

117TH CONGRESS
1ST SESSION

H. R. 4509

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

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2021

Mr. BRADY (for himself, Mrs. WALORSKI, Mr. RICE of South Carolina, Mr. WENSTRUP, Mr. ESTES, Mr. SMITH of Missouri, Mr. LAHOOD, Mr. SCHWEIKERT, Mr. SMUCKER, Mr. KELLY of Pennsylvania, Mr. ARRINGTON, Mrs. MILLER of West Virginia, Mr. SMITH of Nebraska, Mr. NUNES, Mr. FERGUSON, Mr. BUCHANAN, Mr. HERN, and Mr. REED) introduced the following bill; which was referred to the Committee on Ways and Means

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. Re-naming of program.
- Sec. 5. Helping more Americans enter and remain in the workforce.
- Sec. 6. Expecting universal engagement and case management.
- Sec. 7. Promoting accountability by measuring work outcomes.
- Sec. 8. Targeting funds to truly needy families.
- Sec. 9. Targeting funds to core purposes.
- Sec. 10. Strengthening program integrity by measuring improper payments.
- Sec. 11. Prohibition on State diversion of Federal funds to replace State spending.
- Sec. 12. Inclusion of poverty reduction as a program purpose.
- Sec. 13. Welfare for needs not weed.
- Sec. 14. Strengthening accountability through HHS approval of State plans.
- Sec. 15. Aligning and improving data reporting.
- Sec. 16. Technical corrections to data exchange standards to improve program coordination.
- Sec. 17. Set-aside for economic downturns.
- Sec. 18. Definitions related to use of funds.
- Sec. 19. Elimination of obsolete provisions.
- Sec. 20. 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. RE-NAMING OF PROGRAM.**

8 (a) IN GENERAL.—The heading for part A of title
 9 IV is amended to read as follows:

10 **“PART A—JOBS AND OPPORTUNITY WITH**
 11 **BENEFITS AND SERVICES PROGRAM”.**

12 (b) CONFORMING AMENDMENTS.—

13 (1) The heading for section 403(a)(2)(B) (42
 14 U.S.C. 603(a)(2)(B)) is amended by striking
 15 “TANF” and inserting “JOBS”.

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

2 (c) TRIBAL GRANTS.—Section 412(a) (42 U.S.C.
3 612(a)) is amended in each of paragraphs (1)(A) and
4 (2)(A) by striking “2017 and 2018” and inserting “2022
5 through 2027”.

6 (d) IMPROVING ACCESS TO CHILD CARE TO SUP-
7 PORT WORK.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is
8 amended—

9 (1) by striking “\$3,550,000,000 for each fiscal
10 year” and inserting “\$4,158,000,000 for each of fis-
11 cal years 2022 through 2027”; and

12 (2) in subparagraph (A), by striking
13 “\$3,375,000,000” and inserting “\$3,983,000,000”.

14 (e) GRANTS TO THE TERRITORIES.—Section
15 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking
16 “2017 and 2018” and inserting “2022 through 2027”.

17 **SEC. 6. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**
18 **MANAGEMENT.**

19 Section 408(b) (42 U.S.C. 608(b)) is amended to
20 read as follows:

21 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

22 “(1) ASSESSMENT.—The State agency respon-
23 sible for administering the State program funded
24 under this part shall make an initial assessment of
25 the following for each work-eligible individual (as de-

1 fined in the regulations promulgated pursuant to
2 section 407(i)(1)(A)(i):

3 “(A) The education obtained, skills, prior
4 work experience, work readiness, and barriers
5 to work of the individual.

6 “(B) The well-being of the children in the
7 family of the individual and, where appropriate,
8 activities or services (such as services offered by
9 a program funded under section 511) to im-
10 prove the well-being of the children.

11 “(2) CONTENTS OF PLANS.—On the basis of
12 the assessment required by paragraph (1) of this
13 subsection, the State agency, in consultation with
14 the individual, shall develop an individual oppor-
15 tunity plan that—

16 “(A) includes a personal responsibility
17 agreement in which the individual acknowledges
18 receipt of publicly funded benefits and responsi-
19 bility to comply with program requirements in
20 order to receive the benefits;

21 “(B) sets forth the obligations of the indi-
22 vidual to participate in work activities (as de-
23 fined in section 407(d)), and the number of
24 hours per month for which the individual will so
25 participate pursuant to section 407;

1 “(C) sets forth an employment goal and
2 planned short-, intermediate-, and long-term ac-
3 tions to achieve the goal, and, in the case of an
4 individual who has not attained 24 years of age
5 and is in secondary school or the equivalent, the
6 intermediate action may be completion of sec-
7 ondary school or the equivalent;

8 “(D) describes the job counseling and
9 other services the State will provide to the indi-
10 vidual to enable the individual to obtain and
11 keep unsubsidized employment;

12 “(E) may include referral to appropriate
13 substance abuse or mental health treatment;
14 and

15 “(F) is signed by the individual.

16 “(3) TIMING.—The State agency shall comply
17 with paragraphs (1) and (2) with respect to a work-
18 eligible individual—

19 “(A) within 1 year after the effective date
20 of this subsection, in the case of an individual
21 who, as of such effective date, is a recipient of
22 assistance under the State program funded
23 under this part (as in effect immediately before
24 such effective date); or

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

4 “(4) UNIVERSAL ENGAGEMENT.—Subject to the
5 exceptions in paragraph (3), each State shall require
6 all work-eligible recipients receiving funds under the
7 State program funded under this part to engage in
8 work in accordance with the provisions of section
9 407(c), 407(d), and 407(e).

10 “(5) PENALTY FOR NONCOMPLIANCE BY INDI-
11 VIDUAL.—In addition to any other penalties required
12 under the State program funded under this part, the
13 State shall reduce, by such amount as the State con-
14 siders appropriate, the amount of assistance other-
15 wise payable under the State program to a family
16 that includes an individual who fails without good
17 cause to comply with an individual opportunity plan
18 developed pursuant to this subsection, that is signed
19 by the individual.

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

1 “(A) review the individual opportunity plan
2 developed for the individual, including the eligi-
3 bility of the individual for benefits;

4 “(B) discuss with the individual the
5 progress made by the individual in achieving
6 the goals specified in the plan; and

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

10 **SEC. 7. PROMOTING ACCOUNTABILITY BY MEASURING**
11 **WORK OUTCOMES.**

12 (a) IN GENERAL.—Section 407(a) (42 U.S.C.
13 607(a)) is amended to read as follows:

14 “(a) PERFORMANCE ACCOUNTABILITY AND WORK
15 OUTCOMES.—

16 “(1) WORK OUTCOMES.—

17 “(A) IN GENERAL.—A State to which a
18 grant is made under section 403 shall achieve
19 the requisite minimum level of performance for
20 a fiscal year described in this paragraph with
21 respect to the percentage of employment exits
22 for families receiving assistance under the State
23 program funded under this part, or be subject
24 to penalty as described in section 409(a)(3).

