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# House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. SIMPSON).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*February 13, 2003.*

I hereby appoint the Honorable MICHAEL K. SIMPSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## PRAYER

The Reverend Jim Schetler, Pastor, Pensacola Christian College Campus Church, Pensacola, Florida, offered the following prayer:

Dear Holy and Merciful Father, we praise You for who You are; for all You provide and for all You do in us and through us.

Thank You for the blessing of being an American. We praise and thank You for the protection and provision on this blessed land. Lord, pour upon these legislators a spirit of cooperation, enabling them to complete today's priorities.

Father, provide a hedge of protection around this body and their loved ones. Give unto them a righteous discernment and the courage to dispense it. Enable them to be upright stewards of the time, assets, and authority entrusted to them.

May each representative understand they were elected by the people, but ordained by You, the creator of government, and are therefore Your ministers.

When this day is done, may much be accomplished with a clear conscience to all regarding their decisions. Most of all, Heavenly Father, we acknowledge that You will be our refuge and our strength in the days to come.

In the name of our Lord, we ask these things. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. MCNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. McNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman from Florida (Mr. MILLER) is recognized for 1 minute. The remainder of the 1-minute speeches will be postponed until the end of the day.

## PASTOR JIM SCHETLER

(Mr. MILLER of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Florida. Mr. Speaker, I am proud to acknowledge Pastor Jim Schetler, who blessed us with our opening prayer today. Pastor Schetler comes to us from Pensacola Christian College Campus Church, a ministry involving over 1,500 members of the community, and over 4,000 Pensacola Christian College students when the school is in session.

His personal journey with God and the Holy Spirit has given him a dynamic and vibrant ability to make his preachings come alive to Christians of all ages. As a result, his Sunday morning services are now aired by television stations nationwide. Originally from Traverse City, Michigan, Pastor Schetler graduated from Pensacola Christian College in 1979 and has remained in its service ever since. He met his wife, Marilee, while he was a student at PCC, and has been blessed with three wonderful sons: Benjamin, Luke, and Drew.

Upon graduation, he spent the following 2 years traveling as a PCC representative. Afterwards, he and Marilee spent 6 months living in a kibbutz in Israel with the Baptists for Israel Institute. He then spent the next 7 years as a youth pastor of Campus Church until he became the pastor of Campus Church in 1988.

Mr. Speaker, I would like to thank my friend, Pastor Jim Schetler, for joining us on the House floor today.

## PERSONAL RESPONSIBILITY, WORK, AND FAMILY PROMOTION ACT OF 2003

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 69 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 69

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4) to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed two



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hours, with 50 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, 40 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce, and 30 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. No amendment to the bill shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and opponent, and shall not be subject to amendment. All points of order against such amendments are waived except that the adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the bill for amendment. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 69 is an appropriate and fair rule providing for the consideration of H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003.

This rule provides for a total of 2 hours of general debate in the House with 50 minutes equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, 40 minutes equally divided and controlled by the chairman and the ranking member of the Committee on Education and the Workforce, and finally, 30 minutes equally divided and controlled by the chairman and the ranking minority member of the Committee on Energy and Commerce.

After general debate, the rule makes in order two substitute amendments: the substitute amendment offered by the gentleman from Ohio (Mr. KUCINICH), the gentlewoman from California (Ms. LEE), the gentleman from Massachusetts (Mr. MCGOVERN), and the gentleman from California (Mr. LANTOS); and the substitute amendment offered by the gentleman from Maryland (Mr. CARDIN), the gentleman from Wisconsin (Mr. KIND), and the gentlewoman from California (Ms. WOOLSEY), both of which are printed in the report of the Committee on Rules and debatable for 40 minutes each, equally divided and controlled by a proponent and an opponent.

The rule waives all points of order against consideration of the bill, as well as against the amendments printed in the report. Finally, the rule permits the minority to offer a motion to recommit, with or without instructions.

Mr. Speaker, 7 years ago many of us stood in this very Chamber surrounded by skeptical glares and wary eyes as we began debate on the historic welfare reform package. The day was August 1, 1996. It was also payday for many Americans. And on that day, 14 million welfare recipients cashed a paycheck for which they had not worked.

Mr. Speaker, 14 million people received money from the American taxpayers in exchange for no work, no questions asked, no strings, no requirements, no obligation to produce or demonstrate the slightest bit of productivity to our communities and to our society. Such was the nature of our welfare system 7 years ago.

Now, this may have seemed unfair to the taxpayers; but it was doubly unfair to the welfare recipients trapped in generational cycles of poverty and hopelessness. But on that day in 1996, Congress passed one of the most historic reform bills ever, one that truly made the American dream a reality for millions of Americans previously without hope. But these reforms were not passed without a fight.

There were claims that the landmark plan would drive poor families into the streets. And there were shouts that children would be left starving, and cries that single mothers would be forced to neglect their families. But now, 7 years later, we see a very different picture of what welfare reform has done. The predictions of doom and gloom have not been realized. Quite to the contrary, welfare caseloads have fallen from 14 million to 5 million. Over 3 million children have been lifted out of poverty.

Black child poverty rates have hit a record low, and the poverty rate among Hispanics has seen its largest decrease in history. In addition to these tremendous statistics, perhaps the biggest achievement of welfare reform is the way in which these reforms have promoted self-sufficiency and empowered so many men and women.

Welfare reform has given Americans a chance to work and the means to do it by placing a high value on the contributions of each and every person in society. It assumes that every person has some talent, some knowledge, some skill, some individual uniqueness to contribute. It assumes that each man and woman who is physically and mentally capable can and should be, even in the slightest discernible way, a productive part of our communities.

The benefits are twofold. Not only are our communities strengthened by the additional contributions, but these men and women, who were formerly trapped in a cycle of dependency, have now established a real sense of accomplishment and independence. Today we have a tremendous opportunity to build on these successes.

As I proceed to describe this legislation, I expect it will sound very familiar. That is because less than a year ago in this very Chamber this Congress approved the same plan, updated simply for time.

While I have the honor and distinction of introducing this legislation on behalf of the House, it is really the gentleman from California (Chairman THOMAS), the gentleman from Louisiana (Chairman TAUZIN), the gentleman from Ohio (Chairman BOEHNER), the gentleman from California (Mr. MCKEON), the gentleman from California (Mr. HERGER), and many others who have worked long hours to craft a bill that empowers individuals, protects children, and strengthens families.

Their committees have vetted this language over and over in dozens of hearings and markups. After already exhausting the committee process last year, we have brought this plan straight to the floor at the commencement of the new Congress, as the first major piece of legislation out of the hopper. That is how strongly we believe in this plan. The reforms of 1996 have expired. They expired September last year. We cannot afford to wait.

First of all, this package provides $16.6 billion for the Temporary Assistance of Needy Families, commonly known as TANF, as a block grant, which was created in the 1996 reform. Funding this block grant goes directly to State-designed programs to help move more welfare recipients into productive jobs. Yet 58 percent of welfare recipients are not participating in work activities yet, and that is not acceptable.

It continues to cost taxpayers money, but worse still, it stifles the recipients' ability to achieve true self-sufficiency. Therefore, this package calls for increasing the work-related activity requirements from the current 50 percent to 70 percent by fiscal year 2008.

Next, this plan offers parents and families the tools and resources they need to secure a job, achieve independence and strengthen families. By providing access to reliable, high-quality child care, recipients will have peace of mind knowing that their child is safe as they train for, find, and keep a stable job.

Children are our future, and we cannot settle for second-rate care. So in addition to the $4.8 billion funding already in place, this package provides an extra $2 billion. With these dollars comes greater flexibility for States, which will now be able to transfer 50 percent of their share of TANF to child care instead of the current 30 percent.

□ 1015

We all know that training and education are the backbone of advancing

one's professional opportunities. So while 24 of the 40 hours must be spent in actual work, the remaining 16 hours may be defined by States and can include training and education. And up to 4 months during a 24-month period can be counted towards State work requirements if the individual is engaged in education or training that will lead to work.

Finally, the plan gives unprecedented flexibility to States by establishing broad, new State flex authority that is enthusiastically supported by our Nation's governors, and it will really give them the tools they need.

Mr. Speaker, welfare recipients do not want a handout. They do not want a life-style of dependence. They do not want a system that offers only a one-way ticket to poverty. American families want to live the American dream. They want the chance to build strong and prosperous lives and they want to offer brighter futures to their loved ones. Therefore, it is my hope that we can silence the grumbles that echoed through this Chamber back in 1996 and build on the successes we have had thus far.

Fostering independence through work, empowering families and lifting more Americans out of poverty are at the core of this reform package, just as they were in 1996. The empirical evidence of the past 7 years quite adequately demonstrates the success so far.

So let us tune out the protests. The shouts, cries and pleas of the naysayers in 1996 were myths then and they are myths now.

To my colleagues who may hesitate to support this rule for partisan reasons, I invite you to take a good look at where we were 7 years ago and where we have come today. You will find hundreds of children and families in each of your districts that are better off now than they were 7 years ago. They are working. They are proud. They are teaching their children about the dignity of having a job and the honor of providing for a family.

Mr. Speaker, a check in the mail every month will not teach responsibility, it will not build confidence, and it will not break the cycle of dependency and poverty. But it will if they have a job. It will provide a sense of accomplishment, a sense of accomplishment for a job well done. And it will provide the means to achieve the American dream. A check in the mail for a hard month's work will open up the doors of opportunity and offer all Americans an endless supply of pride and self-worth for generations to come.

I urge this body to adopt this rule and approve H.R. 4.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, in 1996 a sweeping welfare reform initiative was enacted and authorized for 5 years. Temporary assistance to needy families replaced guaranteed welfare checks with a new work requirement, placed a lifetime limit on the benefits recipients could receive, and removed most legal immigrants from eligibility for welfare.

The program was up for reauthorization last year. The reauthorization legislation passed the House with a rule that allowed only one substitute amendment. The bill was reported out of the Senate Finance Committee, but was never considered by the full Senate.

We are here today to consider the rule for the Personal Responsibility, Work and Family Protection Act of 2003. Mr. Speaker, the underlying bill impacts millions of vulnerable Americans, yet the process for consideration of the bill has muzzled meaningful debate and barred serious consideration of alternatives and amendments.

In the 108th Congress, not a single committee with jurisdiction over this legislation has considered H.R. 4. Five committees had jurisdiction over the legislation: Ways and Means, Education and the Workforce, Energy and Commerce, Agriculture and Financial Services. There are over 50 new Members of Congress, not here in the 107th Congress when we began the process, and none of them have had the opportunity to consider and vote on the legislation in committee.

The Republican leadership rushed welfare reauthorization to the House floor. Instead of allowing the Congress and these committees to examine, debate and discuss this important piece of legislation, the majority has opted to bar the full House from considering 22 amendments and to allow us to consider only two substitute amendments.

Because the committee process was skipped, my Democratic colleagues and I asked for an open rule so that, at the very least, the full House could consider the many issues brought up in the dozens of amendments filed with the Committee on Rules. There are too many issues that deserve full discussion and debate. The two substitute amendments that are in order under the rule cannot fully address these issues.

The gentleman from New Jersey (Mr. ANDREWS) offered a very important amendment. It called for a temporary suspension of time limits on TANF benefits to individuals that reside in a metropolitan statistical area where the unemployment rate exceeds 7 percent. But the Committee on Rules, along partisan lines, ruled it out of order.

And the rule voted out of committee on party lines allows for only 2 hours to debate this reform bill. No committees have looked at the bill, and the full House only has 2 hours to debate it. The rule does not give Members the opportunity to address fully the inadequacies of this legislation, the grave changes to the program and the growing needs of Americans living in poverty. The rule bars any meaningful debate and prohibits consideration of important amendments affecting the elderly, parents and children.

Mr. Speaker, too many people are drowning in a sea of poverty. Welfare-to-Work should not merely toss the poorest Americans a life preserver to help them float along, with their heads barely above the poverty level.

The Catholic Family Center in Rochester, New York, provides an example of how the 1996 welfare reforms are failing. The center is doing a great job getting the women in their program off welfare and into work, but the average starting salary of the women is $6.82 an hour, far less than the $17.66 that a Rochester-area single parent with two preschoolers must earn to provide the basic necessities.

H.R. 4 does nothing to close the gap and does not give these hard-working parents who are trying hard to work and care for their families the chance to succeed. We need to do more for our most vulnerable friends and neighbors.

I can tell you that in my district the need for assistance is growing. In Monroe County, New York, applications for welfare assistance were up 17 percent in the year 2001. Requests for emergency housing placements rose by 25 percent from 2000 to 2001. And a program helping the homeless reported that 20,000 more homeless men, women and children were served in the fall of 2001 than during the same period of the year 2000.

The underlying bill fails to meet this growing need and fails to address the most fundamental goal of welfare reform, moving recipients into real jobs and out of poverty. While caseloads have fallen over 50 percent nationally since 1996, a good thing, the poverty rate has decreased only 13 percent over the same period.

If scores of those who have moved off the welfare rolls during a period of economic expansion remain dependent on food stamps, WIC and other public assistance, what are they going to do now that the economy is in recession and the States are in financial crisis? Are recipients going to be forced to try to work and raise their children without the education, training or child care that is necessary to move to real independence? In fact, in the State of New York, almost half the families that move off welfare are still living in poverty. This is not success. Governors, mayors, State legislators, welfare directors and poverty experts all say the same thing, that the bill is a step in the wrong direction.

We all know that education is key to moving out of poverty, yet this legislation eliminates vocational education from the list of activities that count as a work-related activity. What message does this send to Americans who seek a career in the building trades?

The bill even hurts poor children. Access to quality child care is an essential part of helping families to get off welfare and improving the odds that children arrive at kindergarten ready to learn. The Congressional Budget Office has reported that the new work requirement, increasing by 33 percent the amount of time that recipients participate in work activities, will require $8 billion to $11 billion in new child care funding over 5 years. However, the bill only provides $2 billion. What are the financially strapped States supposed to do about a $9 billion gap in child care funding? Where are these children going to go while their parents work 33 percent more hours?

This welfare reauthorization bill also demands more from States without providing any increased funding. It is estimated that unfunded mandates in this bill will cost my State more than $1 billion over 5 years. Nationwide, the estimated cost of unfunded mandates is $11 billion. You can see my State is impacted tremendously.

How can we shift this huge financial burden onto New York and the other States, especially now that the economy is in recession and States across the country are facing huge budget shortfalls? How do these unfunded mandates lift people out of poverty and help them get a job and give them hope?

Mr. Speaker, there is a better way, one that maintains State flexibility, one that focuses on real work and one that seeks to help families escape poverty. My Democratic colleagues and I support strong work requirements that will move people into real jobs. We believe that States should have the flexibility to determine the best mix of services and activities to move them towards self-sufficiency.

We want to provide welfare recipients with access to vocational training so they can find some good jobs. And we support providing the necessary resources particularly for quality child care to help families leave welfare for work. This measure utterly fails to do that.

Mr. Speaker, I would like to share some wisdom with you from the people of the 28th District of New York. In an editorial, published last fall in the Buffalo News, wrote the following about welfare reauthorization:

> The goal of welfare reform should not simply be to trim the welfare rolls. It should be to break the cycle of poverty that puts people on welfare in the first place. Reduced government expenses are a nice benefit, but reducing poverty is the key to long-term success for the program and for the people who have relied upon it. Education and training offer far better chances not only to land jobs but to keep them. Increased child care assistance is a necessary adjunct in breaking the multigenerational cycle of welfare entitlement, as well as a humanitarian move that should come naturally to a rich nation that nonetheless is home to impoverished children.

That was from the Buffalo News, September 15, 2002. I urge my colleagues to voted against this rule.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield such time as he may consume to the gentleman from California (Mr. DREIER), the very distinguished chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule. Before I begin, I cannot help but think of one of Thomas Jefferson's great lines, the author of our Declaration of Independence. I have got to sort of extrapolate from that when Thomas Jefferson said two thinking men, and in this case it is two women, but he said, ''Two thinking men can be given the exact same set of facts and draw different conclusions.''

Mr. Speaker, I sat and listened to the very eloquent remarks by my good friend from Ohio, the author of this legislation who chairs our Republican Conference, and I listened to the equally eloquent remarks from my friend from the 28th District of New York who just entered that editorial in the RECORD, and I said that just to let her know I was listening very, very carefully.

It is to me very difficult to believe that we are talking about the same piece of legislation and the same kind of program. We obviously in this country are faced with serious economic challenges. There are people who are hurting out there. We know that. But as I listened to the reports of the failure of welfare reform, I am reminded that it was a bipartisan piece of legislation. I say it was bipartisan because clearly at the end of the day, after two tries, on the third, President Clinton proudly signed and embraced welfare reform in 1996.

We enjoyed strong economic growth through the 1990s. Many people tried to make the claim that the only reason we saw the success of welfare reform is that we were dealing with a strong, vibrant, growing economy; when in fact I looked at and talked with the gentleman from California (Mr. HERGER), the chairman of the subcommittee on Ways and Means that deals with this, and he pointed out that during the 1980s, when we saw an equally strong economy, we witnessed a 25 percent increase in the numbers on the welfare rolls.

We saw strong, bold economic growth during the Reagan years, as we know, yet the numbers of people getting into what my friend from Ohio appropriately described as that generational cycle of dependence continued to grow more and more. And then during the 1990s we again saw strong economic growth, but at the same time we saw implementation of the welfare reform legislation and we have seen tremendous improvement.

We all know that an economic downturn began in the third and fourth quarters of the year 2000. We also know that we suffered tremendously from the tragedy of September 11, 2001. What we found, Mr. Speaker, was that during that period of time, we obviously witnessed a recession. We saw two quarters of negative economic growth. That was last year.

□ 1030

But then the gentleman from California (Mr. HERGER) reported to us that even during that period of time, we saw a 10 percent reduction in the numbers on welfare, meaning that we have been able to very boldly encourage and move people out of that generational cycle of dependence.

If we look at this measure and the steps that are being taken to ensure that those who are truly in need are not going to be suffering, it is very, very impressive. We obviously provide a caveat which allows those parents with children who are in need an opportunity to have consideration for that. We allow in this measure an opportunity for those who are suffering from drug addiction to have an opportunity to deal with that need. We clearly are providing States with flexibility. That is something they said they needed. In my State of California, we have extraordinary extremes from one end to the other. So to provide that opportunity for flexibility is very important.

As we look at the structure of the rule for consideration of this, I am somewhat struck with the arguments that were made by my friend from New York. She said that they advocated an open rule, and it is true that an open rule was moved up in the Committee on Rules last night when we pursued this bill; and if an open rule had been made in order, these very thoughtful substitutes, one of which has come forward from the gentleman from Ohio (Mr. KUCINICH), my very good friend, and I am happy he is offering it in the name of our late former colleague, Patsy Mink, from Hawaii, and the other substitute which was made in order under this rule is being offered by the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means. I said when I announced that we would be considering this measure that we lean towards making substitutes in order, and we have provided waivers and protections so that those substitutes are, in fact, in order. So that is why we clearly should have, I believe, strong bipartisan support for this rule.

Mr. Speaker, we have had story after story told of the families who may not be making as much money today while they are working as they were when they were receiving welfare, and yet they have a level of dignity and pride in what it is that they are doing that makes them happier and more fulfilled. We obviously want to ensure that they have an opportunity to make many times, many times what they were making when they were on welfare and we believe that if we can put into place President Bush's program for economic

growth, we can get this economy going so that we can take this number that we have today which was at one point 12 million and because of the success of welfare reform has dropped down to 5 million; and we can, I believe, bring that number even lower.

People talk about compassionate government and the fact that we need, as we look at legislation like this, to demonstrate compassion. And I would remind my colleagues of something that is oft said and that is the level of compassion of the government should not be based on the number of people who are on welfare, but instead on the number of people who do not need to be on welfare. And that is really what we are trying to do with this legislation; and I hope very much that we can move ahead, pass this rule, make sure that we consider these substitutes, which I believe are very well intentioned but need to be defeated, and then pass this very important legislation that the gentlewoman from Ohio (Ms. PRYCE) has offered to us.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, this Congress is starting off on the wrong foot. Welfare reauthorization reform is an important issue. It affects the lives of millions of people, and it deserves thoughtful and careful deliberation. Unfortunately, Mr. Speaker, the majority does not agree. The course of those millions of lives will now be determined by a handful of Republican leaders and their staffers, nobody else. That is just wrong and it is not how a democratic body is supposed to function. Welfare reauthorization is important, but the legislative process is important too. And it should not be simply tossed away like yesterday's newspaper.

In addition to trying to finish last year's work today halfway through February, this body is now abandoning the committee system that has served this House for over 200 years. Sure the majority has allowed for two substitutes, and I suppose we should be very grateful; but let me remind my colleagues that this bill was referred to five committees. How many of those committees held a hearing on this bill in the 108th Congress? Zero. How many of those committees marked up this bill? Zero. Over 50 new Members of this body, Republican and Democrat, were denied the opportunity to shape this debate. Do their views not matter? Do we not want their input and their expertise? Could we not have scheduled hearings and markups during these last few weeks when our own schedule here in this Congress has been virtually nonexistent? And I should also add, Mr. Speaker, that the omnibus appropriations bill that we are going to deal with later today includes language that will extend the current welfare program until September of this year. I believe that that gives us ample time to do this right, to let the committees work their will.

Mr. Speaker, the chairman of the Committee on Education and the Workforce testified on this bill yesterday before the Committee on Rules, and in the process he said that he is a fan of the committee system. It is too bad his leadership does not agree with him. Mr. Speaker, I want to say to my colleagues on the other side of the aisle that the committee work matters, that Members who serve in this House matter, that the people of this country matter, and this is not the way for us to do the people's business.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank my good friend from Rochester for yielding me time.

I looked into the CONGRESSIONAL RECORD, and we have now made it a part of the democratic views, the CONGRESSIONAL RECORD in March of 1993, and the following remarks appeared there, Mr. Speaker:

> Every time we deny an open amendment process on an important piece of legislation, we are disenfranchising the people and their representatives from the legislative process. The people and their representatives are not even being treated as second class citizens. They might as well not be citizens at all given how little impact they have on shaping legislation in the House. If that is not undemocratic, I would like to know what is. In other words, Mr. Speaker, the further you and your leadership stray from the regular order around here, the more you are insulting a new order which is not democracy by any definition. The people are sick and tired of this political gamesmanship. They want back their own House, and they want it to be open and democratic, not closed and dictatorial.

Those were the words of the former chairman of the Committee on Rules, a good friend of mine that I traveled the world with, Gerald Solomon; and they were true in 1993, and they are true today as we consider H.R. 4. This bill is opposed by Children's Defense Fund, the Leadership Conference on Civil Rights, and the National Council of Churches. And for good reason. It does very little to address the two primary purposes of welfare, to help those who need help and to provide opportunities to move out of poverty.

Although a number of items in this bill concern me, there are two key aspects that demonstrate its fundamental failure. First, the narrow definition of work activities. H.R. 4 does not include educational programs and training activities. This bill restricts the States from providing education and training opportunities to welfare recipients and does not allow them to count vocational education as a work activity. I believe that any educational opportunities, vocational training, internships, ESL, GED, and even basic literacy courses are the keys to success. The only way to get out of poverty and achieve permanent self-sufficiency is through education and training. When we place people in deadend jobs and fail to give them any opportunities for advancement, we have simply placed them in a dead end.

The second aspect of this bill that concerns me is one that severely impacts my State of Florida as well as California, Texas, and New York. These are the four States with the highest populations of both legal and illegal immigrants. H.R. 4 discriminates against legal immigrants by denying them Federal assistance even if they have been living in this country for a number of years. Both the National Governors Association and the National Conference of State Legislators have recommended that States be given the option to use Federal funds to serve legal immigrants; but under H.R. 4, legal immigrants must be living in this country for 5 years before they are eligible for Federal aid. Even more distressing is the fact that many of those affected by this discrimination are children who were born in the United States and are, in fact, United States citizens.

We have always been very quick as a Nation to judge other cultures as advanced or civilized, and now the time has come to judge ourselves. The measure of how advanced and civilized we are is not in the number of Blackberrys, CDs and DVDs, SUVs, and laptops we possess per capita. The true measure of how advanced and civilized we are is the manner in which we care for the most vulnerable members of our society.

I urge our colleagues to vote against this measure and vote for Cardin and Kucinich.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, I want to, though this is the debate on the rule, emphasize the difference here. It is too bad no effort was made in subcommittee or full committee this time around to try to forge a bridge over these differences.

What are the differences? It is not the value of work. It is not the linkage of welfare to work. No. The difference is whether the emphasis in the Republican bill will be as, to people who are remaining on welfare, they work, or getting people off of welfare into work. And the difference is whether people working should remain in poverty or whether it should be an emphasis on people working out of poverty. And this is a major difference; and it is seen, for example, in the way the Republicans give credit to the States against the required participation rate because of caseload reduction instead of people moving into employment.

It also is shown in terms of the reduction in flexibility for the States to use vocational ed and other techniques,

other approaches, so that people move out of poverty into true independence. And here is the reason the challenge matters so much. We do not have the exact data, but a huge proportion of people who have moved off of welfare into work remain in poverty. The average for people who have moved off of welfare into work is $2,500 a quarter or $10,000 a year. It is also shown in the lack of child care money in the Republican bill, also in the lack of adequate health care. So these are important differences.

So this is not a battle of 1995 and 1996. We worked, a number of us, very hard to craft a welfare bill that paid adequate attention to health care and to day care, though it had other problems remaining in it. No. This is a question of where we go from here and whether we are going to tailor a system that gives the States the flexibility, the inducement, and the mothers the opportunity to move from welfare to work, out of poverty into true independence. That is the difference.

So I am proud to be supporting the Cardin bill, and I hope that all the Democrats will vote for it; and I regret that the Republicans made no effort at all to see if we could put this together in this year.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

□ 1045

Mr. WYNN. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I rise in opposition to this rule, not because it allows us two amendments on the Democratic side or two substitutes, but because it supports a bill which fundamentally perverts the congressional processes.

There have been no hearings on this bill. New Members who came in this session did not get an opportunity to hear testimony, raise questions or make amendments. That is not the way the congressional process, the democratic process, is supposed to work. For that reason alone, we should reject this bill.

But let me go further. Just yesterday, a janitor in this building stopped me and asked me if I could help him find a job for his 40-year-old girlfriend. She worked as a pharmacist's assistant and cashier, and jobs are scarce. I am not sure if my colleagues on the Republican side understand that.

The question used to be ''Where is the beef?'' I think the question today ought to be ''Where is the compassion?''

This bill will result in putting people out of work, putting people on the street who used to be on welfare. This bill will put burdens on States, $8 to $11 billion more mandated to the States, without a single dollar of help from the Federal Government. Where is the compassion?

Critically, on the subject of compassion, this bill ignores the problem of child care. People want to go to work. That lady wanted to go to work. But is there child care funding? No. Right now there are 15 million eligible children for which the States cannot pay child care. That is one of the fundamental flaws of this bill. Add to that the fact we are asking mothers to work more hours, and you see why this is a major problem.

If one looks further, one will find that the bill limits education and vocational training. People want to go to work, they want to get good jobs, but they need training. My colleagues, unfortunately, do not see that as compassion. It seems to me we ought to have a bill that maximizes rather than minimizes training opportunities.

Finally, we have legal immigrants, immigrants who pay taxes. They are not allowed to benefit under this bill.

This is a misbegotten bill. It ought to be returned to committee. We ought to reject this rule and reject, more importantly, the underlying bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume just to respond briefly, because child care is very important to me too. I think it is probably one of the most important pieces of this legislation.

This bill gives the governors in every State the ability to shift more of the TANF funding into child care. We not only put an additional $2 billion more into child care, we allow the governors to take the TANF funds and spend from 30 percent, which is the maximum allowed now, to now 50 percent of the TANF funds can shift into child care.

So it is very important that this body understands the funds are there, and it is within the purview of the governors to allow it to be spent for child care. I think that that extra flexibility is very important, and we are happy to have provided that.

Mr. WYNN. Mr. Speaker, will the gentlewoman yield?

Ms. PRYCE of Ohio. I yield to the gentleman from Maryland.

Mr. WYNN. Mr. Speaker, the point I was making is that our welfare rolls are increasing because people are out of work, which means the States will have more people to fund; and the bill does not provide substantial increases in funding to the States. You are asking them to basically take out of their existing TANF money to provide for more people. That does not seem to make sense.

I reiterate, 15 million eligible children are not being funded.

Ms. PRYCE of Ohio. Mr. Speaker, reclaiming my time, the governors will be allowed to use the funds that the Federal Government is giving them to provide for child care, and that is a good thing.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I think this legislation is, which is the reason why I rise to oppose the rule, ''my way or the highway.''

Consultation is the way of this Congress. In determining my position on welfare reform, I went to the constituents of my district who are facing drastic conditions, high unemployment and great need.

I listened to my distinguished friend explain the Republican bill, and simply my response to that is, it gives the governors the right to borrow from Peter to pay Paul. When they borrow to get child care money, what it will do is undermine the needs of your people elsewhere and those in dire poverty.

Let me share with you my concern as to whether any Texan can vote for the Republican bill, because Texas is number one in the percentage of uninsured children, we are number 50 as it relates to children who are fully immunized, and we are number nine in States with a population under 18 living in poverty. So this bill does not respond to the needs, if you will, of those living in poverty in the State of Texas.

The Republican bill provides less money for training, no focus on helping families move up the economic ladder, and frankly, there is not enough money for child care. If you talk to single parents, or parents in general, living in poverty or unemployed or trying to get training or work, they tell you that there is no money for child care.

As we look to homeland security, which is very important, we should not abandon home security. It certainly is an outrage that we would send young men and women off to fight our battles for justice and humanity and democracy who are legal immigrants, but yet their families back home are living in poverty because we insist that they be in this country for 5 years. Why is it not important that they are legal immigrants and that they require the same dignity as anyone else?

I would simply say then that we have a crisis. People are starving, are unemployed, children are going hungry as they go to school, and young mothers who are teenage mothers are living without parenting skills and without training skills. An amendment that I offered did not get in place to be able to help train them.

I would simply say that we have a crisis, and for those who are scoring this, I am going to be voting for the Democratic substitute and the Kucinich amendment, because I am going to stand with the poor people of America as opposed to worrying about the scorers, who do not care anything about the human needs of people living in this Nation and around the world.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I am not going to talk about the bill. I am going to talk about

the process, because that is what is really wrong with what happened here.

When we organized the Committee on Ways and Means, I asked the chairman in open committee whether we would have hearings on this bill. The chairman said that is what he wanted. But it is pretty clear that this House is being run by a politburo run by the gentleman from Texas (Mr. DELAY).

The gentleman from Texas (Mr. DELAY) obviously told the chairman of the Committee on Ways and Means, which is supposed to be the most powerful committee in Congress, you cannot have hearings on this; we are dealing with this on the floor without any discussion, no debates.

Now, if this were a good rule and you made it an open rule and let us put any amendments forward we wanted to, if we could have the debate out here in public, that would be okay. But you closed that off, as well as having any kind of public discussion in the committee system.

Now, this Congress, I am sure, is going to do more and more of that, because it is clear what you are trying to do is run stuff through here so quickly that we will be out of town when some war begins, and there will not be any Members of Congress around here. You will have done all the business, you will not have any hearings anyplace, and you will simply pass the legislation over to the Senate and go home. That is a travesty on the process that has been in place in this country for 200 years.

This is not a minor little bill. This is not ''shall we name the post office in Oologah, Oklahoma, after Will Rogers?'' This is about what we do with the poor people of this country. And for Members elected not to have an opportunity to debate amendments and discuss the issue, I know what they are going to say when we get out here with the regular bill; they are going to say we did it last year.

Listen, things have continued down the drain. We have got higher and higher unemployment, and more and more of us are facing problems in State legislatures that cannot respond to this.

