portion of the premium and out of pocket  
6 health care subsidies to be paid under the Patient  
7 Protection and Affordable Health Care Act shall be  
8 means-tested welfare spending.

9           “(III) For purposes of this clause, the term ‘re-  
10 fundable portion’ means the portion of the credit  
11 which is paid to an individual in excess of the  
12 amount of Federal income tax owed by the indi-  
13 vidual.

14           “(ii) For purposes of this paragraph, only the  
15 costs of the free and reduced price segments of the  
16 school lunch and school breakfast programs shall be  
17 means-tested welfare spending.

18           “(F) For purposes of this paragraph expendi-  
19 tures by State and local governments of funds that  
20 are—

21           “(i) obtained by the State and local gov-  
22 ernment from taxes, fees, or other sources of  
23 revenue established by the State or local gov-  
24 ernment; and

1           “(ii) are not received as any form of grant  
2           from the Federal Government,  
3           shall not be Federal means-tested welfare spending,  
4           without regard to whether such State and local ex-  
5           penditures take the form of contributions to a Fed-  
6           eral program described in subparagraph (A) or listed  
7           in subparagraph (B).”.

8   **TITLE II—MODIFICATIONS TO**  
9   **SUPPLEMENTAL NUTRITION**  
10 **ASSISTANCE PROGRAM**

11 **SEC. 201. WORK REQUIREMENTS FOR ABLE-BODIED**  
12 **ADULTS WITHOUT DEPENDENTS.**

13       (a) **DECLARATION OF POLICY.**—Section 2 of the  
14 Food and Nutrition Act of 2008 (7 U.S.C. 2011) is  
15 amended by adding at the end the following: “Congress  
16 further finds that it should also be the purpose of the sup-  
17 plemental nutrition assistance program to increase em-  
18 ployment, to encourage healthy marriage, and to promote  
19 prosperous self-sufficiency, which means the ability of  
20 households to maintain an income above the poverty level  
21 without services and benefits from the Federal Govern-  
22 ment.”.

23       (b) **DEFINITIONS.**—

24           (1) **FOOD.**—Section 3(k) of the Food and Nu-  
25 trition Act of 2008 (7 U.S.C. 2012(k)) is amended

1 by inserting before the period at the end the fol-  
2 lowing: “, except that a food, food product, meal, or  
3 other item described in this subsection shall be con-  
4 sidered a food under this Act only if it is an essen-  
5 tial (as determined by the Secretary)”.

6 (2) SUPERVISED JOB SEARCH.—Section 3 of  
7 the Food and Nutrition Act of 2008 (7 U.S.C.  
8 2012) is amended—

9 (A) by redesignating subsections (t)  
10 through (v) as subsections (u) through (w), re-  
11 spectively; and

12 (B) by inserting after subsection (s) the  
13 following:

14 “(t) SUPERVISED JOB SEARCH.—The term ‘super-  
15 vised job search’ means a job search program that has  
16 the following characteristics:

17 “(1) The job search occurs at an official loca-  
18 tion where the presence and activity of the recipient  
19 can be directly observed, supervised, and monitored.

20 “(2) The entry, time onsite, and exit of the re-  
21 cipient from the official job search location are re-  
22 corded in a manner that prevents fraud.

23 “(3) The recipient is expected to remain and  
24 undertake job search activities at the job search cen-  
25 ter.

1           “(4) The quantity of time the recipient is ob-  
2           served and monitored engaging in job search at the  
3           official location is recorded for purposes of compli-  
4           ance with the work and work activation require-  
5           ments of sections 6(o) and 30.”.

6           (c) WORK REQUIREMENT FOR ABLE-BODIED  
7 ADULTS WITHOUT DEPENDENTS.—Section 6(o) of the  
8 Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)) is  
9 amended—

10           (1) in paragraph (2)—

11           (A) in the matter preceding subparagraph  
12           (a), by striking “not less than 3 months (con-  
13           secutive or otherwise)” and inserting “more  
14           than 1 month”;

15           (B) in subparagraph (C), by striking “or”  
16           at the end;

17           (C) in subparagraph (D), by striking the  
18           period at the end and inserting “; or”; and

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

20           “(E) participate in supervised job search  
21           for at least 8 hours per week.”;

22           (2) in paragraph (4), by adding at the end the  
23           following:

24           “(C) TERMINATION.—Subparagraph (A)  
25           shall not apply with respect to any fiscal year

1 that begins after the effective date of the Wel-  
2 fare Reform and Upward Mobility Act.”;

3 (3) in paragraph (6)—

4 (A) in the paragraph heading, by striking  
5 “15-PERCENT” and inserting “5-PERCENT”;

6 (B) in subparagraph (A)(ii)(IV), by strik-  
7 ing “3 months” and inserting “1 month”; and

8 (C) in subparagraph (D), by striking “15  
9 percent” and inserting “5 percent”; and

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

11 “(8) PROMOTING WORK.—As a condition of re-  
12 ceiving supplemental nutrition assistance program  
13 funds under this Act, a State agency shall provide  
14 each individual subject to the work requirement of  
15 this subsection with the opportunity to participate in  
16 an activity selected by the State from among the op-  
17 tions described in subparagraphs (B), (C), and (E)  
18 of paragraph (2).

19 “(9) PENALTIES FOR INADEQUATE STATE PER-  
20 FORMANCE.—If a State agency fails to fully comply  
21 with this section, including the requirement to termi-  
22 nate the benefits of individuals who fail to fulfill the  
23 work requirements described in paragraph (2) dur-  
24 ing a fiscal quarter, the funding allotment of the  
25 State for the supplemental nutrition assistance pro-



1       gram shall be reduced by 10 percent for the quarter  
 2       that begins 180 days after the first day of the quar-  
 3       ter in which the noncompliance occurred.”.

4   **SEC. 202. WORK ACTIVATION PROGRAM FOR ADULTS WITH**  
 5                   **DEPENDENT CHILDREN.**

6       The Food and Nutrition Act of 2008 (7 U.S.C. 2011  
 7 et seq.) is amended by adding at the end the following:

8   **“SEC. 30. WORK ACTIVATION PROGRAM FOR ADULTS WITH**  
 9                   **DEPENDENT CHILDREN.**

10       “(a) DEFINITIONS.—In this section:

11               “(1) ELIGIBLE PARTICIPANT.—The term ‘eligi-  
 12 ble participant’ means an individual who, during a  
 13 particular month, is—

14                   “(A) a parent in a household with depend-  
 15 ent children;

16                   “(B) at least 19, and not more than 55,  
 17 years of age;

18                   “(C) not disabled;

19                   “(D) a member of a household in which  
 20 one or more parents or children receive supple-  
 21 mental nutrition assistance program benefits in  
 22 the month;

23                   “(E) a member of a household that re-  
 24 ceived supplemental nutrition assistance pro-

1           gram benefits for more than 3 months in the  
2           year; and

3           “(F) employed less than 100 hours in the  
4           month.

5           “(2) MARRIED COUPLE HOUSEHOLD.—The  
6           term ‘married couple household’ means a household  
7           that includes 2 eligible participants who are married  
8           to each other and have dependent children.