1 “(B) CALCULATION OF PERCENTAGE OF
2 EMPLOYMENT EXITS.—For purposes of this
3 paragraph, the percentage of employment exits
4 with respect to a State equals the ratio of the
5 number of work-eligible individuals who are in
6 unsubsidized employment 6 months after their
7 exit to the average monthly number of families
8 receiving assistance under the State program
9 funded under this part.

10 “(C) AGREEMENT ON REQUISITE LEVEL
11 OF PERFORMANCE.—The Secretary and the
12 State shall negotiate the requisite level of per-
13 formance for the State with respect to employ-
14 ment exits for each fiscal year beginning with
15 fiscal year 2024.

16 “(2) PERFORMANCE ACCOUNTABILITY.—

17 “(A) PURPOSE.—The purpose of this para-
18 graph is to provide for the establishment of per-
19 formance accountability measures to assess the
20 effectiveness of States in increasing employ-
21 ment, retention, and advancement among fami-
22 lies receiving assistance under the State pro-
23 gram funded under this part.

24 “(B) IN GENERAL.—A State to which a
25 grant is made under section 403 for a fiscal

1 year shall achieve the requisite level of perform-
2 ance on an indicator described in subparagraph
3 (D) of this paragraph for the fiscal year.

4 “(C) MEASURING STATE PERFORMANCE.—

5 Each State, in consultation with the Secretary,
6 shall collect and submit to the Secretary the in-
7 formation necessary to measure the level of per-
8 formance of the State for each indicator de-
9 scribed in subparagraph (D), for fiscal year
10 2023 and each fiscal year thereafter, and the
11 Secretary shall use the information collected for
12 fiscal year 2023 to establish the baseline level
13 of performance for each State for each such in-
14 dicator.

15 “(D) INDICATORS OF PERFORMANCE.—

16 The indicators described in this subparagraph,
17 for a fiscal year, are the following:

18 “(i) The percentage of individuals who
19 were work-eligible individuals as of the
20 time of exit from the program, who are in
21 unsubsidized employment during the 2nd
22 quarter after the exit.

23 “(ii) The percentage of individuals
24 who were work-eligible individuals who
25 were in unsubsidized employment in the

1 2nd quarter after the exit, who are also in
2 unsubsidized employment during the 4th
3 quarter after the exit.

4 “(iii) The median earnings of individ-
5 uals who were work-eligible individuals as
6 of the time of exit from the program, who
7 are in unsubsidized employment during the
8 2nd quarter after the exit.

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

20 “(E) LEVELS OF PERFORMANCE.—

21 “(i) IN GENERAL.—For each State
22 submitting a State plan pursuant to sec-
23 tion 402(a), there shall be established, in
24 accordance with this subparagraph, levels

1 of performance for each of the indicators
2 described in subparagraph (D).

3 “(ii) WEIGHT.—The weight assigned
4 to such an indicator shall be the following:

5 “(I) Forty percent, in the case of
6 the indicator described in subpara-
7 graph (D)(i).

8 “(II) Twenty-five percent, in the
9 case of the indicator described in sub-
10 paragraph (D)(ii).

11 “(III) Twenty-five percent, in the
12 case of the indicator described in sub-
13 paragraph (D)(iii).

14 “(IV) Ten percent, in the case of
15 the indicator described in subpara-
16 graph (D)(iv).

17 “(iii) AGREEMENT ON REQUISITE
18 PERFORMANCE LEVEL FOR EACH INDI-
19 CATOR.—

20 “(I) IN GENERAL.—The Sec-
21 retary and the State shall negotiate
22 the requisite level of performance for
23 the State with respect to each indi-
24 cator described in clause (ii), for each
25 fiscal year beginning with fiscal year

1 2024, and shall do so before the be-
2 ginning of the fiscal year involved.

3 “(II) REQUIREMENTS IN ESTAB-
4 LISHING PERFORMANCE LEVELS.—In
5 establishing the requisite levels of per-
6 formance, the State and the Secretary
7 shall—

8 “(aa) take into account how
9 the levels involved compare with
10 the levels established for other
11 States; and

12 “(bb) ensure the levels in-
13 volved are adjusted, using the ob-
14 jective statistical model referred
15 to in clause (v), based on—

16 “(AA) the differences
17 among States in economic
18 conditions, including dif-
19 ferences in unemployment
20 rates or employment losses
21 or gains in particular indus-
22 tries;

23 “(BB) the characteris-
24 ties of participants on entry
25 into the program, including

1 indicators of prior work his-
2 tory, lack of educational or
3 occupational skills attain-
4 ment, or other factors that
5 may affect employment and
6 earnings; and

7 “(CC) take into account
8 the extent to which the lev-
9 els involved promote contin-
10 uous improvement in per-
11 formance by each State.

12 “(iv) REVISIONS BASED ON ECONOMIC
13 CONDITIONS AND INDIVIDUALS RECEIVING
14 ASSISTANCE DURING THE FISCAL YEAR.—
15 The Secretary shall, in accordance with the
16 objective statistical model referred to in
17 clause (v), revise the requisite levels of per-
18 formance for a State and a fiscal year to
19 reflect the economic conditions and charac-
20 teristics of the relevant individuals in the
21 State during the fiscal year.

22 “(v) STATISTICAL ADJUSTMENT
23 MODEL.—The Secretary shall use an objec-
24 tive statistical model to make adjustments
25 to the requisite levels of performance for

1 the economic conditions and characteristics
2 of the relevant individuals, and shall con-
3 sult with the Secretary of Labor to develop
4 a model that is the same as or similar to
5 the model described in section
6 116(b)(3)(A)(viii) of the Workforce Inno-
7 vation and Opportunity Act (29 U.S.C.
8 3141(b)(3)(A)(viii)).

9 “(vi) DEFINITION OF EXIT.—In this
10 paragraph, the term ‘exit’ means, with re-
11 spect to a State program funded under
12 this part, ceases to receive a JOBS ben-
13 efit under the program.

14 “(F) STATE OPTION TO ESTABLISH COM-
15 MON EXIT MEASURES.—Notwithstanding sub-
16 paragraph (E)(vi) of this paragraph, a State
17 that has not provided the notification under
18 section 121(b)(1)(C)(ii) of the Workforce Inno-
19 vation and Opportunity Act to exclude the State
20 program funded under this part as a mandatory
21 one-stop partner may adopt an alternative defi-
22 nition of ‘exit’ for the purpose of creating com-
23 mon exit measures to improve alignment with
24 workforce programs operated under title I of
25 such Act.