The President has made no proposal to deal with the problems of the States in dealing with people who are on welfare, who are in trouble, kids. The President says, ''Leave no child behind.'' Well, I guess he means they can go to school on an empty stomach. That is okay with him. Okay, that is good. But why not have a kid with a stomach with some food in it so he can pay attention to the books?

But if we had this debate and we had all these amendments put out here and we argued about whether you could actually get 30 hours of work, or should you count training or whatever, all those issues would then make it very clear what you are doing to poor people. You do not care whether they have a livable wage; just shove them off the rolls and leave them out there. And when we start to get the kids, we are going to get the kids from the programs in every State that deal with child abuse. People are going to say, these parents are not taking care of these children. We have to take those children away from them.

It will be created by a bill that never had a hearing. Shame on the Republican leadership.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response, the fact that this bill did not go through the committee process is totally unfounded. This bill was vetted and there were hearings held and there were committee markups, both in the House and the Senate. There were task forces. There was so much work done on this bill, and it took so long; we passed it with bipartisan, very wide bipartisan support, and we sent it to the other body. There was no action at that time.

Mr. Speaker, we cannot afford to waste that amount of time again. We have to get this done. It has already expired. We need to reauthorize the welfare reform provisions and improve upon them. So much success has happened, we need to continue the momentum and allow the families, the children, the men and women, to rise out of poverty, give them the tools that they need; and that is exactly what this bill does.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response to my good friend from Ohio, the author of this bill, I cannot imagine any legislature in the country saying we are not going to put this through the committee system this year because we talked about it last year.

Times have changed tremendously since last year. Unemployment rolls have risen, people are being thrown out of work on a daily basis. In my district, I am told that even temporary jobs are almost impossible to find. But that is only one portion of it. Many, many parts of this bill needed to be debated again this year in light of the new realities.

I agree with my colleagues who spoke before me: It is a shame and it is a blot on this Congress that we would bring a bill of this magnitude, affecting the lives of so many Americans, without going through a single one of the five committees that had jurisdiction over it.

I hope this is not a symbol of things to come. If it is, then the legislature has declared itself to be unnecessary. I cannot imagine much that will come up here this year that we probably did not discuss in years past.

Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, I ask my colleagues just to look back at the welfare reforms of 1996 and to remind them how far we have come, how far the poverty-stricken people in this Nation have come.

Today, we will find children and families in every one of our districts better off now than they were 7 years ago. We have reduced the welfare rolls. They continue to drop even in these tough times. Our welfare rolls are continuing to drop, even as unemployment may rise.

H.R. 4 builds on these efforts to further protect our children, to strengthen our families, to increase States' flexibility, and to continue the decline in poverty.

Mr. Speaker, it has often been said that the best social program is a job. This legislation provides the needed tools for them to move from welfare to work. There is no reason to stall any longer. This bill has expired. We cannot let it go any longer. We need to pass this rule today, we need to pass this bill today. Stall tactics are over.

Today is the day. We have a very important thing to do for this country, and we should get on with it. I urge my colleagues to support this rule and the underlying legislation.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Ms. PRYCE of Ohio). Pursuant to House Resolution 69 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4.

□ 1059

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4) to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes, with Mr. SIMPSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. THOMAS) and the gentleman from Michigan (Mr. LEVIN) each will control 25 minutes; the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes; and the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Ohio (Mr. BROWN) each will control 15 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

□ 1100

Mr. THOMAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before 1996, welfare recipients were trapped, trapped in a welfare system for an average of 13 years. The welfare program actually discouraged work, amazingly enough, and caseloads climbed, peaking at 14 million individuals in 5 million families.

In 1996, reform law turned the welfare program in the right direction, in the work direction. Recipients now are benefiting from increased work, education, training, larger incomes, reduced child poverty, and greater self-reliance, which probably is the most important benefit from the new program. Welfare caseloads are down more than 50 percent since that historic 1996, and the caseloads continue to decline even in a recession structure.

Some of my colleagues might remember the dire predictions of reform opponents in 1996 who predicted that the law, in their words, would cast 1 million more children into poverty. I am glad to report they were wrong. Nearly 3 million children have been lifted from poverty since 1996 in key groups, such as children raised in single-mother households and African American children, who are seeing poverty fall to record-low levels.

Now, obviously, we need to continue on these successes, and that is why H.R. 4 is before us today. Our priority is to help more people successfully transition to work in order to know the dignity of collecting a paycheck instead of a welfare check. Now, more than ever, work is the only permanent path out of poverty.

Mr. Chairman, I reserve the balance of my time.

Mr. LEVIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the real issue before us is where we go from here. We can analyze where we were in 1995 and 1996. Many of us worked hard to bring about a welfare reform that linked welfare-to-work and provided child care and also provided health care. After those ingredients were placed into the bill, and it was a struggle, many of us voted for the welfare reform bill, despite serious inadequacies, especially as to legal immigrants and as to food stamps.

Where do we go from here? It is said a paycheck is dignity. Yes, a paycheck that provides people with a living wage and that moves them out of poverty is the true ticket of dignity. The problem with the bill that has been brought before us, and there are many procedural issues that have been raised, such as the failure to go through the committee process in this session; but the problem is that the emphasis in the Republican bill is not moving people off of welfare into productive work, but two problems: emphasizing those who are on welfare working, rather than moving people from welfare to work and people moving from welfare to work, though they remain in poverty. Those are the two flaws.

We can do much better. Our challenge now is whether people can move from welfare to work out of poverty and into true independence, and that is what the Cardin substitute does. That is what the Thomas bill or whatever it is called fails to do, and there has been no effort at all at any point before this session or during this session to try to bridge these differences.

The reason it is so important is because large numbers, we are not sure exactly the number, but this is clear: huge numbers of people who move from welfare to work remain in poverty. The majority earn $2,500 a quarter, $10,000 a year.

So the Republican bill fails in terms of accomplishing that goal of moving people out of poverty. So they tailor the bill so that the incentive to the States is not to get people into productive work, but to reduce caseloads no matter how it is done.

There are other problems with it. The flexibility of the States to help move people out of welfare into work and out of poverty has been reduced and their ability to use training education. There is inadequate day care money, and I want to emphasize this very briefly. There is an increase in the Republican bill, but it is discretionary money; and CBO has said it is $7.5 billion less than necessary to meet the new requirements in this bill.

We can do much, much better with State flexibility, with the right emphasis on not only welfare to work, but welfare to work that moves people out of poverty.

These differences are important distinctions. They are important differences that will lead to different results for mothers, for their children, and for our Nation; and this House is now forfeiting the chance if it passes the Republican bill to accomplish these results.

Mr. Chairman, I reserve the balance of my time.

Mr. THOMAS. Mr. Chairman, we are going to hear a number of claims; and I would like to present one that I believe is incontrovertible, and that is if people remain on welfare, they will remain in poverty.

Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. HERGER), the chairman of the Subcommittee on Human Resources of the Committee on Ways and Means; and I ask unanimous consent that he control the remainder of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. HERGER) will control the time of the gentleman from California (Mr. THOMAS).

Mr. HERGER. Mr. Chairman, I yield myself such time as I may consume.

This important legislation before us today, H.R. 4, the Personal Responsibility Work and Family Promotion Act of 2003, builds on the many successes of the historic 1996 welfare reform law. H.R. 4 will help even more people transition from welfare to work and know the dignity of collecting a paycheck instead of a welfare check.

As my colleagues may recall, before 1996 the Nation's welfare program actually encouraged dependence with recipients staying on the rolls for an average of 13 years. The program discouraged work, and caseloads reached record levels with some 5 million families and 14 million recipients dependent on benefits by 1994.

Since the 1996 changes, work has increased, incomes are higher, child poverty has been reduced, and families are more self-reliant. Welfare caseloads are down more than 50 percent and have continued to decline even over the past 2 years as unemployment rates have risen. Nearly 3 million children have been lifted from poverty, and poverty rates for African American children and families headed by single mothers have reached all-time lows.

We must continue to build on this record of success. We can do that by passing H.R. 4. This legislation fulfills the President's call to further improve the welfare system by encouraging even more welfare recipients to work. It would protect children and strengthen families by promoting healthy marriages, and it would allow States increased flexibility in operating their welfare programs.

The welfare program needs our immediate attention since it has been on life support since October 1 of 2002. Permanent reauthorization of this program is vitally important to States and the families and individuals this program serves.

I urge all Members to vote in support of H.R. 4.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I ask unanimous consent to control the time on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The gentleman from Maryland (Mr. CARDIN) will control the time of the gentleman from Michigan (Mr. LEVIN).

Mr. CARDIN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Chairman, my remarks should not be taken as any kind of a statement about the Committee on Ways and Means, because we had nothing to do with this. But I remember the verse in the Bible where they were asking Christ how you would know if you were really a good Christian, and he said, well, it is how you take care of the least of these, meaning the poor people and the sick and all of the rest. This bill is an absolute travesty. Nobody wants to talk about it.

Now, let me tell my colleagues what Republicans say. Mark Schweiker, the

former Republican Governor of Pennsylvania said, ''Meeting the work requirements in the House bill would require us to dismantle much of our time-tested and effective welfare program and replace it with costly programs with little utility. These changes, including significant new child care costs, would cost the taxpayers of Pennsylvania more than $300 million.'' That is a Republican Governor talking.

Or we could take the Republican Senate chairman in Iowa. Her name is Mary Cramer. She said, ''We are concerned that the proposals such as the legislation passed by the House will restrict Iowa's successful efforts to provide training to welfare recipients and meet the needs of local businesses. We urge you not to take a step backwards and further restrict education and training options.''

I could go on like this. Anybody outside the Beltway, outside of the office of the gentleman from Texas (Mr. DELAY), knows that this bill is not going to make it better; it is going to make it worse.

Now, I have a whole long list of things. The GOP will say today that welfare reform has been a great success. If that is, why have 41 out of the 47 States said, the Republican plan would force fundamental change in their current welfare program? Why are we changing it if it is not broken? What is the point? The point is to squeeze poor people.

We heard earlier that child poverty has fallen dramatically because of welfare reform. No, that is not what everyone else who is an economist says. It is a good economy, and it has been the earned income tax credit, and we still are forcing families, with a family of three living on $2,500 a quarter. Now, that is 70 percent of the Federal poverty line. We call that success? That is what we are being led to believe out here, that we have a success and we ought to squeeze them more. They got too much. That family of three with $10,000 for a year ought to be squeezed some more.

We will also hear, and we did hear, that this bill gives more flexibility because we allow States to define 16 of the 40 required work hours in the bill. This bill increases the current law direct-work requirement from 20 to 24 hours and eliminates job search. Looking for a job does not count anymore; you only get credit for working. So if you have a job making $6 an hour and you spend a little bit of time out looking for a job, you do not get any credit whatsoever for that.

The CBO estimates that the paperwork involved in this is going to be a cost of $6.2 billion over the next 5 years. So we will pay for $6.2 billion worth of paperwork; but we will not think about the people, because we need to pass the committee, we need to get it right out here and get it passed because TANF expired on March 31. What they did not say when they came out on the floor was, the Senate Republicans included a 6-month extension of the current law through September 30 in the Omnibus Appropriation Act we are about to take on.

Now, that extension is supported by the National Governors Conference, so Republican legislators are going out and sticking their thumb in the eye of Republican Governors.

□ 1115

Now, if the House negotiators would withdraw their objections to that extension, we would have plenty of time for thoughtful consideration of their program. We would have the next 6 months to think about it. The thing I really like best is, we had plenty of debate last year so we do not need to debate it this year, as though, if you discussed it in 1941, it is good enough; we do not need to discuss it again, right?

Well, do things change? Did we have a new Congress elected in November? We have got new people here. Some of these people have never, ever considered these issues, a lot of them. There has been no public debate whatsoever, and we passed last year's bill on a party line vote, and no attempt was made to work it out with the minority then. This is more of the same. This is just rubber-stamping George Bush's proposals, and the gentleman from Texas (Mr. DELAY) leads the politburo, and he keeps sending things up here.

Mr. HERGER. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, just to respond, it is important that we move now. We had more than 20 hearings on this legislation last year. The legislation actually expired September 30 of 2002. We are now 6 months on life support.

The gentleman from Washington (Mr. MCDERMOTT) mentioned that the reason the welfare rolls have dropped is because of prosperity. I would remind the gentleman that we are in a recession now. And even though we are in a recession, the welfare rolls, even since 2000, have dropped some 7 percent.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. STARK), one of the distinguished members of the Committee on Ways and Means.

Mr. STARK. Mr. Chairman, I rise in strong opposition to this so-called Personal Responsibility, Work and Family Promotion Act. It is sort of an anti-Christian, egalitarian, rich-folks welfare bill. They are going to pay for the tax cut by impacting the least powerful people in our community.

In 1964, Lyndon Johnson declared a war against poverty. Well, today my Republican colleagues and the President have declared a war against the poor and against all successful social programs in this country. My Republican colleagues in the House, led by President Bush, want to gut the poverty programs. The Republicans propose to privatize Medicaid, destroy Head Start, eliminate housing subsidies for the poor and make it impossible for low-income families to get the earned income tax credit.

But the real hotshots in the Republican Party have dreamed this one up. Not only will they make it difficult for adults. You know, Ronald Reagan created their welfare cheat years ago in his mind, when it was still working, and he had an African American woman in a white ermine cape in an El Dorado Cadillac. And my friend from California has heard this story time and time again. Now the Republicans have come up with a new welfare cheat. It is a little kid in second grade. I have one. Let me show you a picture. Here is one. It is my son. He is in second grade.

Now, he does not get subsidized lunches at school, Mr. Chairman, but you know what the Republicans will do, they will wait until these kids get in the cafeteria line for their subsidized lunch, and they will say, Sonny, go home and get a tax return from your parents, because we are kicking you out of the school lunch program.

That is how they will save money to do away with the inheritance tax. They will beat up on little children and call them welfare cheats.

It is that kind of arrogant, obscene statement in programs that will impact the poor and the helpless in our country. And this TANF legislation is the first legislation in the program to reduce the impoverished in our country to begging.

For example, there is no job training after the first 24 hours out of 40 hours of work. There is a requirement that traps poor people in welfare or in poverty. In Alabama, Oregon, Louisiana, Mississippi, Wyoming and Texas, anyone who works 24 hours a week at minimum wage would be ineligible for any welfare programs at all.

Right now, three out of four families in our country are eligible for child care under State rules, but they cannot get it. That is why both of our Democratic alternatives provide substantial increase in child care funding over the next 5 years.

Finally, and here is perhaps the most arrogant of all, the Republicans, who consider themselves experts in family law and marriage, waste $300 million to promote a marriage program inspired by their blind allegiance to the Holy Rollers of the Christian right. These arrogant Republicans are suggesting we take this money and train people to get married. Now with 60 percent of the women on welfare having at one point been victims of domestic violence, the Republican agenda that coerced poor people into marriage virtually guarantees tragic consequences across our country.

Marriage programs completely ignore the real barriers that prevent many from pulling themselves out of poverty. If you want to truly motivate healthy marriages, then they would support both Democratic bills, because we address the underlying causes of

marital instability, which in most cases is poverty.

The Democratic bills make poverty reduction an explicit goal of welfare. It gives States the tools to help families move from welfare to work and it provides State financial incentive to reduce child poverty, not kick children off the school lunch program and let them starve. It lets them live in stable families, have families that have the income and the support for decent healthy, progressive lives in this country.

I urge Members to oppose H.R. 4 and support both Democratic alternatives.

Mr. HERGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to remind my good friend from California, who is talking about Christian programs and how much poverty is affected by our current welfare bill and the new one, our own State of California poverty rates by the latest Census have gone down since the 1996 bill by 1,031,000.

Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. EMANUEL), a first-term Member of this body, but a person who is very experienced in developing domestic policy.

Mr. EMANUEL. Mr. Chairman, I would like to thank the gentleman from Maryland (Mr. CARDIN) for yielding me time.

Mr. Chairman, I rise today in opposition to H.R. 4 and in support of the substitute amendment. For 20 years an unwritten agreement regarding the old welfare system existed between conservatives and liberals. Conservatives refused to devote more money to the program. Liberals refused to demand anything of recipients. We have lost two generations of Americans to that failed system of dependency.

I was proud to be part of the strong bipartisan welfare reform that the White House and the Congress enacted in 1996. The 1996 reforms were a bold experiment that broke from the past with a new approach that grounded the welfare system in the values of work and responsibility.

Enrollment has plunged by more than 50 percent since 1996. Eight million people left poverty in the 1990s. Teen pregnancy dropped by more than 20 percent and child support collections doubled. We are moving in the right direction because we were true to our common values.

The most important thing that we have accomplished with welfare reform has been to connect a generation of children to the culture of work. Most of us in this room grew up watching our parents go to work. We internalized the value of work, and now we are passing those values on to our own children. Today, millions of children who would otherwise have grown up in a home where work was an alien concept are being raised in a home where they are learning the routine of work.

I know that there are good people on both sides of this aisle with good values who have seen reforms we created improve the lives of folks back home. To those in this Congress with whom I worked in 1996, let us not walk away from what we have accomplished. We have a future obligation not to let bad politics undo our good work.

I am confident, I am extremely confident, there will be no shortage of partisan fights this session, tax cuts, the deficits, prescription drugs. To give up on proven success to engage in another unnecessary partisan fight is wrong.

Mr. Chairman, welfare reform is about demanding responsibility and encouraging work. Over the past 6 years we as a Nation have benefited from our willingness to move beyond the old politics. This legislation represents a return to the failed policies of the past. It is not compassionate nor is it conservative. It undermines our common values as Americans.

Mr. CARDIN. Mr. Chairman, how much time remains?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Maryland (Mr. CARDIN) has 7½ minutes remaining. The gentleman from California has 19½ minutes remaining.

Mr. HERGER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. SHAW), the original chairman of the committee that put out the 1996 welfare reform.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I think one of the things, and when you listen to some of the debate on the floor by a couple of speakers that I had a chance to watch from my office, you see some bitterness and some hatred trying to be painted onto this system of welfare reform.

We had worked on welfare reform prior to 1996 for several years. We worked hard and long and we did it with compassion. We were faced with a system that was broken, badly broken. And unfortunately, in this broken system, we were breaking people. They were losing their spirit, their inner souls, their drive, what makes people try to do better and to become role models for their kids, actually paying people not to work, paying people to have kids and not to get married.

And guess what? That failed, broken system encouraged that type of behavior. And the welfare rolls grew and they grew and they grew in time of prosperity as well as time of recession.

But then in 1996 after two failed attempts and two vetoes by the Clinton administration, on August 22, 1996, the welfare reform bill was signed into law and there were Democrats and Republicans at the signing ceremony. There were Democrats and Republicans that ended up voting for this welfare reform. And this was after a debate that was punctuated by predictions of kids sleeping on grates.

And what have we accomplished with this? We have cut our welfare rolls by over 50 percent. Even today, we do not see any great rise in welfare reform even as the jobless rates began to rise as of a couple of years ago. This is a wonderful success. And I say, it was done with great compassion.

We were concerned about what happens to the kids. We have provided child care.

We were worried about how the medical expenses were going to be paid. We have provided continuation of Medicaid.

We are worried about how the training for jobs was going to go forward. We have provided job training. The States have done a wonderful job in not only training people so that they can have jobs, but in also teaching them how to take interviews, how you dress, how you shake hands.

□ 1130

Why is all this necessary? It is necessary because the people that were on welfare, that had to come off of welfare were victims of welfare, and they did not know any difference; but they were good people, and we believed in the human spirit, and we were not disappointed.

Now who were these people that got out and who are the real champions of welfare reform? Oh, I hear everybody taking credit for it, but the real heroes were mostly single moms who, after they realized that there was something outside of a life of welfare and dependence, could make something out of themselves, could take control of their lives and could become role models for their kids.

I think that day in 1996 when we passed in this House welfare reform after hearing a speech by the President in which he said right before the vote that he would sign the bill, I think that is one of the proudest moments in the history of this House of Representatives. Now I think it is time to go a little further.

There are those, because of the reduction in the welfare rolls, who would like to decrease the funding. We are getting down now to some hard-core unemployed people. I think 58 percent of the people receiving benefits now are not working, and we need to give that extra little push, but I think we need to continue to do it with compassion.

We need the flexibility that this bill has for child care. We have got to be sure these kids are not in the street. We have got a responsibility, and that responsibility has grown out of a failed welfare program that existed for decades in this country prior to 1996.

Mr. CARDIN. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Chairman, I thank the gentleman for yielding. I would just like to say to the gentleman, I compliment the gentleman for the role he played in 1996. I think our side is trying to protect the product that my colleagues developed in 1996.

This bill that is before us dramatically alters it. The gentleman is right, it was a great success. Why are we now being so prescriptive at the national level?

Mr. SHAW. Mr. Chairman, to answer the gentleman, there are increases in the work requirements. We have gotten to a plateau where the original intent of the welfare reform is not being fully implemented, and I think this is a good corrective measure.

Mr. HERGER. Mr. Chairman, I yield three minutes to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Chairman, I rise today in support of H.R. 4, the Personal Responsibility, Work and Family Promotion Act of 2003; and I support this important measure because it will remodel and improve the welfare reform legislation that has already helped millions of people off the welfare rolls, improved child well-being, lifted millions more out of poverty, and boosted personal incomes and improved the quality of life.

Take, for example, a family from my district in northwest Florida. James and his wife and their 2-year-old son had to relocate to DeFuniak Springs at a time when there were few job prospects in that community. In November of 2001, James and his family had to apply for cash assistance to meet their needs.

The couple agreed that James would participate in the Welfare Transition Program; and during the 2-week employment preparation program, he learned that he had an aptitude for the medical field.

Upon completion, he entered a community service work site at the Council on Aging; and during this service assignment, he demonstrated not only an aptitude but also the initiative to seek training and further experience. He qualified for financial assistance for training through the Workforce Innovation Act and completed training as a CNA through Walton County Vocational Tech.

Through his eagerness to learn, James was able to secure a paid position with the Council on Aging; and last February, he was hired to a full-time position with benefits and is no longer receiving cash assistance.

Mr. Chairman, this is just one of the many examples of how hard work, personal ambition, and a system that puts faith in the individual can be successful. Even with accomplishments like this, we can do a whole lot more. Our welfare system is not perfect, and we must improve it by offering reforms that promote a life of self-sufficiency, dignity and hope.

I hope that my colleagues support these important principles and will support H.R. 4.

Mr. CARDIN. Mr. Chairman, it is now my pleasure to yield 3 minutes to the gentleman from Maryland (Mr. HOYER), the distinguished whip on the Democratic side.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding me the time, and I thank him for his leadership.

Mr. Chairman, today the self-proclaimed compassionate conservatives dropped their guard and a little bit of a charade, in my opinion.

This hard-hearted welfare reform bill literally mocks the increasing number of Americans who are struggling to make ends meet, and it forces cash-strapped States to swallow a huge unfunded mandate. This bill barks, Get a job, but it turns a blind eye to the most obvious question facing any job seeker today: Where?

When Democrats and Republicans came together in 1996 and pursuant to President Clinton's campaign in 1992 when he said he wanted to see welfare end as we knew it, we came together in a bipartisan fashion; and he signed that bill, ending welfare as we knew it. This Nation was enjoying the longest peacetime expansion of our economy in 50 years. Twenty-two million new jobs were created during the '90s.

I voted for the welfare reform 7 years ago because I strongly support the principle that a person has to earn what they receive, and if they receive assistance, they have a responsibility to pursue the ability to work and support themselves and their children; but oh, how circumstances have changed, Mr. Chairman.

Today our economy is stagnating. It is in the worst hiring slump in nearly 20 years. More than 8 million jobless Americans are looking for work, and more than 2 million jobs have been lost since President Bush took office. Yet this GOP bill blithely ignores reality.

It would impose unrealistic work requirements on recipients, even forcing mothers with children under the age of 6 to double the number of hours they are required to work each week to 40. At the same time, it utterly fails to provide the funding that is needed to back up these new work requirements. Where was the passion to get away from unfunded mandates that I heard so much about in the early '90s before the Republicans took control?

The bill passes the buck to the States, which will be forced to spend an estimated $11 billion over the next 5 years to implement the new rules. How do we expect the States to pay for this unfunded mandate? They were forced to address a $49 billion budget shortfall in fiscal 2003, and according to the National Conference of State Legislatures face a minimum $68.5 billion shortfall in 2004.

Mr. Chairman, on its own merits this bill is bad enough; but when considered in the context of the failed economic policies of this administration, it is oblivious to the realities confronting our people and our States. The Republican proposal cracks down on the single mom who the gentleman from Florida, my good friend, referred to as a hero. This bill cracks down on that single mom who is trying her best to work and still take care of her kids. At the same time it supports a plan that would give the top 1 percent of America's taxpayers over a $25,000 tax cut. Where is the compassion in that? Where is the commitment to leave no child behind in that?

I urge my colleagues, Mr. Chairman, to vote for the Democratic substitute which increases work expectations but also assists the States in accomplishing that objective. It would impose tough, but fair, work requirements. It would increase mandatory funding for child care by $11 billion over 5 years. It speaks to the bipartisan agreement that we had, expecting work but also expecting us to help those who cannot find work, who cannot work.

Mr. HERGER. Mr. Chairman, I yield myself such time as I may consume.

I would like, just in response to the gentleman from Maryland, the CBO has indicated that there will not be any unfunded mandates. I have a letter in front of me. Because of the broad flexibility afforded States under the TANF program to structure the program and determine benefits, the new requirements of H.R. 4 would not be intergovernmental mandates.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. PORTMAN), a key player in welfare reform on the Committee on Ways and Means.

Mr. PORTMAN. Mr. Chairman, I thank the gentleman for yielding me the time, and I commend him for the legislation before us today which extends and builds on the very successful welfare legislation that this House passed back in 1996, truly one of the best pieces of legislation we have enacted during my time in Congress.

Amazing success. We have lifted 2.7 million children out of poverty through this welfare legislation over the last 7 years. We have reduced welfare caseloads by 60 percent. In my own State of Ohio, 267,000 people have left welfare and instead started working; and they are enjoying now the dignity and the self-respect that comes with work.

It is hard to argue with that success. I commend the gentleman from Maryland, the ranking member on the subcommittee, for his work with the gentleman from Florida (Mr. SHAW) and now with the gentleman from California on this legislation. I know he shares our same goals, but I would have to dispute what his colleague from Maryland just said about this being a hard-hearted reauthorization of welfare reform. Hardly hard-hearted.

The gentleman just made a very good point that there is no unfunded mandate, which was one of his points; and having been the author of the unfunded mandate act, I am glad we have gone through that process and determined there is flexibility here and it is not an unfunded mandate on States.

More importantly, there is $2 billion in additional funding in this legislation for child care, a huge commitment over the next 2 years to provide significant new resources even at a time when our

budgets are tight for something that is very important, which is transitional child care.

There are more taxpayer resources obviously going to these families who need help. Back in 1996, we were giving roughly $7,000 on average per family for welfare. Now, under this program that we will hopefully pass today, it would be $16,000 per family. That is a substantial increase.

The point was made that we are cutting the funds to the States. We are not. Despite a 60 percent reduction in caseloads, we are not reducing the funding to the States. We are keeping the same commitment on the block grant, plus we are adding, as I said, another $2 billion on child care.

These are the statistics, and it is hard to argue with them; and there has been a lot of success.

I want to talk about the personal stories just for a second. All of us have gone back home and talked to welfare moms who have taken advantage of the opportunities we have provided them over the last 6 years with this legislation.

I have had the opportunity to visit with a lot of those families but also some of our good agencies back home. One is called the Accountability and Credibility Together Center in Cincinnati, Ohio; it is called ACT. They have had remarkable success. They have worked with over 5,000 families in the greater Cincinnati area to move them from welfare to work; and guess what, only 200 of those families have gone back to public assistance. Incredible success story.

When I was there at the center recently, I have been there a couple of times, but a family was there. They had come in. Both the mom and dad were out of work. They were about to apply for public assistance and welfare. Instead, the center got them plugged into some educational opportunities, some job opportunities. Now this woman has gone back, she has gotten her GED. She is now in college, and her family is supporting her in that. The husband is working. Again, the dignity and the self-respect that comes from that having worked, being able to provide for a family is something that the statistics cannot tell. That is the great success story of welfare reform that this Congress passed back in 1996.

This is an important extension of that. It is a necessary reauthorization, but will encourage more work, will encourage healthier families, encourage more marriage. I think this is a good bill, and I hope we will pass it with bipartisan support.

Mr. CARDIN. Mr. Chairman, could I inquire as to the time division?

The CHAIRMAN. The gentleman from Maryland (Mr. CARDIN) has 4½ minutes remaining. The gentleman from California (Mr. HERGER) has 9 minutes remaining.

Mr. CARDIN. Mr. Chairman, I reserve the balance of my time.

Mr. HERGER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), another important member of our Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I may not need the whole 3 minutes, but I want very much to talk about this issue of work requirements because, first of all, all the studies show that welfare reform was most successful in the States with the most stringent work requirements. The University of Michigan studied this, certainly no bastion of conservatism. The study by the Manpower Demonstration Research Corporation also shows that programs that emphasize rapid entry into the workplace leads to more employment and higher earnings.

Now what does this bill that the President has proposed and the committee has disposed of and brought to this floor do about work? It does a very simple thing. It raises the number of hours a person must work from 20 to 24. That is 3 full work days, 8, 16, 24, three full work days, but it raises the work requirement to 40 hours. That is 5 days, but the other 16 hours, Tuesday and Thursday for example, could be used to take classes. The States can count that as work. They can count, in fact, under the bill, mental health treatment as work, substance abuse treatment as work, all those things that are necessary for the person to be able to succeed in a full-time job and to move up the career ladder in that job.

□ 1145

So what this requires of people on welfare is to think about their whole week and how are they going to use the time in that week to create their own future.

Work experience is, without question, a part of that. You need the experience, you need the recommendations, you need to be on site in a workplace to decide whether this is the line of work you want. If you work at a lower-level job in the insurance industry, you get a pretty good idea of whether those career ladders are interesting to you. You start out in a hospital or a nursing home, you get a pretty good idea of whether those career ladders are worth the extra training to work up them.

If you do not work, you are isolated from the real world and from what it takes to advance, what it takes in skill, what it takes in being able to work with a team, what it takes in personal discipline. So work is important. It does help us move forward.

But education, training, money management, a better understanding of career tracks, mental health, substance abuse treatment, all those things, including caring for your own child, can be counted as work.

You know what communities can do with this bill? They can hire skilled child development people to head up after-school programs for children, and then count as work the time that women spend, or welfare recipients, women and men, spend as assistants in those programs so that we can explode the after-school program opportunities for our kids. And that person's children can be in that program. So not only are you with your own children, but you are learning the child development information you need to be a better parent. Every parent needs this.

So this bill creates extraordinary opportunity for human growth and for personal growth. And without creating that opportunity, the promise of freedom is a false promise.

Mr. CARDIN. Mr. Chairman, I reserve the balance of my time.

Mr. HERGER. Mr. Chairman, do I have the right to close?

The CHAIRMAN. The gentleman from California (Mr. HERGER) has the right to close.

Mr. HERGER. Mr. Chairman, I reserve the balance of my time to close.

Mr. CARDIN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Chairman, with so much attention devoted to Iraq, money is now being diverted from quality child care as well. The Republicans' own Congressional Budget Office estimates that over the next 5 years, for every dollar that is required for child care and other associated costs of the goal of moving people from welfare to work, this Republican bill will provide one very thin dime. This leaves a gap, a ''window of vulnerability'' of 90 cents on that dollar.

In Texas alone, we will require $688 million that this bill is not providing to meet the needs of our children and to fulfill the work requirements of this legislation. It does not take satellite surveillance photos to see the irrefutable proof in our own neighborhoods that too many children will not have the child care or the child protective services that they need and will be left in neglect.

This is a ticking time bomb in our own country, not on the other side of the world, and it can be diffused by providing the essential dollars that even their estimators say will be required to ensure quality child care and to get people to work. Otherwise, these families already rowing hard against a severe current of trouble, are now told that they will be left without a paddle.