9           “(3) SUCCESSFUL ENGAGEMENT IN WORK ACTI-  
10          VATION.—The term ‘successful engagement in work  
11          activation’ means—

12               “(A) in the case of an individual who is eli-  
13               gible and required to participate in interim  
14               work activation, performance during the month  
15               that fulfills the activity and hour requirements  
16               of subsection (c);

17               “(B) in the case of an individual who is re-  
18               quired to participate in full work activation,  
19               performance during the month that fulfills the  
20               activity and hour requirements of subsection  
21               (d); and

22               “(C) in the case of an individual who  
23               meets the eligibility criteria described in sub-  
24               section (e)(1), performance that fulfills the ac-  
25               tivity and hour requirements of that subsection.

1           “(4) WORK AND WORK PREPARATION ACTIVI-  
2           TIES.—The term ‘work and work preparation activi-  
3           ties’ means—

4                   “(A) unsubsidized employment;

5                   “(B) subsidized private sector employment;

6                   “(C) subsidized public sector employment;

7                   “(D) work experience (including work as-  
8                   sociated with the refurbishing of publicly as-  
9                   sisted housing) if sufficient private sector em-  
10                  ployment is not available;

11                  “(E) on-the-job training;

12                  “(F) job readiness assistance;

13                  “(G) a community service program;

14                  “(H) vocational educational training (not  
15                  to exceed 1 year with respect to any individual);

16                  “(I) job skills training directly related to  
17                  employment;

18                  “(J) education directly related to employ-  
19                  ment, in the case of a recipient who has not re-  
20                  ceived a high school diploma or a certificate of  
21                  high school equivalency;

22                  “(K) satisfactory attendance at secondary  
23                  school or in a course of study leading to a cer-  
24                  tificate of general equivalence, in the case of a

1 recipient who has not completed secondary  
2 school or received such a certificate;

3 “(L) the provision of child care services to  
4 an individual who is participating in a commu-  
5 nity service program;

6 “(M) workfare under section 20; and

7 “(N) supervised job search.

8 “(b) WORK ACTIVATION PROGRAM.—

9 “(1) IN GENERAL.—As a condition of receiving  
10 supplemental nutrition assistance program funds  
11 under this Act, a State agency shall be required to  
12 operate a work activation program for eligible par-  
13 ticipants.

14 “(2) SPECIAL RULES FOR MARRIED COUPLE  
15 HOUSEHOLDS.—

16 “(A) IN GENERAL.—In the case of eligible  
17 participants who are spouses in a married cou-  
18 ple household—

19 “(i) the work activation requirement  
20 of this section shall apply only if the sum  
21 of the combined current employment of  
22 both spouses is less than 100 hours per  
23 month; and

24 “(ii) both spouses shall be considered  
25 to have achieved successful engagement in

1 the work activation program if either  
2 spouse fulfills the work activation require-  
3 ments described in subsection (c), (d), or  
4 (e)(1).

5 “(B) TOTAL REQUIRED HOURS.—The total  
6 combined number of hours of required work  
7 and work preparation activities for both spouses  
8 in a married couple household shall not be  
9 greater than the total number of hours required  
10 for a single head of household.

11 “(C) REQUIREMENT.—In carrying out this  
12 section, a State agency shall ensure that, for  
13 any month—

14 “(i) the proportion that—

15 “(I) the number of married cou-  
16 ple households that are required to  
17 participate in work activation under  
18 this section in a month; bears to

19 “(II) the number of all house-  
20 holds that are required to participate  
21 in work activation under this section  
22 in the same month; is not greater  
23 than—

24 “(ii) the proportion that—

1                   “(I) the number of all married  
2 couple households with eligible partici-  
3 pants in the month; bears to

4                   “(II) the number of all house-  
5 holds with eligible participants in the  
6 same month.

7           “(c) SHORT-TERM INTERIM WORK ACTIVATION.—

8                   “(1) IN GENERAL.—A State agency may re-  
9 quire eligible participants who meet the criteria in  
10 paragraph (2) to engage in—

11                   “(A) interim work activation as described  
12 in this subsection; or

13                   “(B) full work activation as described in  
14 subsection (d).

15                   “(2) ELIGIBILITY.—A State agency may re-  
16 quire an eligible participant to participate in interim  
17 work activation instead of full work activation if the  
18 eligible participant has not engaged in work activa-  
19 tion under this section in the preceding 3 years.

20                   “(3) REQUIRED JOB SEARCH.—A participant in  
21 interim work activation shall be required—

22                   “(A) to participate in supervised job search  
23 for at least 6 hours per week; and

24                   “(B) to engage in such additional activities  
25 as the State agency may require.

1           “(4) TIME LIMIT ON INTERIM WORK ACTIVA-  
2           TION.—

3           “(A) IN GENERAL.—An eligible participant  
4           shall not participate in interim work activation  
5           for more than 3 months.

6           “(B) ADDITIONAL TIME.—After an eligible  
7           participant has participated in interim work ac-  
8           tivation for 3 months, the State agency shall re-  
9           quire the eligible participant—

10           “(i) to maintain at least 100 hours of  
11           employment per month; or

12           “(ii) to participate in full work activa-  
13           tion.

14           “(d) FULL WORK ACTIVATION.—

15           “(1) IN GENERAL.—As a condition of receiving  
16           supplemental nutrition assistance program funds  
17           under this Act, a State agency shall require all or  
18           part of the eligible participants in the State to en-  
19           gage in full work activation under this section.

20           “(2) REQUIREMENTS.—An eligible participant  
21           who is required to participate in full work activation  
22           in a month shall be required to engage in one or  
23           more work and work preparation activities for an av-  
24           erage of 100 hours per month.

1           “(3) LIMITATION.—Of the total number of re-  
2           quired hours described in paragraph (2), not fewer  
3           than 20 hours per week shall be attributable to an  
4           activity described in subparagraph (A), (B), (C),  
5           (D), (E), (F), (G), (H), (L), (M), or (N) of sub-  
6           section (a)(4).

7           “(4) PARTICIPATION IN COMMUNITY SERVICE  
8           OR WORKFARE.—At least 10 percent of the eligible  
9           participants that a State requires to participate in  
10          full work activation under this section shall be re-  
11          quired to participate in activities described in sub-  
12          paragraphs (D), (G), or (M) of subsection (a)(4).

13          “(5) WORK ACTIVATION NOT EMPLOYMENT.—  
14          Other than unsubsidized employment described in  
15          subsection (a)(4)(A), participation in work and work  
16          preparation activities under this section shall not  
17          be—

18                 “(A) considered to be employment; or

19                 “(B) subject to any law pertaining to  
20                 wages, compensation, hours, or conditions of  
21                 employment under any law administered by the  
22                 Secretary of Labor.

23          “(6) ADDITIONAL REQUIRED ACTIVITY.—Ex-  
24          cept as provided in subsection (g), nothing in this  
25          section prevents a State from requiring more than



1 100 hours per month of participation in work and  
2 work preparation activities.