1 “(G) REGULATIONS.—In order to ensure
2 nationwide comparability of data, the Secretary,
3 after consultation with the Secretary of Labor
4 and with States, shall issue regulations gov-
5 erning the establishment of the performance ac-
6 countability system under this paragraph and a
7 template for performance reports to be used by
8 all States consistent with subsection (b).”.

9 (b) REPORTS ON STATE PERFORMANCE ON HHS
10 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.
11 607(b)) is amended to read as follows:

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

20 “(1) information on the indicators and requisite
21 performance levels established for the State under
22 subsection (a), including, with respect to each such
23 level, whether the State achieves, exceeds, or fails to
24 achieve the level on an ongoing basis, including—

1 “(A) information on any adjustments made
2 to the requisite levels using the statistical ad-
3 justment model described in subsection
4 (a)(3)(D)(v); and

5 “(B) a grade based on the overall perform-
6 ance of the State, as determined by the Sec-
7 retary and in consultation with the State, and
8 the overall performance shall be graded based
9 on the performance indicators and weights for
10 each such indicator as described in subsection
11 (a);

12 “(2) information reported under section 411 on
13 the characteristics and demographics of individuals
14 receiving assistance under the State program, in-
15 cluding—

16 “(A) the number and percentage of child-
17 only cases and reason why the cases are child-
18 only; and

19 “(B) the average weekly number of hours
20 that each work-eligible individual in the State
21 program participates in work activities, includ-
22 ing a separate section showing the number and
23 percentage of the work-eligible individuals with
24 zero hours of the participation and the reason
25 for non-participation;

1 “(3) information on the results of improper
2 payments reviews;

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

5 “(5) information regarding any penalty im-
6 posed, or other corrective action taken, by the Sec-
7 retary against a State for failing to achieve a req-
8 uisite performance level or any other requirement
9 imposed by or under this part.”.

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

13 (1) in paragraph (1)—

14 (A) in subparagraph (A)—

15 (i) by striking “For purposes of sub-
16 section (b)(1)(B)(i), a” and inserting “A”;
17 and

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

21 (B) in subparagraph (B)—

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

1 (ii) in clause (i), by striking “, not
2 fewer than” and all that follows through
3 “this subsection”; and

4 (iii) in clause (ii), by striking “, not
5 fewer than” and all that follows through
6 “subsection (d)”; and

7 (2) in paragraph (2)—

8 (A) by striking subparagraphs (A) and
9 (D);

10 (B) in each of subparagraphs (B) and (C),
11 by striking “For purposes of determining
12 monthly participation rates under subsection
13 (b)(1)(B)(i), a” and inserting “A”;

14 (C) by redesignating subparagraphs (B)
15 and (C) as subparagraphs (A) and (B), respec-
16 tively; and

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

18 “(C) STATE OPTION FOR PARTICIPATION
19 REQUIREMENT EXEMPTIONS.—For any fiscal
20 year, a State may, at its option, not require an
21 individual who is a single custodial parent car-
22 ing for a child who has not attained 12 months
23 of age to engage in work, for not more than 12
24 months.”.

1 (d) MODIFICATIONS TO ALLOWABLE WORK ACTIVI-
2 TIES.—Section 407(d) (42 U.S.C. 607(d)) is amended—

3 (1) in paragraph (5), by inserting “, including
4 apprenticeship” before the semicolon;

5 (2) in paragraph (6), by inserting “supervised”
6 before “job search”;

7 (3) in paragraph (8), by striking “(not to ex-
8 ceed 12 months with respect to any individual)” and
9 inserting “, including career technical education”;

10 (4) in paragraph (11), by striking “and” at the
11 end;

12 (5) in paragraph (12), by striking the period
13 and inserting “; and”; and

14 (6) by adding at the end the following:

15 “(13) participation in an in-home program
16 teaching parenting skills that complies with the re-
17 quirements of section 407(c).”.

18 (e) PENALTY AGAINST STATES.—

19 (1) IN GENERAL.—Section 409(a)(3) (42
20 U.S.C. 609(a)(3)) is amended by striking all that
21 precedes subparagraph (B) and inserting the fol-
22 lowing:

23 “(3) FAILURE TO SATISFY WORK OUTCOMES
24 AND WORK ENGAGEMENT.—

1 “(A) IN GENERAL.—If the Secretary deter-
2 mines that a State to which a grant is made
3 under section 403 for a fiscal year has failed to
4 comply with any of section 407(a)(1), section
5 408(b)(3), or section 408(b)(4) for the fiscal
6 year, the Secretary shall reduce the grant pay-
7 able to the State under section 403(a)(1) for
8 the immediately succeeding fiscal year by an
9 amount equal to the applicable percentage of
10 the State family assistance grant.”.

11 (2) TRANSITION RULE.—The Secretary of
12 Health and Human Services may not impose a pen-
13 alty under section 409(a)(3) of the Social Security
14 Act by reason of the failure of a State to comply
15 with section 407(a) of such Act for any fiscal year
16 before fiscal year 2023.

17 (f) PRO RATA REDUCTION OF ASSISTANCE FOR INDI-
18 VIDUAL NONCOMPLIANCE.—Section 407(e) (42 U.S.C.
19 607(e)) is amended by adding at the end the following:

20 “(3) PRO RATA REDUCTION.—For purposes of
21 paragraph (1)(A), the amount of a pro rata reduc-
22 tion in assistance shall be determined by multiplying
23 the total amount of monthly assistance that would,
24 in the absence of the application of this paragraph,
25 be paid to the entire family, by the ratio of—

1 “(A) the number of hours of required work
2 activities as designated in subsection (d) actu-
3 ally performed by the individual during the
4 month; to

5 “(B) the number of hours of work activi-
6 ties that the individual was required to perform
7 during the month in accordance with subsection
8 (e).

9 “(4) PENALTIES AND ENGAGEMENT.—

10 “(A) IN GENERAL.—Subject to the limita-
11 tion in (B), if in a given month an individual
12 who received assistance under this part was re-
13 quired to engage in work under section
14 408(b)(4), failed to fulfill those obligations and
15 was subsequently sanctioned in accordance with
16 section 407(e)(2) and (3), that individual shall
17 judged to be engaged in work for that month
18 for purposes of section 408(b)(4).

19 “(B) LIMITATION.—If an individual re-
20 ceives no benefits for two consecutive months
21 due to sanctioning under section 407(e)(2) and
22 (3), that individual shall not be counted as en-
23 gaged in work in subsequent months for pur-
24 poses of section 408(b)(4) unless actual work in
25 accordance with section 407(d) was resumed.”.

1 (g) CONFORMING AMENDMENT.—The heading of sec-
2 tion 412(e) (42 U.S.C. 612(e)) is amended by striking
3 “MINIMUM WORK PARTICIPATION REQUIREMENTS” and
4 inserting “REQUIREMENTS FOR WORK OUTCOME MEAS-
5 URES”.

