

115TH CONGRESS
2D SESSION

S. 3692

To amend part A of title IV of the Social Security Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 29, 2018

Mr. DAINES introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part A of title IV of the Social Security Act,
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 “Jobs and Opportunity
5 with Benefits and Services for Success 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.
- Sec. 3. References.
- Sec. 4. Helping more Americans enter and remain in the workforce.
- Sec. 5. Expecting universal engagement and case management.
- Sec. 6. Promoting accountability by measuring work outcomes.
- Sec. 7. Targeting funds to truly needy families.

Sec. 8. Targeting funds to core purposes.

Sec. 9. Prohibition on State diversion of Federal funds to replace State spending.

Sec. 10. Inclusion of poverty reduction as a program purpose.

Sec. 11. Definitions related to use of funds.

Sec. 12. Increasing funding for child care.

Sec. 13. Effective date.

1 **SEC. 3. REFERENCES.**

2 Except as otherwise expressly provided, wherever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Social Security Act.

7 **SEC. 4. HELPING MORE AMERICANS ENTER AND REMAIN IN**
8 **THE WORKFORCE.**

9 (a) FAMILY ASSISTANCE GRANTS.—Section
10 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of
11 subparagraphs (A) and (C) by striking “2017 and 2018”
12 and inserting “2019 through 2023”.

13 (b) HEALTHY MARRIAGE PROMOTION AND RESPON-
14 SIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) (42
15 U.S.C. 603(a)(2)(D)) is amended—

16 (1) by striking “2017 and 2018” and inserting
17 “2019 through 2023”; and

18 (2) by striking “for fiscal year 2017 or 2018”.

19 (c) TRIBAL FAMILY ASSISTANCE GRANTS.—Para-
20 graphs (1)(A) and (2)(A) of section 412(a) (42 U.S.C.
21 612(a)) are each amended by striking “2017 and 2018”
22 and inserting “2019 through 2023”.

1 (d) IMPROVING ACCESS TO CHILD CARE TO SUP-
2 PORT WORK.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is
3 amended by striking “\$2,917,000,000 for each of fiscal
4 years 2017 and 2018” and inserting “\$3,525,000,000 for
5 each of fiscal years 2019 through 2023”.

6 (e) GRANTS TO THE TERRITORIES.—Section
7 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking
8 “2017 and 2018” and inserting “2019 through 2023”.

9 **SEC. 5. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**
10 **MANAGEMENT.**

11 (a) IN GENERAL.—Section 408(b) (42 U.S.C.
12 608(b)) is amended to read as follows:

13 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

14 “(1) ASSESSMENT.—The State agency respon-
15 sible for administering the State program funded
16 under this part shall make an initial assessment of
17 the following for each work-eligible individual (as de-
18 fined in the regulations promulgated pursuant to
19 section 407(i)(1)(A)(i)):

20 “(A) The education obtained, skills, prior
21 work experience, work readiness, and barriers
22 to work of the individual.

23 “(B) The well-being of the children in the
24 family of the individual and, where appropriate,
25 activities or services (such as services offered by

1 a program funded under section 511) to im-
2 prove the well-being of the children.

3 “(2) CONTENTS OF PLANS.—On the basis of
4 the assessment required by paragraph (1) of this
5 subsection, the State agency, in consultation with
6 the individual, shall develop an individual oppor-
7 tunity plan that—

8 “(A) includes a personal responsibility
9 agreement in which the individual acknowledges
10 receipt of publicly funded benefits and responsi-
11 bility to comply with program requirements in
12 order to receive the benefits;

13 “(B) sets forth the obligations of the indi-
14 vidual to participate in work activities (as de-
15 fined in section 407(d)), and the number of
16 hours per month for which the individual will so
17 participate pursuant to section 407;

18 “(C) sets forth an employment goal and
19 planned short-, intermediate-, and long-term ac-
20 tions to achieve the goal, and, in the case of an
21 individual who has not attained 24 years of age
22 and is in secondary school or the equivalent, the
23 intermediate action may be completion of sec-
24 ondary school or the equivalent;

1 “(D) describes the job counseling and
2 other services the State will provide to the indi-
3 vidual to enable the individual to obtain and
4 keep employment in the private sector;

5 “(E) may include referral to appropriate
6 substance abuse or mental health treatment;
7 and

8 “(F) is signed by the individual.