3 “(e) LIMITATIONS AND SPECIAL RULES.—

4 “(1) SINGLE TEEN HEAD OF HOUSEHOLD OR  
5 MARRIED TEEN WHO MAINTAINS SATISFACTORY  
6 SCHOOL ATTENDANCE.—For purposes of deter-  
7 mining monthly participation rates under this sec-  
8 tion, an eligible participant who is married or a head  
9 of household and who has not attained 20 years of  
10 age shall be considered to have completed successful  
11 engagement in work activation for a month if the eli-  
12 gible participant—

13 “(A) maintains satisfactory attendance at  
14 secondary school or the equivalent during the  
15 month; or

16 “(B) participates in education directly re-  
17 lated to employment for an average of at least  
18 20 hours per week during the month.

19 “(2) LIMITATION ON NUMBER OF PERSONS  
20 WHO MAY BE TREATED AS ENGAGED IN WORK ACTI-  
21 VATION BY REASON OF PARTICIPATION IN EDU-  
22 CATIONAL ACTIVITIES.—For purposes of deter-  
23 mining monthly participation rates under this sec-  
24 tion, not more than 30 percent of the number of in-  
25 dividuals in a State who are treated as having com-

1       pleted successful engagement in work activation for  
2       a month may be individuals who are determined to  
3       be engaged in work activation for the month by rea-  
4       son of participation in vocational educational train-  
5       ing.

6       “(f) STATE OPTION FOR PARTICIPATION REQUIRE-  
7       MENT EXEMPTIONS.—

8               “(1) IN GENERAL.—For any fiscal year, a State  
9       agency, at the option of the State agency, may—

10               “(A) exempt a household that includes a  
11       child who has not attained 12 months of age  
12       from engaging in work activation; and

13               “(B) disregard that household in deter-  
14       mining the monthly participation rates under  
15       this section until the child has attained 12  
16       months of age.

17               “(2) EXCLUSION.—For purposes of determining  
18       monthly participation rates under this section, a  
19       household that includes a child who has not attained  
20       6 years of age shall be considered to be successfully  
21       engaged in work activation for a month if a member  
22       of the household receiving supplemental nutrition as-  
23       sistance program benefits is engaged in work activa-  
24       tion for an average of at least 20 hours per week  
25       during the month.

1 “(g) PENALTIES AGAINST INDIVIDUALS.—

2 “(1) IN GENERAL.—Except as provided in para-  
3 graph (3), if an eligible participant in a household  
4 receiving assistance under the State program funded  
5 under this section fails to complete successful en-  
6 gagement in work activation in accordance with this  
7 section, the State agency shall—

8 “(A) in accordance with paragraph (2), re-  
9 duce the amount of assistance otherwise pay-  
10 able to the entire household pro rata (or more,  
11 at the option of the State agency) with respect  
12 to the month immediately after any month in  
13 which the eligible participant fails to perform;  
14 or

15 “(B) terminate the assistance entirely.

16 “(2) PRO RATA REDUCTION.—For purposes of  
17 paragraph (1)(A), the amount of the pro rata reduc-  
18 tion shall equal the product obtained by multi-  
19 plying—

20 “(A) the normal monthly amount of assist-  
21 ance to the entire household that would have  
22 been received if not for the reduction under  
23 paragraph (1)(A); by

24 “(B) the proportion that—

1                   “(i) the hours of required work and  
2                   work preparation activities performed by  
3                   the eligible participant during the month;  
4                   bears to

5                   “(ii) the number or hours of work and  
6                   work preparation activities the State agen-  
7                   cy required the eligible participant to per-  
8                   form in accordance with this section.

9                   “(3) EXCEPTION.—A State may not reduce or  
10                  terminate assistance under the State program fund-  
11                  ed under this section or any other State program  
12                  funded with qualified State expenditures (as defined  
13                  in section 409(a)(7)(B) of the Social Security Act  
14                  (42 U.S.C. 609(a)(7)(B))) based on a refusal of an  
15                  eligible participant to engage in work and work  
16                  preparation activities required under this section  
17                  if—

18                  “(A) the eligible participant is a single cus-  
19                  todial parent caring for a child who has not at-  
20                  tained 6 years of age; and

21                  “(B) the eligible participant proves that  
22                  the eligible participant has a demonstrated in-  
23                  ability (as determined by the State agency) to  
24                  obtain needed child care, due to—

1                   “(i) unavailability of appropriate child  
2                   care within a reasonable distance from the  
3                   home or work site of the eligible partici-  
4                   pant; or

5                   “(ii) unavailability of all affordable  
6                   child care arrangements, including formal  
7                   child care and all informal child care by a  
8                   relative or under other arrangements.

9                   “(h) LIMITATION ON HOURS OF REQUIRED PARTICI-  
10                  PATION IN COMMUNITY SERVICE OR WORKFARE.—

11                  “(1) IN GENERAL.—The maximum number of  
12                  hours during a month that an eligible participant  
13                  shall be required under this section to work in a  
14                  community service program or a workfare program  
15                  under section 20 shall not exceed the quotient ob-  
16                  tained by dividing—

17                         “(A) the total dollar cost of all means-test-  
18                         ed benefits received by the household for that  
19                         month, as determined under paragraph (2); by

20                         “(B) the Federal minimum wage.

21                  “(2) TOTAL DOLLAR COST OF ALL MEANS-  
22                  TESTED BENEFITS DEFINED.—

23                         “(A) IN GENERAL.—Except as provided in  
24                         subparagraph (B), the total dollar cost of all  
25                         means-tested benefits shall equal the sum of the

1 dollar cost of all benefits received by the house-  
2 hold from—

3 “(i) the supplemental nutrition assist-  
4 ance program;

5 “(ii) the State program funded under  
6 part A of title IV of the Social Security  
7 Act (42 U.S.C. 601 et seq.) or any other  
8 State program funded with qualified State  
9 expenditures (as defined in section  
10 409(a)(7)(B)(i) of such Act (42 U.S.C.  
11 609(a)(7)(B)(i))); and

12 “(iii) any assistance provided to a  
13 household, landlord, or public housing  
14 agency (as defined in section 3(b)(6) of the  
15 United States Housing Act of 1937 (42  
16 U.S.C. 1437a(b)(6))) to subsidize the rent-  
17 al payment for a dwelling unit, including  
18 assistance provided for public housing  
19 dwelling units under section 3 of the  
20 United States Housing Act of 1937 (42  
21 U.S.C. 1437a) and assistance provided  
22 under section 8 of that Act (42 U.S.C.  
23 1437f).

24 “(B) VALUE OF BENEFITS DURING SANC-  
25 TION.—For purposes of subparagraph (A), if

1 the dollar value of one or more benefits received  
 2 by a household in a month has been reduced  
 3 under subsection (g) or another sanction re-  
 4 quirement, the calculated dollar value of the  
 5 sanctioned benefits shall equal the dollar value  
 6 of the benefit that would have been received if  
 7 the benefit had not been reduced by the sanc-  
 8 tion.

9 “(3) ADDITIONAL ACTIVITIES.—Nothing in this  
 10 subsection prevents a State agency from requiring  
 11 an eligible participant to engage in activities not de-  
 12 scribed in paragraph (1) for additional hours during  
 13 the month.