This Administration and its allies here in Congress are all too willing to raid Social Security and Medicare to build smart bombs, but what about smart kids and opportunities for them? The gap between this Administration and its Leave-No-Child-Behind policy and the reality of leaving scores of children behind is a scandal. Only in the sense that every child today will be forced to pay off the huge public debt have we left no child behind.

As my friend and State senator from Texas Eliot Shapleigh said, ''In a society that values tax breaks over kids, ultimately it is the kids, their education, our prosperity, and America's ability to compete that will pay the price.'' Inaction is not a solution. We cannot sit here doing so very little to

meet the needs of our next generation of Americans. What we need is a coalition of the willing, a coalition of the willing to vote ''yes'' on a meaningful Democratic alternative to ensure that our youth are given a chance to become productive members of society instead of a burden to America.

Mr. HERGER. Mr. Chairman, I yield myself such time as I may consume to respond to my friend from Texas that when we started welfare reform back in 1996, the average amount of money that was available for each family was slightly less than $7,000. Today, that amount, because we block granted it, the average amount that is available for each family today is about $16,000. More than double. Also in this bill we have $2 billion that is for additional child care.

And just to the State of the gentleman from Texas (Mr. DOGGETT), that will amount to some $370 million of additional child care, just for the State of Texas.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), a key member of our Subcommittee on Human Resources.

Mr. CAMP. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise today in support of H.R. 4, the Personal Responsibility, Work and Family Promotion Act of 2003.

Mr. Chairman, we have the opportunity and responsibility to build on the 1996 law, which many here helped write. The law we crafted has seen unparalleled success by almost every measure, yet our work is not done. I am proud that the main focus of this legislation has been on self-empowerment, work, and most importantly, strengthening family.

If we look at the fact that more parents are working today, we have a responsibility to ensure that parents have child care. This bill adds $2 billion over the next 5 years to the current record amounts for this purpose. In addition, this bill also provides the States new flexibility so that unused funds can be transferred over and used for child care needs of working families.

In total, the funds available today per family on welfare, as the chairman said, represent $16,000. That is double the $7,000 available for those purposes in 1996.

Many of us are not new to this issue. In addition to being one of the authors of the landmark 1996 welfare reform law, along with our current chairman, as well as the gentleman from Florida (Mr. SHAW), the chairman in 1996, I have held field hearings, sat with advisory panels, and spoken with constituents. The one common theme was proper access to child care, that that was an impediment on the road from welfare to work.

This bill meets the needs of the parents who have told me time and again that child care is one of the greatest challenges they face. Let us give support to these families who desperately want the choice to work.

Mr. Chairman, this is a good bill. It strengthens the landmark welfare reform bill Congress passed and President Clinton signed into law in 1996. Let us give our families the tools they need to ensure that parents can enter the workforce with peace of mind, knowing their children will be in a safe and constructive environment.

I urge support of this bill.

Mr. CARDIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this is a bad bill at the wrong time. I supported the 1996 welfare reform legislation. I thought it was the right thing to do. In 1996, we gave the States flexibility. This legislation takes it back. In 1996, we gave the States the resources they needed. This bill does not give them the dollars in order to do the job.

The legislation before us is remarkably different from the 1996 bill. That is why so many of our Nation's governors have said to us in a letter dated today that we will take a significant step backwards in reforming welfare. This is not the time to replace State flexibility with unfunded mandates.

My chairman says this is not an unfunded mandate. The Congressional Budget Office says it will cost $8 to $11 billion extra money for the States to comply with the requirements in this legislation. The Republican bill gives the States $1 billion more and $1 billion on a promise. That is an unfunded mandate. Maybe technically it is not, because you can transfer monies from other accounts.

Let me tell you a story of my own State of Maryland. Our States have record deficits. In 50 years they have not been this bad. We see that deficits are between $70 to $85 billion in our States. In Maryland, our governor is recommending a 23 percent reduction in child care because of the deficits. And what do we do? Mandate they spend more money by a prescriptive Federal law.

That is not what I voted for in 1996. I voted to give the States flexibility and the resources, and this legislation is taking it away. It is going to hurt our children, it is going to hurt our States, and it is wrong. We should have done better, and had we gone through a normal process, we would have had a chance to explore what happened during this past year, correct the mistakes in this body and not rely on a conference.

I urge my colleagues to reject this bill. We will offer an alternative, a substitute, later on in the debate so we can correct these mistakes.

Mr. Chairman, I yield back the balance of my time.

Mr. HERGER. Mr. Chairman, I yield myself the balance of my time.

Sometimes, when I listen to the debate on the other side, I wonder if we are talking about the same legislation. We are seeing in the area of child care some $2 billion more that is being placed into this legislation than was in the 1996 bill.

Again, since we keep hearing about unfunded mandates, I again have a letter in front of me from the Congressional Budget Office indicating that there are no unfunded State mandates.

But let us go over the incredible successes of the 1996 bill and where we go here in our new legislation. Child poverty has fallen since 1996 by nearly 3 million children who have been lifted up out of poverty. The black child poverty rate is now at a record low. More parents are working today than ever before in welfare. Employment by mothers most likely to go on welfare rose by 40 percent between 1995 and 2000. Dependents fell by unprecedented levels. Welfare caseloads fell by 9 million during this period of time, from 14 million recipients in 1994 to just 5 million today. Yet there is much that needs to be done.

Even though we have more people working than before, there are still 58 percent of recipients who are not working or who are not receiving training or who are not involved at all. Too many families are breaking up. It is tough enough to raise children with two parents, let alone just one. We still have 2 million families that remain dependent on welfare that we want to address.

What our new legislation would do is that we allow for more parents to be able to work and, therefore, be able to receive benefits. States will continue to receive the record Federal welfare and child care funds, despite since 1995, a nearly 60 percent reduction in rates. This means that average allotment per family will go from less than $7,000 in 1995 to some $16,000 today. And there are funds in here to help encourage and to help give counseling to encourage that every child has two parents at home. So we recognize this.

Again, of all the legislation that I have been involved with in 16 years, I feel this has been the most successful. And what we are doing in this current legislation, H.R. 4, is building on these incredible successes of the last 5 years and continuing them.

I urge the strong, overwhelming support of this body on H.R. 4.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

□ 1200

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the 1996 welfare reform law that we are reauthorizing today has been an unprecedented success, one of the most important pieces of social policy since the civil rights legislation of the 1960s. We transformed the welfare system from a permanent

entitlement system that tolerated government dependence to a temporary assistance program which helps people earn a new start, find a job and become self-sufficient.

Today, with the Personal Responsibility, Work and Family Promotion Act, we are prepared to build on that success. This bill marks the beginning of a second phase of reform that will help even more Americans find productive jobs.

The colleagues on the other side of the aisle may say, The system is working, why fix it? Why argue with success? Here is why. Welfare caseloads have fallen dramatically since 1966; but as this chart shows, some 58 percent of TANF recipients still are not working for benefits, according to the Department of Health and Human Services.

The bottom line is approximately 2 million families remain on welfare rolls today, and we need to do something about it. Over the last 2 years, the Committee on Education and the Workforce has held five hearings on the success of welfare reform and the new challenges that we face today. Last year our committee approved a bill introduced by the gentleman from California (Mr. MCKEON), the Working Toward Independence Act, which is now part of this overall bill which is before us today.

It strengthens work requirements to ensure that we move welfare recipients on the path to self-reliance. As Connecticut Governor John Rowland has said, ''The most compassionate way to break the cycle of poverty, dependency, and hopelessness is through work.''

The bill requires welfare recipients to participate in work activities 40 hours a week. But within these new requirements, there is significant flexibility for States and recipients themselves. Welfare families will have 16 hours a week to pursue education and job-training opportunities. They can also attend school full-time for up to 4 months over a 2-year period. This measure also increases the percentage of welfare families in each State that must be engaged in work-related activities, currently at 50 percent, moving to 70 percent by 2008.

Some have questioned whether States can meet these new requirements, suggesting that we are setting the bar too high. But I agree with what President Bush said, ''If it brings dignity into someone's life, it is not too high of a goal.'' And remember, the bill gives States 5 years to comply with the new work requirements.

The bill also includes significant funding increases for child care, boosting spending for the Child Care and Development Block Grant by $2 billion over the next 5 years.

In addition to this new money, it is important to remember that States have half the case loads that they had in 1996, which means that they have twice as much money available to spend on work programs, child care, transportation and other services that are necessary in order to help move people from a life of dependency toward the mainstream of American society.

H.R. 4 also incorporates key elements of President Bush's Good Start, Grow Smart plan to improve early childhood education. It encourage States to address the cognitive needs of young children so they are developmentally prepared to enter school.

Finally, the bill includes a promising new plan to empower States and localities to develop innovative solutions to help keep needy families working towards independence. It would give States and local agencies the opportunity to coordinate certain welfare and workforce development programs and improve their efficiency and their ability to help move people from welfare to work.

Mr. Chairman, in closing I would like to echo the sentiments of President Bush when he said that no level of despair should be acceptable in our society. With this bill we are going to help some of the most vulnerable members of our society to help them achieve independence and self-sufficiency, and I urge Members to support the bill.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Without objection, the gentlewoman from California (Ms. WOOLSEY) will control the time of the gentleman from California (Mr. GEORGE MILLER).

There was no objection.

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a Member of Congress who has actually been on welfare, let me tell Members, I know the pitfalls of H.R. 4. I know the pitfalls of the Republican welfare bill.

I also know what we have learned since we passed welfare reform in 1996. We learned that we have to make changes. We learned that we cannot send people to work and keep them in poverty forevermore. We learned that we have to do a better job in helping the families that need that safety net.

In this economy with fewer jobs and a greater waiting list for child care, we know that we have a lot of work to do because people are returning to welfare in this bad economy. But the most important thing that we learned from 1996 is that it is not so hard to get people off welfare, but it is very hard to get them out of poverty. So if we want to keep individuals off the welfare rolls, particularly in a weaker economy, the economy we have today under President Bush, we have to work very hard; otherwise we have failed because welfare moms, those who have moved from welfare, have moved into permanent poverty.

Today more than one-fifth of the families that have left welfare since 1996 have come back onto the rolls and 39 States have reported a greater caseload increase for the last quarter.

This country needs welfare that gives States the flexibility they need to get families out of poverty and into real work, work that pays a livable wage, work that a mother can sustain her family on.

H.R. 4 will push more low-income parents into low-paying workfare jobs while making it almost impossible for them to get a real education, the kind of education they need to get good jobs, jobs that will keep them off welfare forevermore.

While increasing the hours of work, the Republican bill does not provide the child care support that is necessary to sustain those families. We have a Democratic substitute. Our substitute enables States to give welfare recipients the support, the services they need so that they can go forward, become skilled, educated, and get jobs which will keep them off of welfare forever.

I am the perfect example of what a good education, child care resources, good health, and actually being a little bit assertive did not hurt at all, what a difference that makes to a family. I was on welfare for 3 years even though I was working. We cannot take those services away from moms if we expect them to be able to take care of their families now and into the future.

Mr. Chairman, I reserve the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), the chairman of the Subcommittee on Employer-Employee Relations.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I believe our welfare plan has worked. It has been shown to work, and the corrections that are in this plan make it work better. It is no surprise to the people of the Third Congressional District of Texas that because of the excellent services provided by the North Central Texas workforce, many leave welfare behind.

One example is a woman I will call Alice who found help through the Choices program in Allen. A single mother of two children, Alice went to the workforce center in Allen 5 months pregnant. She had never held a steady job. Having worked a month as a receptionist and 3 months as a waitress, she decided she needed a job to support her and her children.

The Choices program provided her with child care assistance and transportation assistance to seek employment. She worked with the employment services staff, and in time she found a job as a warehouse manager in Plano making $8.50 an hour. The job did not last because the company went broke and she lost it. That did not stop her. Within 2 weeks of losing her job, she found another working as a receptionist in Plano making $12.50 an hour.

Her employment counselor reports that Alice always showed determination and motivation to become self-sufficient so she can support her family. She still works full time and has even taken on a part-time job as a Mary Kay distributor. In December, she sent a

Christmas card to the people of the North Central Texas Workforce Center in Allen thanking them for their help. She is a shining example of the positive things that happen when people move from welfare to work. This welfare bill helps them immensely. Let us pass it today.

Ms. WOOLSEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Chairman, I rise in opposition to the Republican welfare bill, even though my colleague from Ohio is on the other side.

I keep hearing stories about Alice and Mary and Stephanie who have done well off of welfare. I would like to line up all of the Johns and Alices and Marys that I know who have not had success, who have gone from welfare to poverty, to show Members their children who are suffering as a result of the fact that their mom or dad cannot get child care in order to go to work.

It is an interesting discussion right now that we would talk about work for welfare recipients when in fact the people who have been working all along have no jobs, and we know the last person hired is going to be the first person fired.

Right now would have been the opportunity in these low economic times to take this bill back to committee and take into consideration the fact that the economy is not in as good a shape as it has been, and maybe we could have put some incentives into this bill to have employers hire welfare workers, and maybe that might have stimulated our economy a little bit.

We are in the worst economic times since World War II. Every city, every county, every State is laying off workers. I just read a story in the New York Times this morning about layoffs. So to say this is a great time to talk about moving from welfare to work is ridiculous, and it is ridiculous to have this discussion without taking into consideration the whole issue of the economy as it currently exists.

All we have to do is ask Governor Taft, a good friend of the gentleman from Ohio (Mr. BOEHNER), what trouble the State of Ohio is in right now. Even with the programs of Medicaid, even talking about taxing the poor for getting a manicure or getting a hairdo or for going to the movies. To say we are going to put them in jobs where they make $5.25 an hour and have to pay additional dollars for all of these things is just ludicrous.

I encourage Members to vote against this legislation because it does not do what it is intended to do.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. MCKEON), the chairman of the Subcommittee on 21st Century Competitiveness.

Mr. MCKEON. Mr. Chairman, I rise in strong support of H.R. 4, the Personal Responsibility, Work and Family Promotion Act. Six years ago, the Nation's welfare rolls bulged with more than 14 million individuals. Today the rolls have decreased significantly. In my home State of California, the welfare rolls decreased by more than one-half. More than 470,000 California families are free from the bondage of welfare thanks to welfare reform based on work.

□ 1215

Between 1996 and this very day, over 9 million individuals have left welfare for the satisfaction that can only come from working to support your family. H.R. 4 helps these families and builds on the success of the 1996 reforms.

Mr. Chairman, today there are few who would argue about the success of the 1996 reforms, but 6 years ago the nay-sayers cried that if welfare recipients were required to work for their benefits, millions of families would be forced to live in the streets and millions of children would go hungry. But we know that, in the end, welfare reform based on work helped to reduce the child poverty rate in America to its lowest level in over 30 years. Child poverty among African American children is at its lowest rate ever.

The bill before us requires that those who receive temporary assistance, those needy families that receive that temporary assistance, be involved in direct work for 24 hours a week and that they also spend 16 hours improving their abilities, getting educational instruction or job training that will lead to better marketability for them in the marketplace. The total combined hours for work and training equals just 40 hours a week, which is the average American workweek. For America's families to be ready to lead lives independent of welfare, they must become accustomed to the demands of the average workweek.

But the work requirements coupled with ample job training and educational instruction are not the only ingredients to successful welfare reform. It is impossible to return to work or search for work if welfare recipients do not have adequate child care. H.R. 4 increases the already extremely high levels of funding for the child care development block grant. The high level of funding is increased by $2 billion, even as the number of families being served has dropped by over 3 million.

Mr. Chairman, the ultimate goal of welfare reform is fostering strong and healthy families. When you wade through the rhetoric, when you eliminate the sound bites, when the grand floor speeches are over and the only thing that remains is H.R. 4, Americans can be sure that this Congress has drafted a bill that will help build on the success of the 1996 reform and will help lead families to independence. We re-enthrone work and help people attain the dignity that comes from providing for yourself and your family.

I urge that all of us join in support of H.R. 4.

Ms. WOOLSEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. I thank the gentlewoman for California for yielding me this time.

Mr. Chairman, our colleagues on the other side of the aisle have simply put a new number on last year's bill without any apparent attempt to address the new realities of this worsening economy. That bill is, in terms, harsh and seems to be divorced from today's reality. As written, the legislation will impact some 48,000 families in my State of Massachusetts alone, which is now in its toughest economy in a decade. It would cost the State, which is already drowning in red ink, some $222 million over the next 5 years in order to implement what essentially are unfunded mandates. Health care and housing assistance are already being cut back, and in my district the unemployment rate is now 7.3 percent.

In this type of an economy, we should be helping States, not putting a further strain on the safety net for America's families. Obviously, first we need a better policy to create jobs than the one being offered by this administration and the majority. But then we need this measure to be crafted so that it will actually help people qualify and enable them to fill jobs and to lift them out of poverty to self-sustainability.

In the current economic climate, we have to look at the principles that really work. Education and training have to count towards the work requirement more than the bill on the floor allows for. Common sense, educators and countless examples concur with that opinion. People have to be able to make contacts, develop skills and find careers, not just jobs, but jobs that bring them out of poverty. Working parents need child care.

Our alternative keeps up with inflation and increased work habits and addresses that situation. The opponents' bill does not, adding $1 billion; and a $1 billion promise does not meet the $11 billion that we are told is going to be impacted on the States and cost them to meet these requirements. We cannot be forcing parents to choose between leaving their children home alone and working to put food on the table or staying home with their children who are hungry.

And we have to allow State flexibility. States like Massachusetts have effectively used those waivers, Mr. Chairman, to design their own versions of welfare, and they have worked in their economies. Those are the principles that have to underlie this bill. Those are the changes that have to be made. If they are not made, I would recommend that we vote against the bill, but for the alternative.

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a valued member of our committee.

Mrs. BIGGERT. I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in strong support of H.R. 4. This legislation will continue the remarkable success of welfare reform.

I still cannot get over the statistics. Nationally, welfare caseloads have dropped more than 50 percent from the all-time high of 5.1 million families in March 1994 to 2.1 million in December 2001. Back in my home county of DuPage, there were 2,333 families on assistance in 1996. Today, there are only 419.

Some may argue that caseloads are dropping because individuals have exhausted their eligibility, but the numbers show that this is not true. The most recent census figures show that employment by mothers most likely to go on welfare rose by 40 percent between 1995 and 2000.

This legislation keeps our commitment to America's kids and to America's great promise of welfare reform. And with the addition of $2 billion in extra funding for child care and development block grants, a very good bill is even better. I thank Chairman THOMAS of the Committee on Ways and Means for including this funding, as well as my Republican women colleagues who have worked very hard for this.

Why is this funding such good news? More funding means more kids covered, and it means that more parents will be able to afford better quality care. More kids covered means more parents working. That is our ultimate objective, to give every American the opportunity to work and to gain the dignity and self-respect that comes with providing for your own family.

The past 6 years of welfare have shown us what works and what does not. When I meet with former welfare recipients throughout my congressional district, each and every one of them tells me that their success simply would not have been made possible without child care assistance.

This is an outstanding bill that builds upon the welfare successes of the past 6 years. Let us get it to the President's desk and into law as quickly as possible.

Ms. WOOLSEY. Mr. Chairman, I yield myself such time as I may consume.

I would like to just make one remark before I yield time to the ranking member of the Committee on Education and the Workforce, and that is that 20 States right now have a waiting list for child care, not just for welfare moms, but for the working poor and working families in general. We must not forget that.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER), the ranking member of the Committee on Education and the Workforce.

Mr. GEORGE MILLER of California. I thank the gentlewoman for yielding me this time, and I want to thank her publicly for all of the work over the last several years that she has put into our Democratic substitute, trying to advance this discussion about our obligation to try and help those individuals who want to work to be able to go to work and to be able to get a job that not only takes them off of the public assistance rolls but it also takes them out of poverty. That has to be our goal.

It is unbelievable that the Republicans would introduce the very same bill that they introduced almost a year and a half ago when the economy has changed entirely. During that time what we have seen is the highest unemployment rate since 1994. We have seen almost 1.7 million jobs lost since 2001. Almost 2 million jobs have disappeared.

In those sectors of our economy where people are likely to go to get entry-level jobs, in the hospitality industry, in the retail industry, in the fast food industry, they are all in trouble. They are all laying workers off. Yet we want to act like today is how it was a year ago, 2 years ago, 3 years ago.

No. What we need is we need jobs and we need child care for those individuals who are seeking those jobs. The Republican bill fails to provide that. It fails to recognize how lousy the Bush economy is and how many people are in trouble.

We have 1 million people who have exhausted their unemployment benefits and cannot find work. And somehow we are suggesting that these people just go out and look, that they will be able to find that work. I hope they are able to, but they will not unless we provide the kind of child care that is necessary.

The gentlewoman from California has made it clear: In 20 States we have a waiting list of the working poor, of people trying to get off of welfare, of people who are working to try to find child care for their children. In California, 200,000 people are waiting for child care. The money they have in the bill will not take care of the problem in California, much less nationwide.

The problem nationwide is $11 billion in child care. They put in $1 billion in mandatory child care.

The Republicans have got to wake up and understand what has happened to our economy. We want these people to be able to go to work. We want those people who are working now to be able to stay in the workplace. But the economy has to improve, and they have got to provide the underpinnings so these individuals can take advantage of those job opportunities should they come along.

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Delaware (Mr. CASTLE), chairman of the Subcommittee on Education Reform.

Mr. CASTLE. I thank the gentleman for yielding me this time. I have a statement which I will submit, Mr. Chairman, for the record.

I would just like to say that I am in very strong support of this legislation. Welfare reform goes back a long time in this country, well before Congress actually got too involved in it. It goes back to the States in the 1980s in which a number of States came forward and said they could do something about welfare reform. Finally, in the Family Support Act of 1988, the Federal Government got involved.

Again, in 1996, we passed welfare reform legislation. We debated it last year and passed a bill, and now here we are again on the floor. Virtually every time we have done this, every single time, the opposition to it has gotten up and said, We can't do this. It's impossible. You can't get this much out of people. You can't get blood out of a stone.

This is a human issue. If you go back into the jurisdictions where we all live and you see what they have done with welfare reform, if you see the opportunities that we have given to people who in many instances now are living middle-class lives because of a middle-class income, you see the real circumstances of what we can do to help people. There has been no social program that has uplifted people more in this country in a true sense of giving them an opportunity as America allows you to have as has welfare reform.

This legislation continues a lot of the support systems which are necessary, including the educational components, the day care components, the transportation components in the things that have to be done.

I too believe that we need to refine this somewhat. I am a little concerned about the transitional medical assistance in terms of Medicaid continuations. I do worry about transportation. We all worry about day care a little bit.

I think there needs to be sufficient flexibility at the State and local levels to carry out what needs to be done in welfare reform, but I believe this legislation has the basic parameters which will allow this to happen, and I believe this is the next extension of what we have to do in the Congress to allow the States across America to continue their welfare reform programs.

I, for one, believe it can be done. I grant you, the economy is not what I would like to see either, but I believe that it can be done sufficiently to help a lot of people, and then you will see all of those people whom I have seen who will say, Thank you for giving me the opportunity; I am able to help my family now.

I support the legislation. I hope we all can support the legislation.

The 1996 welfare reform law replaced a broken system with one of the most successful government programs in recent history.

As Governor, I promoted work as the ladder to opportunity. Former recipients told me that they needed help breaking away from welfare dependency, but once they found their place in the workforce, they were able to create better lives for their families.

For that reason, I was proud to make work the foundation of the 1996 reform. Today, national data confirms our success. Caseloads are down. Household incomes are up.

Welfare recipients now appreciate the value of work. We provide time and assistance, but understand that welfare cannot be an open-ended entitlement—or a way of life. We help those on assistance, but do not allow them to become passive dependents on the welfare system.

Today's legislation strengthens and embraces these goals.

In particular, H.R. 4 recognizes the education needs of children and includes my language to increase funding for quality initiatives, such as teacher training. H.R. 4 also provides historic funding levels for child care. Both mandatory and discretionary programs, now appropriated at $4.8 billion, will grow by $2 billion.

Yet, these programs are only part of a larger picture. States spend TANF grants on child care—either directly or through funding transfers. And Congress supports child care through other programs like Head Start. Recent estimates show that annual child care funding exceeds $18 billion—a significant investment, by any measure.

This bill also contains language from a bill I introduced, ''The Child Support Fairness and Tax Refund Intercept Act,'' to help custodial spouses collect past due child support even if their child is no longer a minor. A Wilmington, Delaware woman, Lisa McCave, was owed several thousands of dollars in past due child support. The Federal Government discovered that the father was about to receive several thousand dollars in a tax refund. However, because her son was no longer a minor, the IRS could not intercept that money for her. She had to work two jobs to raise her son and put him through college, while he waited out the clock until his son was no longer a minor so he could enjoy his tax refund. Thanks to Lisa McCave's willingness to step forward and ask for justice, millions of parents in the future will be able to intercept tax returns to pay the child support owed them, even if their child is no longer a minor.

With all the improvements to our welfare system contained in this bill, I believe there are a few issues we should continue to review. I appreciate the one year extension of Transitional Medical Assistance, a program that provides continued health coverage for former welfare recipients, but I hope we can extend and simplify this authorization for five years as the President's FY 04 budget recommends—and do so in a way that does not effect Medicaid administrative funds. I have introduced legislation with Congressman LEVIN to extend this valuable program, and I look forward to working with the Senate and the President to accomplish this goal.

Also, it is my hope that we can reinstate the state flexibility provisions and give our Governors the ability to find innovative ways to meet and exceed the goals of this legislation. State waivers were critical to Delaware's success in the past and they are critical to our continued success in the future.

Finally, education is important to reducing unplanned pregnancies and achieving independence for working men and women. Abstinence education is an important part of this effort. Yet, the language in H.R. 4 provides an overly simple solution to a complex problem. In my opinion, we cannot restrict access to basic health information if we are to promote responsibility.

In conclusion, I support H.R. 4—the beginning of our efforts this year to create the next generation of welfare success stories.

Ms. WOOLSEY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS), a new member of the Committee on Education and the Workforce.

Mr. DAVIS of Illinois. I thank the gentlewoman for yielding me this time.

Mr. Chairman, I have always been told that when you begin with a faulty premise, you are likely to end up with a faulty conclusion. When you continue to give large, multiyear tax cuts to the most wealthy, how in the world do you expect to have enough real money to provide temporary assistance for needy families? When you allow companies to incorporate out of the country to avoid paying legitimate taxes, how in the world do you expect to have money for temporary assistance to needy families? When you give away billions of dollars in subsidies to agricultural and other big business interests, how in the world do you expect to have money to provide day care for children while their parents go to school or go out and look for a job?

The fact of the matter, Mr. Chairman, is that poverty is on the rise and the need for public assistance is on the rise, while this bill will not do anything in the world to really slow it down or to help people get out of it. We know that TANF has not done enough to address the needs of the most vulnerable in our society. Reductions in poverty come as a result of economic growth. We know that more than 2 million people lost their jobs last year. We know that many people who get jobs through TANF end up working at low-income poverty wages, mired down at a level where they will never get out.

I support the Cardin amendment. I support the Lee-Kucinich amendment. It is really our best hope. Reforming and reauthorizing a TANF program that not only takes people off welfare, but also takes people out of poverty should be the focus of this Congress, not simply passing a neatly packaged pig in a flight bag and calling it a welfare program.

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Virginia (Mr. TOM DAVIS), the chairman of the Committee on Government Reform.

(Mr. TOM DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. TOM DAVIS of Virginia. Mr. Chairman, we heard some of the same dire predictions from the other side when we passed this legislation originally in 1996. We heard predictions that the caseloads were going to rise, that unemployment was going to rise, that the child poverty level would reach all-time highs. In point of fact, the opposite has occurred. Instead, welfare rolls shrank as many Americans moved from welfare to work, from dependence to self-sufficiency.

Over the last 6 years we have seen incredible results, results that need to continue to spread for the benefit of our Nation as a whole. 3.6 million fewer Americans live in poverty today than in 1996. Employment of single mothers is now more than 70 percent, which is an all-time high. Since 1994, welfare caseloads have fallen by 60 percent, today leaving less than 2 percent of the U.S. population on welfare. Moreover, crime has dropped, illegitimacy has declined, and abortions are rarer.

A lot of good things came out of that legislation that we passed in 1996.

□ 1230

We knew that the original system that was designed for a different time and a different era. It was designed for a time when most of the women were home. Most women did not work outside the home, and out-of-wedlock births were rare; but times changed and we have reformed a system whose incentives were perverse that discouraged self-sufficiency, that subsidized out-of-wedlock births, that trapped beneficiaries by making it too costly for them to go back to work because of the benefits that they would lose. By sharing this responsibility with the States, we are using the federalist model going back literally to a lot of innovation we get at the State level that is discouraged by Federal bureaucracies.

This legislation takes us to the next step. I think it would return more people and move them off of the welfare rolls, on to payrolls, of building successful families and building a successful country. I want to thank the authors of this legislation, and I am proud to support it.

Ms. WOOLSEY. Mr. Chairman, I would like to just say that a lot of good things came out of the Clinton economy, and we can all be glad for what happened with that, but that economy is not the same.

Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I thank the gentlewoman from California (Ms. WOOLSEY), my friend, for her persistence on this issue and her leadership on this issue.

There is a national consensus in America that if people are able-bodied to stay on welfare, they should have to work and the goal should be to work to get off of welfare. But there is also a national understanding, or there should be, that we cannot have a law that says people have to go to work if there are not any jobs for them to get. Today in America there are about 8 million people without a job looking for work and about 2½ million unfilled jobs being advertised. It makes no sense to tell people they must get a job that is not there. There is a national consensus that people should be good parents at the same time they are good workers. This bill would require people

to hold down three full-time jobs if they want to really get out of poverty and advance their family: the job they have to hold down to stay off of welfare; the job they need to do to go to school on evenings or weekends or whatever time they can find to move out of poverty; and the job they need to do as a mom or a dad, which is their most important job. Requiring people to hold down three full-time jobs is a surefire recipe for more poverty and greater welfare rolls.

And finally I thought there was a national consensus that we are going to stop telling State governments and State taxpayers what they had to do with their money. This bill contains $10 billion of unfunded mandates for the States at the time when they can least afford it. This bill violates an underlying bipartisan consensus for welfare reform. The Cardin bill, which the gentlewoman from California (Ms. WOOLSEY) helped so actively to write, would instead carry out that bipartisan consensus. It deserves the support of every Member of this body.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON), a member of our leadership team.

Mr. KINGSTON. Mr. Chairman, I thank the gentleman from Ohio for yielding me this time.

We have got a new freshman class this year; and a month ago one of the Members said to me, You have been in Congress 10 years. What is the most significant thing you have done?

And I thought and I said, I believe it was supporting welfare reform. And here is why. In 1994 there were 14 million people on welfare. Today there are 5 million. Still too many, and yet 9 million people are now in the workplace, having a very positive effect, enjoying life and supporting themselves.

Some of the principles that are very basic American principles in the welfare reform bill are promoting work, improving child care, promoting healthy marriages and strengthening families, fostering hope and opportunity. These are all basic American rights and giving those 9 million people an opportunity to participate in them.

Since 1996, work among welfare recipients has tripled. Employment of single mothers is now more than 70 percent, an all-time high. Since 1994, welfare caseloads have fallen by 60 percent, leaving less than 2 percent of the U.S. population on welfare. These are all significant and positive. The numbers go on: 3.6 million fewer Americans live in poverty today than they did in 1996; 2.7 million fewer children are in poverty today than in 1996. These are real changes, and we did this despite the rhetoric that we heard in 1996, which we are again hearing from the left who like status quo and do not like change. They address children.