9 “(3) TIMING.—The State agency shall comply
10 with paragraph (1) and (2) with respect to a work-
11 eligible individual—

12 “(A) within 180 days after the effective
13 date of this subsection, in the case of an indi-
14 vidual who, as of such effective date, is a recipi-
15 ent of assistance under the State program fund-
16 ed under this part (as in effect immediately be-
17 fore such effective date); or

18 “(B) within 60 days after the individual is
19 determined to be eligible for the assistance, in
20 the case of any other individual.

21 “(4) PENALTY FOR NONCOMPLIANCE BY INDI-
22 VIDUAL.—In addition to any other penalties required
23 under the State program funded under this part, the
24 State shall reduce, by such amount as the State con-
25 siders appropriate, the amount of assistance other-

1 wise payable under the State program to a family
 2 that includes an individual who fails without good
 3 cause to comply with an individual opportunity plan
 4 developed pursuant to this subsection, that is signed
 5 by the individual.

6 “(5) PERIODIC REVIEW.—The State shall meet
 7 with each work-eligible individual assessed by the
 8 State under paragraph (1), not less frequently than
 9 every 90 days, to—

10 “(A) review the individual opportunity plan
 11 developed for the individual;

12 “(B) discuss with the individual the
 13 progress made by the individual in achieving
 14 the goals specified in the plan; and

15 “(C) update the plan, as necessary, to re-
 16 flect any changes in the circumstances of the
 17 individual since the plan was last reviewed.”.

18 (b) STATE PENALTY FOR FAILURE TO COMPLY.—
 19 Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

20 (1) in the paragraph heading, by striking “SAT-
 21 ISFY MINIMUM PARTICIPATION RATES” and inserting
 22 “ACHIEVE REQUISITE OUTCOMES OR COMPLY WITH
 23 UNIVERSAL ENGAGEMENT REQUIREMENT”; and

24 (2) in subparagraph (A), by inserting “or
 25 408(b)” after “407(a)”.

1 **SEC. 6. PROMOTING ACCOUNTABILITY BY MEASURING**
2 **WORK OUTCOMES.**

3 (a) IN GENERAL.—Section 407(a) (42 U.S.C.
4 607(a)) is amended to read as follows:

5 “(a) PERFORMANCE ACCOUNTABILITY AND WORK
6 OUTCOMES.—

7 “(1) PURPOSE.—The purpose of this subsection
8 is to provide for the establishment of performance
9 accountability measures to assess the effectiveness of
10 States in increasing employment, retention, and ad-
11 vancement among families receiving assistance under
12 the State program funded under this part.

13 “(2) IN GENERAL.—A State to which a grant
14 is made under section 403 for a fiscal year shall
15 achieve the requisite level of performance on an indi-
16 cator described in paragraph (3)(B) of this sub-
17 section for the fiscal year.

18 “(3) MEASURING STATE PERFORMANCE.—

19 “(A) IN GENERAL.—Each State, in con-
20 sultation with the Secretary, shall collect and
21 submit to the Secretary the information nec-
22 essary to measure the level of performance of
23 the State for each indicator described in sub-
24 paragraph (B), for fiscal year 2020 and each
25 fiscal year thereafter, and the Secretary shall
26 use the information collected for fiscal year

1 2020 to establish the baseline level of perform-
2 ance for each State for each such indicator.

3 “(B) INDICATORS OF PERFORMANCE.—

4 The indicators described in this subparagraph,
5 for a fiscal year, are the following:

6 “(i) The percentage calculated by di-
7 viding the number of individuals who were
8 work-eligible individuals as of the time of
9 exit from the program, who are in unsub-
10 sidized employment during the 2nd quarter
11 after the exit by the total caseload in the
12 month of their exit.