14 “(i) WORK ACTIVATION PARTICIPATION GOALS.—

15 “(1) IN GENERAL.—As a condition of receiving  
 16 supplemental nutrition assistance program funds  
 17 under this Act, except as provided in paragraph (2),  
 18 a State agency shall achieve for each quarter of the  
 19 fiscal year with respect to all eligible participants re-  
 20 ceiving assistance under the State program funded  
 21 under this section for that fiscal year at least the  
 22 participation rate specified in the following table:

“If the fiscal year is:	The quarterly participation rate shall be at least:
2017 .....	20 percent
2018 .....	35 percent
2019 .....	50 percent

“If the fiscal year is:	The quarterly participation rate shall be at least:
2020 .....	65 percent
2021 .....	80 percent.

1           “(2) ADJUSTMENT IF RECESSIONARY PE-  
 2           RIOD.—If the average national unemployment rate  
 3           during a quarter of a fiscal year, as determined by  
 4           the Bureau of Labor Statistics of the Department of  
 5           Labor, is more than 8 percent, the participation goal  
 6           for the immediately succeeding quarter shall equal  
 7           the product obtained by multiplying—

8                       “(A) the applicable quarterly participation  
 9                       rate under paragraph (1); by

10                      “(B) 0.8.

11           “(j) CALCULATION OF WORK ACTIVATION PARTICI-  
 12           PATION RATES.—

13           “(1) DEFINITION OF SANCTIONED RECIPI-  
 14           ENT.—In this subsection, the term ‘sanctioned re-  
 15           cipient’ means any eligible participant who—

16                      “(A) was required to participate in work  
 17                      activation in a month;

18                      “(B) failed to perform the assigned work  
 19                      and work preparation activities so as to meet  
 20                      the relevant hourly requirements in subsection  
 21                      (c), (d), or (e)(2); and



1           “(C) was sanctioned by a reduced benefit  
2           payment in the subsequent month under sub-  
3           section (g).

4           “(2) REQUIREMENTS.—The work activation  
5           participation rate for a State for any quarter of a  
6           fiscal year shall equal the average of the monthly  
7           participation rates for the State during the 3  
8           months of that quarter.

9           “(3) MONTHLY PARTICIPATION RATE.—For  
10          purposes of paragraph (2), the monthly participation  
11          rate shall equal the ratio of all countable partici-  
12          pants to all eligible participants in the month, as de-  
13          termined under paragraph (4).

14          “(4) RATIO OF ALL COUNTABLE PARTICIPANTS  
15          TO ALL ELIGIBLE PARTICIPANTS.—Subject to para-  
16          graph (5), the ratio of all countable participants to  
17          all eligible participants in a month equals the pro-  
18          portion that—

19                 “(A) the sum obtained by adding—

20                         “(i) all eligible participants who—

21                                 “(I) were required by the State  
22                                 to engage in interim work activation,  
23                                 full work activation, or education  
24                                 under subsection (e)(1) during the  
25                                 month; and

1                   “(II) fulfilled the criteria for suc-  
2                   cessful engagement in work activation  
3                   for that activity during the month;  
4                   and

5                   “(ii) all sanctioned recipients for that  
6                   month; bears to

7                   “(B) the average number of eligible par-  
8                   ticipants in the State in that month.

9                   “(5) MULTIPLE ELIGIBLE PARTICIPANTS.—A  
10                  married couple household consisting of more than 1  
11                  eligible participant shall be counted as a single eligi-  
12                  ble participant for purposes of calculating the par-  
13                  ticipation rate under this subsection.

14                  “(k) PENALTIES FOR INADEQUATE STATE PERFORM-  
15                  ANCE.—

16                  “(1) IN GENERAL.—Beginning in the first  
17                  quarter of fiscal year 2018 and for each subsequent  
18                  quarter of fiscal year 2018 and of each subsequent  
19                  fiscal year, each State shall count the monthly aver-  
20                  age number of countable participants under this sec-  
21                  tion.

22                  “(2) REDUCTION IN FUNDING.—If the monthly  
23                  average number of countable participants in a State  
24                  of a fiscal year is not sufficient to fulfill the relevant  
25                  work activation participation goal under subsection

1 (i) during that quarter, the supplemental nutrition  
 2 assistance program funding for the State under this  
 3 Act shall be reduced for the fiscal quarter that be-  
 4 gins 180 days after the first day of the quarter in  
 5 which the inadequate performance occurred in ac-  
 6 cordance with paragraph (3).

7 “(3) FUNDING IN PENALIZED QUARTER.—The  
 8 total amount of funding a State shall receive for all  
 9 households with eligible participants for a quarter  
 10 for which funding is reduced under paragraph (2)  
 11 shall equal the product obtained by multiplying—

12 “(A) the total amount of funding that the  
 13 State would have received in the preceding  
 14 quarter for all households with eligible partici-  
 15 pants if no reduction had been in place; by

16 “(B) the ratio of all countable participants  
 17 to all eligible participants (as determined under  
 18 subsection (j)(4)) for the quarter that began  
 19 180 days before the first day of the quarter for  
 20 which funding is reduced.

21 “(l) FUNDING TO ADMINISTER WORK ACTIVA-  
 22 TION.—

23 “(1) TANF FUNDING.—

24 “(A) IN GENERAL.—Notwithstanding any  
 25 other provision of law, for fiscal year 2017 and

1 each subsequent fiscal year, a State that re-  
2 ceives supplemental nutrition assistance pro-  
3 gram funds under this Act may use during that  
4 fiscal year to carry out the work activation pro-  
5 gram of the State under this section—

6 “(i) any of the Federal funds available  
7 to the State through the State program  
8 funded under part A of title IV of the So-  
9 cial Security Act (42 U.S.C. 601 et seq.)  
10 in that fiscal year; and

11 “(ii) any of the funds from State  
12 sources allocated to the operation of the  
13 program described in clause (i).

14 “(B) EFFECT.—Any State that uses State  
15 funds allocated to the State program funded  
16 under part A of title IV of the Social Security  
17 Act (42 U.S.C. 601 et seq.) to administer the  
18 work activation program of that State under  
19 this section may treat those funds as qualified  
20 State expenditures (as defined in section  
21 409(a)(7)(B)(i) of the Social Security Act (42  
22 U.S.C. 609(a)(7)(B)(i))) for purposes of meet-  
23 ing the requirements of section 409(a)(7) of the  
24 Social Security Act (42 U.S.C. 609(a)(7)) in  
25 that fiscal year.

1           “(2) WORKFORCE INVESTMENT ACT FUND-  
 2           ING.—Notwithstanding any other provision of law,  
 3           for fiscal year 2017 and each subsequent fiscal year,  
 4           a State that receives Federal funds under the Work-  
 5           force Investment Act of 1998 (29 U.S.C. 2801 et  
 6           seq.) may use up to 50 percent of those funds dur-  
 7           ing that fiscal year to carry out the work activation  
 8           program of the State under this section.

9           “(3) SUPPLEMENTAL NUTRITION ASSISTANCE  
 10          PROGRAM EMPLOYMENT AND TRAINING PROGRAM.—  
 11          Notwithstanding any other provision of law, for fis-  
 12          cal year 2017 and each subsequent fiscal year, a  
 13          State that receives Federal funds under this Act for  
 14          an employment and training program under section  
 15          6(d) may use those funds during that fiscal year to  
 16          carry out the work activation program of the State  
 17          under this section.”.