Look at the facts on children. This bill increases child care funding. It improves child care quality and strengthens child care support, and that is something that we could get into on another topic. Look at the numbers. The increase in child care expenditures under welfare reform goes from $3 billion to $9.7 billion. If the Members want to help children like those of Bruce Mullins, help pass this bill because these are real people. It has had a positive effect on them, and I believe that our actions today will not always be known by all the people who can benefit from it; but our actions will be felt by those, and therefore I support this bill and I thank the gentleman from Ohio.

Ms. WOOLSEY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. KILDEE), one of the leaders in education.

Mr. KILDEE. I thank the gentlewoman from California (Ms. WOOLSEY) for yielding me this time.

Mr. Chairman, I rise in opposition to the Republican welfare bill and in support of the Cardin-Woolsey-Kind Democratic substitute. Mr. Chairman, much has changed from the last Congress when we last debated this legislation. Our States are facing deep financial deficits. States are cutting health care programs, funding for the schools and universities, and struggling to ensure their citizens have employment. The bill we are debating today does not recognize these dire times for our States.

The Republican bill would increase work requirements when 8.3 million Americans are out work. The Republican bill fails to provide adequate child care funding, relegating many of the children to substandard or unsafe child care arrangements. The Republican welfare bill actually reduces education and training opportunities for TANF recipients. Fortunately, the Democratic substitute offered by the gentleman from Maryland (Mr. CARDIN), the gentlewoman from California (Ms. WOOLSEY), and the gentleman from Wisconsin (Mr. KIND) provides us with a viable alternative to improve this country's welfare system. The Cardin substitute would allow 24 months of education and training to permit a TANF recipient to get the skills they need to acquire a good-paying job. The Cardin substitute would increase child care funding by $11 billion over the next 5 years. The Cardin amendment also ensures that TANF recipients do work by requiring that 70 percent of welfare recipients are engaged in work activities.

Today's debate should not be a debate over whose bill forces more welfare recipients to work longer hours. Instead, we should be focused on how the system can help individuals to acquire long-term, high-paying jobs.

Mr. Chairman, I urge Members to defeat the Republican bill and to support the Cardin-Woolsey-Kind substitute.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. WILSON), a valued member of our committee.

Mr. WILSON of South Carolina. Mr. Chairman, I thank the gentleman from Ohio (Mr. BOEHNER) for yielding me this time.

Mr. Chairman, it is an honor for me to be here today to speak on behalf of the reauthorization of welfare reform. I worked on welfare reform in the South Carolina State senate 7 years ago. I heard the same arguments, that it would not work; and we were able in South Carolina to enact welfare reform, and exactly like the Republican Congress in 1996, reduce the caseload, provide jobs for people, provide training, the child care and the health care. It was the greatest experience, and it has been the most exciting activity. I agree with the gentleman from Georgia (Mr. KINGSTON), it is the most exciting activity that I have participated in in legislation.

Additionally, there has been some question as to whether we have had sufficient meetings. Last year I was very fortunate thanks to the gentlewoman from Ohio (Ms. PRYCE) and the gentleman from Texas (Mr. DELAY) and the gentleman from Ohio (Mr. BOEHNER) to be working on this issue. We met dozens of times. It was all very positive. And the effect has been, as the Savannah Morning News and the Carolina Morning News have reported, that welfare reform has been the most successful social program in the last 50 years. So I am excited to be here. It speaks for itself, and I urge a positive vote today on reauthorization.

Ms. WOOLSEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. HINOJOSA), a valued member of the Committee on Education and the Workforce.

(Mr. HINOJOSA asked and was given permission to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Chairman, I rise in opposition to H.R. 4, the Personal Responsibility, Work and Family Protection Act. I opposed this bill last year when we had the same debate. Since then more workers have lost their jobs, more families have lost their homes, and more Americans are in need of Federal assistance. Jobs are scarce as businesses continue to fail. Instead of considering a new bill that reflects this new economic environment, the Republican leadership has brought to the floor the same inadequate bill from last year. Education and training should be the cornerstones upon which this legislation is written. We should be stressing basic literacy, English as a second language, GED completion, and on-the-job training, rather than cynically labeling them welfare scholarships.

In my congressional district I have seen how education can bring economic prosperity to one of the poorest regions in the country. Our unemployment rates have dropped from over 20 percent to almost 10 percent, and we lead the State of Texas in job creation. I urge my colleagues to vote against the Republican bill. It is the wrong bill at the wrong time.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska (Mr. OSBORNE), a valued member of the committee.

Mr. OSBORNE. Mr. Chairman, I would like to rise in support of H.R. 4. I think that H.R. 4 addresses some of the issues that have become increasingly problematic to our young people, and I observed some of these problems in over 36 years of coaching.

Back in 1960 when I started out, roughly 5 percent of our athletes came from broken homes. Today, roughly one half of our marriages end in divorce. Fifty percent of our young people spend part or all of their childhood without both biological parents. So as time went on, I began to see more and more young men that I was working with carry a lot of emotional baggage, having their lives disrupted in various ways. Currently, we have 18 million fatherless children in our country, and when their dads do not care enough to stick around and see what they look like, they have a vacuum in their lives and they try to fill that vacuum with all the wrong stuff, gangs, drugs, promiscuity, and so on. So one of the aspects of H.R. 4 that I think is particularly important is the healthy marriage program. An example that happened in my district recently was a young couple who were pretty much thrown out of both houses, their homes, and an older couple mentored them and made a tremendous difference. So we think this is very important and certainly support H.R. 4.

Ms. WOOLSEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Chairman, I thank the gentlewoman (Ms. WOOLSEY), my former colleague on the Committee on Education and the Workforce, for yielding me this time.

I rise to voice my opposition to H.R. 4, the so-called Personal Responsibility, Work, and Family Promotion Act. How our names sometimes get in the way! H.R. 4 is not the solution to what we need to do. There has been success in lowering welfare rolls since 1996, but it was the good economy that did this, not welfare reform; and I would love to see numbers for welfare recipients for 2002 instead of just going back to when our economy took the dip in 2001.

We all know that education is the silver bullet and it is the key that helps individuals find higher-paying jobs which lift them out of poverty and achieve the American dream, but this bill makes the same mistakes as its predecessor by limiting recipients' access to education and training. Without these services, welfare beneficiaries are trapped in those low-paying jobs. The best solution to welfare is a job that pays a decent wage. This legislation will also have disastrous effects on our State budgets because it imposes strict new requirements but provides absolutely no funding. For example, it increases the work requirements to 70 percent, which philosophically I do not mind; but currently in my home State of Texas it is struggling to maintain its participation at 26 percent. It will cost the State of Texas $688 million when we already have a $12 billion shortfall.

□ 1245

Ms. WOOLSEY. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. CROWLEY).

(Mr. CROWLEY asked and was given permission to revise and extend his remarks.)

Mr. CROWLEY. Mr. Chairman, I rise today to talk about a very large and important group of my constituents that the Republican TANF bill is completely ignoring.

This Republican bill is completely ignoring legal immigrants. This bill denies even its smallest safety net for families who are diligently making their way through the legal immigration process towards becoming full citizens of our country. This bill is ignoring people across the U.S. who pay taxes, who support their communities and, according to Alan Greenspan yesterday, are a positive factor for U.S. economic growth.

This bill is hurting children and families, especially in States with large immigrant populations like mine in New York. New York State, under a Republican governor, understands the necessary reality of providing some benefits to legal immigrants.

Moreover, immigrants, on average, contribute more in tax dollars than they get back through government services and benefits, and the bulk of the dollars immigrants contribute in taxes go to the Federal Government. Yet, when immigrants fall on temporary hard times, the Federal Government chooses to ignore them, and this Republican bill today ignores them as well.

If we are a nation of immigrants, then this Republican bill is not only irresponsible, it is also a slap in the face to our Nation's heritage. This Republican bill is not about finding a solution to poverty; it is about exacerbating the class warfare in this country, it is about dividing and conquering, and unfortunately they are conquering and winning.

Ms. WOOLSEY. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. THOMPSON).

(Mr. THOMPSON of California asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of California. Mr. Chairman, I thank the gentleman from California for yielding the time, and for her great work on the effort to make this bill a better bill.

Mr. Chairman, since the implementation of TANF, California has tripled the number of welfare recipients who are today working. Cash aid has decreased by 45 percent and caseloads have declined more than 40 percent. H.R. 4 will not help California or any other State continue to make such progress.

The gentlewoman from California (Ms. WOOLSEY) and the others who have worked on this substitute are offering a good measure. The substitute calls for tough, real work requirements that move welfare recipients into meaningful employment. The substitute gives States flexibility to create programs that prioritize efficiency over the majority's one-size-fits-all model.

The substitute gives States the resources needed to enact these new tougher mandates, unlike the majority's bill that provides $11 billion in unfunded mandates that no State can afford. It will cost California alone $2.5 billion over the next 5 years.

The substitute balances tough work requirements with financial resources that are necessary to move people into working jobs.

Mr. Chairman, I urge all my colleagues to support the Cardin-Woolsey-Kind substitute.

The CHAIRMAN. The gentleman from Ohio (Mr. BOEHNER) has 1 minute remaining.

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of my time.

The success of the 1996 welfare reform law is beyond dispute. Even the New York Times has called it an ''obvious success.'' The debate today has been about how to build on that success and how to put even more Americans on the path to self-reliance.

While it is true that the 1996 reforms significantly reduced welfare caseloads, we still have a lot of work to do. A majority of TANF recipients today are still not working for their benefits.

The Personal Responsibility, Work and Family Promotion Act builds upon the best aspects of the 1996 welfare reform law. It strengthens work requirements, enhances flexibility for States and localities, and it does so while providing States with significantly more funding for child care, which is crucial for welfare families transitioning into the workforce.

President Bush stated that no level of despair should be acceptable in our society. With this new legislation we help some of the most vulnerable members of our society achieve independence and self-sufficiency.

I urge my colleagues today to support the welfare reform law, H.R. 4.

The CHAIRMAN. Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Ohio (Mr. BROWN) each will control 15 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in strong support of H.R. 4, the Personal Responsibility, Work and Family Promotion Act of 2003. This bill does a number of things that are very important to the Committee on Energy and Commerce that I chair. It contains an extension of

funding for the abstinence-only education, and also reauthorizes transitional medical assistance, and I want to speak to both of these issues briefly.

The 1996 welfare reform law included a permanent appropriation of $50 million over 5 years for abstinence-only education under title V of the Social Security Act. With tight State budgets and a requirement that States must match every 4 Federal dollars with 3 of their own, it is noteworthy that almost every State in the Union has now participated in this block grant program. The high rate of State interest suggests that abstinence-only education is indeed one of the ways to address the terrible problems of teen pregnancy and sexually transmitted diseases in our society.

Last year, my friend and colleague, the gentleman from Florida (Mr. BILIRAKIS), the chairman of our Subcommittee on Health, held a hearing on abstinence-only education. It was an eye opener.

At that hearing we learned that problems stemming from increased sexual activity among teens has not abated at all in this country. Even though teen birth rates have declined, we still have the highest teen birth rates of any industrialized nation in the world, and sexually transmitted diseases have grown dramatically. Every day in America, 10,000 young people contract a sexually transmitted disease, 2,400 become pregnant, and 55 contract HIV.

When we were growing up in the 1960s, there were really only two sexually transmitted diseases that were of a real concern. Now we are aware of more than 25, and the diseases that are primarily affecting young people today are now the viral diseases, such as human papillomavirus, herpes and chlamydia.

Mr. Chairman, these viral diseases cannot be cured. They are incurable sexually transmitted diseases. Chlamydia, for example, a major cause of infertility in young women, is asymptomatic in up to 85 percent of the cases. That means for 85 percent of the young women contracting this sexually transmitted disease, which is incurable, they may lose their opportunity ever to bear a child, ever to become a mother, ever to experience the joys and the tremendous rewards of motherhood.

One of the other things we learned was that 50 percent of the sexually active young women between the ages of 18 and 22 are now infected with the papillomavirus, or HPV. Now, this is a virus, again we learn, that most young women do not realize they have, because again it is asymptomatic in most cases. But what we have learned about it is that it is a precursor, it is one of the incurable diseases that often leads to cervical cancer. And guess what else we learned? We learned that there is no evidence whatsoever that condoms reduce the sexual transmission of this infection.

These statistics are terrifying. But they show that the safer sex model has not solved all of these problems despite more than 20 years of a variety of education programs aimed at promoting condom or contraception use.

Mr. Chairman, I urge my colleagues, for the sake of these young men and women in our society who are being infected by these incurable diseases, many of which will cause them incredible damage in their lives, and they are not aware, that we extend the abstinence-only education programs under H.R. 4. H.R. 4 simply maintains the status quo, extends the level of funding of $50 million each year through the year 2008.

New research is beginning to suggest that abstinence-only education can effectively address the prevalence of sexually transmitted diseases among young people and the proportion of births occurring to unmarried mothers. We must continue indeed that effort begun in 1996 and support abstinence-only education programs that empower students to choose abstinence for themselves, while receiving the relevant facts and information that would make them want to make that choice.

The 1996 welfare reform law also included a critical work support for former welfare recipients called transitional medical assistance.

Former welfare recipients typically enter low-wage jobs that do not offer private health insurance coverage or offer coverage with very expensive premiums. Transitional medical assistance extends up to a year of Medicaid coverage to these individuals and their families. This is the bridge of health care coverage that helps take young people out of welfare and into the workforce with adequate medical coverage in the bridge years.

There is strong bipartisan support for this assistance, which provides a valuable incentive for people to move off of welfare into work, and this 1 year reauthorization of transitional medical assistance will have a 5-year cost of $355 million.

Because funding was not included, Mr. Chairman, in the last year's budget resolution, we had to find the money to pay for it, so H.R. 4 includes a limited offset to do so.

We recognize the Medicaid budget difficulties many States are currently experiencing and important functions that are funded with Medicaid administrative costs, and for that reason, the offset included in H.R. 4 is merely a partial adjustment that lasts for only 2 years and pays for the 1-year extension of this important program.

Before 1996, common costs for administering food stamps, Medicaid and welfare were often charged to the AFDC program, the predecessor of the TANF program. These common costs have been included in the calculation of each State's TANF funds. The offset reduces Federal reimbursement for Medicaid administrative costs to reflect the portion of these costs that are already included in the TANF block grants the States receive.

In effect, this offset for the 2-year period deals with a problem we already corrected in the food stamp program in 1998, this double reimbursement for administrative costs. This is a partial adjustment that lasts for only 2 years and then phases out.

I urge my colleagues to vote in favor of H.R. 4, which indeed responsibly pays for the 1-year reauthorization of transitional medical assistance. I know there are many in this room who would like us to extend it for longer than a year. We simply have problems funding it in this bill at this time.

We recognize the careful balance we have achieved between the offset and this 1-year reauthorization, and commit ourselves to revisiting the issue again next year so that this important program can be continued.

I urge Members to join me in full support of this important legislation.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2¾ minutes.

Mr. Chairman, we should pass a welfare reform bill that is realistic about what people need to transition from welfare to good, paying, lasting jobs. It is in no one's best interest to see people transition from welfare to work and back onto welfare. If we underinvest in job training and child care and other support services, we are setting welfare reform up for failure and wasting money.

The Democrat bill invests in permanent change. The Republican bill does not. From a public policy perspective, from a fiscal perspective, the Democratic bill makes sense.

Transitional medical assistance is a program that provides health coverage for families leaving welfare. Individuals moving off welfare wind up in jobs that do not offer health coverage, or if it is offered, it is simply too expensive. Transitional medical assistance allows these families to keep Medicaid coverage so that getting a job does not mean giving up one's health insurance.

The Republican bill only extends the TMA program for 1 year. There is no logic for that. It is temporary assistance, not a temporary program. The Democratic bill is up front about this and makes transitional Medicaid assistance permanent.

Of added concern, Republicans would cut other parts of Medicaid in order to pay for this extension. It makes no sense to take coverage from some people so that others can keep it. It is illogical.

The second provision extends title V abstinence-only sex education, but locks States into a inflexible curriculum. It is controversial and rightly so. The President and House Republicans' message on welfare for years has been loud and clear, States need greater flexibility. But when it comes to another critically important program, abstinence education, Republicans are unwilling to afford the States the same flexibility. Let me make that clear.

The substitute bill we are offering today supports abstinence education.

No one disputes the benefits of teaching abstinence. Under our substitute, if a State chooses to continue its abstinence-only education program, it can. But our substitute offers States the right, the States' rights, if you will, the right to develop an education program that teaches abstinence and comprehensive contraception.

Our substitute requires any curriculum funded with Federal dollars to be scientifically and medically accurate. On that, again my Republican friends fall far short.

The Democratic substitute requires Federal dollars fund only programs proven to be effective in delaying sex. It requires a report to Congress comparing abstinence-only education to programs that teach about abstinence and contraceptives. We should listen to the needs of parents and children; 80 percent of them support abstinence and contraceptive education for their children.

□ 1300

Mr. TAUZIN. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health.

Mr. BILIRAKIS. Mr. Chairman, I rise today in strong support of H.R. 4, the Personal Responsibility, underlined, the Personal Responsibility, Work and Family Promotion Act of 2003. In particular, I would like to lend my strong support to provisions in the welfare bill that our committee included in the package last year, and I am speaking, of course, of the abstinence-only education funds which are provided through title V of the Social Security Act and a 1-year extension of transitional medical assistance.

Last year, the Committee on Energy and Commerce approved a 5-year reauthorization of the title V abstinence-only education funding, and I am pleased to see that this language is again included in this year's reauthorization of welfare reform. This important program provides $50 million in annual funding to States for abstinence education. These abstinence-only education funds were first included as part of the 1996 welfare reform law; and today, 49, 49 of the 50 States have elected to participate in this very important program.

I am pleased that my own State of Florida has elected to participate also. In fact, during my subcommittee's hearing last year, we heard just how effective these programs can be. Participants in ReCapturing the Vision, a program that operates in an impoverished area of Miami-Dade County, have only a 1.1 percent teen pregnancy rate, a 1.1 percent teen pregnancy rate.

By continuing title V funding for another 5 years, we can encourage the development of more successful programs like ReCapturing the Vision. This is so critically important, because the consequences of ill-advised sexual activity by young people is certainly severe. As we all agree, abstinence is the only sure way to prevent the spread of sexually transmitted diseases as well as out-of-wedlock pregnancies.

The bill also reauthorizes the Transitional Medical Assistance program, or TMA. TMA ensures that low-income individuals who are leaving welfare and entering the workforce will continue to have access to health insurance for an additional, let us be clear, for an additional year past, past when they would normally become ineligible for Medicaid. This removes a powerful disincentive to leaving welfare and provides numerous low-income individuals with critical support as they work towards economic self-sufficiency. This provision is even more important today as we see the number of uninsured increasing.

Mr. Chairman, I ask my colleagues to vote for this bill. It has been proven, it has worked, and we have to continue it.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Mrs. CAPPS), a registered nurse.

Mrs. CAPPS. Mr. Chairman, I rise in strong opposition to this bill. We cannot ask mothers with small children to put in more hours of work without ensuring that their children will be cared for. This bill does not do that. It is unreasonable and flies in the face of family values.

We must increase funding for child care to ensure that we do not harm poor families and single parents. Additionally, the abstinence-only provisions of this bill should be removed. Our children should be taught abstinence, yes; but they also need to learn the facts about sex so that they know how to make good choices to protect themselves. Otherwise they will simply get misinformation from television, the movies, and their friends. We must trust parents and teachers to know how to educate their own children.

This morning at a hearing here on Capitol Hill, I heard the Secretary of State, Colin Powell, address the Global AIDS Initiative. He said that in addition to promoting abstinence, our U.S. AIDS programs abroad also emphasize full education and protection. If these are our policies abroad, should they not also be our policies here at home?

Mr. TAUZIN. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from the great State of Florida (Mr. STEARNS), the distinguished chairman of the Subcommittee on Commerce, Trade and Consumer Protection.

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Chairman, we talk here about abstinence. We have to look no further than Uganda for proof of the effectiveness of abstinence in the fight against HIV and AIDS.

Riddled with HIV infections since the 1970s, Uganda took the first step. It found that through community education efforts, they could develop a strategy to prevent more HIV/AIDS patients; and in fact, a study done by Harvard University has proven that promotion of abstinence through billboards, radio programs, and school sex education curricula has resulted in a slow and steady drop in HIV infection rates, as well as new attitudes about conquering AIDS in Uganda. So we have proof positive from this study that abstinence works.

When the program started in the late 1980s, the number of pregnant women infected with HIV was 21.2 percent. By 2001, the number had dropped dramatically to 6.2 percent. The Harvard study also reported Uganda adults are not having as much risky sex. Of women 15 and older, those reporting many sexual partners dropped from 18.4 percent in 1989 to 2.5 percent in the year 2000. The emphasis is on abstinence in Uganda's program. It is unique all through Africa.

In other nations where HIV infections are high, such as Zimbabwe, condoms have been promoted as an answer to ending the AIDS crisis. But we cannot ignore, we just cannot ignore this study from Harvard or ignore the success of the abstinence program in Uganda.

Mr. Chairman, the welfare reform package we consider today goes a long way in achieving our goal of empowering families, promoting independence through work and lifting millions of Americans out of poverty. One particular aspect that is of great encouragement to me is that this bill includes $50 million to provide for abstinence education. Educators, health workers, government officials, entertainment and news media outlets bombard children with the wrong messages. It is increasingly clear that unbridled sexual activity is hurting our youth: sexually transmitted diseases (STDs), AIDS, abortion, unintended pregnancy, fatherlessness, crime, welfare, violence and poverty are rampant social diseases. According to a survey by the National Campaign to Prevent Teen Pregnancy, most Americans support abstinence for teens as a way of diffusing these damaging messages.

We need look no further than Uganda for proof of the effectiveness of abstinence in the fight against HIV/AIDS. Riddled with HIV infections since the 1970s, Uganda has found miraculous success by using abstinence as its prevention strategy. A study done by Harvard University has proven that promotion of abstinence through billboards, radio programs and school sex education curricula has resulted in a slow and steady drop in HIV infection rates, as well as new attitudes about conquering AIDS in Uganda. When the program started in the late 1980s, the number of pregnant women infected with HIV was 21.2 percent. By 2001, the number was 6.2 percent. The Harvard study also reported Ugandan adults are not having as much risky sex: of women 15 and older, those reporting many sexual partners dropped from 18.4 percent in 1989 to 2.5 percent in 2000.

The emphasis on abstinence in Uganda's program is unique. In other nations with high HIV infections, such as Zimbabwe and Botswana, condoms have been promoted as the answer to ending the AIDS crisis. In Botswana, 38 percent of pregnant women were

HIV positive last year, contrasted with 6.2 percent of Ugandan women. We cannot ignore the success of abstinence programs in our country and throughout the world and for this reason we must explore this option.

Sexual disease and the negative results from unwanted pregnancies cross physical borders, and are a recognizable concern for all nations and all people. This problem can only be addressed through the exploration of proven and effective methods of sexual education. It is time we give serious thought to the unique initiative of abstinence-based health education.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I rise in opposition to H.R. 4, and I do so with extreme disappointment today.

As one that worked awfully hard in 1996 with both sides of the aisle in coming up with a welfare reform bill, working with my own State, working with the providers of welfare, working with the recipients of welfare, working with the business community, we came up with a good compromise bill.

Now, I am disappointed that we are taking the same bill that was passed last year, without legislative input, and bringing the same bill up today without committee action and the nonrecognition that the economy has changed since last year.

Mr. Chairman, H.R. 4 would severely restrict the flexibility of States such as Texas to continue the activities that have been successful in their welfare reform bills. According to CBO, it will cost Texas $688 million over 5 years to pay for the Washington-mandated policies in this bill. Texas cannot afford these enormous expenses at the same time that we face a $9.9 billion budget shortfall and a sagging economy that continues to reduce State revenue. This will force Texas to drastically cut back on basic services or raise taxes, and they are not going to do that. It would be the height of arrogance for me to stand here in Washington and vote to require Texas to increase taxes or cut spending on other programs to implement policies that the Texas legislature has already considered and rejected in favor of other policies which have been proven to work.

Vote down H.R. 4; support the Cardin substitute. It will be much better for the State of Texas and other States.

Mr. TAUZIN. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from the great State of Michigan (Mr. UPTON), the chairman of the Subcommittee on Telecommunications.

(Mr. UPTON asked and was given permission to revise and extend his remarks.)

Mr. UPTON. Mr. Chairman, I rise in strong support of H.R. 4.

Mr. Chairman, welfare reform in the past did not work. We did not have it. It was welfare under the old system. We did not have reform. We passed welfare reform then; and President Clinton, after a couple of vetoes, ended up signing the bill, and we established a base to get our States out of the trouble that they were in.

Last year, this House passed a bipartisan proposal to again move the process forward, but there were some in the other body who chose not to take that legislation up. This year, we are acting a little quicker.

There are two very important components of this legislation. One is the abstinence-only education which provides $50 million each year to the States under a matching program. It does not take away from other programs, it works, and we have seen teen pregnancy rates drop dramatically in those States that have used it. In my State, a 40 percent drop.

The second thing that we did was we removed the incentive for people to stay on welfare in lots of ways. Primarily what we did, though, through TMA, transitional medical assistance, we are able to say to those folks that were on welfare and knew that by taking a job they would lose their Medicaid for themselves and their kids, that that is not going to happen, that we provided the transition so that those families could take a job, get into the workforce, move up the ladder, that they would not lose that provision that would otherwise have taken away their health insurance. We changed that. TMA is in this bill, it was the bill that we helped write in our subcommittee, it was done, and it is part of this legislation. I urge my colleagues to support it and move the bill again to the other body so that we can see this legislation reach the President's desk.

Mr. Chairman, I rise in strong support of H.R. 4, legislation reauthorizing the very successful 1996 welfare reform act. As a senior member of the House Energy and Commerce Committee and the Education and the Workforce Committee, two of the three House committees with jurisdiction over welfare reform, I have worked closely with my colleagues to further strengthen this legislation so that more families can know the benefits of personal responsibility, work, and stronger family units.

I'd like to focus today on two key components of the 1996 law that I have taken the lead on—the reauthorization of the Transitional Medical Assistance program and the Title V abstinence education block grant program.

One of the greatest disincentives to leaving the welfare rolls is the lost of Medicaid coverage for oneself and one's family. H.R. 4 reauthorizes the Transitional Medical Assistance program, which will ensure that individuals leaving welfare for employment have guaranteed health care coverage for up to one year.

H.R. 4 also reauthorizes the Title V abstinence education program at the current funding level of $50 million a year. When we passed welfare reform, we emphasized work and personal responsibility. We have made great strides in promoting work, but too many of young people's dreams are still being cut short by poor personal decisions that dramatically affect the course of their lives. Teen birth rates have been failing, but nearly ½ million teens in this country give birth each year—a rate higher than those of most industrialized nations. And 8,519 births are to girls under the age of 15. We know that out-of-wedlock births and teen births take a high toll—on the child, the teen mother, and our society as a whole.

Further, sexually transmitted diseases have reached epidemic proportions, placing the health and very lives our young people in serious peril. In the 1960s, one in 47 sexually active teens was infected with a sexually transmitted disease. Today, one in four is infected.

It is important to note that State participation in the Title V abstinence education program is voluntary, and this is not free money to the States. States have to match every 4 federal dollars they receive with three dollars of their own. Yet today, 49 of the 50 states are participating.

Anyone who doesn't think abstinence education works has only to examine my State of Michigan's record. The State began its own program in 1993—the Michigan Abstinence Partnership program. One reason that it works so well is its emphasis on involving entire communities—parents, teachers, health professionals, youth leaders, youth organizations, and community leaders—in developing programs tailored to their unique needs. Michigan's teen pregnancy rates have dropped 40 percent in the targeted group of 15–17 year olds, and for the last several years, Michigan has been one of up to five states rewarded by the Department of Health and Human Services for achieving the largest decrease in their ratios of out-of-wedlock to total births while also experiencing a reduction in their abortion rates.

Abstinence education programs are much more than ''just say no'' programs. They are positive, motivational programs that give young people the information and inspiration they need to think of their futures and abstain not only from sexual activity but also from drug and alcohol use.

Mr. Chairman, President Bush got it exactly right when he said that abstinence is not just about saying no to sex, it is about saying yes to a happy, healthier future.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I rise in opposition to the underlying bill and in support of the Cardin substitute and in outrage for the circumvention of the committee process.

Mr. Chairman, last year in the Education and the Workforce Committee, we sat down and discussed TANF reauthorization extensively. We had several days' worth of hearings at both the committee and subcommittee level before a two-day markup in full committee. Two other committees—Ways and Means and Energy and Commerce—worked on the bill at the same time. Then the leadership of the majority party brought the bill to the floor, they only allowed two hours of debate and no amendments were permitted. This was an egregious example of the political partisanship and poor procedure that has dominated the House in recent years. But this year, the situation is even worse; no committees looked at the bill. The entire committee process was ignored, and again we have is no opportunity for real debate or amendment on the floor.

Mr. Chairman, I don't know if some of my colleagues have noticed, but since we last looked at TANF reauthorization, we've had an election. Aren't the new members of this body entitled to hear more this bill? Aren't they entitled to their say in committee? We've also seen our economic situation get worse last year. Unemployment has gone up. Wouldn't it be a good idea for the committees to discuss the effects of these factors? Is it wise to ignore any potential new research that may have been conducted?

I'm not going to speculate as to why the leadership found it necessary to circumvent the committee process. But this is a dangerous precedent to set, and we should do more than give a cursory examination when we reauthorize the program providing assistance to the neediest of our families.

Not only should we have looked at this bill in committees, but we should also be focusing more on trying to find the facts behind temporary assistance in this country. Welfare reform is still an experiment in progress. We still do not know what happens to people who leave the welfare rolls. Are they working? Are the unemployed? Are they simply off the rolls? What factors contribute to the ability of people to comply with TANF work requirements? No one knows for sure.

That's why as we go through this reauthorization process, it is vitally important that we improve the research and data reporting in TANF. In order to make informed decisions on the directions that TANF and CCDBG should take we need more information on the issue.

I believe that while maintaining pressure on the states to move people from welfare to work, the renewed TANF should also help families move up the job and income ladders. We should eliminate the caseload reduction credit and phase in an employment credit. For each 1% of the caseload that obtains employment, the work participation rate would be reduced by 1%. In addition, there would be extra credit for recipients who obtain higher paying jobs. Another way of assisting families in moving up the income ladder is giving people the tools to get a good job with the potential for advancement, not a dead-end make-work job. We need to provide the training for individuals trying to get jobs. This is how we can ensure that families will not return to the welfare rolls.

We must also give parents what they need to achieve the work requirements. First and foremost, this means providing funding for quality childcare. A parent will not make a reliable employee if he or she is always concerns about the quality of their child's care, or cannot get childcare at all. If welfare recipients are going to get real jobs that uplift their self-sufficiency and if children are going to have the care and attention they need to grow positively, we must need good childcare programs.

Mr. Chairman, all these issues could have been brought up in committee. All of them could have been considered during markup or addressed by witnesses during hearings. But we never got the chance. And while I laud the goal of providing TANF recipients with the resources to move from welfare to work. I cannot support this bill and I cannot condone the circumvention of the legislative process.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from Washington (Mr. INSLEE), who establishes his health care credentials very well.

(Mr. INSLEE asked and was given permission to revise and extend his remarks.)

Mr. INSLEE. Mr. Chairman, I rise in support of the Cardin substitute on the basis that not all welfare reform plans are created equal. The Cardin plan, I believe, is the superior plan for one basic reason. That reason is that it will work. It will work where the rubber meets the road, which is actually getting people to have livable-wage jobs, rather than to put them in temporary make-work positions where they are going to wind up right back up on the public assistance program.

The reason I believe it will fundamentally succeed is that the Cardin plan recognizes the reality that without providing people child care while they are going to school, while they are going to vocational school, while they are going to community college, they will not succeed in breaking the chains of poverty. The Cardin plan makes allotments to States to allow that to happen.