13 “(ii) The percentage calculated by di-
14 viding the number of individuals who were
15 work-eligible individuals who were in un-
16 subsidized employment in the 2nd quarter
17 after the exit, who are also in unsubsidized
18 employment during the 4th quarter after
19 the exit by the total caseload in the month
20 of their exit.

21 “(iii) The median earnings of individ-
22 uals who were work-eligible individuals as
23 of the time of exit from the program, who
24 are in unsubsidized employment during the
25 2nd quarter after the exit.

1 “(iv) The percentage of individuals
2 who have not attained 24 years of age, are
3 attending high school or enrolled in an
4 equivalency program, and are work-eligible
5 individuals or were work-eligible individ-
6 uals as of the time of exit from the pro-
7 gram, who obtain a high school degree or
8 its recognized equivalent while receiving as-
9 sistance under the State program funded
10 under this part or within 1 year after the
11 exit.

12 “(C) LEVELS OF PERFORMANCE.—

13 “(i) IN GENERAL.—For each State
14 submitting a State plan pursuant to sec-
15 tion 402(a), there shall be established, in
16 accordance with this subparagraph, levels
17 of performance for each of the indicators
18 described in subparagraph (B).

19 “(ii) AGREEMENT ON REQUISITE PER-
20 FORMANCE LEVEL FOR EACH INDI-
21 CATOR.—

22 “(I) IN GENERAL.—The Sec-
23 retary and the State shall negotiate
24 the requisite level of performance for
25 the State with respect to each indi-

1 cator described in subparagraph (B),
2 for each of fiscal years 2020 through
3 2023, and in the case of each of fiscal
4 years 2021 through 2023, shall do so
5 before the beginning of the respective
6 fiscal year.

7 “(II) REQUIREMENTS IN ESTAB-
8 LISHING PERFORMANCE LEVELS.—In
9 establishing the requisite levels of per-
10 formance, the State and the Secretary
11 shall—

12 “(aa) take into account how
13 the levels involved compare with
14 the levels established for other
15 States;

16 “(bb) ensure the levels in-
17 volved are adjusted, using the ob-
18 jective statistical model referred
19 to in clause (iv), based on—

20 “(AA) the differences
21 among States in economic
22 conditions, including dif-
23 ferences in unemployment
24 rates or employment losses

1 or gains in particular indus-
2 tries; and

3 “(BB) the characteris-
4 ties of participants on entry
5 into the program, including
6 indicators of prior work his-
7 tory, educational or occupa-
8 tional skills attainment, or
9 other factors that may affect
10 employment and earnings;
11 and

12 “(CC) take into account
13 the extent to which the lev-
14 els involved promote contin-
15 uous improvement in per-
16 formance by each State.

17 “(iii) REVISIONS BASED ON ECONOMIC
18 CONDITIONS AND INDIVIDUALS RECEIVING
19 ASSISTANCE DURING THE FISCAL YEAR.—
20 The Secretary shall, in accordance with the
21 objective statistical model referred to in
22 clause (iv), revise the requisite levels of
23 performance for a State and a fiscal year
24 to reflect the economic conditions and

1 characteristics of the relevant individuals
2 in the State during the fiscal year.

3 “(iv) STATISTICAL ADJUSTMENT
4 MODEL.—The Secretary shall use an objec-
5 tive statistical model to make adjustments
6 to the requisite levels of performance for
7 the economic conditions and characteristics
8 of the relevant individuals, and shall con-
9 sult with the Secretary of Labor to develop
10 a model that is the same as or similar to
11 the model described in section
12 116(b)(3)(A)(viii) of the Workforce Inno-
13 vation and Opportunity Act (29 U.S.C.
14 3141(b)(3)(A)(viii)).

15 “(v) DEFINITION OF EXIT.—In this
16 subsection, the term ‘exit’ means, with re-
17 spect to a State program funded under
18 this part, ceases to receive a TANF ben-
19 efit under the program.