18           **TITLE III—PREPARING MORE**  
 19           **TANF RECIPIENTS FOR WORK**

20           **SEC. 301. WORK PREPARATION PROGRAM.**

21           Section 407 of the Social Security Act (42 U.S.C.  
 22           607) is amended by adding at the end the following new  
 23           subsection:

24           “(j) WORK PREPARATION PROGRAM.—

1           “(1) IN GENERAL.—A State to which a grant  
 2           is made under section 403 for a fiscal year, in addi-  
 3           tion to achieving the minimum participation rates  
 4           required for the fiscal year under paragraphs (1)  
 5           and (2) of subsection (a), shall operate a work prep-  
 6           aration program for eligible participants that meets  
 7           the requirements of this subsection and shall achieve  
 8           the minimum work preparation participation rate  
 9           specified in the following table for each quarter of  
 10          the fiscal year with respect to all eligible participants  
 11          receiving assistance under the State program funded  
 12          under this part or any other State program funded  
 13          with qualified State expenditures (as defined in sec-  
 14          tion 409(a)(7)(B)(i)) who are not engaged in em-  
 15          ployment in any month during the fiscal year:

“If the fiscal year is:	The minimum work preparation rate for the quarter is:
2017 .....	25 percent
2018 .....	50 percent
2019 or thereafter .....	75 percent.

16           “(2) ELIGIBLE PARTICIPANT DEFINED.—In this  
 17           subsection, the term ‘eligible participant’ means,  
 18           with respect to a month, an individual who—

19                   “(A) is a parent of a family in which a  
 20                   parent or child receives assistance under the  
 21                   State program funded under this part or any

1 other State program funded with qualified  
2 State expenditures (as defined in section  
3 409(a)(7)(B)(i)) in the month; and

4 “(B) is employed less than 40 hours in the  
5 month.

6 “(3) SPECIAL RULES FOR MARRIED COUPLES  
7 WITH CHILDREN.—In the case of a married 2-parent  
8 family—

9 “(A) the parents shall only be considered  
10 to be eligible participants for a month for pur-  
11 poses of this subsection if the sum of the com-  
12 bined hours of employment for the month for  
13 both spouses is less than 40 hours;

14 “(B) if the parents are eligible participants  
15 for a month for purposes of this subsection,  
16 only one of the parents shall be required to par-  
17 ticipate in the work preparation program under  
18 this subsection in a month; and

19 “(C) the sum of the hours required of the  
20 parents for purposes of meeting the monthly  
21 minimum participation rate required for pur-  
22 poses of subsection (a) and meeting the month-  
23 ly work preparation rate required under this  
24 subsection shall not be greater than the hours

1           required for a single head of household for pur-  
2           poses of meeting such rates.

3           “(4) WORK PREPARATION REQUIREMENTS.—In  
4           order to be considered to be engaging in work prepa-  
5           ration for month, an eligible participant shall engage  
6           in one or more work preparation activities (as de-  
7           fined in paragraph (5)) for at least an average of 30  
8           hours per week during the month.

9           “(5) WORK PREPARATION ACTIVITIES DE-  
10          FINED.—In this subsection, the term ‘work prepara-  
11          tion activity’ means the following:

12                 “(A) Work experience (including work as-  
13                 sociated with the refurbishing of publicly as-  
14                 sisted housing) if sufficient private sector em-  
15                 ployment is not available.

16                 “(B) On-the-job training.

17                 “(C) Job readiness assistance.

18                 “(D) Community service programs (not to  
19                 exceed the maximum number of hours deter-  
20                 mined under paragraph (9)).

21                 “(E) Workfare programs (not to exceed  
22                 the maximum number of hours determined  
23                 under paragraph (9)).



1           “(F) Vocational educational training (not  
2           to exceed 12 months with respect to any indi-  
3           vidual).

4           “(G) Job skills training directly related to  
5           employment.

6           “(H) Education directly related to employ-  
7           ment, in the case of an eligible participant who  
8           has not received a high school diploma or a cer-  
9           tificate of high school equivalency.

10          “(I) Satisfactory attendance at secondary  
11          school or in a course of study leading to a cer-  
12          tificate of general equivalence, in the case of an  
13          eligible participant who has not completed sec-  
14          ondary school or received such a certificate.

15          “(J) The provision of child care services to  
16          an individual who is participating in a commu-  
17          nity service program.

18          “(K) Supervised job search (as defined in  
19          paragraph (7)).

20          “(6) PRIORITY FOR COMMUNITY SERVICE.—At  
21          least 20 percent of the eligible participants who are  
22          required to participate in work preparation for a  
23          month shall participate in a community service pro-  
24          gram or a workfare program.

1           “(7) SUPERVISED JOB SEARCH DEFINED.—In  
2 this subsection, the term ‘supervised job search’  
3 means a job search program that has the following  
4 characteristics:

5           “(A) The job search occurs at an official  
6 location where the presence and activity of the  
7 eligible participant can be directly observed, su-  
8 pervised, and monitored.

9           “(B) The eligible participant’s entry, time  
10 onsite, and exit from the official job search lo-  
11 cation are recorded in a manner that prevents  
12 fraud.

13           “(C) The eligible participant is expected to  
14 remain and undertake job search activities at  
15 the job search center.

16           “(D) The quantity of time the eligible par-  
17 ticipant is observed and monitored engaging in  
18 job search at the official location is recorded for  
19 purposes of compliance with the work and work  
20 activation requirements of sections 6(o) and 30  
21 of the Food and Nutrition Act of 2008.

22           “(8) PENALTIES AGAINST NONPERFORMING IN-  
23 DIVIDUALS.—

24           “(A) IN GENERAL.—If an eligible partici-  
25 pant fails to fully perform the work preparation

1 activities required in accordance with this sub-  
2 section, the State shall—

3 “(i) reduce the amount of assistance  
4 otherwise payable to the entire family of  
5 the eligible participant pro rata (or more,  
6 at the option of the State) with respect to  
7 the month immediately after any month in  
8 which the eligible participant so fails to  
9 perform; or

10 “(ii) terminate such assistance.

11 “(B) PRO RATA REDUCTION.—For pur-  
12 poses of subparagraph (A)(i), the amount of a  
13 pro rata reduction in assistance shall be deter-  
14 mined by multiplying the amount of monthly  
15 assistance that would, in the absence of the ap-  
16 plication of this paragraph be paid to the entire  
17 family, by the ratio of—

18 “(i) the hours of required work and  
19 work preparation activities performed by  
20 the eligible participant during the month;  
21 over

22 “(ii) the number or hours of work and  
23 work preparation the State required the el-  
24 igible participant to perform in accordance  
25 with the requirements of this section.

1           “(9) LIMITATION ON COUNTABLE HOURS OF  
2 PARTICIPATION IN COMMUNITY SERVICE OR  
3 WORKFARE.—

4           “(A) IN GENERAL.—The maximum num-  
5 ber of hours that an eligible participant may be  
6 counted as engaging in a community service  
7 program or a workfare program in a month for  
8 purposes of meeting the minimum work prepa-  
9 ration rates for the month under this subsection  
10 shall not exceed the total dollar cost of all  
11 means-tested benefits received by the eligible  
12 participant’s family for the month divided by  
13 the Federal minimum wage.