I have to tell my colleagues, the States are in big trouble and they are incapable of doing this job right now without assistance. In my area, at the Edmonds Community College, Shoreline Community College, we have enrollments at Shoreline Community College of thousands of students over-enrolled in this program to break the chains of poverty. We need to give these students child care to make sure kids are not waiting in the parking lot while mothers are in, or fathers are in, retraining but, in fact, are cared for during their development years.

I have to say that this is going to cost the State of Washington $144 million. Where is the help from Uncle Sam? The Cardin bill will do it. It will make welfare reform work.

The CHAIRMAN pro tempore (Mr. KOLBE). The Chair would advise the gentleman from Louisiana (Mr. TAUZIN) that he has 1 minute remaining and the right to close, and the gentleman from Ohio (Mr. BROWN) has 8 minutes remaining.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. WATSON), and I am reminded that Governor Davis has talked about the inflexibility and mandates of the Republican plan.

Ms. WATSON. Mr. Chairman, the bill that is on the floor today comes without any committee consideration by either the Committee on Education and the Workforce or the Committee on Ways and Means.

Yesterday, I testified before the Committee on Rules on two amendments that would ensure fair and equitable access to ex-drug offenders, since the President pointed out in his State of the Union that we need to do more to rehabilitate ex-drug offenders, and also one that would protect the Federal civil rights and workplace rights for welfare recipients. Like so many other amendments, they were summarily rejected. My bills were fair and reasonable, and I believe they deserved a chance.

H.R. 4 imposes massive and costly new mandates on States that they cannot afford. My State alone has a $35 billion shortfall. The billions of new costs that States are being asked to burden will force many States to raise taxes and cut necessary services. Cutting services will include a reduction in welfare programs such as child care, transportation, and skills training to make welfare recipients job-ready. Is this reform? No, it is not.

Implementing the Republican proposals in California will cost our State an additional $2.8 billion over the next 5 years, and we do not have the money.

□ 1315

Without additional funding, the costs for child care in California alone are projected to increase by $130 million. Reject this bill.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Chairman, the crux of a lot of this, no one disagrees with a lot of what the gentleman from Louisiana (Mr. TAUZIN) has touted in terms of this abstinence program, there may be some issues that need to be worked through, but all of us are in support of curtailing the transmission of sexually transmitted disease.

The challenge, I think, that many of us have with this is that the Republican approach, in addition to some of the procedural challenges raised most recently by the gentlewoman from California (Ms. WATSON), is that many of the freshman Members have never had an opportunity to hear this committee or hear a debate or to have hearings to talk a little bit about what the bill will accomplish. We did not even have it marked up.

Some may say we focus too much on process, but it is important for those who have only been here a little over a month now to have that opportunity.

Two, we constantly complain in this Chamber about imposing unfunded mandates on States. Coupled with the fact that so many States as has already been mentioned, including my home State of Tennessee, faced with some $350 to $400 million in shortfall which pales in comparison to California, Florida, Texas and New York, nonetheless these are real dollars for real people. Here we are now imposing another unfunded mandate on the States.

As much as I appreciate the vigor, the zeal of many of my friends on the other side of the aisle, and many on this side who support the abstinence programs and other aspects of the this bill, we need not kid ourselves. Unemployment is up. Many of the economic factors and indicators of the past 4 to 6 years that have moved in the right direction are not moving in the right direction for a variety of reasons.

It is my hope that we can all see fit to support the Cardin substitute, not

because it is a Democratic substitute or because it is not the Republican bill; because it actually provides States with the resources to do all of the things that all of us hope we can do, which is move people from welfare to work.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. BACA).

(Mr. BACA asked and was given permission to revise and extend his remarks.)

Mr. BACA. Mr. Chairman, I oppose H.R. 4, the Personal Responsibility, Work and Family and Promotion Act.

I opposed this bill during the last Congress and I oppose it now. For as long as I remain in this House, I will oppose any bill that claims to help American families while punishing them. I oppose H.R. 4 because it offers no educational opportunities, and I state, no educational opportunities. It does not provide for adequate funding for child care, for child care, I state. It is very important to a lot of us.

It does not restore the benefits to legal permanent residents.

I am tired of bills that pretend to promote families, that pretend to promote families. I am tired of bills that tell the unemployed that you are just lazy.

Unemployment rates are steadily climbing in our country. It is time we get serious about fixing our problem. If you ask any person on welfare in this country if they would be rather working, overwhelmingly the majority would say yes. They desire to work and we should make sure we do increase the workforce.

We are at a time in our country where we do not have the employment right now, and more and more people are in poverty. And yet we are asking many of these individuals to go out and fight for this country. And yet we are willing to put more people out in the streets and not provide jobs. We should be providing jobs.

We should be providing educational training, vocational programs. We need to have access to English language training. We needs more access to literacy programs. Jobs in this country are becoming scarce. We need to provide help for people.

I oppose this legislation.

Mr. BROWN of Ohio. Mr. Chairman, how much time remains?

The CHAIRMAN pro tempore (Mr. KOLBE). The gentleman from Ohio has 3½ minutes remaining. The gentleman from Louisiana (Mr. TAUZIN) has 1 minute remaining.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding me time, and I associate myself with his opening remarks.

Mr. Chairman, I rise to try to inject a heavy dose of economic reality into what has been a morning of self-congratulation. TANF was not a success because of our brilliance, Mr. Chairman. The economy more than any other factor made TANF a success, yet this bill ignores the economic cycles and is on automatic pilot going in precisely the wrong direction.

This is the worst economy in 15 years. Yet we are increasing the hours of work for those who receive TANF and increasing the percentage of families in work-related activities. We have got 6 percent unemployment for those who are already in the workforce with skills. What worries me most, Mr. Chairman, is that TANF has already creamed off the most ready to work, yet we are raising requirements for the hardest to place. This is nuts.

This bill is a recipe for failure, not the success we have enjoyed. Look at the racial composition. We are told, hey, we have reduced the rolls. Are the rolls really down? For whites, they are down 5.8 percent; for blacks, they are up 2.1 percent. This is since 1996. And for Hispanics they are up 5.2 percent. In the third quarter, 39 States had increased welfare rolls.

In the face of these difficulties, we need more flexibility, not less. Less prescriptiveness, this is the opposite of what this bill is giving us. We know how to respond to economic cycles when it comes to business and when it comes to those who have been in the workforce. We must respond in the same rational way to those left on TANF, particularly considering that they are the hardest to place.

Mr. BROWN of Ohio. Mr. Chairman, does the gentleman from Louisiana (Mr. TAUZIN) have the right to close?

The CHAIRMAN pro tempore. Yes, that is correct.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY) who is a new member of the Committee on Energy and Commerce.

Ms. SCHAKOWSKY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong opposition to H.R. 4 and in support of the Cardin-Kind-Woolsey substitute and the Mink properly named substitute, which both take a giant leap forward in addressing the needs of the poor.

Let us talk about jobs. President Bush and the Republicans want to eliminate a tax on dividends when the only work involved in that is opening up an envelope. People who go to work every single day, who earn the same amount of money, now they are going to have to pay taxes on that. And let us try and instill then a work ethic in poor people.

Well, I want to say, poor people want to work. Where are those jobs? Poor people want to take care of their children. Where is the money for the child care? We want to invest in families. Poor people want to better themselves. They do not want just a job. They want to be out of poverty, and that should be our goal too.

That is what we do. We expand opportunity for education, provide $11 billion in child care funding, restore benefits to legal immigrants, include poverty reduction, not just simply caseload reduction as a new purpose of TANF.

I would contend that H.R. 4 grossly underfunds child care. It would cost $7 billion over the next 5 years just to keep up with inflation. It is an unfunded mandate to the States when, again, the plan by the Republicans does not help the States.

That is bad bill. Support the substitutes.

Mr. TAUZIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, welfare reform passed by this Congress, signed so reluctantly by Bill Clinton, has been an unmitigated success. It was built on one premise. You do not love people by condemning them to a lifetime of poverty and dependence. You love them by giving them a chance for independence and self-dignity.

Mr. Chairman, I yield the remainder of my time to the gentleman from South Carolina (Mr. DEMINT) who will close for this side.

Mr. DEMINT. Mr. Chairman, we have heard a lot of success stories today, but what is important is that we build on these successes and that we give even more Americans this dream of moving from dependency to dignity and moving to hope and to freedom. Now we must offer this opportunity to all Americans.

Mr. Chairman, I commend the gentleman and all of those who have worked in concert to make this a possibility to bring this bill to the floor and to free Americans from the oppression of unemployment to give them the skills and the abilities they need and the opportunity to move from welfare to dignity and to hope and to freedom.

Mr. MEEK of Florida. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise today in opposition to H.R. 4 and in support of the Cardin-Kind-Woolsey substitute amendment.

In its current state, this bill will not only put great strains on the families and individuals we set out to protect in every other aspect of life, but adds unbearable strains on States that already suffer from shortfalls and unfunded mandates. These new requirements could cost states up to $11 billion over the next 5 years. in addition to the $50 to $70 billion in shortfalls estimated by the National Conference of State Legislators.

It is important that we write and support laws that have positive effects on our nation's families. Now, while Florida's efforts at welfare reform are by no means perfect, it has at least recognized that a well-trained adult is a self-sufficient adult. Instead of focusing on keeping participants busy for precisely 40 hours per week while they are on welfare, Florida and other States have recently placed a greater emphasis on structuring programs that provide the types of activities needed to move participants into paid employment and off of welfare, like training programs and educational incentives. Also, Florida determined that providing

supports to low-income families, such as child care and transportation assistance, before they resort to welfare, is an essential part of work-based welfare reform. By increasing work program costs for families on welfare, a 40-hour requirement would limit the resources states have to help other low-income working families stay off of welfare.

The bill would reduce the flexibility states now have to tailor work activities to the individual needs of parents and families. In particular, States would have less ability to place recipients in vocational education programs because such activities generally would not count toward the first 24 hours of participation required of parents. The bill also would limit significantly States' ability to engage recipients in activities designed to address various barriers to employment—such as physical, mental, and learning disabilities, domestic violence, and substance abuse—because these activities would not count for the bulk of the mandated hours of participation.

I wonder how many children will continue to be alone or with inadequate care while parents are forced to increase their hours of work. In the State of Florida and throughout this country, we have issues in our child protective services, because many poor or near poor parents are working and children are left to fend for themselves. While this bill fosters and promotes marriages by giving States grants for research, technical assistance and promotional activities, it diverts $200 million from current bonus to States. All while hurting the single parent trying to make a living and care for their family without any additional programs.

We should have looked at this reform from the point of view of both the family and States in implementing change. We cannot use the carrot and the stick approach and not allow the States the flexibility to administer this Federal program.

States will be required to have 70 percent of their welfare caseload working within the next 5 years, up from the current work participation rate of 50 percent while keeping TANF block grants at $16.5 billion annually for the next 5 years.

Section 8 housing vouchers for low-income families will be replaced with a block grant program. These vouchers were targeted to welfare recipients for whom housing assistance is critical to obtaining or retaining employment. HUD provided 50,000 vouchers at a cost of $283 million. The program allowed families to rent apartments near available jobs, transportation or childcare. The vouchers were targeted to families who are currently receiving, are eligible for, or have left the welfare roll within the last 2 years.

But, instead, this bill fails at every turn:

Instead of increasing access to education and training, this bill requires that such activities would count for up to 24 months against a State's participation requirement.

Instead of increasing mandatory funding for child care by $11 billion over the next 5 years, and restoring the Social Services Block Grant funding to $2.8 billion per, this bill will cost states $11 billion over the next 5 years, and still sacrifice support services that would allow parents to maintain working hours.

Instead of removing barriers to serving legal immigrants, including the current ban on States providing Federally funded TANF benefits to immigrant families, the bar on serving pregnant women and children under Medicare, and the bar on disabled children under SSI, this bill retains the discriminatory restrictions despite bipartisan support for removing them.

Instead of providing States with the flexibility to tailor programs to their clients, while maintaining some minimum level of support, this bill takes away the ability to help people how they need to be helped, all the while saying that Federal agencies can choose not to help them at all by implementing a superwaiver overriding most Federal laws related to low-income programs.

We had an opportunity today to help the hardest to help find a way to self-sufficiency. Instead, we have forced States to go deeper into fiscal crisis or cut programs that could actually aid reform. Webster's defines reform as improvement by alteration, correction of errors, or removal of defects. I don't think there will be a picture of this legislation by definition.

Mr. COLLINS. Mr. Chairman, H.R. 4 reflects the President's and Congress' proposals to move more Americans off government dependence toward individual financial freedom. Prior to the passage of the 1996 welfare law, many mistakenly forecast that welfare reform would place more people in poverty. Instead, welfare rolls were cut by more than half and more than 9 million recipients left the welfare rolls and began collecting paychecks. In fact, one of the greatest success stories of the 1996 welfare reform law has been my home State of Georgia. Some have stated that States will not be able to meet the new work requirements in this legislation; this is not the case with the state of Georgia. Last year, as the House was considering welfare reauthorization legislation, I had the opportunity to speak with Georgia's Labor Commissioner Michael Thurmond about the increased work requirements in this legislation. Before serving as Labor Commissioner, then Governor Zell Miller selected Michael Thurmond to direct Georgia's Workfirst program to move Georgians from welfare to work. It was this program that laid the foundation for Georgia's success in moving so many from welfare to work. In our conversation, Commissioner Thurmond stated with the confidence that Georgia will be able to meet these standards. By passing this legislation today, this House is both honoring and building on the success of States like Georgia who are breaking the cycle of dependence and placing more Americans on the road to financial independence. Through the passage of H.R. 4, my home State of Georgia, and other States, will be able to build on the success of the 1996 law and place more Georgians and more Americans on the road to self-sufficiency.

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this tax and spend bill before us today. This bill will force States to increase taxes to pay for the increased spending necessary to meet the costs of the bill's unfunded mandates.

The Republican bill would impose mandates that would force States to change their existing welfare programs. Welfare reform has been a success in Texas and across the country in large part because of the State flexibility. I do not understand why the majority wants to force States to scrap the programs that have produced this success in order to comply with a Washington-knows-best approach. The States and folks at the local level know what works and what doesn't work in their local communities. They do not need Washington telling them how to run things.

According to a survey conducted by the National Governor's Association, 41 out of 47 States who responded would have to significantly alter their welfare program in order to comply with the requirements of the bill. This will require a costly redirection of resources. States will have to dismantle effective programs that have met the individual needs of their citizens.

For example, Texas's program helped them achieve a 61 percent reduction in welfare recipients since 1996. The Texas welfare program establishes time-limited benefits and requires welfare recipients to participate in work activities. The Texas Workforce Commission (TWC) oversees the Choices employment program, as well as child care, through a system of 28 local workforce development boards. The Department of Human Service is responsible for client eligibility determinations.

If the bill proposed by the majority passes, Texas will have to dismantle this successful program. They would have to drastically scale back its vocational education program which has been successful in matching welfare recipients with business needs, and implement a subsidized wage program that the State previously rejected as being ineffective. Texas would have to end its current practice of levying a reduction in cash benefits in order to comply with the mandate that States terminate assistance completely for families out of compliance with work requirement.

The Republican plan proposes radical waivers and block grant options what would affect the basic structure of the Food Stamp Program. It puts at risk the Program's effectiveness as a work support for families leaving cash assistance, ignores the considerable flexibility States currently have to run the program, and would undermine essential protections for the program's vulnerable clients. Congress instead should maintain the Food Stamp Program structure affirmed in last year's bipartisan farm bill reauthorization.

The Republican bill would create an unfunded mandate of $8 billion over 5 years according to the Congressional Budget Office to meet the work requirements in the bill. CBO estimated that if States actually meet the 40 hour work requirement with meaningful, structured requirements instead of self-reported activities, the unfunded mandate would increase to $11 billion. For Texas, the equates to a sum of up to $668 million over 5 years. Texas cannot absorb these costs. Faced with a $9.9 billion budget shortfall, and now a sagging economy that continues to reduce state revenue, the State will have no other option than to explore alternative ways to fund the government. This will mean cutting back on basic services or raising taxes.

In would be the height of arrogance for me to stand here in Washington and vote to require Texas to increase taxes or cut spending on other programs to implement policies that the Texas legislature has already considered and rejected in favor of other policies which have been proven to work. Many other States will face the same problem, as they face an $85 billion combined budget shortfall.

Republicans do not often like the term ''unfunded mandate'' because States would have the option of terminating current, nonmandatory services like child care to working families to cover the additional costs, rather than

spending new State dollars. However, child care is a necessary component of a welfare-to-work program, and terminating these programs are not a real option for States who want to help working families afford child care.

The Democratic substitute increases funding to States for child care assistance to match the CBO estimate of increased child care costs resulting from the work requirements in the Democratic substitute. The Democratic bill provides an additional $11 billion for mandatory child care over 5 years.

The Democratic plan focuses on moving welfare recipients into work and keeping them employed. The majority talks about their bill being tougher on work because of the 40 hour work requirement, but the reality is that 16 hours of that work is in unsupervised, unstructured activities that are not defined and could include helping children with homework or other self-reported activities. On the core work requirements, the Democratic substitute matches the Republican bill with 24 hours of work. More importantly, the Democratic substitute provides a credit for moving welfare recipients into employment, whereas the Republican bill allows States to reduce the work participation requirements simply by reducing the caseload for any reason.

The Democratic plan aims to equip welfare recipients with the knowledge and skills necessary to escape from poverty and welfare, and into a paying job, while the Republican bill does not. The Democratic plan allows for education and training to count toward the participation rate for up to 24 months, while the Republican plan limits them to 4 months. Republican plan eliminates vocational education from the list of work-related activities that count toward the State's participation rate—for the first 24 hours a week.

If you want States to be able to continue succeeding at the necessary job of helping folks get back to work, vote no on H.R. 4.

Mr. BARRETT of South Carolina. Mr. Chairman, I strongly support the Personal Responsibility, Work and Family Promotion Act of 2003. Since Congress passed historic welfare reform legislation in 1996 with work at the centerpiece of the initiative the results have been irrefutable. 3.6 million fewer Americans live in poverty today than in 1996 and welfare caseloads have fallen by 60 percent, since 1994.

In my home State of South Carolina, 70,043 people left welfare between 1996 and 2001. 70,043 people who now know the feeling of independence, self-worth and accomplishment that comes with getting a job and supporting ones family. It pleases me even more to be able to say that 82,000 South Carolinians left poverty between 1996 and 2000. Providing job training and education, increasing funding for child care programs and providing incentives to strengthen families allows people to leave welfare programs and leave poverty behind. The results have been remarkable, but there is more to be done. We need to ensure that when a person leaves the welfare system they do not return. We live a wonderful country full of promise and opportunity for everyone, anyone can do anything in this country—it's the American dream, and in many ways a job is at the heart of that dream.

The Personal Responsibility, Work and Family Promotion Act of 2003 will ensure parents will have the opportunity to tap into reliable child care so they can have the peace of mind that comes with knowing their children are safe while they train for, find, and keep a job. It's important once an individual is able to find a job they continue to train so they have the opportunity to further their career. Another key component is a stable home life because it is so important to set the stage for a child's future. American families do not want a hand out and they don't want a system that offers a life of poverty. They want a helping hand when it's needed and more importantly, they want a chance to rebuild their lives so they can provide a brighter future for themselves and their loved ones, on their own.

Mr. TIAHRT. Mr. Chairman, I've been looking forward to today for quite some time. Today we will pass a welfare reform bill that will build upon the successes of our historic 1996 reforms. In the past 7 years I have heard numerous success stories that arose from the 1996 Welfare Reform legislation that touched the lives of millions.

Our great former president Ronald Reagan once said, ''We should measure welfare's success by how many people leave welfare, not by how many are added.''

In 1996, there were over 14 million welfare cases. Since then, however, that number has been reduced by 9 million. But this debate is about more than just numbers—it is about people. Statistics don't do justice to the smiling faces of success.

I am often asked what I consider my proudest accomplishment as a Congressman. I am extremely proud to have been a Member of the historic 105th Congress that passed the 1996 Welfare Reform Act. Perhaps more than anything else we have accomplished during my time in Washington, reforming welfare has had a positive impact on American families.

Families have achieved independence: Welfare caseloads fell by 9 million—from 14 million recipients in 1994 to just 5 million today.

Promoting work has delivered results: Employment by mothers most likely to go on welfare rose by 40 percent between 1995 and

Child poverty fell dramatically: Since 1996, nearly 3 million children have been lifted from poverty, and the black child poverty rate is now at a record low.

The success of the 1996 welfare reform law is beyond dispute. Our challenge and great opportunity now is to build on that success—by putting even more Americans on the path to self-reliance. I urge my colleagues to vote in favor of this bill, and help the most desperate in our society realize their dreams.

Mr. CASE. Mr. Chairman, I rise today in support of the democratic alternatives to H.R. 4, the Personal Responsibility, Work and Family Promotion Act, and in opposition to the underlying bill.

I support what is widely referred to as Patsy Mink Memorial TANF Reauthorization substitute introduced offered by Representatives KUCINICH, LEE, MCGOVERN, and, LANTOS for two principal reasons. First, I owe it to my distinguished predecessor, the late Congresswoman Patsy T. Mink, to vote to support her legacy of work on welfare reform. This substitute is based on H.R. 3113, which was introduced by Congresswoman Mink in the 107th Congress, and reflected her deeply-held belief that education was the key to enabling poor women and children escape poverty. Indeed, improving welfare law in these respects was her major legislative priority during her last term in Congress.

Second, I believe that the States should have very broad authority on how to spend their TANF funds, including decisions on whether to provide benefits to legal permanent residents and educational opportunities beyond basic vocational training. The principal bill does exactly the opposite.

I am also voting for the Cardin-Kind-Woolsey substitute, which retains the State flexibility contained in current welfare law and provides States with the option of allowing recipients up to 24 months of education, doubling the provision in current law.

I am voting against H.R. 4 because it reduces State flexibility provided under the current law and imposes an unfunded mandate on States. The Congressional Budget Office estimates that implementing the expanded work requirements for welfare mothers—up from 30 hours to 40 hours per week—will cost the States $8 to $11 billion to create make-work jobs and to provide for increased child care.

I am supportive of reasonable, fair welfare reform that moves people from welfare to work. But I reject Federal mandates that limit the States' flexibility and unnecessarily harm people who are trying to improve their futures and that of their children through education.

Mr. THOMPSON of California. Mr. Chairman, I rise today in support of strong, meaningful welfare reform.

I was not a member of this body when welfare reform was first debated in 1996. But, the changes that came about as a result of that debate have brought significant and positive developments to my home state of California.

Under TANF, California has tripled the number of welfare recipients working and their average monthly earnings have significantly increased. Cash aid has decreased by 45 percent and caseloads have declined more than 40 percent.

These are the types of results that the 1996 reforms intended our states to achieve and we must build upon them in a way that will continue to bring people out of poverty and into meaningful employment.

Unfortunately, the bill that we debate today places unrealistic expectations on both our states and our welfare recipients. Worse, it calls for the enactment of work requirements that cannot be met without enhancing childcare, job training and transportation benefits—but minimal funds are provided for these support services.

Tough work requirements are a critical component of any welfare reform legislation and I strongly support strengthening our current provisions. But, I cannot support a plan that shifts a disproportionate financial responsibility onto our states simply because the federal government has squandered our surplus.

The underlying legislation contains approximately $11 billion in unfunded mandates—costs that our states will have to bear alone in order to comply with these new provisions. These mandates will cost California almost $2.5 billion—a tremendous hit particularly at a time when the state is struggling with a budget shortfall of $35 billion.

Mr. Chairman, as evidenced by the Cardin/Kind/Woolsey substitute, we can balance tougher work requirements with the financial resources necessary to truly move people from welfare to work.

This substitute calls for tough, real work requirements that move welfare recipients into meaningful employment.

This substitute gives states the flexibility to create programs that prioritize efficiency over the majority's ''one-size-fits-all'' model. Flexibility has enabled California to implement individual responsibility plans following job search and job preparation activities.

We have been very successful in placing people into work first, rather than wasting both funds and time to develop plans for individuals who have already attained employment.

These innovative approaches are supported by this substitute, which encourages states to implement sensible reforms and to tailor their programs to the needs of their beneficiaries—combining though work requirements with vocational training or ESL education.

Finally, this substitute gives states the resources they need to enact these new, tougher mandates—providing the $11 billion in additional child care funding that CBO has indicated states will need in order for recipients to meet these new work requirements. By preventing unfunded mandates and promoting flexibility, this substitute ensures universal engagement and continued success in transitioning people from welfare into gainful employment.

I urge all of my colleagues to support this substitute, which will build upon the accomplishments our states have already achieved.

Mr. CAPUANO. Mr. Chairman, I rise today in opposition to H.R. 4, the Personal Responsibility, Work, and Family Promotion Act. This bill, which is similar to the welfare reform bill passed by the House in the last session, extends the authorization for the Temporary Assistance for Needy Families (TANF) block grant program through FY 2008.

While I welcome the possibility of reauthorizing this vital program, I am frustrated by the way in which this legislation was brought to the floor—without any markup in the three committees that share jurisdiction on the issue. Furthermore, the House of Representatives has had ample time to rewrite this bill and present a meaningful proposal that will address the needs of low-income families and the states that administer these programs. The bill before us today is nearly identical to last year's legislation and does little to help those most in need of services. The goal of this bill should be to assist welfare recipients in finding employment while transitioning out of poverty. In order to do so, we should be focusing on adjusting the grants for inflation, providing additional funding for childcare and retaining the current thirty-hour workweek requirement while allowing flexibility for education and training programs.

This bill comes at a time when states are experiencing unprecedented budget shortfalls. The economy is sluggish and the unemployment rate has risen from 3.9 percent to 6 percent. Without additional funding, states will be forced to cut important services, including child care and transportation benefits. I cannot support a bill that increases the work requirement for those most difficult to place in employment while failing to provide adequate child care funding. If we demand that people must work for their benefits, we need to provide those individuals with the resources necessary to do so. Massachusetts currently has more than 17,000 children on its child care waiting list. An additional $111 million in childcare funding is needed over the next five years to implement this legislation in Massachusetts alone. The Democrats have responded to this crisis by offering an alternative reauthorization bill. The Cardin substitute provides states with the resources they need to meet these new requirements. It increases childcare by $11 billion over the next five years, while allowing more flexibility to count education and training as work requirements. It retains the current thirty-hour work week rule and allows states to use federal cash assistance for legal immigrants.

The TANF program has been successful in helping to move families off the welfare and into work. It is our job to ensure that states have the resources to continue this important work. I urge my colleagues to support working families and vote against the Republican bill and for the Democratic substitute.

Mr. SIMMONS. Mr. Chairman, I rise today in support of the reauthorization of a welfare program that has brought confidence and helped restore a sense of self-worth and freedom to thousands of my constituents who have fallen on hard times. Reauthorizing the Temporary Assistance to Needy Families, or TANF, program is and should be a top priority, both for my state and our country. We have come far in giving Americans better opportunities but there is much left to do.

The landmark welfare reform Congress undertook seven years ago has been a success. Caseloads have gone down. And states now have the flexibility to spend the money in areas where it is most needed. But even more important is the fact that welfare reform has brought to millions of American citizens economic and social freedom, the feeling of self-satisfaction that comes with a job well done and a goal or milestone reached.

And though this reform has enjoyed a strong show of success, we should be content to rest until all our work is done. This bill offers such a commitment. States will receive each and every year between now and 2008 $16.6 billion. This includes an increase in the Child Care and Development Block Grant, which goes directly to helping mothers and fathers provide better opportunities to their children, as well a measure to provide financial support to mothers newly off welfare.

This welfare program has been a success nationally and in Connecticut.

I speak of Richard Morgan, a 32-year-old resident of North Stonington. Richard enrolled in the Job Search Skills Training (JSST) class offered through the state welfare office. ''It was very good, excellent,'' he said. ''I learned some things I hadn't known before, like how to market myself. I learned how to write a resume, how to make goals.'' Richard now has the liberty to pursue the job and a life of his choosing.

I speak of Milagros Medina, a 28-year-old single mother of three. As a requirement of her federal welfare assistance, Medina went to a Jobs First orientation at the Connecticut Works Center in New London. After this training, Medina interviewed with Brian Kingsley, a Food Service Director, trying to get a job as a nutritionist. ''Now whenever I have a job opening,'' he says, ''I go the Connecticut Works Center first. I see them as a pre-screening support agency.'' Milagros now has the freedom to use her own merits as an asset.

In Connecticut, federal action and reform has made possible our Jobs First Employment Services Program, a resource to those out of work who need guidance, training and the tools to find their path. As Richard and Milagros will tell you, this program works.

If we search, we can find proof in the numbers. Connecticut caseloads have gone from 38,891 families in 1997 to nearly 12,000 in 2002. Over 60 percent of our state's families on welfare are engaged in some form of work activity. But numbers are not the true merit of this program. The heart of welfare is in its ability to offer these are men and women with new opportunities, new freedoms a new sense of self-determination. Every American has the chance, the right, to know that the doorways to success are open to him or her. This action we are taking the reforms we have put into place is that doorway.

Mr. Chairman, this welfare offers hope where there was none. It helps develop the skills, the motivation, and more importantly, the confidence and freedom to reenter the workforce. That is a right that should be available to all hard-working men and women in America. Our state programs and local officials are getting the job done. It is time for Congress to do the same.

Mr. CHOCOLA. Mr. Chairman, today, I rise in support of the Personal Responsibility, Work, and Family Promotion Act of 2003.

Over the last decade, many in this Congress have worked to turn the welfare system around. The Personal Responsibility and Work Opportunity Act of 1996 has been an enormous success. All across America, the welfare rolls are down, and many young people have returned to lives of self-reliance and dignity.

The 1996 welfare reform law expired at the end of last year. Congress must now act to maintain and expand the success of welfare reform by promoting work, strengthening families, and helping more welfare recipients move toward independence and self-reliance.

The bipartisan bill before us today helps welfare recipients follow a responsible path toward independence by increasing minimum work requirements, providing additional opportunities for education and training, and making health benefits available to individuals leaving welfare as they transition to self-sufficiency.

This legislation takes important steps to strengthen families and protect children by increasing funding for childcare, so single parents can go to work. It also provides financial incentives for states to return more money collected from past-due child support to mothers and children. And, as soon as the legislation becomes law, it makes available up to $300 million annually for programs that encourage healthy, stable marriages.

Finally, this bill frees states to seek out new and innovative approaches to serve those in need. It allows states greater flexibility and encourages projects to improve program effectiveness and to improve service delivery.

I am proud to have co-sponsored this bipartisan bill. H.R. 4 maintains and strengthens the 1996b reforms, while providing a sensible plan that promotes work, requires responsibility, strengthens families, and protects children.

Ms. KILPATRICK. Mr. Chairman, today, I voted against passage of H.R. 4, the Welfare Reform Reauthorization. I opposed passage of the bill last session and today for the same reasons.

First, the Republican bill has weak educational opportunities for welfare recipients, it places unfunded mandates on States, and implements stricter requirements without taking into account increases for inflation. This puts States in a very compromising position. Furthermore, this bill only includes $1 billion in

additional funding over five years for childcare. It is general knowledge that there is insufficient money provided for childcare to meet the current needs of our nation. Moreover, the Republican bill places harsher work requirements on mothers with young children, without providing for a sufficient increase in childcare funding. How are families to cope?

Additionally, the Republican bill is only concerned about the numbers looking good on paper. The majority points to the success of the reduction of welfare rolls with the Welfare Reform Law of 1996; however, they fail to take into account the number of welfare recipients that have moved off the welfare rolls straight into low-income, minimum wage jobs. Many families still must rely on government assistance to stay afloat. Their measure of success is terribly flawed.

Providing government assistance to needy families should not be based on unlimited assistance—this is something that those of us on both sides of the aisle can agree on. However, this bill should be directed at providing fair and meaningful assistance that will help lift families out of poverty. This objective is at the heart of both the Kucinich and Cardin Substitutes that I supported. Both of these alternatives to H.R. 4 put a greater emphasis on educational opportunities and programs—an approach that would ensure that families are able to move up the economic ladder. Without the opportunity to learn a trade or pursue post-secondary educational options, the outlook for families being able to move off of welfare and improve their economic status is bleak.