20 “(D) REGULATIONS.—In order to ensure
21 nationwide comparability of data, the Secretary,
22 after consultation with the Secretary of Labor
23 and with States, shall issue regulations gov-
24 erning the establishment of the performance ac-
25 countability system under this subsection and a

1 template for performance reports to be used by
2 all States consistent with subsection (b).”.

3 (b) REPORTS ON STATE PERFORMANCE ON HHS
4 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.
5 607(b)) is amended to read as follows:

6 “(b) PUBLICATION OF STATE PERFORMANCE.—The
7 Secretary shall, directly or through the use of grants or
8 contracts, establish and operate an Internet website that
9 is accessible to the public, with a dashboard that is regu-
10 larly updated and provides easy-to-understand information
11 on the performance of each State program funded under
12 this part, including a profile for each such program, ex-
13 pressed by use of a template, which shall include—

14 “(1) information on the indicators and requisite
15 performance levels established for the State under
16 subsection (a), including, with respect to each such
17 level, whether the State achieves, exceeds, or fails to
18 achieve the level on an ongoing basis, including—

19 “(A) information on any adjustments made
20 to the requisite levels using the statistical ad-
21 justment model described in subsection
22 (a)(3)(C)(iv); and

23 “(B) a grade based on the overall perform-
24 ance of the State, as determined by the Sec-
25 retary and in consultation with the State, and

1 the overall performance shall be graded based
2 on the performance indicators and weights for
3 each such indicator as described in subsection
4 (a);

5 “(2) information reported under section 411 on
6 the characteristics and demographics of individuals
7 receiving assistance under the State program, in-
8 cluding—

9 “(A) the number and percentage of child-
10 only cases and reason why the cases are child-
11 only; and

12 “(B) the average weekly number of hours
13 that each work-eligible individual in the State
14 program participates in work activities, includ-
15 ing a separate section showing the number and
16 percentage of the work-eligible individuals with
17 zero hours of participation and the reason for
18 non-participation;

19 “(3) information on the results of improper
20 payments reviews;

21 “(4) a link to the State plan approved under
22 section 402; and

23 “(5) information regarding any penalty im-
24 posed, or other corrective action taken, by the Sec-
25 retary against a State for failing to achieve a req-

1 uisite performance level or any other requirement
2 imposed by or under this part.”.

3 (c) MODIFICATION OF RULES FOR DETERMINING
4 WHETHER AN INDIVIDUAL IS ENGAGED IN WORK.—Sec-
5 tion 407(c) (42 U.S.C. 607(c)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (A)—

8 (i) by striking “For purposes of sub-
9 section (b)(1)(B)(i), a” and inserting “A”;
10 and

11 (ii) by striking “, not fewer than” and
12 all that follows through “this subsection”;
13 and

14 (B) in subparagraph (B)—

15 (i) in the matter preceding clause (i),
16 by striking “For purposes of subsection
17 (b)(2)(B), an” and inserting “An”;

18 (ii) in clause (i), by striking “, not
19 fewer than” and all that follows through
20 “this subsection”; and

21 (iii) in clause (ii), by striking “, not
22 fewer than” and all that follows through
23 “subsection (d)”; and

24 (2) in paragraph (2)—

1 (A) by striking subparagraphs (A) and
2 (D);

3 (B) in each of subparagraphs (B) and (C),
4 by striking “For purposes of determining
5 monthly participation rates under subsection
6 (b)(1)(B)(i), a” and inserting “A”; and

7 (C) by redesignating subparagraphs (B)
8 and (C) as subparagraphs (A) and (B), respec-
9 tively.

10 (d) MODIFICATIONS TO ALLOWABLE WORK ACTIVI-
11 TIES.—

12 (1) IN GENERAL.—Section 407(d) (42 U.S.C.
13 607(d)) is amended—

14 (A) in paragraph (5), by inserting “, in-
15 cluding apprenticeship” before the semicolon;

16 (B) in paragraph (6), by inserting “super-
17 vised” before “job search”; and

18 (C) in paragraph (8), by striking “(not to
19 exceed 12 months with respect to any indi-
20 vidual)” and inserting “, including career tech-
21 nical education”.