6 **SEC. 8. TARGETING FUNDS TO TRULY NEEDY FAMILIES.**

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

11 “(k) PROHIBITIONS.—

12 “(1) USE OF FUNDS FOR PERSONS WITH IN-
13 COME GREATER THAN TWICE THE POVERTY LINE.—
14 A State to which a grant is made under this part
15 shall not use the grant to provide any assistance or
16 services to a family whose monthly income exceeds
17 twice the poverty line (as defined by the Office of
18 Management and Budget, and revised annually in
19 accordance with section 673(2) of the Omnibus
20 Budget Reconciliation Act of 1981 (42 U.S.C.
21 9902(2))).”.

22 (b) ELIMINATION OF LIMITATION ON USE OF FUNDS
23 FOR CASE MANAGEMENT ACTIVITIES.—Section 404(b)(2)
24 (42 U.S.C. 604(b)(2)) is amended to read as follows:

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

3 “(A) information technology and comput-
4 erization needed for tracking, monitoring, or
5 data collection required by or under this part;
6 or

7 “(B) case management activities to carry
8 out section 408(b).”.

9 (c) PROHIBITION ON USE OF FUNDS FOR DIRECT
10 SPENDING ON CHILD CARE SERVICES OR ACTIVITIES.—
11 Section 404(k) (42 U.S.C. 604(k)), as amended by sub-
12 section (a) of this section, is amended by adding at the
13 end the following:

14 “(2) DIRECT SPENDING ON CHILD CARE SERV-
15 ICES OR ACTIVITIES.—A State to which a grant is
16 made under this part shall not use the grant for di-
17 rect spending on child care and other early childhood
18 education programs, services, or activities.”.

19 (d) LIMITATION ON USE OF FUNDS FOR CHILD WEL-
20 FARE SERVICES OR ACTIVITIES.—Section 404(k) (42
21 U.S.C. 604(k)), as amended by subsections (a) and (c)
22 of this section, is amended—

23 (1) in the subsection heading, by inserting “;
24 LIMITATION” after “PROHIBITIONS”; and

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

1 “(3) LIMITATION ON USE OF FUNDS FOR CHILD
2 WELFARE SERVICES OR ACTIVITIES.—A State may
3 use not more than 10 percent of a grant made to
4 the State under section 403(a)(1) for child welfare
5 services or activities, taking into account any
6 amount transferred under subsection (d)(2) of this
7 section.”.

8 (e) EXPANSION OF AUTHORITY TO TRANSFER
9 FUNDS.—Section 404(d) (42 U.S.C. 604(d)) is amended
10 by striking paragraphs (1) through (3) and inserting the
11 following:

12 “(1) IN GENERAL.—A State may transfer not
13 more than 50 percent of the grant made to the State
14 under section 403(a)(1) to a State program pursu-
15 ant to any or all of the following provisions of law:

16 “(A) The Child Care and Development
17 Block Grant Act of 1990.

18 “(B) Title I of the Workforce Innovation
19 and Opportunity Act.

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

21 “(2) LIMITATION ON AMOUNT TRANSFERABLE
22 TO SUBPART 1 OF PART B.—A State may transfer
23 not more than 10 percent of a grant made to the
24 State under section 403(a)(1) to carry out State
25 programs operated pursuant to the State plan devel-

1 oped under subpart 1 of part B, taking into account
2 any amount used as described in subsection (k)(3)
3 of this section.

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) the State shall provide an assur-
21 ance that the funds will be used to support
22 individuals eligible for assistance or serv-
23 ices under this part pursuant to subsection
24 (k)(1); and

1 “(ii) not more than 15 percent of the
2 funds will be reserved for statewide work-
3 force investment activities referred to in
4 section 128(a)(1) of the Workforce Innova-
5 tion and Opportunity Act.

6 “(4) WIOA TRANSFER AUTHORITY NOT AVAIL-
7 ABLE TO STATES EXCLUDING THE STATE JOBS PRO-
8 GRAM AS A MANDATORY ONE-STOP PARTNER UNDER
9 THE WIOA.—The authority provided by paragraph
10 (1)(B) of this subsection may not be exercised by a
11 State that has provided the notification referred to
12 in section 407(a)(2)(F).”.

13 **SEC. 9. TARGETING FUNDS TO CORE PURPOSES.**

14 (a) REQUIREMENT THAT STATES RESERVE 25 PER-
15 CENT OF JOBS GRANT FOR SPENDING ON CORE ACTIVI-
16 TIES.—Section 408(a) (42 U.S.C. 608(a)) is amended by
17 adding at the end the following:

18 “(13) REQUIREMENT THAT STATES RESERVE
19 25 PERCENT OF JOBS GRANT FOR SPENDING ON
20 CORE ACTIVITIES.—A State to which a grant is
21 made under section 403(a)(1) for a fiscal year shall
22 expend not less than 25 percent of the grant on as-
23 sistance, case management, work supports and sup-
24 portive services, work, wage subsidies, work activities

1 (as defined in section 407(d)), and non-recurring
2 short-term benefits.”.

3 (b) REQUIREMENT THAT AT LEAST 25 PERCENT OF
4 QUALIFIED STATE EXPENDITURES BE FOR CORE ACTIVI-
5 TIES.—Section 408(a) (42 U.S.C. 608(a)), as amended by
6 subsection (a) of this section, is amended by adding at
7 the end the following:

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

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

22 “(15) PHASE-OUT OF COUNTING OF THIRD-
23 PARTY CONTRIBUTIONS AS QUALIFIED STATE EX-
24 PENDITURES.—

1 “(A) IN GENERAL.—The qualified State
2 expenditures (as defined in section
3 409(a)(7)(B)(i)) of a State for a fiscal year
4 that are attributable to the value of goods and
5 services provided by a source other than a State
6 or local government shall not exceed the appli-
7 cable percentage of the expenditures for the fis-
8 cal year.

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

12 “(i) 75 percent, in the case of fiscal
13 year 2023;

14 “(ii) 50 percent, in the case of fiscal
15 year 2024;

16 “(iii) 25 percent, in the case of fiscal
17 year 2025; and

18 “(iv) 0 percent, in the case of fiscal
19 year 2026 or any succeeding fiscal year.”.

20 **SEC. 10. STRENGTHENING PROGRAM INTEGRITY BY MEAS-**
21 **URING IMPROPER PAYMENTS.**

22 Section 404 (42 U.S.C. 604) is amended by adding
23 at the end the following:

24 “(1) APPLICABILITY OF IMPROPER PAYMENTS
25 LAWS.—

1 “(1) IN GENERAL.—The Improper Payments
2 Information Act of 2002 and the Improper Pay-
3 ments Elimination and Recovery Act of 2010 shall
4 apply to a State in respect of the State program
5 funded under this part in the same manner in which
6 such Acts apply to a Federal agency.