Welfare reform should include policies that provide real solutions to helping families leave and stay off of welfare. Helping families to succeed is the Democratic approach—and the right approach. If we fail to enact policies that give families a real chance to create a better life, we fail families and we fail children.

Ms. MCCARTHY. Mr. Chairman, I rise today in opposition to H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003 and in support of the Cardin/Kind/Woolsey alternative.

I supported the 1996 Welfare Reform bill (P.L. 104–193). States like Missouri have made great progress in moving 100,000 individuals from welfare to work. Ms. Jones is one of Missouri's success stories. When she was called into Department of Family Services (DFS) case management she had numerous barriers keeping her from employment. She had three children, ages 9, 10, and 11. Ms. Jones had no driver's license, no automobile license, no insurance for her car, and the car needed mechanical repairs. Before she could get a job these barriers had to be addressed. She received Temporary Assistance. With the creative collaboration of DFS and the Welfare to Work consultants, Ms. Jones is no longer receiving Temporary Assistance, has employment paying her $8.50 per hour, has her driver's license, transportation and some new uniforms to wear.

To continue moving individuals from assistance to gain employment maintaining state flexibility is critical to the success of welfare reform. State like mine have been the laboratories for change and success in moving people from government assistance to self-sufficiency. The state of Missouri utilizes an innovative case by case assessment in providing temporary assistance. We participate in effective community based partnerships that foster independence from public assistance and improve family well being. We have award winning programs that promote and provide youth mentoring, extended school days, parenting skills, child development, job training, post-secondary education, and job placement services that are effective at moving welfare recipients into self-sufficiency.

H.R. 4 jeopardizes the flexibility that Missouri utilizes in providing personalized case management through these programs. H.R. 4 eliminates Missouri's flexibility in vocational education training by stipulating only four months of education and training. In a time when states like mine are already facing serious deficits and cut in spending, this bill exacerbates their budget woes by providing no new money to implement its stricter work and participation requirements, and states currently cannot balance their budgets as required by their constitutions. Missouri would have to come up with over $200 million dollars to implement to inflexible changes in H.R. 4 when it is already facing $814 million in deficits. This does not include the $116.5 million Missouri would need in additional child care money to ensure the children affected will have access to safe and nurturing care. The bill before us today funds the Temporary Assistance for Needy Families—TANF—block grant at the 1995 level and proposes barely enough funding for childcare to keep up with inflation.

The Cardin/Kind/Woolsey substitute both provides an inflationary increase in the TANF block grant (an additional $6 billion over five years) and increases child care funding by $11 billion over five years. If my colleagues on both sides of the aisle truly want to promote self-sufficiency and encourage more single mothers like Ms. Jones, who has moved off of temporary assistance, then we must adopt the Cardin/Kind/Woolsey substitute because it provides the resources that promote working toward self sufficiency.

Mr. Chairman, stricter work requirements with fewer resources is a losing equation for the welfare mothers and children of metropolitan Kansas City and for our nation.

Mr. ETHERIDGE. Mr. Chairman, I rise today in opposition to H.R. 4, the Republican welfare bill, and in support of the Democratic alternative offered by my colleagues Representatives CARDIN, KIND, and WOOLSEY.

To paraphrase baseball great Yogi Berra, this legislation ''is like deja vu all over again.''

Indeed, the bill we are considering today is almost identical to the flawed welfare bill we debated last May. Since then, our national economy has continued to stagnate, unemployment has risen sharply, and our states have fallen further into fiscal crisis. In light of this, one would think that the Republican Leadership would take some time to re-think their welfare bill and write a better one. Instead, they offer today the same welfare bill that failed to pass Congress last year. What wasn't good enough for America's working families then, is worse for America now.

There are three main problems with H.R. 4. First, it burdens the states with a large unfunded mandate. Second, it fails to provide welfare participants with adequate access to education and job training. And finally, it significantly underfunds childcare.

I strongly support putting people to work to help them obtain self-sufficiency. While the Republican bill requires more work hours, H.R. 4 does not provide the states with the resources to implement these additional work requirements. According to the Congressional Budget Office, it will cost $8–11 billion to comply with these new provisions. In North Carolina, which is in the midst of a severe budget crisis, H.R. 4 would cost $222 million.

Additionally, welfare reform should not limit one's opportunity to succeed and care for one's family. Under the Republican welfare bill, education initiatives that allow welfare recipients to take community college classes or obtain their GED are eliminated. That's unacceptable. As the former Superintendent of North Carolina's public schools, I understand how important education is to finding and keeping a good job. Education is the key to a successful future. Many of the folks who remain on the welfare rolls today are the least prepared to enter the workforce, and we must provide them with the tools they need to lift themselves and their families out of poverty.

Finally, the republican bill also requires parents to work ten more hours per week, yet it does not provide enough resources for childcare. Finding quality childcare is one of the most daunting challenges with which welfare recipients must contend. Good childcare helps young children develop and keeps older children in positive, productive environments. It keeps children off the streets while their parents are at work. This is common sense. If you require folks to spend more time working, you must give them an avenue for caring for their children.

I support the Democratic alternative to this bill. As a member of the New Democratic Coalition, I especially want to commend the good work done by my colleague Congressman KIND on this alternative. Mr. KIND's leadership has produced a far superior bill. Like H.R. 4, our plan requires more work hours, but it goes much further in providing the resources necessary to make welfare reform work. It also allows states to count education and job training as work related activities, which help welfare recipients prepare to get good jobs and permanently leave the welfare rolls. Further, this alternative makes reducing poverty a core purpose of the welfare program. And most importantly, this plan invests significant resources for childcare.

Mr. Chairman, I've lived all of my life in the rural communities located in the heart of North Carolina. There we share common values that stress the importance of family and hard work. Welfare reform should provide families with the tools to lift themselves out of poverty to self-sufficiency. Disappointingly, the Republican welfare bill will not work; it will fail our families. Conversely, the Democratic alternative honors hard work and provides our families with opportunities to find hope and achieve success.

I urge my colleagues to oppose H.R. 4 and to support the Democratic alternative.

Ms. ROYBAL-ALLARD. Mr. Chairman. I rise today in opposition to H.R. 4, a bill to reauthorize the Temporary Assistance to Needy Families Program.

The purpose of this program is to move people from welfare to work; however Democrats and Republicans approach this effort very differently. The Democratic plan moves welfare recipients into real jobs and out of poverty. Republicans focus only on adding work hours, even if it means pushing recipients into minimum wage jobs that keep them in poverty.

The Democratic plan provides education and training to workers, so they can move up the economic ladder into decent paying jobs. The Republican plan ignores the need for training.

The Democratic plan increases access to quality child care, which is critical for families moving from welfare to work. The Republicans underfund child care programs by 9 billion dollars.

Finally, the Democratic plan provides States with the flexibility to tailor their services based on past experience. The Republican plan forces states into a one-size-fits-all program full of unfunded mandates that ignores the unique needs of individual states.

Mr. Chairman, it is clear that the Democrat approach will reform welfare in a way that helps move people from welfare to work with the hope of improving their quality of life. I urge my colleague to vote against this punitive Republican bill that fails to offer hope, and support the Democratic substitute.

Mr. UDALL of New Mexico. Mr. Chairman, today we are considering critically important legislation to reauthorize the Temporary Assistance for Needy Families, TANF, block grant program for another five years. This is an incredibly important task made even more so in light of the difficult economic circumstances our country is currently facing. In light of the fact that there are over 8 million Americans out of work. And in light of the fact that nearly all of the states are facing serious fiscal crises.

Unfortunately, I believe that H.R. 4 fails to take into consideration the particularly difficult times facing some of the most vulnerable individuals in our society and those becoming increasingly more vulnerable in these times of economic uncertainty. Now is not the time to impose more restrictions and costs on states and TANF recipients, yet that is precisely what H.R. 4 does. And it does so without providing any additional funding, which does not fit my definition of compassionate conservativism.

Seven years ago, when TANF was created to replace the AFDC program, the bill was funded at $16.5 billion per year. Today we are considering a bill that not only provides only the exact same amount of money as the 1996 welfare reform bill, disregarding inflation, but also increases TANF recipients' required work hours from 30 hours to 40 hours a week. According to the Congressional Budget Office, this provision alone will cost the states $8 to $11 billion over the next five years, and will cost my home state of New Mexico an estimated $100 million to implement the work participation requirements. These additional mandates that lack the funds to accompany them will exacerbate already dire fiscal crises in the states. The combined 2002–2005 state budget gap is projected to be $189 billion. Add the additional costs associated to implement the work requirements and the states are staring a combined budget gap of $200 billion right in the face.

In addition, H.R. 4 also fails to help working mothers with the increasing cost of childcare. Though the bill does include $1 billion in new mandatory child care funding—the only new funding in this legislation—this amount is not nearly enough to help cover the additional child care funds that states would need to implement the child care provisions in H.R. 4. New Mexico alone would require an additional $50 million over 5 years to implement the childcare provisions of this legislation.

I do strongly support, however, the substitute legislation being offered by Mr. CARDIN, and Mr. KIND, and Ms. WOOLSEY. Not only does this legislation strengthen current work requirements and provide states with the flexibility and freedom to innovate, but also provides sufficient funding necessary to help states with additional requirements.

The substitute being offered today increases work participation rates from its current level of 50 percent by 5 percent a year to reach 70 percent by 2007. It increases the number of work-focus activity hours from 20 to 24 hours, and provides states the option of increasing the number of required hours of work from 30 hours to 40 hours a week if they so desire. However, unlike H.R. 4, the substitute provides the states with the resources necessary to meet these changes. The Cardin-Kind-Woolsey substitutes provides inflationary increases for the TANF block grant, which equals an additional $6 billion over five years, as well as an additional $11 billion for mandatory childcare funding over five years to meet the requirements.

Mr. Chairman, as President Franklin Delano Roosevelt once said, and which is engraved on a wall at the FDR memorial not 15 minutes walking distance from here, ''The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little.'' Today, as we consider this legislation to provide a safety net for our great country's poorest and most vulnerable population, as the income disparity between the rich and poor continues to grow, this quote from a great man and great leader should resonate loudly throughout the chambers of the capitol and throughout the land. We need to help provide opportunities for people to get out of poverty and off of TANF. H.R. 4 does not do this, but instead imposes unfunded mandates on states. H.R. 4 focuses on caseload reductions, not poverty reduction, which should be the true standard by which a successful welfare program should be measured.

I urge my colleagues to vote against H.R. 4 and support the Cardin-Kind-Woolsey substitute.

Mr. MICHAUD. Mr. Chairman, I rise today to urge my colleagues to support the Cardin Democratic alternative on the Welfare Reauthorization bill. This bill would reduce poverty, promote State flexibility, and help move welfare recipients into real jobs.

It adds a strong new work requirement, but it also provides welfare recipients with support through education, training, and childcare, and it gives states adequate resources to fund these programs.

In contrast, H.R. 4 would leave Maine with a $56 million dollar unfunded mandate over five years. Just as bad, right now, a Maine family of three receiving the maximum benefit only reaches 39 percent of the federal poverty level.

H.R. 4 doesn't give any new resources to change that. Instead, it simply asks states and welfare recipients to meet new goals, without giving them a real change to achieve them.

So let's support the alternative, and pass welfare reform that works.

Mr. EVANS. Mr. Chairman, I stand before you today to show the American people what the Republicans in Congress really stand for. This welfare reform bill perpetuates the misconception of the stereotypical welfare recipient and does little to actually help those on the welfare rolls gain economic independence. H.R. 4 does nothing to help people move into real jobs providing livable wages.

One of the key factors in moving recipients from welfare to work is the ability to obtain education and job training. This legislation ignores the reality of the situation: education is imperative to propel those on the welfare rolls into higher paying jobs that are the real road to self-sufficiency. In the current state of our economy, now more than ever, we need to provide job skills and training to the poorest families. Even skilled workers are having a difficult time finding employment, and it would be ruthless for us to turn our backs on those with less skills in their time of need.

Mr. Chairman, this Republican bill's extended work provisions are extremely troubling. Mandating a 40-hour work week for single parents on welfare without providing the needed monies for child care is reprehensible. The Congressional Budget Office estimates that $11 billion will be needed to fund for child care in order to make this extended-work mandate feasible. H.R. 4 allows only $1 billion for this care, thus leaving our already financially-strapped states in a serious predicament.

Further, this legislation lacks alternatives to abstinence-only education. It is irresponsible that we are not providing monies for comprehensive sex education program that would help reduce teen pregnancy, reduce sexually transmitted diseases and promote sexual health.

I support the Democratic substitute that understands and provides for the real purpose contained in the title: Temporary Assistance to Needy Families. These alternatives give recipients a hand up, not a hand out. By extending the definition of work to include job training, getting a GED, and care for a child under 6 or the disabled, my Democratic colleagues and I show our compassion for the poor in their time of need.

Republicans are showing their true colors by introducing this legislation: a sincere lack of understanding of the factors that lead people to seek government assistance and a lack of mercy for those down on their luck in this time of economic recession. We need a fair and decent method of helping those who need our help the most. I urge my colleagues to vote against H.R. 4.

Mr. MATHESON. Mr. Chairman, the proposal before us today to reauthorize Temporary Assistance to Needy Families TANF, is one that falls short of providing temporary assistance or focusing on needy families. While there are aspects of H.R. 4 that should be applauded, such as increasing overall funding, restoring federal support for the Social Services Block Grant, removing the disincentives for two parents families, and approaching welfare cases with a family-oriented perspective, this legislation falls short on providing the real solutions that families struggling in Utah require.

There are several essential elements for welfare reform that are lacking in H.R. 4. First, is state flexibility. H.R. 4 would limit state flexibility and subsequently undermine the welfare successes that Utah has experienced. The whole concept of the 1996 reforms was for states to tailor services. Over the last six years, it has been the ability of the states to adapt programs to meet the needs of populations with multiple barriers that has allowed

caseloads to decline. Developing true self-sufficiency requires state flexibility. It means looking towards the long-term and providing credit for educational and vocational training, and it requires state alternatives to increase participation rates.

At the same time that H.R. 4 limits state flexibility, it fails to even provide adequate funding for the increased requirements it entails. H.R. 4 would require the states to do more with fewer resources. It increases the mandates on the states to increase participation rates and work hours, but does not provide the resources to implement these changes. It leaves the states without the ability to cover the increased costs related to stricter work requirements and removes the credits available to the states for decreasing caseloads without providing other benefits. This unfunded mandate cannot be supported by Utah, and will not provide the temporary assistance required at this time.

H.R. 4 also falls short on supporting families. It requires parents to go to work without any resources to care for their children. The Congressional Budget Office has estimated that new work requirements would require $44 million dollars more for child care in Utah. H.R. 4 does not provide these resources. In addition, H.R. 4 would no longer allow single mothers with children under age six to be fully compliant if they work 20 hours a week. Instead, they would be required to work 40 hours a week, despite the young children they have at home, and then would be provided with no additional resources to help them obtain child care. Such actions are not pro-child and are not pro-family.

I cannot support legislation that falls short on providing for the real people that I represent in Utah. They deserve more. That is why I support reauthorization of TANF that is built on sound principles: flexibility for the states, reasonable requirements, real work that will lead to long-term self-sufficiency, educational and vocational training, and adequate resources for childcare. Such a proposal would recognize the real needs of real Utahns and provide needy families with real, temporary assistance.

Mr. BLUMENAUER. Mr. Chairman, especially in these troubled economic times, the safety net, in the words of President Reagan, is critical for many families in Oregon and across America. Unfortunately, after months of delay, we are being presented with a TANF Reauthorization that shows little improvement from the bill presented to us almost a year ago, even though the economic situation has deteriorated dramatically in the last year, putting millions of Americans out of work. This bill does little to recognize the needs and challenges facing a growing number of Americans.

In Oregon, the new welfare system is getting its most severe test. Our statewide jobless rate is now 7.1 percent, the highest in the nation. Oregon's budget is in shambles, but we are not alone. At least 46 states are struggling to close a combined budget gap of $37 billion in the most recent fiscal year. Budget shortfalls are reaching record levels, and are projected to approach $85 billion. Some states have already made cuts to TANF-funded programs, including Ohio, the homestate of the author of this bill. At a time when states are facing serious budget crises and are being asked to do even more on hometown security, the federal government should be giving assistance, not retreating. Instead, this bill would create a series of unfunded mandates that in Oregon alone are expected to cost $100 million over the next five years.

This proposal also fails to address the critical need for childcare among families receiving assistance. A recent report by the Children's Defense Fund found that budget shortfalls have forced a number of states to reduce funding for child care, despite the pressing need for these services as economic circumstances worsen. Asking for increases in make-work hours without significantly increased childcare funding is shortsighted and ultimately destructive in the fight to help these families achieve self-sufficiency.

Finally, this bill fails to recognize the fiscal realities facing states and the mounting challenges facing a growing number of Americans. Instead of targeted tax cuts to those who are least in need; the federal government should step up to the plate and support welfare reform that will achieve a real reduction in poverty.

Mr. RODRIGUEZ. Mr. Chairman, I rise in strong opposition to H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003. While proponents of H.R. 4 argue that they are building upon the successes of the sweeping 1996 welfare reform plan by promoting independence through work and lifting millions of Americans out of poverty—they in fact promote helplessness and misery for millions.

They fail to recognize that while research tells us that even though poverty levels are down, hunger, utility cut-offs, and hopelessness have increased among former Temporary Assistance of Needy Families (TANF) recipients. Within these poor families many children suffer because poverty prevents them from having basic needs met. When the prevalence of poverty is combined with the fact that less than one fourth of children eligible for a range of government subsidies receive any of them, we are failing to protect our most important and vulnerable assets—our children.

H.R. 4 does not provide sufficient funding for programs essential to reaching the goal of reducing poverty. It would freeze the amount of the TANF block grant at current funding levels for the next five years. These funding limitations are especially critical during these times of increasing unemployment and State budget deficits. The reality is that the value of the TANF block grant has fallen by 13.5 percent between fiscal year 1997 and fiscal year 2002. In my home State of Texas alone it would take $688 million, over the next five years, in addition funding to implement the work participation requirements in H.R. 4. Forcing States to implement new provision in the welfare bill, while providing no new resources for either TANF block grants or child care, is a recipe for disaster and not a responsible approach to reauthorizing TANF.

States should be provided appropriate funding to ensure that TANF recipients receive the assistance they need to become self-sufficient. H.R. 4 does not provide states with the financial support, or the programmatic flexibility needed to tailor work activities to the individual needs of parents and families to overcome workplace barriers. Instead it imposes harsh work requirements that are recipes for failure and restricts States' ability to operate education and training programs that prepare TANF recipients for long term, well compensated employment.

Finally, an important component of any proposed reauthorization of TANF must ensure access to job and health care programs for this Nation's legal immigrants. Despite widespread support for providing hardworking, tax paying legal immigrants with the opportunity to apply for safety-net programs, H.R. 4 continues the unfair ban on providing such critical services to legal immigrant families with children. Medicaid and CHIP eligibility should be based on need, not the date one enters the country. States should be allowed to continue to use state funds to provide primary and preventative care to immigrants.

I will only support a welfare reauthorization bill with the true purpose of reducing poverty, and one which provides its participants with real opportunities and with the self-dignity to pursue the necessary tools to ensure future success.

I will support the amendments presented to this bill, made in the form of substitutes, which increase childcare funding, which allow States more flexibility to count education and training and other work preparation towards more realistic work requirements, that restore eligibility and benefits to legal immigrants and that reward States that place parents in real, long term employment.

Mr. CRANE. Mr. Chairman, I rise to lend my full support to H.R. 4 the reauthorization of the Personal Responsibility, Work, and Family Promotion Act of 2003.

Before 1996 there were many cases of honest, hard-working individuals on the welfare rolls, who, faced with hard times, were forced to rely on our government in order to help provide for themselves and their families. Unfortunately, there were also many cases of individuals who in the past abused this system set up to help those in need. I believe that individuals who choose to live off of government welfare, with no intention of leaving the rolls, not only cheat the American taxpayer, they also cheat their children and grandchildren who often live their lives trapped in a cycle of receiving government handouts.

Mr. Chairman, the bill we are considering on the floor today gradually raises work requirements over the next five years and continues to award States that are successful at moving people from welfare to work. This bill protects children with a $2 billion increase in childcare funding. The bill allows States greater flexibility in providing care for children of low-income working families. This keeps with the idea that those closer to a problem know best how to fix it. The plan also includes $300 million annually to encourage healthy marriages and two-parent married families, through programs such as pre-marital education and counseling.

Let me briefly say that despite my support for the measure, I remain concerned about some of the provisions in the legislation. While the measure does improve upon work requirements from the 1996 Temporary Assistance for Needy Families (TANF) bill, in some cases it does not go far enough. For instance, H.R. 4 increases the number of hours a welfare beneficiary must work and spend in job training programs, but it allows the states to define ''work'' in practically any way they see fit for these additional hours. Mr. Speaker, I am in favor of allowing States flexibility in administering welfare programs—flexibility is, after all, the linchpin of the reforms we enacted in 1996—but in my view we should set some

sort of minimal standard and let the States implement them as they see fit.

Mr. Chairman, TANF has shown how, through simple common sense means, the lives of millions of Americans can change from a cycle of poverty and dependence to lives that are happier and more productive. They have shown how expecting more from our fellow citizens can lift the Nation as a whole. I am happy to support this measure and encourage my colleagues to vote in favor of this important legislation.

Mr. PAUL. Mr. Chairman, no one can deny that welfare programs have undermined America's moral fabric and constitutional system. Therefore, all those concerned with restoring liberty and protecting civil society from the maw of the omnipotent State should support efforts to eliminate the welfare state, or, at the very least, reduce Federal control over the provision of social services. Unfortunately, the misnamed Personal Responsibility, Work, and Family Promotion Act (H.R. 4) actually increase the unconstitutional Federal welfare state and thus undermines personal responsibility, the work ethic, and the family.

H.R. 4 reauthorizes the Temporary Assistance to Needy Families (TANF) block grant program, the main Federal welfare program. Mr. Speaker, increasing Federal funds always increases Federal control, as the recipients of the funds must tailor their programs to meet Federal mandates and regulations. More importantly, since Federal funds represent resources taken out of the hands of private individuals, increasing Federal funding leaves fewer resources available for the voluntary provision of social services, which, as I will explain in more detail later, is a more effective, moral, and constitutional means of meeting the needs of the poor.

H.R. 4 further increases Federal control over welfare policy by increasing Federal mandates on welfare recipients. This bill even goes so far as to dictate to States how they must spend their own funds! Many of the new mandates imposed by this legislation concern work requirements. Of course, Mr. Speaker, there is a sound argument for requiring recipients of welfare benefits to work. Among other benefits, a work requirement can help a welfare recipient obtain useful job skills and thus increase the likelihood that they will find productive employment. However, forcing welfare recipients to work does raise valid concerns regarding how much control over one's life should be ceded to the government in exchange for government benefits.

In addition, Mr. Chairman, it is highly unlikely that a ''one-size-fits-all'' approach dictated from Washington will meet the diverse needs of every welfare recipient in every State and locality in the Nation. Proponents of this bill claim to support allowing States, localities, and private charities the flexibility to design welfare-to-work programs that fit their particular circumstances. Yet, this proposal constricts the ability of the States to design welfare-to-work programs that meet the unique needs of their citizens. I also question the wisdom of imposing as much as $11 billion in unfunded mandates on the States at a time when many States are facing a fiscal crisis.

As former Minnesota Governor, Jesse Ventura pointed out, in reference to this proposal's effects on Minnesota's welfare-to-welfare work program, ''We know what we are doing in Minnesota works. We have evidence. And our way of doing things has broad support in the State. Why should we be forced by the Federal Government to put our system at risk?'' Why indeed, Mr. Speaker, should any State be forced to abandon its individual welfare programs because a group of self-appointed experts in Congress, the Federal bureaucracy, and inside-the-beltway think tanks have decided there is only one correct way to transition people from welfare to work?

Mr. Chairman, H.R. 4 further expands the reach of the Federal Government by authorizing approximately $10 million for new ''marriage promotion'' programs. I certainly recognize how the welfare state has contributed to the decline of the institution of marriage. As an ob-gyn with over 30 years of private practice, I know better than most the importance of stable, two parent families to a healthy society. However, I am skeptical, to say the least, of claims that government education programs can fix the deep-rooted cultural problems responsible for the decline of the American family.

Furthermore, Mr. Chairman, Federal promotion of marriage opens the door for a level of social engineering that should worry all those concerned with preserving a free society. The Federal Government has no constitutional authority to promote any particular social arrangement; instead, the founders recognized that people are better off when they form their own social arrangements free from Federal interference. The history of the failed experiments with welfarism and socialism shows that government can only destroy a culture; when a government tries to build a culture, it only further erodes the people's liberty.

H.R. 4 further raises serious privacy concerns by expanding the use of the ''New Hires Database'' to allow States to use the database to verify unemployment claims. The New Hires Database contains the name and social security number of everyone lawfully employed in the United States. Increasing the States' ability to identify fraudulent unemployment claims is a worthwhile public policy goal. However, every time Congress authorizes a new use for the New Hires Database it takes a step toward transforming it into a universal national database that can be used by government officials to monitor the lives of American citizens.

As with all proponents of welfare programs, the supporters of H.R. 4 show a remarkable lack of trust in the American people. They would have us believe that without the Federal Government, the lives of the poor would be ''nasty, brutish and short.'' However, as scholar Sheldon Richman of the Future of Freedom Foundation and others have shown, voluntary charities and organizations, such as friendly societies that devoted themselves to helping those in need, flourished in the days before the welfare state turned charity into a government function.

Today, government welfare programs have supplemented the old-style private programs. One major reason for this is that the policy of high taxes and the inflationary monetary policy imposed on the American people in order to finance the welfare state have reduced the income available for charitable giving. Many over-taxed Americans take the attitude toward private charity that ''I give at the (tax) office.''

Releasing the charitable impulses of the American people by freeing them from the excessive tax burden so they can devote more of their resources to charity, is a moral and constitutional means of helping the needy. By contract, the Federal welfare state is neither moral or constitutional. Nowhere in the Constitution is the Federal Government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. In the words of the famous essay by former Congressman Davy Crockett, this money is ''Not Yours to Give.''

Voluntary charities also promote self-reliance, but government welfare programs foster dependency. In fact, it is the self-interests of the bureaucrats and politicians who control the welfare state that encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived Federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

In conclusion, H.R. 4 furthers Federal control over welfare programs by imposing new mandates on the States which furthers unconstitutional interference in matters best left to State, local governments, and individuals. Therefore, I urge my colleagues to oppose it. Instead, I hope my colleagues will learn the lessons of the failure of the welfare state and embrace a constitutional and compassionate agenda of returning control over the welfare programs to the American people through large tax cuts.

Mr. HONDA. Mr. Chairman, I rise today to express my strong opposition to H.R. 4, the Republican Welfare Reform bill that would push millions of American families deeper into a life of poverty.

I represent Santa Clara County, California, which has an unemployment rate of 8.2 percent. In a shrinking job market with an intensely competitive workforce, it makes no sense for H.R. 4 to require an increase to a 40-hour workweek. Many welfare recipients are already working two to three jobs trying to make ends meet.

Santa Clara County has one of the most diverse immigrant populations in the Nation. A third of current welfare recipients in the county lack basic education, and almost half lack vocational skills. Over 60 percent of current recipients have difficulty speaking and reading English.

While employers demand basic language training for these individuals, H.R. 4 eliminates any vocational education as a primary work activity. In effect, this change penalizes non-English speaking immigrants all across our Nation. I find it untenable that under H.R. 4, the road to self-sufficiency will not be paved with education and training.

H.R. 4 unreasonably increases work requirements and irrationally restricts training. It undermines TANF's goal of self-sufficiency and, most disturbingly, places harsh burdens on American families in a time of economic uncertainty.

It is even more distressing that on such a crucial issue, House Members will not be given a chance to offer amendments that would improve upon the bill. It is apparent that there are legitimate concerns with several provisions of H.R. 4—concerns that translate into

real consequences for our constituents. Now should not be the time to disregard the families and children who need our leadership the most.

Mr. Chairman, in substance and in process, I adamantly oppose H.R. 4 and I urge my colleagues to support a Democratic substitute.

Mr. KIND. Mr. Chairman, I rise today in support of the Democratic substitute to H.R. 4, which reauthorizes welfare reform. H.R. 4 is a step in the wrong direction. It replaces State flexibility with unfunded mandates, it promotes make-work at the expense of wage-paying employment, and does nothing to help families escape poverty when they leave welfare for work. I worked closely, however, with representatives CARDIN, and WOOLSAY, in crafting a Democratic substitute that better assists the States in moving families from welfare to work and I am pleased to be a lead sponsor of this legislation.

Furthermore, as co-chair of the New Democratic Coalition, I am satisfied that our substitute incorporated many of the new Democrats' suggestions based on the principle of ''work first.''

The successful welfare legislation passed in 1996 was one of the signature New Democrat initiatives and succeeded where previous attempts to reform welfare failed.

Welfare reform, however, now faces its stiffest test since its enactment. The roaring 90's—the decade during which more than 22 million new jobs were created—are long gone. Our economy today is stagnating. The unemployment rate and welfare rolls are up. An estimated 8.6 million Americans are out of work, including 166,000 in my home State Wisconsin.

Adding insult to injury, the States, which took responsibility under the 1996 law for administering assistance programs, are in the grips of their worst fiscal crisis in 50 years. They are being forced to cut back services—services that provided critical supports for welfare recipients and the working poor and, as many recipients reach the five-year benefits limit, States increasingly will find themselves providing very basic supports for their citizens through food programs and homeless shelters.

Unfortunately, our changing economic fortune has not stopped the House leadership from pushing welfare reform legislation that fails to help those who are struggling to make end meets and imposes even more unfunded mandates on the States.

The GOP plan, for example, would drastically increase the number of house that mothers with young children will be required to work, without a corresponding increase in child care funds. In fact, House leadership would freeze funding for welfare and child care at current levels, even though the Congressional Budget Office estimates that implementing the new work requirements will cost the States an additional $8 billion to $11 billion over five years. In Wisconsin alone, this would add another $89 million to our State's projected $3.2 billion budget deficit.

Thus, the Democratic substitute is a better alternative that places welfare recipients on the path to independence from public assistance by preparing them for good paying, private-sector jobs. Our alternative reform provides the States with flexibility and freedom to be innovative in moving families from welfare to work and empowering individuals to become self-sufficient.

Currently, the most promising State programs that help welfare recipients obtain and advance in a job, combine a ''work first'' approach with supplements training and education. Our plan helps these States by providing employment credits and allowing them to count education and training towards their participation rate for up to 24 months. Finally, our plan combines heightened work requirements with an addition $2.2 billion per year in childcare funding to ensure that families transitioning off of welfare can afford to work.

In addition to the Democratic Substitute, I offered two amendments during Rules Committee yesterday, which, unfortunately, were not accepted by the House leadership and were kept from being debated on the floor today.

The first amendment was an employment credit that I offered with Congressman LEVIN. Currently, States have the option of taking advantage of the caseload reduction credit that rewards States with credit against its participation rate just for moving people off welfare. Our amendment, however, would have replaced the caseload reduction credit with an employment credit, thus, rewarding States for moving people into jobs, with a bonus for moving them into high paying jobs. Last year, even the Administration's plan eliminated the caseload reduction credit and replaced it with its own employment credit.

The second amendment I offered gave States incentives to put fathers to work. It rewarded States with a credit towards its worker participation rate if they worked with fathers to increase their employment and pay child support. While very little research exists about marriage and its direct benefit to children, substantial research shows a working father most effectively improves children's emotional and financial well-being.