22 (2) SUPERVISED JOB SEARCH DEFINED.—Sec-
23 tion 419 (42 U.S.C. 619) is amended by adding at
24 the end the following:

1 “(6) SUPERVISED JOB SEARCH.—The term ‘su-
2 supervised job search’ means a job search program
3 that has the following characteristics:

4 “(A) The job search occurs at an official
5 location where the presence and activity of the
6 recipient can be directly observed, supervised,
7 and monitored.

8 “(B) The entry, time onsite, and exit of
9 the recipient from the official job search loca-
10 tion are recorded in a manner that prevents
11 fraud.

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

15 “(D) The quantity of time the recipient is
16 observed and monitored engaging in job search
17 at the official location is recorded for purposes
18 of compliance with the work participation re-
19 quirements of the State program funded under
20 this part.”.

21 (e) SUPPORTING WORK-ELIGIBLE INDIVIDUALS
22 STRUGGLING WITH SUBSTANCE ABUSE.—Section
23 407(c)(2) (42 U.S.C. 607(c)(2)), as amended by sub-
24 section (c)(2) of this section, is amended by adding at the
25 end the following:

1 “(C) SUPPORTING WORK-ELIGIBLE INDI-
2 VIDUALS STRUGGLING WITH SUBSTANCE
3 ABUSE.—After a work-eligible individual has
4 participated for 3 months in a fiscal year in an
5 activity described in subsection (d)(6) of this
6 section, the individual may, at State option, be
7 considered to be engaged in work for additional
8 months (not to exceed an additional 3 months
9 with respect to the individual) by reason of par-
10 ticipation in such an activity if the individual is
11 participating in substance abuse treatment,
12 mental health treatment, or rehabilitation ac-
13 tivities, the need for which has been determined
14 to be necessary to prepare the individual for
15 employment or to support the individual in em-
16 ployment and has been documented by a quali-
17 fied medical, substance abuse, or mental health
18 professional.”.

19 (f) PRO RATA PENALTIES AGAINST INDIVIDUALS.—
20 Section 407(e) (42 U.S.C. 607(e)) is amended by adding
21 at the end the following:

22 “(3) PRO RATA REDUCTION.—For purposes of
23 subparagraph (A) in paragraph (1), the amount of
24 a pro rata reduction in assistance shall be deter-
25 mined by multiplying the total amount of monthly

1 assistance that would, in the absence of the applica-
 2 tion of this paragraph, be paid to the entire family,
 3 by the ratio of—

4 “(A) the hours of required work activities
 5 as designated in subsection (d) actually per-
 6 formed by the individual during the month; over

7 “(B) the number of hours of work activi-
 8 ties that the individual was required to perform
 9 during the month in accordance with the provi-
 10 sions of subsection (c).”.

11 (g) ANNUAL REPORTS TO CONGRESS.—Section
 12 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by
 13 striking “participation rates” and inserting “outcome
 14 measures”.

15 **SEC. 7. TARGETING FUNDS TO TRULY NEEDY FAMILIES.**

16 (a) PROHIBITION ON USE OF FUNDS FOR FAMILIES
 17 WITH INCOME GREATER THAN TWICE THE POVERTY
 18 LINE.—Section 404(k) (42 U.S.C. 604(k)) is amended to
 19 read as follows:

20 “(k) PROHIBITIONS.—

21 “(1) USE OF FUNDS FOR PERSONS WITH IN-
 22 COME GREATER THAN TWICE THE POVERTY LINE.—
 23 A State to which a grant is made under this part
 24 shall not use the grant to provide any assistance or
 25 services to a family whose monthly income exceeds

1 twice the poverty line (as defined by the Office of
2 Management and Budget, and revised annually in
3 accordance with section 673(2) of the Omnibus
4 Budget Reconciliation Act of 1981 (42 U.S.C.
5 9902(2))).”.