7 “(2) REGULATIONS.—Within 2 years after the
8 date of the enactment of this subsection, the Sec-
9 retary shall prescribe regulations governing how a
10 State reviews and reports improper payments under
11 the State program funded under this part.”.

12 **SEC. 11. PROHIBITION ON STATE DIVERSION OF FEDERAL**
13 **FUNDS TO REPLACE STATE SPENDING.**

14 Section 408(a) (42 U.S.C. 608(a)), as amended by
15 section 9 of this Act, is amended by adding at the end
16 the following:

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

22 **SEC. 12. INCLUSION OF POVERTY REDUCTION AS A PRO-**
23 **GRAM PURPOSE.**

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

1 (1) by striking “and” at the end of paragraph
2 (3);

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

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

6 “(5) reduce child poverty by increasing employ-
7 ment entry, retention, and advancement of needy
8 parents.”.

9 **SEC. 13. WELFARE FOR NEEDS NOT WEED.**

10 (a) **PROHIBITION.**—Section 408(a)(12)(A) (42
11 U.S.C. 608(a)(12)(A)) is amended—

12 (1) by striking “or” at the end of clause (ii);

13 (2) by striking the period at the end of clause
14 (iii) and inserting “; or”; and

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

16 “(iv) any establishment that offers
17 marihuana (as defined in section 102(16)
18 of the Controlled Substances Act) for
19 sale.”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 subsection (a) shall take effect on the date that is 3 years
22 after the date of the enactment of this Act.

1 **SEC. 14. STRENGTHENING ACCOUNTABILITY THROUGH**
2 **HHS APPROVAL OF STATE PLANS.**

3 (a) IN GENERAL.—Section 402 (42 U.S.C. 602) is
4 amended—

5 (1) in subsection (a)—

6 (A) in the matter preceding paragraph

7 (1)—

8 (i) by striking “27-month” and insert-
9 ing “24-month”; and

10 (ii) by striking “found” and inserting
11 “approved that”; and

12 (B) in paragraph (1)—

13 (i) in subparagraph (A)—

14 (I) by striking clauses (ii) and
15 (iii) and inserting the following:

16 “(ii) Require work-eligible individuals
17 (as defined in the regulations promulgated
18 pursuant to section 407(i)(1)(A)(i)) to en-
19 gage in work activities consistent with sec-
20 tion 407(c). The document shall describe
21 any in-home parenting program participa-
22 tion in which will be considered by the
23 State as a work activity pursuant to sec-
24 tion 407(d)(13).”;

1 (II) by redesignating clauses (iv)
2 through (viii) as clauses (iii) through
3 (vii), respectively; and

4 (III) by adding at the end the
5 following:

6 “(viii) Describe the case management
7 practices of the State with respect to the
8 requirements of section 408(b), provide a
9 copy of the form or forms that will be used
10 to assess a work-eligible individual (as so
11 defined) and prepare an individual oppor-
12 tunity plan for the individual, describe how
13 the State will ensure that such a plan is
14 reviewed in accordance with section
15 408(b)(6), and describe how the State will
16 measure progress under the plan.

17 “(ix) Propose the requisite levels of
18 performance for the State for purposes of
19 section 407(a) for each year in the 2-year
20 period referred to in subsection (d) of this
21 section, and provide an explanation with
22 supporting data of why each such level is
23 appropriate.

24 “(x) Describe how the State will en-
25 gage low-income noncustodial parents who

1 owe child support and how such a parent
2 will be provided with access to work sup-
3 port and other services under the program
4 to which the parent is referred to support
5 their employment and advancement.

6 “(xi) Describe how the State will com-
7 ply with improper payments provisions in
8 section 404(1).

9 “(xii) Describe coordination with
10 other programs, including whether the
11 State intends to exercise authority pro-
12 vided by section 404(d) of this Act to
13 transfer any funds paid to the State under
14 this part, provide assurance that, in the
15 case of a transfer to carry out a program
16 under title I of the Workforce Innovation
17 and Opportunity Act, the State will comply
18 with section 404(d)(3)(B) of this Act and
19 coordinate with the one-stop delivery sys-
20 tem under the Workforce Innovation and
21 Opportunity Act, and describe how the
22 State will coordinate with the programs in-
23 volved to provide services to families re-
24 ceiving assistance under the program re-

1 ferred to in paragraph (1) of this sub-
2 section.

3 “(xiii) Describe how the State will
4 promote marriage, such as through tem-
5 porary disregard of the income of a new
6 spouse when an individual receiving assist-
7 ance under the State program marries so
8 that the couple doesn’t automatically lose
9 benefits due to marriage.

10 “(xiv) Describe how the State will
11 allow for a transitional period of benefits,
12 such as through temporary earned income
13 disregards or a gradual reduction in the
14 monthly benefit amount, for an individual
15 receiving assistance who obtains employ-
16 ment and becomes ineligible due to an in-
17 crease in income obtained through employ-
18 ment or through an increase in wages.”;
19 and

20 (ii) in subparagraph (B), by striking
21 clauses (iv) and (v);

22 (2) by striking subsection (c) and inserting the
23 following:

24 “(c) PUBLIC AVAILABILITY OF STATE PLANS.—The
25 Secretary shall make available to the public a link to any

1 plan or plan amendment submitted by a State under this
2 subsection.”; and

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

4 “(d) 2-YEAR PLAN.—A plan submitted pursuant to
5 this section shall be designed to be implemented during
6 a 2-year period.

7 “(e) COMBINED PLAN ALLOWED.—A State may sub-
8 mit to the Secretary and the Secretary of Labor a com-
9 bined State plan that meets the requirements of sub-
10 sections (a) and (d) and that is for programs and activities
11 under the Workforce Innovation and Opportunity Act.

12 “(f) APPROVAL OF PLANS.—The Secretary shall ap-
13 prove any plan submitted pursuant to this section that
14 meets the requirements of subsections (a) through (d).”.

15 (b) DUTIES OF THE SECRETARY.—

16 (1) COORDINATION OF ACTIVITIES; DISSEMINA-
17 TION OF INFORMATION.—Section 416 (42 U.S.C.
18 616) is amended—

19 (A) by inserting “(a) IN GENERAL.—” be-
20 fore “The programs”; and

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

22 “(b) COORDINATION OF ACTIVITIES.—The Secretary
23 shall coordinate all activities of the Department of Health
24 and Human Services relating to work activities (as defined
25 in section 407(d)) and requirements and measurement of

1 employment outcomes, and, to the maximum extent prac-
2 ticable, coordinate the activities of the Department in this
3 regard with similar activities of other Federal entities.

4 “(c) DISSEMINATION OF INFORMATION.—The Sec-
5 retary shall disseminate, for voluntary informational pur-
6 poses, information on practices that scientifically valid re-
7 search indicates are most successful in improving the qual-
8 ity of State and tribal programs funded under this part.”.