Again, I am pleased to have sponsored the Democratic substitute with Representatives CARDIN and WOOLSEY. Our alternative is a step forward in the right direction. Today, while facing a stagnant economy coupled with unprecedented budget deficits, our welfare reform legislation ensures that families are strengthened, companies well served, and individual futures improved. By building on our past success, we can continue to help millions of Americans once and for all gain a foothold on the first rung of the career ladder.

Mr. Chairman, I urge my colleagues to oppose H.R. 4 and support the Democratic substitute offered by Representatives CARDIN, WOOLSEY and myself. Finally, I regret that this legislation was pushed through the House so quickly without any consideration from the committees of jurisdiction. Acting with such haste completely ignored the process and shut out all our new Members. Such an important issue should have received more thought and consideration.

Mr. OXLEY. Mr. Chairman, I rise in support of H.R. 4—the ''Personal Responsibility, Work, and Family Promotion Act of 2003.''

The Committee on Financial Services approves H.R. 4's State flexibility authority that would cut across jurisdictional lines, both statutory and regulatory, to allow States and/or local governments to conduct demonstration projects to integrate Federal programs and funds. Under the plan, entities, such as the public housing authority, and the local and State governments would petition a Federal review board for this broadened waiver, with the appropriate Secretary exercising veto authority over the plan.

An example of this waiver could be a childcare center and a local public housing agency jointly petitioning the Federal Review Board to waive the regulations and requirements of their applicable programs to achieve a certain purpose. H.R. 4 will knock down firewalls and bureaucratic obstacles that many housing organizations complain about when attempting to blend programs from different agencies.

This proposal is an opportunity to allow some demonstration programs to see different ways of tackling the problem of service delivery, poverty, and a permanent underclass that should have the opportunity to move beyond public housing and homeless shelters to fully integrate in the private sector through rental and homeownership opportunities. We have heard time and time again that we need to blend more of the programs from HHS and HUD, for example, to tackle homelessness. H.R. 4 gives us that opportunity.

Moreover, to ensure that residents in public housing have an opportunity to comment and participate in the development's strategic plan, H.R. 4 requires that the concerns of the residents be incorporated into not only the annual strategic plan submitted by the Public Housing Authority, but also the application for State flexibility. This will provide a significant opportunity for collaboration between the public housing authority management, residents and the administrators of other entities to craft demonstrations that will achieve meaningful results, as opposed to a dictate from top-management only. I can't underscore the importance of resident/tenant participation to the eventual success of these applications and demonstrations. For that purpose, H.R. 4 is noteworthy.

One of the reasons the '96 welfare reforms were so successful is that States had the flexibility and leeway to shape their welfare programs in innovative ways. This bill enhances that flexibility, offering ''flexibility'' to allow States to integrate funding to improve services. As Health & Human Services Secretary and former Wisconsin Gov. Tommy Thompson said, flexibility is ''what the governors need and that's what the governors will have.''

This new flexibility will help States create broad, comprehensive assistance programs for needy families—as long as they achieve the purpose of the underlying program and continue to target those in need. This new flexibility will help States design fully integrated assistance programs that could revolutionize service delivery. The exemptions included in H.R. 4 should alleviate any concerns that fundamental rights and protections are jeopardized. Those exemptions are: (1) civil rights; (2) purposes or goals of any program; (3) maintenance of effort requirements; (4) health and safety; (5) labor standards under the Fair Labor Standards Act of 1938; or (6) environmental protection.

I urge my colleagues to support H.R. 4.

Mr. TERRY. Mr. Chairman, I rise in strong support of H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003.

The welfare reform law of 1996 is a resounding success. The welfare rolls have been cut in half, the number of welfare recipients working for pay has more than doubled, the employment rate of single mothers has nearly doubled, and child poverty has reached a 25-year low. Millions of families have been freed from the shackles of government dependency. They are holding their heads up high as they earn a living, care for themselves and their families, and improve the future for their children.

Today we have the opportunity to help more families escape from the vicious cycles of poverty and despair. I am a proud cosponsor of H.R. 4, which continues the truly compassionate policy of providing a hand-up instead of just a hand-out. By coupling temporary financial assistance with opportunities for higher education and vocational skills training, more families will achieve financial independence and improve their quality of life. As the saying goes, you can give a man a fish and feed him for a day, or teach a man to fish and feed him for a lifetime.

H.R. 4 also continues the landmark program which has dramatically lowered teenage pregnancies in our nation. This program provided $250 million over five years for states to educate teenagers about abstaining from sex until marriage and remaining faithful afterwards. From 1994 to 2000, the number of unwed teenagers who became pregnant fell from 46.6 to 39.6 per thousand. The abstinence movement profoundly influenced this trend.

Newsweek magazine recently reported that ''more than one-third of U.S. high schools teach abstinence until marriage and 700 abstinence programs spread the sex-can-wait gospel in all 50 states.'' The majority of these programs are a result of the 1996 welfare reform law. Their success can be measured by new Federal data revealing that virginal teenagers now outnumber sexually-active ones. The Youth Risk Behavior survey found that the number of teenagers who say they have never had sexual intercourse rose by 10 percent between 1991 and 2001. We must improve upon this success to give more teenagers the positive message of abstinence until marriage.

There is a great need for this message. According to the Centers for Disease Control and Prevention, three million teenagers contract a sexually-transmitted disease each year, and over half of high-school seniors lose their virginity before graduation. This is a tragedy of epic proportions. Thousands of young women are sterile for life after contracting the sexually-transmitted disease Chlamydia. Many will enter marriage without knowing they cannot conceive children.

Abstinence until marriage education will save millions of teenagers from the heartache of infertility, the pain of having an incurable STD, the regret of giving too much of themselves too soon, and the anguish of being sexually abused. Many abstinence programs help teenagers protect themselves from sexual abuse by teaching them to recognize emotional blackmail and inappropriate sexual pressure.

Failed ''comprehensive sex education'' and misleading ''abstinence plus'' programs have for too long given teenagers the message that ''anything goes'' as long as a contraceptive is used. These destructive programs have done incalculable damage by failing to inform teenagers about the full risks of STDs, the failure rates of contraceptives, and the strong emotional bonds formed during intercourse. Authentic abstinence education programs give teenagers the full truth: there is no contraceptive for a broken heart, and no guaranteed protection against pregnancy or STDs except abstinence until marriage and fidelity afterwards.

Presdient Bush has rightly said that ''for children to realize their dreams, they must learn the value of abstinence. We must send them the message that of the many decisions they will make in their lives, choosing to avoid early sex is one of the most important. We must stress that abstinence isn't just about saying no to sex; it's about saying yes to a happier, healthier future.''

I am proud that H.R. 4 continues this commitment to our children. I urge my colleagues to join me in supporting this legislation to help lift more families out of poverty and protect more teenagers from the dangers of sexual activity outside of marriage.

Mr. LANGEVIN. Mr. Chairman, I rise today in opposition to H.R. 4, the welfare reauthorization bill.

H.R. 4 is much the same as the legislation opposed by 197 Members last year. It imposes enormous unfunded mandates on State governments, while requiring States to make fundamental changes to their welfare systems. It caps the amount of rehabilitative services a State can provide and imposes inflexible work requirements that restrict States' ability to respond effectively to their populations.

A little known fact about TANF is that 44 percent of families in the program include a person with a physical or mental impairment. Not surprisingly, studies show that families including a person with a disability disproportionately lose TANF assistance through sanctions. Increased demands on States and families of the disabled heighten their already extraordinary risk of inappropriate sanctions.

It is our responsibility to incorporate safeguards for families caring for individuals with special needs. I urge my colleagues to act responsibly by supporting the alternative, Democratic substitute, which allows for State flexibility in meeting the needs of people with disabilities by leaving in place mechanisms for a real chance at rehabilitation.

Mr. STARK. Mr. Chairman, I rise today to insert into the CONGRESSIONAL RECORD this letter from the Consortium for Citizens with Disabilities.

I urge my colleagues to read this letter, which provides important reasons why they should vote against H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003.

This letter suggests needed changes to the TANF law that would help many welfare recipients with barriers to work to get and maintain employment.

I urge my colleagues to vote for the Democratic alternative welfare reauthorization that includes many of these important changes.

CONSORTIUM FOR CITIZENS
WITH DISABILITIES,
*February 11, 2003.*

DEAR REPRESENTATIVE: The Consortium for Citizens with Disabilities (CCD) is a coalition of national consumer, advocacy, provider and professional organizations headquartered in Washington, DC. We work together to advocate for national public policy that ensures the self determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society. The CCD TANF Task Force seeks to ensure that families that include persons with disabilities are afforded equal opportunities and appropriate accommodations under the Temporary Assistance for Needy Families block grant. We are very concerned that the provisions in H.R. 4 will greatly harm, rather than help, families in which there is an adult or a child with disabilities. We are writing to urge you to vote ''no'' on H.R. 4, the ''Personal Responsibility, Work, and Family Promotion Act of 2003.''

Some argue that those who are concerned about the needs of people with disabilities should welcome the emphasis in H.R. 4 upon higher work participation rates and increased hours of work, because then states will be required to work with parents with disabilities. Unfortunately, the exact opposite is true. It is important to understand that, without some flexibility, higher work requirements for states and for families will prevent states from helping move families with disabilities from welfare to work—at a pace that works best for the individual family and will have long-term benefits. If states face more rigid rules on rates and hours of participation, sanction rates will climb and people with disabilities and their families will continue to be heavily represented in their numbers.

Over 40 percent of TANF recipients have a disability, yet this important fact is largely unknown. In July 2002, GAO reported that overall, 44 percent of TANF recipients have impairments or are caring for a child with impairments, compared with 15 percent of the non-TANF population. Many face multiple barriers. GAO also reported that, in eight percent of TANF families, there is both a parent and a child with disabilities, compared to only one percent in non-TANF families. Also in July 2002, the HHS Office of the Inspector General agreed with GAO's findings.

What should this mean for TANF reauthorization? The problems facing TANF parents with disabilities are significant. But, just because a person has a disability which may be a barrier to work, this does not mean that she cannot work. With appropriate services and supports, including accommodations in state policies and procedures and in the work place, most parents with disabilities should be able to work and would very much like the opportunity to so. While their policies vary, many states have taken some steps to help families with disabilities. Comgress must encourage states to continue to develop their programs to serve people with disabilities—both adults and children—on TANF. We are very concerned that H.R. 4 does not do this.

Listed below are the key components that people with disabilities need in TANF reauthorization.

1. Permit states to determine how long a family will need rehab services and allow participation in rehab services to meet the full weekly work requirement for as long as the state determines the family needs. HR 4 provides that only three months of rehabilitative services can be counted as work activity. After three months, a person with a disability must climb a steep mountain of 24 hours of work before the state will get credit for providing her with any additional rehabilitative services. This is a formula for failure. To suggest that this will work because 16 hours of rehabilitative services can still be provided misses the point: people with disabilities and other barriers often are going to need intensive help—including mental health treatment, training that accommodates their learning disabilities, substance abuse treatment, services that address other

barriers—before any other work activity will be appropriate. Many times, this help will take in excess of a year to result in good, long-lasting outcomes. This will not be possible under HR 4.

2. Protect families with barriers from unnecessary and inappropriate sanctioning. The 1996 law requires states to impose sanctions where a parent ''refuses'' to comply with a state work requirement. Unfortunately, many of those who are being sanctioned cannot comply—they are not refusing to comply, they simply cannot because of a disability or other barrier, or may not even understand what is being required of them. Efforts to increase the number of hours of required work activity and states' overall work participation rates are likely to harm these same families. Without strong protections against inappropriate sanctioning, it is likely that the number of inappropriate sanctions will increase. States should be required to have procedures that review a family's circumstances prior to the imposition of a sanction and determine whether modifications are needed to the requirements so that the family is better able to comply. Fairness dictates that all states have such basic policies. HR 4 does not include this protection.

3. Permit states to exempt parents caring for a child with a disability from the work requirement and time limit. States should have the option to exempt from the work requirement and time limit parents caring for a child with a disability if caring for the child prevents the parent from meeting the state's work requirement. Some states already do this. Appropriate, safe child care for children with disabilities is very difficult to find. In many areas, it is non-existent. The medical needs of some children require frequent medical visits and care. If the need for such care becomes unnecessary, parents then can be brought more fully into the program with their allotted time for receipt of benefits still intact.

4. For the previous provisions to be effective in helping families move from welfare to work and avoid inappropriate sanctioning, states must have screening and assessment policies and procedures that identify a family's barriers and the steps needed to assist the family to move to greater independence. Assessments should be done by qualified personnel. Because all later decisions hinge on the quality of the assessments, it is important that they be done by qualified personnel. Family self-sufficiency plans developed without meaningful assessments are all too likely to be ineffective, wasting state and federal resources and preventing families from receiving the assistance needed to move successfully from welfare to work.

As a result of all of the concerns raised above, we urge you to vote ''NO'' on H.R. 4. We also urge you to raise concerns about how families with disabilities will fare under this bill and to suggest that changes be made before the bill leaves conference.

For further information, please contact members of the Consortium for Citizens with Disabilities (CCD) TANF Task Force, including any of the co-chairs: Laurel Stine, Bazelon Center for Mental Health Law, 202–467–5730, *laurels@bazelon.org;* Donna Meltzer, Association of University Centers on Disability, 301–593–8549, *dlmeltzer@aucd.org*; and Sharon McDonald, National Alliance to End Homelessness, 202–638–1526, ext. 109, *smcdonald@naeh.org.*

Thank you for considering our concerns.

Sincerely,

Adapted Physical Activity Council.

American Association on Mental Retardation.

American Association of People with Disabilities.

American Network of Community Options and Resources.

Association of Maternal and Child Health Programs.

Association for Persons in Supported Employment.

Association of University Centers on Disabilities.

Bazelon Center for Mental Health Law.

Brain Injury Association of America.

Council for Exceptional Children.

Council of State Administrators of Vocational Rehabilitation.

Learning Disabilities Association of America.

National Alliance to End Homelessness.

National Association of Developmental Disabilities Councils.

National Association of Protection and Advocacy Systems.

National Association of School Psychologists.

National Association of Social Workers.

National Mental Health Association.

National Respite Coalition.

NISH—creating employment opportunities for people with severe disabilities.

Research Institute for Independent Living.

Spina Bifida Association of America.

The Arc of the United States.

United Cerebral Palsy.

Mr. SPRATT. Mr. Chairman, I rise today to voice grave concerns about this bill. This bill reflects a steady erosion of the federal government's commitment to provide a safety net for low-income working families.

States now face a severe fiscal crisis due to the slack economy. This bill imposes expensive new requirements on states, without providing sufficient funding to help states meet these requirements. The Congressional Budget Office estimated that the additional costs to states of meeting the increased work requirements in this bill are between eight billion and eleven billion dollars over five years.

This bill largely mirrors the welfare plan that President Bush first put forth last year and proposed again this year. The President's 2004 budget makes clear that the President's welfare plan is just one part of a larger drive to abandon the Federal government's traditional role of providing a safety net for society's most vulnerable members. The budget also includes plans to recast several other major federal programs for low-income individuals and families as block grants to states. The President offers states increased program flexibility and administrative streamlining, but requires in exchange that states give up the traditional assurance that future federal funding will keep pace with the estimated need for these programs. The programs affected by these policies provide health care and housing to low-income children, elderly, persons with disabilities, and low-wage workers.

If the President's proposal for welfare reform is any indication, these other block grant proposals point the way toward a shrinking federal financial commitment to the poor. States will be left to figure out how to fill the fiscal hole. This raises very serious concerns that I encourage my colleagues to consider long and hard before heading down this path.

The President's block grant proposals are likely to lead to enormous inequities across states as to who gets assistance and who does not. A major role of federal income security policy is to provide a level playing field by offering a safety net to all citizens. Under the president's plan, low-income individuals and families will be the mercy of geography.

Income security programs are sensitive to economic conditions. Need increases disproportionately when the economy is slack and state budgets are tight. Only the federal government has the ability to borrow when times are bad. Block grant funding will give states the incentive to respond to hard times by cutting low-income benefits more than they would choose to do otherwise.

I voted for welfare reform, and I along with Members of both parties have cheered the progress of former AFDC beneficiaries into work during the prosperous 1990s. But that progress requires support in the form of child care and other vital services. Penny-wise but pound-foolish policies now threaten that vital underpinning and they risk all our recent progress against dependence.

Finally, I believe the President's overall priorities deserve serious questioning. At the same time he proposes to shrink the federal commitment to the poor, he proposes $1.5 trillion in new tax cuts that largely benefit our nation's most prosperous, create record deficits, and burden working families with a growing debt tax. The Administration now argues that its tax-cut plan is really an anti-poverty plan because it will stimulate growth and create jobs. This is the old theory of trickle-down economics that has been discredited time and time again. Tax policy does not exist in a vacuum. The point of safety-net programs is to support people when the economy falters, or when circumstances in their own lives make it difficult or impossible for them to participate fully in the economy.

Mr. DINGELL. Mr. Chairman, today, we are debating the re-authorization of the welfare program. It is a repeat of the debate we had last Congress, when Republican ideology prevented a common-sense reauthorization. I believe that we have a responsibility to help families transition into the workforce and provide essential support to make work play. The Cardin substitute will do that. Regrettably, the Republican bill will not.

Two provisions within this re-authorization are in the jurisdiction of the Committee on Energy and Commerce: transitional medical assistance (TMA) and abstinence-only education. The Republican versions are inadequate; the Cardin substitute fixes both.

First, TMA is a program that provides health insurance coverage for families leaving welfare to go back to work. It is a program that makes good sense. Individuals moving off welfare often wind up in jobs that do not offer health insurance coverage or find that employer-sponsored coverage is too costly on the family's limited budget. TMA allows these families to keep their health insurance coverage in Medicaid so that getting a job doesn't mean losing health coverage. The Republican bill, however, only extends this program for one year; many of us prefer making this common-sense program permanent, as the Cardin substitute provides. In addition, the Republican bill does not include the simplifications that would help families get coverage and keep coverage. These provisions were in the President's budget this year, and are in the Cardin substitute. They should also be in H.R. 4, but they are not.

Of added concern, Republicans would cut other parts of the Medicaid program in order to pay for this extension. For some reason, Republicans believe the only way they can afford to help working families is if they cut other

parts of safety net programs that truly allow the poor to work. This is illogical and I oppose it.

Second, the bill extends the Title V abstinence-only sex education program, but locks states into an inflexible curriculum; it is controversial, and rights to. The Cardin substitute to this bill provides states with the flexibility to offer programs that are best suited to the needs and desires of their citizens and to ensure that Federal funds are spent on effective programs that provide medically accurate information. State flexibility allows each state to use Federal funds to support the abstinence-based comprehensive sex education program it determines will be most effective in protecting its young people's health. Many leading public and private sector health experts, including the National Institutes of Health, the American Medical Association, the American Academy of Pediatrics, and the American Public Health Association, recommend school-based comprehensive sex education programs, yet states are unable to fund these types of programs with Federal dollars.

The Cardin substitute also contains a requirement that Title V programs provide information that is determined to be ''medically accurate'' by leading medical, psychological, psychiatric, and public health organizations. Some abstinence-only programs are actually harmful to teenagers because they provide incomplete, inaccurate, and misleading information with regard to contraceptives, pregnancy, and sexually transmitted diseases. Depriving teens of medically accurate information will not protect them; it will only make them more vulnerable.

The Cardin substitute also requires Title V programs be based on models that have demonstrated effectiveness in reducing teen pregnancies or the transmission of sexually transmitted diseases or HIV/AIDS, and calls for a comparative evaluation of programs so policymakers can determine the relative merits of abstinence-only programs versus comprehensive school-based, age-appropriate, sex education curricula. Advocates of abstinence-only programs oppose any realistic and objective look at those programs, apparently content to waste Federal dollars in the name of ideology.

The Cardin substitute maintains state flexibility, helps welfare recipients to find real work, helps families escape poverty, removes the sunset on TMA, and makes important changes in the abstinence education provisions. I support it.

Mr. PETRI. Mr. Chairman, I rise today in support of this bill, which will build upon the tremendous successes of the 1996 welfare reforms. When those reforms were enacted, opponents predicted apocalyptic scenes of poverty and suffering among America's low-income families. Time has proven, however, that those reforms were right. Child poverty is at its lowest level in 25 years and poverty among African-American children is at its lowest level in history. By requiring welfare beneficiaries to work and engage in productive activities, Congress helped change society. Former welfare beneficiaries now testify that by being pushed into work activities, they are now better members of society and better parents to their children.

Although we have moved millions of families off welfare and into work, the road to advancement and self-sufficiency remains a difficult challenge. For a long time I have been concerned by the disincentives to working hard, earning more money, and getting married that we have created over time. The lack of coordination between federal programs directed toward low-income families has resulted in what I call the ''Poverty Trap.'' As the earnings of low-income families increase, most of their benefits, such as housing, food stamps, child-care co-payments, and the Earned Income Tax Credit, phase-out in a manner that discourages working harder and advancing in a job. In some cases a pay raise of a dollar an hour can mean the loss of benefits at a rate that exceeds that raise. This effective marginal tax can exceed 100 percent and trap families in poverty. I am pleased that this bill requires the General Accounting Office to undertake a comprehensive study of the obstacles created by the combined phase-outs of low-income support programs and recommend ways to coordinate and reform these programs.

Because of this ''Poverty Trap,'' I also enthusiastically support provisions within this bill which provide states and local governments with the flexibility to implement demonstration projects that coordinate multiple low-income support programs. Under these provisions states can integrate eligible programs as long as those projects serve the populations and achieve the purposes of the underlying programs. This requirement further ensures that beneficiaries of these underlying programs are going to gain, not lose, as a result of these demonstration projects. While I wish these flexibility provisions went further, they are an important step that will enable needed innovation at the state and local level to help families escape poverty. The states have proven to be laboratories for successful change in our welfare system, and this flexibility will enhance their capabilities.

I urge all my colleagues who want to help low-income families leave welfare and achieve self-sufficiency to support this bill and the state and local flexibility provisions within it.

Mr. DEMINT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. All time for general debate has expired.

Pursuant to the rule, this bill is considered read for amendment under the 5-minute rule.

The text of H.R. 4 is as follows:

H.R. 4

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Personal Responsibility, Work, and Family Promotion Act of 2003''.

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

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
Sec. 4. Findings.

TITLE I—TANF

Sec. 101. Purposes.
Sec. 102. Family assistance grants.
Sec. 103. Promotion of family formation and healthy marriage.
Sec. 104. Supplemental grant for population increases in certain States.
Sec. 105. Bonus to reward employment achievement.
Sec. 106. Contingency fund.
Sec. 107. Use of funds.
Sec. 108. Repeal of Federal loan for State welfare programs.
Sec. 109. Universal engagement and family self-sufficiency plan requirements.
Sec. 110. Work participation requirements.
Sec. 111. Maintenance of effort.
Sec. 112. Performance improvement.
Sec. 113. Data collection and reporting.
Sec. 114. Direct funding and administration by Indian tribes.
Sec. 115. Research, evaluations, and national studies.
Sec. 116. Studies by the Census Bureau and the General Accounting Office.
Sec. 117. Definition of assistance.
Sec. 118. Technical corrections.
Sec. 119. Fatherhood program.
Sec. 120. State option to make TANF programs mandatory partners with one-stop employment training centers.
Sec. 121. Sense of the Congress.
Sec. 122. Extension through fiscal year 2003.

TITLE II—CHILD CARE

Sec. 201. Short title.
Sec. 202. Goals.
Sec. 203. Authorization of appropriations.
Sec. 204. Application and plan.
Sec. 205. Activities to improve the quality of child care.
Sec. 206. Report by secretary.
Sec. 207. Definitions.
Sec. 208. Entitlement funding.

TITLE III—CHILD SUPPORT

Sec. 301. Federal matching funds for limited pass through of child support payments to families receiving TANF.
Sec. 302. State option to pass through all child support payments to families that formerly received TANF.
Sec. 303. Mandatory review and adjustment of child support orders for families receiving TANF.
Sec. 304. Mandatory fee for successful child support collection for family that has never received TANF.
Sec. 305. Report on undistributed child support payments.
Sec. 306. Use of new hire information to assist in administration of unemployment compensation programs.
Sec. 307. Decrease in amount of child support arrearage triggering passport denial.
Sec. 308. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
Sec. 309. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
Sec. 310. Improving Federal debt collection practices.
Sec. 311. Maintenance of technical assistance funding.
Sec. 312. Maintenance of Federal Parent Locator Service funding.

TITLE IV—CHILD WELFARE

Sec. 401. Extension of authority to approve demonstration projects.
Sec. 402. Elimination of limitation on number of waivers.
Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.

Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
Sec. 406. Availability of reports.
Sec. 407. Technical correction.
TITLE V—SUPPLEMENTAL SECURITY INCOME
Sec. 501. Review of State agency blindness and disability determinations.
TITLE VI—STATE AND LOCAL FLEXIBILITY
Sec. 601. Program coordination demonstration projects.
Sec. 602. State food assistance block grant demonstration project.
TITLE VII—ABSTINENCE EDUCATION
Sec. 701. Extension of abstinence education program.
TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE
Sec. 801. Extension of medicaid transitional medical assistance program through fiscal year 2004.
Sec. 802. Adjustment to payments for medicaid administrative costs to prevent duplicative payments and to fund extension of transitional medical assistance.
TITLE IX—EFFECTIVE DATE
Sec. 901. Effective date.

**SEC. 3. REFERENCES.**

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

**SEC. 4. FINDINGS.**

The Congress makes the following findings:

(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in moving families from welfare to work and reducing child poverty.

(A) There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working recipients reached an all-time high in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2001, 33 percent of adult recipients were working, compared to less than 7 percent in fiscal year 1992, and 11 percent in fiscal year 1996. All States met the overall participation rate standard in fiscal year 2001, as did the District of Columbia and Puerto Rico.

(B) Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings for female-headed households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

(C) Welfare dependency has plummeted. As of June 2002, 2,025,000 families and 5,008,000 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 54 percent and 58 percent, respectively, since the enactment of TANF. These declines have persisted even as unemployment rates have increased: unemployment rates nationwide rose 50 percent, from 3.9 percent in September 2000 to 6 percent in November 2002, while welfare caseloads continued to decline.

(D) The child poverty rate continued to decline between 1996 and 2001, falling 20 percent from 20.5 to 16.3 percent. The 2001 child poverty rate remains at the lowest level since 1979. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 6 years. African-American child poverty is at the lowest rate on record and Hispanic child poverty is at the lowest level reported in over 20 years.

(E) Despite these gains, States have had mixed success in fully engaging welfare recipients in work activities. While all States have met the overall work participation rates required by law, in 2001, in an average month, only just over ⅓ of all families with an adult participated in work activities that were countable toward the State's participation rate. Five jurisdictions failed to meet the more rigorous 2-parent work requirements, and 19 jurisdictions (States and territories) are not subject to the 2-parent requirements, most because they moved their 2-parent cases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collections and paternity establishment.

(A) The teen birth rate has fallen continuously since 1991, down a dramatic 22 percent by 2000. During the period of 1991–2000, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15–17 years of age is down 29 percent since 1991, and the rate for those 18 and 19 is down 16 percent. Between 1991 and 2000, teen birth rates declined for all women ages 15–19—white, African American, American Indian, Asian or Pacific Islander, and Hispanic women ages 15–19. The rate for African American teens—until recently the highest—experienced the largest decline, down 31 percent from 1991 to 2000, to reach the lowest rate ever reported for this group. Most births to teens are nonmarital; in 2000, about 73 percent of the births to teens aged 15–19 occurred outside of marriage.

(B) Nonmarital childbearing continued to increase slightly in 2001, however not at the sharp rates of increase seen in recent decades. The birth rate among unmarried women in 2001 was 4 percent lower than its peak reached in 1994, while the proportion of births occurring outside of marriage has remained at approximately 33 percent since 1998.

(C) The negative consequences of out-of-wedlock birth on the mother, the child, the family, and society are well documented. These include increased likelihood of welfare dependency, increased risks of low birth weight, poor cognitive development, child abuse and neglect, and teen parenthood, and decreased likelihood of having an intact marriage during adulthood.

(D) An estimated 24,500,000 children do not live with their biological fathers, and 7,100,000 children do not live with their biological mothers. These facts are attributable largely to declining marriage rates, increasing divorce rates, and increasing rates of nonmarital births during the latter part of the 20th century.

(E) There has been a dramatic rise in cohabitation as marriages have declined. Only 40 percent of children of cohabiting couples will see their parents marry. Those who do marry experience a 50 percent higher divorce rate. Children in single-parent households and cohabiting households are at much higher risk of child abuse than children in intact married and stepparent families.

(F) Children who live apart from their biological fathers, on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living in a single-parent family is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2001, in married-couple families, the child poverty rate was 8 percent, and in households headed by a single mother, the poverty rate was 39.3 percent.

(G) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from $12,000,000,000 in fiscal year 1996 to nearly $19,000,000,000 in fiscal year 2001. The number of paternities established or acknowledged in fiscal year 2002 reached an historic high of over 1,500,000—which includes more than a 100 percent increase through in-hospital acknowledgement programs to 790,595 in 2001 from 324,652 in 1996. Child support collections were made in well over 7,000,000 cases in fiscal year 2000, significantly more than the almost 4,000,000 cases having a collection in 1996.

(3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.

(A) Total Federal and State TANF expenditures in fiscal year 2001 were $25,500,000,000, up from $24,000,000,000 in fiscal year 2000 and $22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work.

(B) Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community service, and work experience) among welfare recipients, as well as an unprecedented reduction in the caseload because recipients have left welfare for work.

(C) States are making policy choices and investment decisions best suited to the needs of their citizens.

(i) To expand aid to working families, all States disregard a portion of a family's earned income when determining benefit levels.

(ii) Most States increased the limits on countable assets above the former Aid to Families with Dependent Children (AFDC) program. Every State has increased the vehicle asset level above the prior AFDC limit for a family's primary automobile.

(iii) States are experimenting with programs to promote marriage and father involvement. Over half the States have eliminated restrictions on 2-parent families. Many States use TANF, child support, or State funds to support community-based activities to help fathers become more involved in their children's lives or strengthen relationships between mothers and fathers.

(4) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as in promoting healthy marriage and other means of improving child well-being, are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by this Act) is intended to serve these ends.

## TITLE I—TANF

**SEC. 101. PURPOSES.**

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

(1) in the matter preceding paragraph (1), by striking ''increase'' and inserting ''improve child well-being by increasing'';

(2) in paragraph (1), by inserting ''and services'' after ''assistance'';

(3) in paragraph (2), by striking ''parents on government benefits'' and inserting ''families on government benefits and reduce poverty''; and

(4) in paragraph (4), by striking ''two-parent families'' and inserting ''healthy, 2-parent married families, and encourage responsible fatherhood''.

**SEC. 102. FAMILY ASSISTANCE GRANTS.**

(a) EXTENSION OF AUTHORITY.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

(1) by striking ''1996, 1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''2004 through 2008''; and

(2) by inserting ''payable to the State for the fiscal year'' before the period.

(b) STATE FAMILY ASSISTANCE GRANT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking subparagraphs (B) through (E) and inserting the following:

''(B) STATE FAMILY ASSISTANCE GRANT.—The State family assistance grant payable to a State for a fiscal year shall be the amount that bears the same ratio to the amount specified in subparagraph (C) of this paragraph as the amount required to be paid to the State under this paragraph for fiscal year 2002 (determined without regard to any reduction pursuant to section 409 or 412(a)(1)) bears to the total amount required to be paid under this paragraph for fiscal year 2002 (as so determined).

''(C) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008 $16,566,542,000 for grants under this paragraph.''.

(c) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking ''1997 through 2002'' and inserting ''2004 through 2008''.

**SEC. 103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE.**

(a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

''(vii) Encourage equitable treatment of married, 2-parent families under the program referred to in clause (i).''.