6 (b) ELIMINATION OF LIMITATION ON USE OF FUNDS
7 FOR CASE MANAGEMENT ACTIVITIES.—Section 404(b)(2)
8 (42 U.S.C. 604(b)(2)) is amended to read as follows:

9 “(2) EXCEPTIONS.—Paragraph (1) of this sub-
10 section shall not apply to the use of a grant for—

11 “(A) information technology and comput-
12 erization needed for tracking, monitoring, or
13 data collection required by or under this part;

14 or

15 “(B) case management activities to carry
16 out section 408(b).”.

17 (c) PROHIBITION ON USE OF FUNDS FOR DIRECT
18 SPENDING ON CHILD CARE OR CHILD WELFARE SERV-
19 ICES OR ACTIVITIES.—Section 404(k) (42 U.S.C. 604(k)),
20 as amended by subsection (a) of this section, is amended
21 by adding at the end the following:

22 “(2) DIRECT SPENDING ON CHILD CARE SERV-
23 ICES OR ACTIVITIES OR CHILD WELFARE SERVICES
24 OR ACTIVITIES.—A State to which a grant is made
25 under this part shall not use the grant for direct

1 spending on child care services or activities or direct
2 spending on child welfare services or activities.”.

3 (d) EXPANSION OF AUTHORITY TO TRANSFER
4 FUNDS TO OTHER PROGRAMS.—Section 404(d) (42
5 U.S.C. 604(d)) is amended by striking paragraphs (1)
6 through (3) and inserting the following:

7 “(1) IN GENERAL.—A State may use not more
8 than 50 percent of the grant made to the State
9 under section 403(a)(1) to carry out a State pro-
10 gram pursuant to any or all of the following provi-
11 sions of law:

12 “(A) The Child Care and Development
13 Block Grant Act of 1990.

14 “(B) Title I of the Workforce Innovation
15 and Opportunity Act.

16 “(C) Subpart 1 of part B of this title.

17 “(2) LIMITATION ON AMOUNT TRANSFERRABLE
18 TO SUBPART 1 OF PART B OF THIS TITLE.—

19 “(A) In general.—A State may use not
20 more than the applicable percentage of the
21 amount of a grant made to the State under sec-
22 tion 403(a)(1) to carry out State programs pur-
23 suant to subpart 1 of part B.

1 “(B) APPLICABLE PERCENTAGE.—For
2 purposes of subparagraph (A), the applicable
3 percentage is 10 percent.

4 “(3) APPLICABLE RULES.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B) of this paragraph, any
7 amount paid to a State under this part that is
8 used to carry out a State program pursuant to
9 a provision of law specified in paragraph (1)
10 shall not be subject to the requirements of this
11 part, but shall be subject to the requirements
12 that apply to Federal funds provided directly
13 under the provision of law to carry out the pro-
14 gram, and the expenditure of any amount so
15 used shall not be considered to be an expendi-
16 ture under this part.

17 “(B) FUNDS TRANSFERRED TO THE
18 WIOA.—In the case of funds transferred under
19 paragraph (1)(B) of this subsection—

20 “(i) all of the funds will be used to
21 support families eligible for assistance
22 under the State program funded under this
23 part; and

24 “(ii) not more than 15 percent of the
25 funds will be reserved for statewide work-

1 force investment activities referred to in
 2 section 128(a)(1) of the Workforce Innova-
 3 tion and Opportunity Act.

4 “(4) EXCLUSION OF STATES EXCLUDING THE
 5 STATE TANF PROGRAM AS A MANDATORY ONE-STOP
 6 PARTNER UNDER THE WIOA.—The authority pro-
 7 vided by this subsection may not be exercised by a
 8 State that has provided the notification referred to
 9 in section 407(a)(3)(D).”.