9 (c) TECHNICAL ASSISTANCE.—

10 (1) IN GENERAL.—Section 406 (42 U.S.C. 606)

11 is amended to read as follows:

12 **“SEC. 406. TECHNICAL ASSISTANCE.**

13 “(a) IN GENERAL.—The Secretary shall provide tech-
14 nical assistance to States and Indian tribes (which may
15 include providing technical assistance on a reimbursable
16 basis), which shall be provided by qualified experts on
17 practices grounded in scientifically valid research, where
18 appropriate, to support activities related publication of
19 State performance under section 407(b) and to carry out
20 State and tribal programs funded under this part.

21 “(b) RESERVATION OF FUNDS.—The Secretary shall
22 reserve not more than 0.25 percent of the amount appro-
23 priated by section 403(a)(1)(C) for a fiscal year to carry
24 out subsection (a) of this section.”.

1 (2) CONFORMING AMENDMENT.—Section
2 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended
3 by striking “percentage specified in section
4 413(h)(1)” and inserting “the sum of the percent-
5 ages specified in sections 406(b) and 413(h)”.

6 **SEC. 15. ALIGNING AND IMPROVING DATA REPORTING.**

7 (a) REQUIREMENT THAT STATES REPORT FULL-
8 POPULATION DATA.—Section 411(a)(1) (42 U.S.C.
9 611(a)(1)) is amended—

10 (1) by striking subparagraph (B);

11 (2) by striking “(1) GENERAL REPORTING RE-
12 QUIREMENT.—”; and

13 (3) by—

14 (A) redesignating—

15 (i) subparagraph (A) as paragraph
16 (1);

17 (ii) clauses (i) through (xvii) of sub-
18 paragraph (A) as subparagraphs (A)
19 through (Q), respectively;

20 (iii) subclauses (I) through (V) of
21 clause (ii) as clauses (i) through (v), re-
22 spectively;

23 (iv) subclauses (I) through (VII) of
24 clause (xi) as clauses (i) through (vii), re-
25 spectively; and

1 (v) subclauses (I) through (V) of
2 clause (xvi) as clauses (i) through (v), re-
3 spectively; and

4 (B) moving each such redesignated provi-
5 sion 2 ems to the left.

6 (b) REPORT ON PARTICIPATION IN WORK ACTIVI-
7 TIES.—Section 411(a)(1) (42 U.S.C. 611(a)(1)), as
8 amended by subsection (a)(3) of this section, is amended
9 by striking subparagraphs (K) and (L) and inserting the
10 following:

11 “(K) The work eligibility status of each in-
12 dividual in the family, and—

13 “(i) in the case of each work-eligible
14 individual (as defined in the regulations
15 promulgated pursuant to section
16 407(i)(1)(A)(i)) in the family—

17 “(I) the number of hours (includ-
18 ing zero hours) per month of partici-
19 pation in—

20 “(aa) work activities (as de-
21 fined in section 407(d)); and

22 “(bb) any other activity re-
23 quired by the State to remove a
24 barrier to employment; and

1 “(ii) in the case of each individual in
2 the family who is not a work-eligible indi-
3 vidual (as so defined), the reason for that
4 status.

5 “(L) For each work-eligible individual (as
6 so defined) and each adult in the family who
7 did not participate in work activities (as so de-
8 fined) during a month, the reason for the lack
9 of participation.”.

10 (c) REPORTING OF INFORMATION ON EMPLOYMENT
11 AND EARNINGS OUTCOMES.—Section 411(e) (42 U.S.C.
12 611(e)) is amended to read as follows:

13 “(c) REPORTING OF INFORMATION ON EMPLOYMENT
14 AND EARNINGS OUTCOMES.—The Secretary, in consulta-
15 tion with the Secretary of Labor, shall determine the in-
16 formation that is necessary to compute the employment
17 and earnings outcomes and the statistical adjustment
18 model for the employment and earnings outcomes required
19 under section 407, and each eligible State shall collect and
20 report that information to the Secretary.”.

21 **SEC. 16. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
22 **STANDARDS TO IMPROVE PROGRAM COORDI-**
23 **NATION.**

24 (a) IN GENERAL.—Section 411(d) (42 U.S.C.
25 611(d)) is amended to read as follows:

1 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED
2 INTEROPERABILITY.—

3 “(1) DESIGNATION.—The Secretary shall, in
4 consultation with an interagency work group estab-
5 lished by the Office of Management and Budget and
6 considering State government perspectives, by rule,
7 designate data exchange standards to govern, under
8 this part—

9 “(A) necessary categories of information
10 that State agencies operating programs under
11 State plans approved under this part are re-
12 quired under applicable Federal law to elec-
13 tronically exchange with another State agency;
14 and

15 “(B) Federal reporting and data exchange
16 required under applicable Federal law.

17 “(2) REQUIREMENTS.—The data exchange
18 standards required by paragraph (1) shall, to the ex-
19 tent practicable—

20 “(A) incorporate a widely accepted, non-
21 proprietary, searchable, computer-readable for-
22 mat, such as the eXtensible Markup Language;

23 “(B) contain interoperable standards devel-
24 oped and maintained by intergovernmental

1 partnerships, such as the National Information
2 Exchange Model;

3 “(C) incorporate interoperable standards
4 developed and maintained by Federal entities
5 with authority over contracting and financial
6 assistance;

7 “(D) be consistent with and implement ap-
8 plicable accounting principles;

9 “(E) be implemented in a manner that is
10 cost-effective and improves program efficiency
11 and effectiveness; and

12 “(F) be capable of being continually up-
13 graded as necessary.

14 “(3) RULE OF CONSTRUCTION.—Nothing in
15 this subsection shall be construed to require a
16 change to existing data exchange standards found to
17 be effective and efficient.”.

18 (b) EFFECTIVE DATE.—Not later than the date that
19 is 24 months after the date of the enactment of this sec-
20 tion, the Secretary of Health and Human Services shall
21 issue a proposed rule that—

22 (1) identifies federally required data exchanges,
23 include specification and timing of exchanges to be
24 standardized, and address the factors used in deter-

1 mining whether and when to standardize data ex-
2 changes; and

3 (2) specifies State implementation options and
4 describes future milestones.

5 **SEC. 17. SET-ASIDE FOR ECONOMIC DOWNTURNS.**

6 Section 404(e) (42 U.S.C. 604(e)) is amended to read
7 as follows:

8 “(e) DEADLINES FOR OBLIGATION AND EXPENDI-
9 TURES OF FUNDS BY STATES.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), a State to which a grant is made under
12 section 403(a)(1) shall obligate the funds within 2
13 years after the date the funds are made available,
14 and shall expend the funds within 3 years after such
15 date.