14           “(B) TOTAL DOLLAR COST OF ALL MEANS-  
15 TESTED BENEFITS DEFINED.—

16           “(i) IN GENERAL.—In this subsection,  
17 the term ‘total dollar cost of all means-  
18 tested benefits’ means the sum of the dol-  
19 lar cost of all benefits received by a family  
20 under—

21           “(I) the supplemental nutrition  
22 assistance program established under  
23 the Food and Nutrition Act of 2008  
24 (7 U.S.C. 2011 et seq.);

1           “(II) the State program funded  
2           under this part or any other State  
3           program funded with qualified State  
4           expenditures (as defined in section  
5           409(a)(7)(B)(i)); and

6           “(III) any assistance provided to  
7           a household, landlord, or public hous-  
8           ing agency (as defined in section  
9           3(b)(6) of the United States Housing  
10          Act of 1937 (42 U.S.C. 1437a(b)(6)))  
11          to subsidize the rental payment for a  
12          dwelling unit, including assistance  
13          provided for public housing dwelling  
14          units under section 3 of the United  
15          States Housing Act of 1937 (42  
16          U.S.C. 1437a) and assistance pro-  
17          vided under section 8 of that Act (42  
18          U.S.C. 1437f).

19          “(ii) VALUE OF BENEFITS DURING  
20          SANCTION.—For purposes of clause (i), if  
21          the dollar value of one or more benefits re-  
22          ceived by a household in a month has been  
23          reduced under paragraph (8) or another  
24          sanction requirement, the calculated dollar  
25          value of the sanctioned benefits shall equal

1           the dollar value of the benefit that would  
2           have been received if the benefit had not  
3           been reduced by the sanction.

4           “(C) ADDITIONAL ACTIVITIES.—Nothing  
5           in this paragraph shall prevent a State from re-  
6           quiring an eligible participant to engage in ac-  
7           tivities not described in subparagraph (A) for  
8           additional hours during a month.

9           “(10) CALCULATION OF WORK PREPARATION  
10          PARTICIPATION RATES.—

11           “(A) DEFINITION OF SANCTIONED RECIPI-  
12          ENT.—In this subsection, the term ‘sanctioned  
13          recipient’ means any eligible participant who—

14                   “(i) was required to participate in  
15                   work preparation in a month;

16                   “(ii) failed to perform the assigned  
17                   work and work preparation activities so as  
18                   to meet the relevant hourly requirements;  
19                   and

20                   “(iii) was sanctioned by a reduced as-  
21                   sistance payment in the subsequent month  
22                   under paragraph (8).

23           “(B) REQUIREMENTS.—The work prepara-  
24          tion participation rate for a State for any quar-  
25          ter of a fiscal year shall equal the average of

1 the monthly participation rates for the State  
2 during the 3 months of that quarter.

3 “(C) MONTHLY PARTICIPATION RATE.—  
4 For purposes of subparagraph (B), the monthly  
5 participation rate shall equal the ratio of all  
6 countable participants to all eligible participants  
7 in the month, as determined under subpara-  
8 graph (D).

9 “(D) RATIO OF ALL COUNTABLE PARTICI-  
10 PANTS TO ALL ELIGIBLE PARTICIPANTS.—Sub-  
11 ject to subparagraph (E), the ratio of all count-  
12 able participants to all eligible participants in a  
13 month equals the proportion that—

14 “(i) the sum obtained by adding—  
15 “(I) all eligible participants  
16 who—

17 “(aa) were required by the  
18 State to engage in work prepara-  
19 tion during the month; and

20 “(bb) fulfilled the criteria  
21 for successful engagement in  
22 work preparation during the  
23 month; and

24 “(II) all sanctioned recipients for  
25 that month; bears to

1                   “(ii) the average number of eligible  
2                   participants in the State in that month.

3                   “(E) MULTIPLE ELIGIBLE PARTICI-  
4                   PANTS.—A married couple household consisting  
5                   of more than 1 eligible participant shall be  
6                   counted as a single eligible participant for pur-  
7                   poses of calculating the participation rate under  
8                   this paragraph.

9                   “(11) PENALTIES FOR INADEQUATE STATE  
10                  PERFORMANCE.—

11                   “(A) IN GENERAL.—Beginning in the first  
12                   quarter of fiscal year 2018 and for each subse-  
13                   quent quarter of fiscal year 2018 and of each  
14                   subsequent fiscal year, each State shall count  
15                   the monthly average number of countable par-  
16                   ticipants under this subsection.

17                   “(B) REDUCTION IN FUNDING.—If the  
18                   monthly average number of countable partici-  
19                   pants in a State is not sufficient to meet the  
20                   work preparation participation rate required  
21                   under paragraph (1) during that quarter, the  
22                   grant payable to the State under section  
23                   403(a)(1) shall be reduced for the fiscal quarter  
24                   that begins 180 days after the first day of the



1 quarter in which the inadequate performance  
 2 occurred in accordance with subparagraph (C).

3 “(C) FUNDING IN PENALIZED QUARTER.—  
 4 The total amount of funding a State shall re-  
 5 ceive for a quarter for which funding is reduced  
 6 under subparagraph (B) shall equal the product  
 7 obtained by multiplying—

8 “(i) the total amount of funding that  
 9 the State would have received in the pre-  
 10 ceding quarter for the grant payable to the  
 11 State under section 403(a)(1) if no reduc-  
 12 tion had been in place; by

13 “(ii) the ratio of all countable partici-  
 14 pants to all eligible participants (as deter-  
 15 mined under paragraph (10)(D)) for the  
 16 quarter that began 180 days before the  
 17 first day of the quarter for which funding  
 18 is reduced.”.

19 **SEC. 302. CHANGES TO MANDATORY WORK REQUIRE-**  
 20 **MENTS.**

21 (a) **ELIMINATION OF SEPARATE PARTICIPATION**  
 22 **RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—**

23 (1) **IN GENERAL.—**Section 407 of the Social  
 24 Security Act (42 U.S.C. 607) is amended—

25 (A) in subsection (a)—

1 (i) by striking all through “A State”  
2 the first place it appears and inserting the  
3 following:

4 “(a) PARTICIPATION RATE REQUIREMENTS.—A  
5 State”; and

6 (ii) by striking paragraph (2);

7 (B) in subsection (b)—

8 (i) in the subsection heading, by strik-  
9 ing “RATES” and inserting “RATE”;

10 (ii) in paragraph (1)(A), by striking  
11 “(a)(1)” and inserting “(a)”;

12 (iii) by striking paragraph (2) and re-  
13 designating paragraphs (3), (4), and (5) as  
14 paragraphs (2), (3), and (4), respectively;

15 (iv) in paragraph (3) (as so redesign-  
16 ated), by striking “paragraphs (1)(B) and  
17 (2)(B)” and inserting “paragraph (1)(B)”;  
18 and

19 (v) in paragraph (4) (as so redesign-  
20 ated), by striking “rates” and inserting  
21 “rate”; and

22 (C) in subsection (c)—

23 (i) in paragraph (1)—

1 (I) by striking all through “For  
2 purposes of subsection (b)(1)(B)(i)”  
3 and inserting the following:

4 “(1) GENERAL RULES.—For purposes of sub-  
5 section (b)(1)(B)(i)”;

6 (II) by striking subparagraph  
7 (B); and

8 (ii) in paragraph (2)(D)—

9 (I) by striking “paragraphs  
10 (1)(B)(i) and (2)(B) of subsection  
11 (b)” and inserting “subsection  
12 (b)(1)(B)(i)”;

13 (II) by striking “in all families  
14 and in 2-parent families, respec-  
15 tively,”.