10 **SEC. 8. TARGETING FUNDS TO CORE PURPOSES.**

11 (a) REQUIREMENT THAT STATES RESERVE 25 PER-
 12 CENT OF GRANT FOR SPENDING ON CORE ACTIVITIES.—
 13 Section 408(a) (42 U.S.C. 608(a)) is amended by adding
 14 at the end the following:

15 “(13) REQUIREMENT THAT STATES RESERVE 25
 16 PERCENT OF GRANT FOR SPENDING ON CORE AC-
 17 TIVITIES.—A State to which a grant is made under
 18 section 403(a)(1) for a fiscal year shall expend not
 19 less than 25 percent of the grant on assistance, case
 20 management, work supports and supportive services,
 21 work, wage subsidies, work activities (as defined in
 22 section 407(d)), and non-recurring short-term bene-
 23 fits.”.

24 (b) REQUIREMENT THAT AT LEAST 25 PERCENT OF
 25 QUALIFIED STATE EXPENDITURES BE FOR CORE ACTIVI-

1 TIES.—Section 408(a) (42 U.S.C. 608(a)), as amended by
 2 subsection (a) of this section, is amended by adding at
 3 the end the following:

4 “(14) REQUIREMENT THAT AT LEAST 25 PER-
 5 CENT OF QUALIFIED STATE EXPENDITURES BE FOR
 6 CORE ACTIVITIES.—Not less than 25 percent of the
 7 qualified State expenditures (as defined in section
 8 409(a)(7)(B)(i)) of a State during the fiscal year
 9 shall be for assistance, case management, work sup-
 10 ports and supportive services, work, wage subsidies,
 11 work activities (as defined in section 407(d)), and
 12 non-recurring short-term benefits.”.

13 (c) PHASE-OUT OF COUNTING OF THIRD-PARTY
 14 CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-
 15 TURES.—Section 408(a) (42 U.S.C. 608(a)), as amended
 16 by subsections (a) and (b) of this section, is amended by
 17 adding at the end the following:

18 “(15) PHASE-OUT OF COUNTING OF THIRD-
 19 PARTY CONTRIBUTIONS AS QUALIFIED STATE EX-
 20 PENDITURES.—

21 “(A) IN GENERAL.—The qualified State
 22 expenditures (as defined in section
 23 409(a)(7)(B)(i)) of a State for a fiscal year
 24 that are attributable to the value of goods and
 25 services provided by a source other than a State

1 or local government shall not exceed the appli-
2 cable percentage of the expenditures for the fis-
3 cal year.

4 “(B) APPLICABLE PERCENTAGE.—In sub-
5 paragraph (A), the term ‘applicable percentage’
6 means, with respect to a fiscal year—

7 “(i) 75 percent, in the case of fiscal
8 year 2020;

9 “(ii) 50 percent, in the case of fiscal
10 year 2021;

11 “(iii) 25 percent, in the case of fiscal
12 year 2022; and

13 “(iv) 0 percent, in the case of fiscal
14 year 2023 or any succeeding fiscal year.”.

15 **SEC. 9. PROHIBITION ON STATE DIVERSION OF FEDERAL**
16 **FUNDS TO REPLACE STATE SPENDING.**

17 Section 408(a) (42 U.S.C. 608(a)), as amended by
18 section 8 of this Act, is amended by adding at the end
19 the following:

20 “(16) NON-SUPPLANTATION REQUIREMENT.—
21 Funds made available to a State under this part
22 shall be used to supplement, not supplant, State
23 general revenue spending on activities described in
24 section 404.”.

1 **SEC. 10. INCLUSION OF POVERTY REDUCTION AS A PRO-**
2 **GRAM PURPOSE.**

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

4 (1) by striking “and” at the end of paragraph
5 (3);

6 (2) by striking the period at the end of para-
7 graph (4) and inserting “; and”; and

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

9 “(5) reduce child poverty by increasing employ-
10 ment entry, retention, and advancement of needy
11 parents.”.