16 “(2) EXCEPTION FOR LIMITED AMOUNT OF
17 FUNDS SET ASIDE FOR FUTURE USE.—

18 “(A) IN GENERAL.—A State to which
19 funds are paid under section 403(a)(1) may re-
20 serve not more than 15 percent of the funds for
21 use in the State program funded under this
22 part without fiscal year limitation.

23 “(B) NOTICE OF INTENT TO RESERVE
24 FUNDS.—A State that intends to reserve funds
25 paid to the State under section 402(a)(1) shall

1 notify the Secretary of the intention not later
2 than the end of the period in which the funds
3 are available for obligation without regard to
4 subparagraph (A) of this paragraph.”.

5 **SEC. 18. DEFINITIONS RELATED TO USE OF FUNDS.**

6 Section 419 (42 U.S.C. 619) is amended by adding
7 at the end the following:

8 “(6) ASSISTANCE.—The term ‘assistance’
9 means cash, payments, vouchers, and other forms of
10 benefits designed to meet a family’s ongoing basic
11 needs (such as for food, clothing, shelter, utilities,
12 household goods, personal care items, and general
13 incidental expenses).

14 “(7) WORK SUPPORTS.—The term ‘work sup-
15 ports’ means assistance and non-assistance transpor-
16 tation benefits (such as the value of allowances, bus
17 tokens, car payments, auto repair, auto insurance
18 reimbursement, and van services) provided in order
19 to help families obtain, retain, or advance in employ-
20 ment, participate in work activities (as defined in
21 section 407(d)), or as a non-recurrent, short-term
22 benefit, including goods provided to individuals in
23 order to help them obtain or maintain employment
24 (such as tools, uniforms, fees to obtain special li-

1 censes, bonuses, incentives, and work support allow-
2 ances and expenditures for job access).

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

10 “(9) JOBS BENEFIT.—The term ‘JOBS ben-
11 efit’ means—

12 “(A) assistance; or

13 “(B) wage subsidies that are paid, with
14 funds provided under section 403(a) or with
15 qualified State expenditures, with respect to a
16 person who—

17 “(i) was a work-eligible individual (as
18 defined in the regulations promulgated
19 pursuant to section 407(i)(1)(A)(i)) at the
20 time of entry into subsidized employment,
21 such as on-the-job training or apprentice-
22 ship; and

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

1 **SEC. 19. ELIMINATION OF OBSOLETE PROVISIONS.**

2 (a) **ELIMINATION OF SUPPLEMENTAL GRANTS TO**
3 **STATES.**—Section 403(a) (42 U.S.C. 603(a)) is amended
4 by striking paragraph (3).

5 (b) **ELIMINATION OF BONUS TO REWARD HIGH PER-**
6 **FORMANCE STATES.**—

7 (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.
8 603(a)) is amended by striking paragraph (4).

9 (2) **CONFORMING AMENDMENT.**—Section
10 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by
11 striking “403(a)(4),”.

12 (c) **ELIMINATION OF WELFARE-TO-WORK GRANTS.**—

13 (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.
14 603(a)) is amended by striking paragraph (5).

15 (2) **CONFORMING AMENDMENTS.**—

16 (A) **ELIMINATION OF EXCLUSION FROM**
17 **TIME LIMIT.**—Section 408(a)(7) (42 U.S.C.
18 608(a)(7)) is amended by striking subpara-
19 graph (G).

20 (B) **ELIMINATION OF PENALTY FOR MIS-**
21 **USE OF COMPETITIVE WELFARE-TO-WORK**
22 **FUNDS.**—Section 409(a)(1) (42 U.S.C.
23 609(a)(1)) is amended by striking subpara-
24 graph (C).

25 (C) **ELIMINATION OF EXCLUSION FROM**
26 **QUALIFIED STATE EXPENDITURES OF STATE**

1 FUNDS USED TO MATCH WELFARE-TO-WORK
2 GRANT FUNDS.—Section 409(a)(7)(B)(iv) (42
3 U.S.C. 609(a)(7)(B)(iv)) is amended in the 1st
4 sentence—

5 (i) by adding “or” at the end of sub-
6 clause (II); and

7 (ii) by striking subclause (III) and re-
8 designating subclause (IV) as subclause
9 (III).

10 (D) ELIMINATION OF PENALTY FOR FAIL-
11 URE OF STATE TO MAINTAIN HISTORIC EFFORT
12 DURING YEAR IN WHICH WELFARE-TO-WORK
13 GRANT IS RECEIVED.—Section 409(a) (42
14 U.S.C. 609(a)) is amended by striking para-
15 graph (13).

16 (E) ELIMINATION OF REQUIREMENTS RE-
17 LATING TO WELFARE-TO-WORK GRANTS IN
18 QUARTERLY STATE REPORTS.—Section 411(a)
19 (42 U.S.C. 611(a)), as amended by section
20 15(a) of this Act, is amended—

21 (i) in paragraph (1), by striking “(ex-
22 cept for information relating to activities
23 carried out under section 403(a)(5))”; and

1 (ii) in each of paragraphs (2) through
2 (4), by striking the comma and all that fol-
3 lows and inserting a period.

4 (F) INDIAN TRIBAL PROGRAMS.—Section
5 412(a) (42 U.S.C. 612(a)) is amended by strik-
6 ing paragraph (3).

7 (G) ELIMINATION OF REQUIREMENT TO
8 DISCLOSE CERTAIN INFORMATION TO PRIVATE
9 INDUSTRY COUNCIL RECEIVING WELFARE-TO-
10 WORK FUNDS.—Section 454A(f) (42 U.S.C.
11 654a(f)) is amended by striking paragraph (5).

12 (H) GRANTS TO TERRITORIES.—Section
13 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended
14 by striking “403(a)(5),”.

15 (d) ELIMINATION OF CONTINGENCY FUND.—

16 (1) IN GENERAL.—Section 403 (42 U.S.C. 603)
17 is amended by striking all of subsection (b) except
18 paragraph (5).

19 (2) CONFORMING AMENDMENTS.—

20 (A) TRANSFER OF NEEDY STATE DEFINI-
21 TION.—

22 (i) IN GENERAL.—Paragraph (5) of
23 section 403(b) (42 U.S.C. 603(b)(5)) is—

24 (I) amended—

1 (aa) in the matter preceding
2 subparagraph (A), by striking
3 “paragraph (4)” and inserting
4 “subparagraph (C)”;

5 (bb) in each of subpara-
6 graphs (A) and (B), by redesign-
7 ating clauses (i) and (ii) as sub-
8 clauses (I) and (II), respectively;

9 (cc) by redesignating sub-
10 paragraphs (A) and (B) as
11 clauses (i) and (ii), respectively;

12 (dd) by redesignating such
13 paragraph as subparagraph (D);
14 and

15 (ee) by moving each provi-
16 sion 2 ems to the right; and

17 (II) as so amended, hereby trans-
18 ferred into section 409(a)(3) (42
19 U.S.C. 609(a)(3)) and added to the
20 end of such section.