16 (2) CONFORMING AMENDMENT.—The para-  
17 graph heading for section 409(a)(3) of such Act (42  
18 U.S.C. 609(a)(3)) is amended by striking “RATES”  
19 and inserting “RATE”.

20 (b) APPLICATION OF STATE OPTION FOR PARTICIPA-  
21 TION REQUIREMENT EXEMPTION TO ALL FAMILIES.—  
22 Section 407(b)(4) of the Social Security Act (42 U.S.C.  
23 607(b)(4)), as redesignated and amended by subsection  
24 (a)(1)(B), is amended—

1           (1) by striking “an individual who is a single  
2           custodial parent caring for” and inserting “a family  
3           that includes”; and

4           (2) by striking “such an individual” and insert-  
5           ing “such a family”.

6           (c) APPLICATION OF CHILD UNDER 6 WORK PAR-  
7           TICIPATION RULE TO ALL FAMILIES.—Section  
8           407(c)(2)(B) of the Social Security Act (42 U.S.C.  
9           607(c)(2)(B)) is amended to read as follows:

10                   “(B) FAMILY WITH CHILD UNDER AGE 6  
11                   DEEMED TO BE MEETING WORK PARTICIPATION  
12                   REQUIREMENTS IF ANY PARENT IS ENGAGED IN  
13                   WORK FOR 20 HOURS PER WEEK.—For pur-  
14                   poses of determining monthly participation  
15                   rates under subsection (b)(1)(B)(i), a family  
16                   that includes a child who has not attained 6  
17                   years of age is deemed to be engaged in work  
18                   for a month if any parent is engaged in work  
19                   for an average of at least 20 hours per week  
20                   during the month.”.

21           (d) EFFECTIVE DATE.—The amendments made by  
22           this section take effect on October 1, 2017.

1 **TITLE IV—MODIFICATION TO**  
2 **MEANS-TESTED HOUSING**  
3 **PROGRAMS**

4 **SEC. 401. DEFINITIONS.**

5 In this title:

6 (a) COVERED STATE HOUSING PROGRAM.—The term  
7 “covered State housing program” means a housing pro-  
8 gram carried out by a State using grant funds awarded  
9 under section 404.

10 (b) MEANS-TESTED HOUSING PROGRAM.—The term  
11 “means-tested housing program” means each of the fol-  
12 lowing Federal programs:

13 (1) The project-based and tenant-based rental  
14 assistance programs under section 8 of the United  
15 States Housing Act of 1937 (42 U.S.C. 1437f).

16 (2) Public housing assistance under the United  
17 States Housing Act of 1937 (42 U.S.C. 1437 et  
18 seq.).

19 (3) The HOME Investment Partnerships Pro-  
20 gram under title II of the Cranston-Gonzalez Na-  
21 tional Affordable Housing Act (42 U.S.C. 12721 et  
22 seq.).

23 (4) Homeless Assistance Grants under title IV  
24 of the McKinney-Vento Homeless Assistance Act (42  
25 U.S.C. 11360 et seq.).

1           (5) Assistance from the Rural Housing Insur-  
2           ance Fund under section 517 of the Housing Act of  
3           1949 (42 U.S.C. 1487).

4           (6) Assistance from the Rural Housing Service  
5           (other than assistance described in paragraph (5)).

6           (7) The supportive housing for the elderly pro-  
7           gram under section 202 of the Housing Act of 1959  
8           (12 U.S.C. 1701q).

9           (8) Native American Housing Block Grants  
10          under title I of the Native American Housing Assist-  
11          ance and Self-Determination Act of 1996 (25 U.S.C.  
12          4111 et seq.).

13          (9) The rental assistance programs under sec-  
14          tion 101 of the Housing and Urban Development  
15          Act of 1965 (12 U.S.C. 1701s) and section  
16          236(f)(2) of the National Housing Act (12 U.S.C.  
17          1715z-1).

18          (10) The supportive housing for persons with  
19          disabilities program under section 811(d)(2) of the  
20          Cranston-Gonzalez National Affordable Housing Act  
21          (42 U.S.C. 8013(d)(2)).

22          (c) SECRETARY.—The term “Secretary” means the  
23          Secretary of Housing and Urban Development.

24          (d) STATE.—The term “State” means a State, the  
25          Commonwealth of Puerto Rico, the District of Columbia,

1 Guam, American Samoa, the United States Virgin Is-  
2 lands, and the Commonwealth of the Northern Mariana  
3 Islands.

4 (e) STATE RECIPIENT.—The term “State recipient”  
5 means a State that receives a grant under this title.

6 **SEC. 402. REPEAL OF MEANS-TESTED HOUSING PROGRAMS.**

7 Effective October 1, 2017, no Federal funds shall be  
8 made available to carry out any means-tested housing pro-  
9 gram and no Federal officer or employee shall take any  
10 action to carry out such a program.

11 **SEC. 403. AUTHORIZATION OF APPROPRIATIONS.**

12 With respect to the total amount authorized to be ap-  
13 propriated for means-tested housing programs for fiscal  
14 year 2016, there is authorized to be appropriated to carry  
15 out section 404, an amount equal to—

16 (1) such amount for each of fiscal years 2017  
17 through 2022;

18 (2) 90 percent of such amount for fiscal year  
19 2023;

20 (3) 80 percent of such amount for fiscal year  
21 2024;

22 (4) 70 percent of such amount for fiscal year  
23 2025;

24 (5) 60 percent of such amount for fiscal year  
25 2026; and

1           (6) 50 percent of such amount for fiscal year  
2           2027.

3 **SEC. 404. GRANTS TO STATES.**

4           (a) IN GENERAL.—Beginning with fiscal year 2017,  
5 and for each fiscal year thereafter, the Secretary shall  
6 award grants to eligible States—

7           (1) using amounts authorized to be appro-  
8           priated under section 403; and

9           (2) in accordance with this section.

10          (b) ALLOTMENTS.—From the amount appropriated  
11 to carry out this section for a fiscal year, the Secretary  
12 shall allot to each eligible State an amount that bears the  
13 same relationship to such appropriated amount as the  
14 amount that the State received for means-tested housing  
15 programs for the most recent fiscal year for which satis-  
16 factory data is available bears to the total amount appro-  
17 priated for means-tested housing programs for that fiscal  
18 year.

19          (c) APPLICATION.—To be eligible to receive a grant  
20 under this section, a State shall submit an application to  
21 the Secretary that includes the amount the State received  
22 for the previous year's means-tested housing programs.