12 **SEC. 11. DEFINITIONS RELATED TO USE OF FUNDS.**

13 Section 419 (42 U.S.C. 619), as amended by section
14 6(d)(2), is further amended by adding at the end the fol-
15 lowing:

16 “(7) ASSISTANCE.—The term ‘assistance’
17 means cash, payments, vouchers, and other forms of
18 benefits designed to meet a family’s ongoing basic
19 needs (such as for food, clothing, shelter, utilities,
20 household goods, personal care items, and general
21 incidental expenses).

22 “(8) WORK SUPPORTS.—The term ‘work sup-
23 ports’ means assistance and non-assistance transpor-
24 tation benefits (such as the value of allowances, bus
25 tokens, car payments, auto repair, auto insurance
26 reimbursement, and van services provided in order

1 to help families obtain, retain, or advance in employ-
2 ment, participate in work activities (as defined in
3 section 407(d)), or as a non-recurrent, short-term
4 benefit, including goods provided to individuals in
5 order to help them obtain or maintain employment
6 (such as tools, uniforms, fees to obtain special li-
7 censes, bonuses, incentives, and work support allow-
8 ances and expenditures for job access).

9 “(9) SUPPORTIVE SERVICES.—The term ‘sup-
10 portive services’ means services such as domestic vio-
11 lence services, and mental health, substance abuse
12 and disability services, housing counseling services,
13 and other family supports, except to the extent that
14 the provision of the service would violate section
15 408(a)(6).

16 “(10) TANF BENEFIT.—The term ‘TANF ben-
17 efit’ means—

18 “(A) assistance; or

19 “(B) wage subsidies that are paid, with
20 funds provided under section 403(a) or with
21 qualified State expenditures, with respect to a
22 person who—

23 “(i) was a work-eligible individual (as
24 defined in the regulations promulgated
25 pursuant to section 407(i)(1)(A)(i)) at the

1 time of entry into subsidized employment,
2 such as on-the-job training or apprentice-
3 ship; and

4 “(ii) is not receiving assistance.”.

5 **SEC. 12. INCREASING FUNDING FOR CHILD CARE.**

6 (a) IN GENERAL.—Section 403 (42 U.S.C. 603) is
7 amended by striking all of subsection (b) except paragraph
8 (5).

9 (b) CONFORMING AMENDMENTS.—

10 (1) TRANSFER OF NEEDY STATE DEFINI-
11 TION.—

12 (A) IN GENERAL.—Paragraph (5) of sec-
13 tion 403(b) (42 U.S.C. 603(b)(5)) is—

14 (i) amended—

15 (I) in the matter preceding sub-
16 paragraph (A), by striking “para-
17 graph (4)” and inserting “subpara-
18 graph (C)”;

19 (II) in each of subparagraphs (A)
20 and (B), by redesignating clauses (i)
21 and (ii) as subclauses (I) and (II), re-
22 spectively;

23 (III) by redesignating subpara-
24 graphs (A) and (B) as clauses (i) and
25 (ii), respectively;

1 (IV) by redesignating such para-
2 graph as subparagraph (D); and

3 (V) by moving each provision 2
4 ems to the right; and

5 (ii) as so amended, hereby transferred
6 into section 409(a)(3) (42 U.S.C.
7 609(a)(3)) and added to the end of such
8 section.

9 (B) CONFORMING AMENDMENT.—Section
10 409(a)(3)(C) (42 U.S.C. 609(a)(3)(C)) is
11 amended by striking “(as defined in section
12 403(b)(5))”.

13 (2) ELIMINATION OF PENALTY FOR FAILURE
14 OF STATE RECEIVING AMOUNTS FROM CONTINGENCY
15 FUND TO MAINTAIN 100 PERCENT OF HISTORIC EF-
16 FORT.—Section 409(a) (42 U.S.C. 609(a)) is
17 amended by striking paragraph (10) and inserting
18 the following:

19 “(10) **[Repealed]**.”.

20 **SEC. 13. EFFECTIVE DATE.**

21 The amendments made by this Act shall take effect
22 as if enacted on October 1, 2018.

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