21 (ii) CONFORMING AMENDMENT.—Sec-
22 tion 409(a)(3)(C) (42 U.S.C.
23 609(a)(3)(C)) is amended by striking “(as
24 defined in section 403(b)(5))”.

1 (B) ELIMINATION OF PENALTY FOR FAIL-
2 URE OF STATE RECEIVING AMOUNTS FROM
3 CONTINGENCY FUND TO MAINTAIN 100 PER-
4 CENT OF HISTORIC EFFORT.—Section 409(a)
5 (42 U.S.C. 609(a)) is amended by striking
6 paragraph (10).

7 (e) CONFORMING AMENDMENTS RELATED TO ELIMI-
8 NATION OF FEDERAL LOANS FOR STATE WELFARE PRO-
9 GRAMS.—

10 (1) ELIMINATION OF ASSOCIATED PENALTY
11 PROVISION.—

12 (A) IN GENERAL.—Section 409(a) (42
13 U.S.C. 609(a)) is amended by striking para-
14 graph (6).

15 (B) CONFORMING AMENDMENTS.—Section
16 412(g)(1) (42 U.S.C. 612(g)(1)) is amended by
17 striking “(a)(6),”.

18 (2) ELIMINATION OF PROVISION PROVIDING
19 FOR TRIBAL ELIGIBILITY.—Section 412 (42 U.S.C.
20 612) is amended by striking subsection (f).

21 (3) ELIMINATION OF DISREGARD OF LOAN IN
22 APPLYING LIMIT ON PAYMENTS TO THE TERRI-
23 TORIES.—Section 1108(a)(2) (42 U.S.C.
24 1308(a)(2)) is amended by striking “406,”.

1 (f) ELIMINATION OF LIMITATIONS ON OTHER STATE
2 PROGRAMS FUNDED WITH QUALIFIED STATE EXPENDI-
3 TURES.—

4 (1) The following provisions are each amended
5 by striking “or any other State program funded with
6 qualified State expenditures (as defined in section
7 409(a)(7)(B)(i))”:

8 (A) Paragraphs (1) and (2) of section
9 407(e) (42 U.S.C. 607(e)(1) and (2)).

10 (B) Section 411(a)(1) (42 U.S.C.
11 611(a)(1)), as amended by section
12 15(a)(3)(A)(i) of this Act.

13 (C) Subsections (d) and (e)(1) of section
14 413 (42 U.S.C. 613(d) and (e)(1)).

15 (2) Section 413(a) (42 U.S.C. 613(a)) is
16 amended by striking “and any other State program
17 funded with qualified State expenditures (as defined
18 in section 409(a)(7)(B)(i))”.

19 (g) CONFORMING AMENDMENTS RELATED TO ELIMI-
20 NATION OF REPORT.—

21 (1) IN GENERAL.—Section 409(a)(2) (42
22 U.S.C. 609(a)(2)) is amended—

23 (A) in the paragraph heading, by inserting
24 “QUARTERLY” before “REPORT”;

1 (B) in subparagraph (A)(ii), by striking
2 “clause (i)” and inserting “subparagraph (A)”;

3 (C) by striking “(A) QUARTERLY RE-
4 PORTS.—”;

5 (D) by striking subparagraph (B); and

6 (E) by redesignating clauses (i) and (ii) of
7 subparagraph (A) as subparagraphs (A) and
8 (B), respectively (and adjusting the margins ac-
9 cordingly).

10 (2) CONFORMING AMENDMENTS.—

11 (A) Section 409(b)(2) (42 U.S.C.
12 609(b)(2)) is amended by striking “and,” and
13 all that follows and inserting a period.

14 (B) Section 409(c)(4) (42 U.S.C.
15 609(c)(4)) is amended by striking “(2)(B),”.

16 (h) ANNUAL REPORTS TO CONGRESS.—Section
17 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by
18 striking “participation rates” and inserting “outcome
19 measures”.

20 (i) REDUCTION IN FORCE PROVISIONS.—Section
21 416(a) (42 U.S.C. 616(a)), as so designated by section
22 14(b)(1)(A) of this Act, is amended by striking “, and the
23 Secretary” and all that follows and inserting a period.

24 (j) CONFORMING CROSS-REFERENCES.—

25 (1) Section 409 (42 U.S.C. 609) is amended—

1 (A) in subsection (a)(7)(B)(i)(III), by
2 striking “(12)” and inserting “(10)”;

3 (B) in subsection (a) (as amended by sub-
4 sections (c)(2)(D), (d)(2)(B), and (e)(1)(A) of
5 this section), by redesignating paragraphs (7),
6 (8), (9), (11), (12), (14), (15), and (16) as
7 paragraphs (6) through (13), respectively;

8 (C) in subsection (b)(2), by striking “(8),
9 (10), (12), or (13)” and inserting “or (10)”;
10 and

11 (D) in subsection (c)(4), by striking “(8),
12 (10), (12), (13), or (16)” and inserting “(10),
13 or (13)”.

14 (2) Section 452 (42 U.S.C. 652) is amended in
15 each of subsections (d)(3)(A)(i) and (g)(1) by strik-
16 ing “409(a)(8)” and inserting “409(a)(7)”.

17 (k) MODIFICATIONS TO MAINTENANCE-OF-EFFORT
18 REQUIREMENT.—Section 409(a)(6)(B)(i) (42 U.S.C.
19 609(a)(6)(B)(i)), as redesignated by subsection (j)(1)(B)
20 of this section, is amended—

21 (1) in subclause (I)—

22 (A) in the matter preceding item (aa), by
23 striking “all State programs” and inserting
24 “the State program funded under this part”;

1 (B) by redesignating items (dd) and (ee)
2 as items (ee) and (ff), respectively, and insert-
3 ing after item (cc) the following:

4 “(dd) Expenditures for a
5 purpose described in paragraph
6 (3), (4), or (5) of section
7 401(a).”; and

8 (C) in item (ee) (as so redesignated), by
9 striking “and (ee)” and inserting “(dd), and
10 (ff)”;

11 (2) by striking subclause (V); and

12 (3) in subclause (IV), by inserting “, except any
13 of such families whose monthly income exceeds twice
14 the poverty line (as defined by the Office of Manage-
15 ment and Budget, and revised annually in accord-
16 ance with section 673(2) of the Omnibus Budget
17 Reconciliation Act of 1981 (42 U.S.C. 9902(2)))”
18 before the period.

19 **SEC. 20. EFFECTIVE DATE.**

20 Except as provided in section 13(b), the amendments
21 made by this Act shall take effect on October 1, 2022.

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