23          (d) USE OF FUNDS.—A State that receives a grant  
24 under this section may only use the amounts of the  
25 grant—



1           (1) to fund housing programs in the State;

2           (2) to administer the programs described in  
3 paragraph (1); and

4           (3) to provide direct technical assistance, over-  
5 sight, monitoring, research, and training with re-  
6 spect to the programs described in paragraph (1).

7       (e) MATCHING FUNDS.—A State that receives a  
8 grant under this section shall provide, toward the cost of  
9 the programs assisted under the grant, from non-Federal  
10 sources, an amount equal to 20 percent of the amount of  
11 the grant.

12       (f) FLEXIBILITY.—Notwithstanding any other provi-  
13 sion of Federal law (other than this section), a State that  
14 receives a grant under this section—

15           (1) shall have full flexibility to use the amounts  
16 of the grant to finance a housing provider, service,  
17 or program; and

18           (2) in particular, to the extent permitted under  
19 State law, may use the amounts of the grant to es-  
20 tablish a portable voucher system that allows a par-  
21 ent of a low-income child to use a portion of the  
22 grant funds, other available public funds, or private  
23 funds to pay some or all of the costs of attendance  
24 at a private prekindergarten education program.

1 **SEC. 405. STATE RECIPIENT REPORTS.**

2 (a) SELF-ASSESSMENTS.—A State that receives a  
3 grant under section 404 annually shall conduct a com-  
4 prehensive self-assessment of the effectiveness and  
5 progress of the covered State housing programs of the  
6 State during the most recent fiscal year in meeting pro-  
7 gram goals established by the State.

8 (b) REPORTS.—

9 (1) IN GENERAL.—A State that receives a  
10 grant under section 404 shall develop and make  
11 available to the public—

12 (A) an online and searchable report con-  
13 taining the self-assessment conducted under  
14 subsection (a); and

15 (B) an improvement plan to strengthen  
16 any areas identified in the self-assessment as  
17 weaknesses or in need of improvement.

18 (2) PERSONAL INFORMATION.—A State may  
19 not reveal, in a report developed under paragraph  
20 (1), any personally identifiable information about  
21 any participant in a covered State housing program  
22 of the State.

23 (3) CONTENTS.—A State shall include in each  
24 report developed under paragraph (1)—

25 (A) the total amount of public and private  
26 funds received by the State for covered State

1 housing programs and the amount received  
2 from each source during the most recent fiscal  
3 year;

4 (B) an explanation of budgetary expendi-  
5 tures for covered State housing programs dur-  
6 ing the most recent fiscal year and a proposed  
7 budget for those programs for the subsequent  
8 fiscal year; and

9 (C) the total number of low-income partici-  
10 pants served by covered State housing pro-  
11 grams and the average monthly enrollment in  
12 those programs during the most recent fiscal  
13 year.

14 **SEC. 406. RESEARCH.**

15 (a) STUDY.—

16 (1) IN GENERAL.—The Comptroller General of  
17 the United States shall conduct a study of the dif-  
18 ferent approaches and best practices used by States  
19 in carrying out this title.

20 (2) SCOPE.—The material studied under para-  
21 graph (1) shall be limited to the information pro-  
22 vided by States in the reports made available under  
23 section 405(b).

24 (b) REPORT.—Not later than October 1 of the fourth  
25 fiscal year beginning after the date of enactment of this

1 Act, the Comptroller General shall submit a report con-  
2 taining the results of the study conducted under sub-  
3 section (a) to—

4 (1) the Committee on Banking, Housing, and  
5 Urban Affairs of the Senate;

6 (2) the Committee on the Budget of the Senate;

7 (3) the Committee on Financial Services of the  
8 House of Representatives; and

9 (4) the Committee on the Budget of the House  
10 of Representatives.

11 **SEC. 407. RULE OF CONSTRUCTION.**

12 Nothing in this title shall be construed to authorize  
13 the Secretary or any employee or contractor of the Depart-  
14 ment of Housing and Urban Development to mandate, di-  
15 rect, or control the selection of a covered State housing  
16 program by a State.

17 **TITLE V—PROHIBITION ON**  
18 **FUNDING OF ABORTION**

19 **SEC. 501. PROHIBITION ON FUNDING FOR ABORTIONS.**

20 No funds authorized or appropriated by Federal law,  
21 and none of the funds in any trust fund to which funds  
22 are authorized or appropriated by Federal law, shall be  
23 expended for any abortion.

1 **SEC. 502. PROHIBITION ON FUNDING FOR HEALTH BENE-**  
2 **FITS PLANS THAT COVER ABORTION.**

3 None of the funds authorized or appropriated by Fed-  
4 eral law, and none of the funds in any trust fund to which  
5 funds are authorized or appropriated by Federal law, shall  
6 be expended for health benefits coverage that includes cov-  
7 erage of abortion.

8 **SEC. 503. PROHIBITION ON TAX BENEFITS RELATING TO**  
9 **ABORTION.**

10 For taxable years beginning after the date of the en-  
11 actment of this section, no credit shall be allowed under  
12 the internal revenue laws with respect to amounts paid  
13 or incurred for an abortion or with respect to amounts  
14 paid or incurred for a health benefits plan (including pre-  
15 mium assistance) that includes coverage of abortion.

16 **SEC. 504. CONSTRUCTION RELATING TO SEPARATE COV-**  
17 **ERAGE.**

18 Nothing in this title shall be construed as prohibiting  
19 any individual, entity, or State or locality from purchasing  
20 separate abortion coverage or health benefits coverage  
21 that includes abortion so long as such coverage is paid  
22 for entirely using only funds not authorized or appro-  
23 priated by Federal law and such coverage shall not be pur-  
24 chased using matching funds required for a federally sub-  
25 sidized program, including a State's or locality's contribu-  
26 tion of Medicaid matching funds.

1 **SEC. 505. CONSTRUCTION RELATING TO THE USE OF NON-**  
 2 **FEDERAL FUNDS FOR HEALTH COVERAGE.**

3 Nothing in this title shall be construed as restricting  
 4 the ability of any non-Federal health benefits coverage  
 5 provider from offering abortion coverage, or the ability of  
 6 a State or locality to contract separately with such a pro-  
 7 vider for such coverage, so long as only funds not author-  
 8 ized or appropriated by Federal law are used and such  
 9 coverage shall not be purchased using matching funds re-  
 10 quired for a federally subsidized program, including a  
 11 State's or locality's contribution of Medicaid matching  
 12 funds.

13 **SEC. 506. TREATMENT OF ABORTIONS RELATED TO RAPE,**  
 14 **INCEST, OR PRESERVING THE LIFE OF THE**  
 15 **MOTHER.**

16 The limitations established in this title shall not apply  
 17 to an abortion—

18 (1) if the pregnancy is the result of an act of  
 19 rape or incest; or

20 (2) in the case where a woman suffers from a  
 21 physical disorder, physical injury, or physical illness  
 22 that would, as certified by a physician, place the  
 23 woman in danger of death unless an abortion is per-  
 24 formed, including a life-endangering physical condi-  
 25 tion caused by or arising from the pregnancy itself.