(b) HEALTHY MARRIAGE PROMOTION GRANTS; REPEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) HEALTHY MARRIAGE PROMOTION GRANTS.—

''(A) AUTHORITY.—The Secretary shall award competitive grants to States, territories, and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy, married, 2-parent families.

''(B) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities:

''(i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

''(ii) Education in high schools on the value of marriage, relationship skills, and budgeting.

''(iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.

''(iv) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

''(v) Marriage enhancement and marriage skills training programs for married couples.

''(vi) Divorce reduction programs that teach relationship skills.

''(vii) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

''(viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

''(C) APPROPRIATION.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2003 through 2008 $100,000,000 for grants under this paragraph.

''(ii) EXTENDED AVAILABILITY OF FY2003 FUNDS.—Funds appropriated under clause (i) for fiscal year 2003 shall remain available to the Secretary through fiscal year 2004, for grants under this paragraph for fiscal year 2003.''.

(c) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

''(V) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—The term 'qualified State expenditures' includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).''.

**SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.**

Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is amended—

(1) in the subparagraph heading, by striking ''OF GRANTS FOR FISCAL YEAR 2002'';

(2) in clause (i), by striking ''fiscal year 2002'' and inserting ''each of fiscal years 2004 through 2007'';

(3) in clause (ii), by striking ''2002'' and inserting ''2007''; and

(4) in clause (iii), by striking ''fiscal year 2002'' and inserting ''each of fiscal years 2004 through 2007''.

**SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.**

(a) REALLOCATION OF FUNDING.—

(1) IN GENERAL.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended—

(A) in the paragraph heading, by striking ''HIGH PERFORMANCE STATES'' and inserting ''EMPLOYMENT ACHIEVEMENT'';

(B) in subparagraph (D)(ii)—

(i) in subclause (I), by striking ''equals $200,000,000'' and inserting ''(other than 2003) equals $200,000,000, and for bonus year 2003 equals $100,000,000''; and

(ii) in subclause (II), by striking ''$1,000,000,000'' and inserting ''$900,000,000''; and

(C) in subparagraph (F), by striking ''$1,000,000,000'' and inserting ''$900,000,000''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act, or September 30, 2003, whichever is earlier.

(b) BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.—

(1) IN GENERAL.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended by striking subparagraphs (A) through (F) and inserting the following:

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is an employment achievement State.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to an employment achievement State for a bonus year, which shall be based on the performance of the State as determined under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

''(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

''(C) FORMULA FOR MEASURING STATE PERFORMANCE.—

''(i) IN GENERAL.—Subject to clause (ii), not later than October 1, 2003, the Secretary, in consultation with the States, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals of employment entry, job retention, and increased earnings from employment for families receiving assistance under the program, as measured on an absolute basis and on the basis of improvement in State performance.

''(ii) SPECIAL RULE FOR BONUS YEAR 2004.—For the purposes of awarding a bonus under this paragraph for bonus year 2004, the Secretary may measure the performance of a State in fiscal year 2003 using the job entry rate, job retention rate, and earnings gain rate components of the formula developed under section 403(a)(4)(C) as in effect immediately before the effective date of this paragraph.

''(D) DETERMINATION OF STATE PERFORMANCE.—For each bonus year, the Secretary shall—

''(i) use the formula developed under subparagraph (C) to determine the performance of each eligible State for the fiscal year that precedes the bonus year; and

''(ii) prescribe performance standards in such a manner so as to ensure that—

''(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals $100,000,000; and

''(II) the total amount of grants to be made under this paragraph for all bonus years equals $600,000,000.

''(E) DEFINITIONS.—In this paragraph:

''(i) BONUS YEAR.—The term 'bonus year' means each of fiscal years 2004 through 2009.

''(ii) EMPLOYMENT ACHIEVEMENT STATE.—The term 'employment achievement State' means, with respect to a bonus year, an eligible State whose performance determined pursuant to subparagraph (D)(i) for the fiscal year preceding the bonus year equals or exceeds the performance standards prescribed under subparagraph (D)(ii) for such preceding fiscal year.

''(F) APPROPRIATION.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2004 through 2009 $600,000,000 for grants under this paragraph.

''(ii) EXTENDED AVAILABILITY OF PRIOR APPROPRIATION.—Amounts appropriated under section 403(a)(4)(F) of the Social Security Act (as in effect before the date of the enactment of this clause) that have not been expended as of such date of enactment shall remain available through fiscal year 2004 for grants under section 403(a)(4) of such Act (as in effect before such date of enactment) for bonus year 2003.

''(G) GRANTS FOR TRIBAL ORGANIZATIONS.—This paragraph shall apply with respect to tribal organizations in the same manner in which this paragraph applies with respect to

States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1), except for section 403(a)(4)(F)(ii) of the Social Security Act as inserted by the amendment, shall take effect on October 1, 2003.

**SEC. 106. CONTINGENCY FUND.**

(a) DEPOSITS INTO FUND.—Section 403(b)(2) (42 U.S.C. 603(b)(2)) is amended—

(1) by striking ''1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''2004 through 2008''; and

(2) by striking all that follows ''$2,000,000,000'' and inserting a period.

(b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking ''fiscal years 1997 through 2002'' and inserting ''fiscal years 2004 through 2008''.

(c) DEFINITION OF NEEDY STATE.—Clauses (i) and (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are amended by inserting after ''1996'' the following: '', and the Food Stamp Act of 1977 as in effect during the corresponding 3-month period in the fiscal year preceding such most recently concluded 3-month period,''.

(d) ANNUAL RECONCILIATION: FEDERAL MATCHING OF STATE EXPENDITURES ABOVE ''MAINTENANCE OF EFFORT'' LEVEL.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended—

(1) in subparagraph (A)(ii)—

(A) by adding ''and'' at the end of subclause (I);

(B) by striking ''; and'' at the end of subclause (II) and inserting a period; and

(C) by striking subclause (III);

(2) in subparagraph (B)(i)(II), by striking all that follows ''section 409(a)(7)(B)(iii))'' and inserting a period;

(3) by amending subparagraph (B)(ii)(I) to read as follows:

''(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year; plus''; and

(4) by striking subparagraph (C).

(e) CONSIDERATION OF CERTAIN CHILD CARE EXPENDITURES IN DETERMINING STATE COMPLIANCE WITH CONTINGENCY FUND MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended—

(1) by striking ''(other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part'' and inserting a close parenthesis; and

(2) by striking ''excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994,''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003.

**SEC. 107. USE OF FUNDS.**

(a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by striking ''in any manner that'' and inserting ''for any purposes or activities for which''.

(b) TREATMENT OF INTERSTATE IMMIGRANTS.—

(1) STATE PLAN PROVISION.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.

(2) USE OF FUNDS.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amended by striking ''30'' and inserting ''50''.

(d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C. 604(d)(2)(B)) is amended to read as follows:

''(B) APPLICABLE PERCENT.—For purposes of subparagraph (A), the applicable percent is 10 percent for fiscal year 2004 and each succeeding fiscal year.''.

(e) CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

''(e) AUTHORITY TO CARRYOVER OR RESERVE CERTAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE CONTINGENCIES.—

''(1) CARRYOVER.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.

''(2) CONTINGENCY RESERVE.—A State or tribe may designate any portion of a grant made to the State or tribe under this part as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State or tribe so designates a portion of such a grant, the State shall, on an annual basis, include in its report under section 411(a) the amount so designated.''.

**SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE PROGRAMS.**

(a) REPEAL.—Section 406 (42 U.S.C. 606) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 409(a) (42 U.S.C. 609(a)) is amended by striking paragraph (6).

(2) Section 412 (42 U.S.C. 612) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking ''406,''.

**SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.**

(a) MODIFICATION OF STATE PLAN REQUIREMENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

''(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

''(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).''.

(b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY PLANS.—

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

''(b) FAMILY SELF-SUFFICIENCY PLANS.—

''(1) IN GENERAL.—A State to which a grant is made under section 403 shall—

''(A) assess, in the manner deemed appropriate by the State, the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part;

''(B) establish for each family that includes such an individual, in consultation as the State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities;

''(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

''(D) monitor the participation of each such individual in the activities specified in the self sufficiency plan, and regularly review the progress of the family toward self-sufficiency;

''(E) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

''(2) TIMING.—The State shall comply with paragraph (1) with respect to a family—

''(A) in the case of a family that, as of October 1, 2003, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

''(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

''(3) STATE DISCRETION.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

''(4) RULE OF INTERPRETATION.—Nothing in this part shall preclude a State from requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being.''.

(2) PENALTY FOR FAILURE TO ESTABLISH FAMILY SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting ''OR ESTABLISH FAMILY SELF-SUFFICIENCY PLAN'' after ''RATES''; and

(B) in subparagraph (A), by inserting ''or 408(b)'' after ''407(a)''.

**SEC. 110. WORK PARTICIPATION REQUIREMENTS.**

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

(1) IN GENERAL.—

(A) Section 407 (42 U.S.C. 607) is amended in each of subsections (a) and (b) by striking paragraph (2).

(B) Section 407(b)(4) (42 U.S.C. 607(b)(4)) is amended by striking ''paragraphs (1)(B) and (2)(B)'' and inserting ''paragraph (1)(B)''.

(C) Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking subparagraph (B).

(D) Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended by striking ''paragraphs (1)(B)(i) and (2)(B) of subsection (b)'' and inserting ''subsection (b)(1)(B)(i)''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2002.

(b) WORK PARTICIPATION REQUIREMENTS.—Section 407 (42 U.S.C. 607) is amended by striking all that precedes subsection (b)(3) and inserting the following:

**''SEC. 407. WORK PARTICIPATION REQUIREMENTS.**

''(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

''(1) 50 percent for fiscal year 2004;

''(2) 55 percent for fiscal year 2005;

''(3) 60 percent for fiscal year 2006;

''(4) 65 percent for fiscal year 2007; and

''(5) 70 percent for fiscal year 2008 and each succeeding fiscal year.

''(b) CALCULATION OF PARTICIPATION RATES.—

''(1) AVERAGE MONTHLY RATE.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

''(2) MONTHLY PARTICIPATION RATES; INCORPORATION OF 40-HOUR WORK WEEK STANDARD.—

''(A) IN GENERAL.—For purposes of paragraph (1), the participation rate of a State for a month is—

''(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

''(ii) 160 multiplied by the number of counted families for the State for the month.

''(B) COUNTED FAMILIES DEFINED.—

''(i) IN GENERAL.—In subparagraph (A), the term 'counted family' means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

''(ii) STATE OPTION TO EXCLUDE CERTAIN FAMILIES.—At the option of a State, the term 'counted family' shall not include—

''(I) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance; or

''(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age.

''(iii) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—At the option of a State, the term 'counted family' may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

''(C) WORK-ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term 'work-eligible individual' means an individual—

''(i) who is married or a single head of household; and

''(ii) whose needs are (or, but for sanctions under this part that have been in effect for more than 3 months (whether or not consecutive) in the preceding 12 months or under part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.''.

(c) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—

(1) IN GENERAL.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii)) is amended to read as follows:

''(ii) the average monthly number of families that received assistance under the State program funded under this part during the base year.''.

(2) CONFORMING AMENDMENT.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking ''and eligibility criteria'' and all that follows through the close parenthesis and inserting ''and the eligibility criteria in effect during the then applicable base year''.

(3) BASE YEAR DEFINED.—Section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended by adding at the end the following:

''(C) BASE YEAR DEFINED.—In this paragraph, the term 'base year' means, with respect to a fiscal year—

''(I) if the fiscal year is fiscal year 2004, fiscal year 1996;

''(II) if the fiscal year is fiscal year 2005, fiscal year 1998;

''(III) if the fiscal year is fiscal year 2006, fiscal year 2001; or

''(IV) if the fiscal year is fiscal year 2007 or any succeeding fiscal year, the then 4th preceding fiscal year.''.

(d) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

''(4) SUPERACHIEVER CREDIT.—

''(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—

''(i) the amount (if any) of the superachiever credit applicable to the State; or

''(ii) the number of percentage points (if any) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

''(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

''(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

''(D) DEFINITIONS.—In this paragraph:

''(i) STATE CASELOAD FOR FISCAL YEAR 2001.—The term 'State caseload for fiscal year 2001' means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

''(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—The term 'State caseload for fiscal year 1995' means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.''.

(e) COUNTABLE HOURS.—Section 407 of such Act (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

''(c) COUNTABLE HOURS.—

''(1) DEFINITION.—In subsection (b)(2), the term 'countable hours' means, with respect to a family for a month, the total number of hours in the month in which any member of the family who is a work-eligible individual is engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 401(a)), subject to the other provisions of this subsection.

''(2) LIMITATIONS.—Subject to such regulations as the Secretary may prescribe:

''(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be zero.

''(B) MAXIMUM WEEKLY AVERAGE OF 16 HOURS OF OTHER ACTIVITIES.—An average of not more than 16 hours per week of activities specified by the State (subject to the exclusion described in paragraph (1)) may be considered countable hours in a month with respect to a family.

''(3) SPECIAL RULES.—For purposes of paragraph (1):

''(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

''(i) IN GENERAL.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities for an average total of at least 24 hours per week in a month, then all such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

''(ii) QUALIFIED ACTIVITY DEFINED.—The term 'qualified activity' means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

''(I) substance abuse counseling or treatment;

''(II) rehabilitation treatment and services;

''(III) work-related education or training directed at enabling the family member to work;

''(IV) job search or job readiness assistance; and

''(V) any other activity that addresses a purpose specified in section 401(a).

''(iii) LIMITATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

''(II) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation by the individual in education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the individual to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for not more than 4 months in any period of 24 consecutive months.

''(B) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single head of household, who has not attained 20 years of age, and the individual—

''(i) maintains satisfactory attendance at secondary school or the equivalent in the month; or

''(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

''(d) DIRECT WORK ACTIVITY.—In this section, the term 'direct work activity' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) on-the-job training;

''(5) supervised work experience; or

''(6) supervised community service.''.

(f) PENALTIES AGAINST INDIVIDUALS.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as follows:

''(1) REDUCTION OR TERMINATION OF ASSISTANCE.—

''(A) IN GENERAL.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in activities in accordance with the self-sufficiency plan established for the family pursuant to section 408(b), the State shall—

''(i) if the failure is partial or persists for not more than 1 month—

''(I) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the failure occurs; or

''(II) terminate all assistance to the family, subject to such good cause exceptions as the State may establish; or

''(ii) if the failure is total and persists for at least 2 consecutive months, terminate all cash payments to the family including qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at least 1 month and thereafter until the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

''(B) SPECIAL RULE.—

''(i) IN GENERAL.—In the event of a conflict between a requirement of clause (i)(II) or (ii) of subparagraph (A) and a requirement of a State constitution, or of a State statute that, before 1966, obligated local government to provide assistance to needy parents and children, the State constitutional or statutory requirement shall control.

''(ii) LIMITATION.—Clause (i) of this subparagraph shall not apply after the 1-year period that begins with the date of the enactment of this subparagraph.''.

(g) CONFORMING AMENDMENTS.—

(1) Section 407(f) (42 U.S.C. 607(f)) is amended in each of paragraphs (1) and (2) by striking ''work activity described in subsection (d)'' and inserting ''direct work activity''.

(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting ''OR REFUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-SUFFICIENCY PLAN'' after ''WORK''.

(h) EFFECTIVE DATE.—The amendments made by this section (other than subsection (a)) shall take effect on October 1, 2003.

**SEC. 111. MAINTENANCE OF EFFORT.**

(a) IN GENERAL.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A) by striking ''fiscal year 1998, 1999, 2000, 2001, 2002, or 2003'' and inserting ''fiscal year 2003, 2004, 2005, 2006, 2007, 2008, or 2009''; and

(2) in subparagraph (B)(ii)—

(A) by inserting ''preceding'' before ''fiscal year''; and

(B) by striking ''for fiscal years 1997 through 2002,''.

(b) STATE SPENDING ON PROMOTING HEALTHY MARRIAGE.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

''(l) MARRIAGE PROMOTION.—A State, territory, or tribal organization to which a grant is made under section 403(a)(2) may use a grant made to the State, territory, or tribal organization under any other provision of section 403 for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 403(a)(2).''.

(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DISREGARDED FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 103(c) of this Act, is amended by adding at the end the following:

''(VI) EXCLUSION OF FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION ACTIVITIES.—Such term does not include the amount of any grant made to the State under section 403 that is expended for a marriage promotion activity.''.

**SEC. 112. PERFORMANCE IMPROVEMENT.**

(a) STATE PLANS.—Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by redesignating clause (vi) and clause (vii) (as added by section 103(a) of this Act) as clauses (vii) and (viii), respectively; and

(ii) by striking clause (v) and inserting the following:

''(v) The document shall—

''(I) describe how the State will pursue ending dependence of needy families on government benefits and reducing poverty by promoting job preparation and work;

''(II) describe how the State will encourage the formation and maintenance of healthy 2-parent married families, encourage responsible fatherhood, and prevent and reduce the incidence of out-of-wedlock pregnancies;

''(III) include specific, numerical, and measurable performance objectives for accomplishing subclauses (I) and (II), and with respect to subclause (I), include objectives consistent with the criteria used by the Secretary in establishing performance targets under section 403(a)(4)(B) if available; and

''(IV) describe the methodology that the State will use to measure State performance in relation to each such objective.

''(vi) Describe any strategies and programs the State may be undertaking to address—

''(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

''(II) efforts to reduce teen pregnancy;

''(III) services for struggling and noncompliant families, and for clients with special problems; and

''(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act.''; and

(B) in subparagraph (B), by striking clause (iii) (as so redesignated by section 107(b)(1) of this Act) and inserting the following:

''(iii) The document shall describe strategies and programs the State is undertaking to engage religious organizations in the provision of services funded under this part and efforts related to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

''(iv) The document shall describe strategies to improve program management and performance.''; and

(2) in paragraph (4), by inserting ''and tribal'' after ''that local''.

(b) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following:

''(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.''.

(c) PERFORMANCE MEASURES.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

''(k) PERFORMANCE IMPROVEMENT.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.''.

(d) ANNUAL RANKING OF STATES.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking ''long-term private sector jobs'' and inserting ''private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages''.

**SEC. 113. DATA COLLECTION AND REPORTING.**

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting ''and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B))'' before the colon;

(2) in clause (vii), by inserting ''and minor parent'' after ''of each adult'';

(3) in clause (viii), by striking ''and educational level'';

(4) in clause (ix), by striking '', and if the latter 2, the amount received'';

(5) in clause (x)—

(A) by striking ''each type of''; and

(B) by inserting before the period ''and, if applicable, the reason for receipt of the assistance for a total of more than 60 months'';

(6) in clause (xi), by striking the subclauses and inserting the following:

''(I) Subsidized private sector employment.

''(II) Unsubsidized employment.

''(III) Public sector employment, supervised work experience, or supervised community service.

''(IV) On-the-job training.

''(V) Job search and placement.

''(VI) Training.

''(VII) Education.

''(VIII) Other activities directed at the purposes of this part, as specified in the State plan submitted pursuant to section 402.'';

(7) in clause (xii), by inserting ''and progress toward universal engagement'' after ''participation rates'';

(8) in clause (xiii), by striking ''type and'' before ''amount of assistance'';

(9) in clause (xvi), by striking subclause (II) and redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively; and

(10) by adding at the end the following:

''(xviii) The date the family first received assistance from the State program on the basis of the most recent application for such assistance.

''(xix) Whether a self-sufficiency plan is established for the family in accordance with section 408(b).

''(xx) With respect to any child in the family, the marital status of the parents at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established.''.

(b) USE OF SAMPLES.—Section 411(a)(1)(B) (42 U.S.C. 611(a)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking ''a sample'' and inserting ''samples''; and

(B) by inserting before the period '', except that the Secretary may designate core data elements that must be reported on all families''; and

(2) in clause (ii), by striking ''funded under this part'' and inserting ''described in subparagraph (A)''.

(c) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) by striking paragraph (5);

(2) by redesignating paragraph (6) as paragraph (5); and

(3) by inserting after paragraph (5) (as so redesignated) the following:

''(6) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and total number of individuals that, during the month, became ineligible to receive assistance under the State program funded under this part (broken down by the number of families that become so ineligible due to earnings, changes in family composition that result in increased earnings, sanctions, time limits, or other specified reasons).''.

(d) REGULATIONS.—Section 411(a)(7) (42 U.S.C. 611(a)(7)) is amended—

(1) by inserting ''and to collect the necessary data'' before ''with respect to which reports'';

(2) by striking ''subsection'' and inserting ''section''; and

(3) by striking ''in defining the data elements'' and all that follows and inserting '', the National Governors' Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements.''.

(e) ADDITIONAL REPORTS BY STATES.—Section 411 (42 U.S.C. 611) is amended—

(1) by redesignating subsection (b) as subsection (e); and

(2) by inserting after subsection (a) the following:

''(b) ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of fiscal year 2004 and each succeeding

fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

''(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.

''(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2005, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to each of the matters described in section 402(a)(1)(A)(v).''.

(f) ANNUAL REPORTS TO CONGRESS BY THE SECRETARY.—Section 411(e), as so redesignated by subsection (e) of this section, is amended—

(1) in the matter preceding paragraph (1), by striking ''and each fiscal year thereafter'' and inserting ''and by July 1 of each fiscal year thereafter'';

(2) in paragraph (2), by striking ''families applying for assistance,'' and by striking the last comma; and

(3) in paragraph (3), by inserting ''and other programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' before the semicolon.

(g) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

''(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—

''(1) IN GENERAL.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nongovernmental entities with respect to contracts entered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

''(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (e) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.''.

**SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.**

(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by striking ''1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''2004 through 2008''.

(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking ''1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''2004 through 2008''.

**SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.**

(a) SECRETARY'S FUND FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 413 (42 U.S.C. 613), as amended by section 112(c) of this Act, is further amended by adding at the end the following:

''(l) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

''(1) APPROPRIATION.—

''(A) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $102,000,000 for each of fiscal years 2003 through 2008, which shall be available to the Secretary for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 403(a)(2)(B), and which shall be in addition to any other funds made available under this part.

''(B) EXTENDED AVAILABILITY OF FY 2003 FUNDS.—Funds appropriated under this paragraph for fiscal year 2003 shall remain available to the Secretary through fiscal year 2004, for use in accordance with this paragraph for fiscal year 2003.

''(2) SET ASIDE FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF CHILD WELFARE AND TANF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

''(A) IN GENERAL.—Of the amounts made available under paragraph (1) for a fiscal year, $2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

''(B) USE OF FUNDS.—A grant made to such a project shall be used—

''(i) to improve case management for families eligible for assistance from such a tribal program;

''(ii) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and

''(iii) for prevention services and assistance to tribal families at risk of child abuse and neglect.

''(C) REPORTS.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.''.

(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the matter preceding subparagraph (A) by striking ''1997 through 2002'' and inserting ''2004 through 2008''.

(c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDAVITS OF SUPPORT AND SPONSOR DEEMING.—Not later than March 31, 2004, the Secretary of Health and Human Services, in consultation with the Attorney General, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor deeming as required by section 421, 422, and 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(d) REPORT ON COORDINATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of either Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

**SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GENERAL ACCOUNTING OFFICE.**

(a) CENSUS BUREAU STUDY.—

(1) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

''(a) IN GENERAL.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.''.

(2) APPROPRIATION.—Section 414(b) (42 U.S.C. 614(b)) is amended—

(A) by striking ''1996,'' and all that follows through ''2002'' and inserting ''2004 through 2008''; and

(B) by adding at the end the following: ''Funds appropriated under this subsection shall remain available through fiscal year 2008 to carry out subsection (a).''.

(b) GAO STUDY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the combined effect of the phase-out rates for Federal programs and policies which provide support to low-income families and individuals as they move from welfare to work, at all earning levels up to $35,000 per year, for at least 5 States including Wisconsin and California, and any potential disincentives the combined phase-out rates create for families to achieve independence or to marry.

(2) REPORT.—Not later than 1 year after the date of the enactment of this subsection, the Comptroller General shall submit a report to Congress containing the results of the study conducted under this section and, as appropriate, any recommendations consistent with the results.

**SEC. 117. DEFINITION OF ASSISTANCE.**

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

''(6) ASSISTANCE.—

''(A) IN GENERAL.—The term 'assistance' means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

''(B) EXCEPTION.—The term 'assistance' does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking ''assistance'' and inserting ''aid''.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking ''assistance'' and inserting ''benefits or services''.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking ''ASSISTANCE'' and inserting ''AID''.

(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking ''assistance'' and inserting ''aid''.

**SEC. 118. TECHNICAL CORRECTIONS.**

(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after ''appropriate''.

(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis.

(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking ''section'' and inserting ''sections''.

(d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 112(c) and 115(a) of this Act, respectively) as subsections (g) through (k), respectively.

(2) Each of the following provisions is amended by striking ''413(j)'' and inserting ''413(i)'':

(A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 603(a)(5)(A)(ii)(III)).

(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 403(a)(5)(G)(ii) (42 U.S.C. 603(a)(5)(G)(ii)).

(D) Section 412(a)(3)(B)(iv) (42 U.S.C. 612(a)(3)(B)(iv)).

**SEC. 119. FATHERHOOD PROGRAM.**

(a) SHORT TITLE.—This section may be cited as the ''Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2003''.

(b) FATHERHOOD PROGRAM.—

(1) IN GENERAL.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended by adding at the end the following:

**''SEC. 117. FATHERHOOD PROGRAM.**

''(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

## ''PART C—FATHERHOOD PROGRAM

**''SEC. 441. FINDINGS AND PURPOSES.**

'''(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

'''(1) In approximately 90 percent of cases where a parent is absent, that parent is the father.

'''(2) By some estimates, 60 percent of children born in the 1990's will spend a significant portion of their childhood in a home without a father.

'''(3) Nearly 75 percent of children in single-parent homes will experience poverty before they are 11 years old, compared with only 20 percent of children in 2-parent families.

'''(4) Low income is positively correlated with children's difficulties with education, social adjustment, and delinquency, and single-parent households constitute a disproportionate share of low-income households.

'''(5) Where families (whether intact or with a parent absent) are living in poverty, a significant factor is the father's lack of job skills.

'''(6) Children raised in 2-parent married families, on average, fare better as a group in key areas, including better school performance, reduced rates of substance abuse, crime, and delinquency, fewer health, emotional, and behavioral problems, lower rates of teenage sexual activity, less risk of abuse or neglect, and lower risk of teen suicide.

'''(7) Committed and responsible fathering during infancy and early childhood contributes to the development of emotional security, curiosity, and math and verbal skills.

'''(8) An estimated 24,000,000 children (33.5 percent) live apart from their biological father.

'''(9) A recent national survey indicates that of children under age 18 not living with their biological father, 37 percent had not seen their father even once in the last 12 months.

'''(b) PURPOSES.—The purposes of this part are:

'''(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, designed to test promising approaches to accomplishing the following objectives:

'''(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

'''(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

'''(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

'''(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

'''(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

'''(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

**''SEC. 442. DEFINITIONS.**

'''In this part, the terms ''Indian tribe'' and ''tribal organization'' have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

**''SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.**

'''(a) IN GENERAL.—The Secretary may make grants for fiscal years 2004 through 2008 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

'''(b) ELIGIBILITY CRITERIA FOR FULL SERVICE GRANTS.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity shall submit an application to the Secretary containing the following:

'''(1) PROJECT DESCRIPTION.—A statement including—

'''(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

'''(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

'''(2) EXPERIENCE AND QUALIFICATIONS.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'''(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'''(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'''(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'''(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'''(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation of the project (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within

30 days after completion of the report and not more than 1 year after completion of the project.

''(8) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

''(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE GRANTS.—In order to be eligible for a grant under this section in an amount under $25,000 per fiscal year, an entity shall submit an application to the Secretary containing the following:

''(1) PROJECT DESCRIPTION.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and how it will address at least 1 of the 4 objectives specified in section 441(b)(1).

''(2) QUALIFICATIONS.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

''(3) COORDINATION WITH RELATED PROGRAMS.—As required by the Secretary in appropriate cases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

''(4) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

''(5) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

''(d) CONSIDERATIONS IN AWARDING GRANTS.—

''(1) DIVERSITY OF PROJECTS.—In awarding grants under this section, the Secretary shall seek to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban and in rural areas, and entities employing differing methods of achieving the purposes of this section, including working with the State agency responsible for the administration of part D to help fathers satisfy child support arrearage obligations.

''(2) PREFERENCE FOR PROJECTS SERVING LOW-INCOME FATHERS.—In awarding grants under this section, the Secretary may give preference to applications for projects in which a majority of the clients to be served are low-income fathers.

''(e) FEDERAL SHARE.—

''(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for a share of the cost of such project in such fiscal year equal to—

''(A) up to 80 percent (or up to 90 percent, if the entity demonstrates to the Secretary's satisfaction circumstances limiting the entity's ability to secure non-Federal resources) in the case of a project under subsection (b); and

''(B) up to 100 percent, in the case of a project under subsection (c).

''(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

**''SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.**

''(a) IN GENERAL.—The Secretary may make grants under this section for fiscal years 2004 through 2008 to eligible entities (as specified in subsection (b)) for 2 multicity, multistate projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

''(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

''(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

''(2) EXPERIENCE WITH MULTICITY, MULTISTATE PROGRAMS AND GOVERNMENT COORDINATION.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area in more than 1 State and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

''(c) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

''(1) QUALIFICATIONS.—

''(A) ELIGIBLE ENTITY.—A demonstration that the entity meets the requirements of subsection (b).

''(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

''(2) PROJECT DESCRIPTION.—A description of and commitments concerning the project design, including the following:

''(A) IN GENERAL.—A detailed description of the proposed project design and how it will be carried out, which shall—

''(i) provide for the project to be conducted in at least 3 major metropolitan areas;

''(ii) state how it will address each of the 4 objectives specified in section 441(b)(1);

''(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

''(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

''(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

''(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

''(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

''(iii) will cooperate fully with the Secretary's ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

''(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

''(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

''(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

''(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

''(d) FEDERAL SHARE.—

''(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

''(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

**''SEC. 445. EVALUATION.**

''(a) IN GENERAL.—The Secretary, directly or by contract or cooperative agreement, shall evaluate the effectiveness of service projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

''(b) EVALUATION METHODOLOGY.—Evaluations under this section shall—

''(1) include, to the maximum extent feasible, random assignment of clients to service delivery and control groups and other appropriate comparisons of groups of individuals receiving and not receiving services;

''(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

''(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

''(c) EVALUATION REPORTS.—The Secretary shall publish the following reports on the results of the evaluation:

''(1) An implementation evaluation report covering the first 24 months of the activities

under this part to be completed by 36 months after initiation of such activities.

''(2) A final report on the evaluation to be completed by September 30, 2011.

**''SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**

''The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

''(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by other means) to all interested parties information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

''(2) MEDIA CAMPAIGN.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages involved, committed, and responsible fatherhood and married fatherhood.

''(3) TECHNICAL ASSISTANCE.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations, in the implementation of local fatherhood promotion programs.

''(4) RESEARCH.—Conducting research related to the purposes of this part.

**''SEC. 447. NONDISCRIMINATION.**

''The projects and activities assisted under this part shall be available on the same basis to all fathers and expectant fathers able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

**''SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.**

''(a) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2004 through 2008 to carry out the provisions of this part.

''(b) RESERVATION.—Of the amount appropriated under this section for each fiscal year, not more than 15 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.'.

''(b) INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.—Section 116 shall not apply to the amendment made by subsection (a) of this section.''.

(2) CLERICAL AMENDMENT.—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

''Sec. 117. Fatherhood program.''.

**SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.**

Section 408 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

''(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.''.

**SEC. 121. SENSE OF THE CONGRESS.**

It is the sense of the Congress that a State welfare-to-work program should include a mentoring program.

**SEC. 122. EXTENSION THROUGH FISCAL YEAR 2003.**

Except as otherwise provided in this Act and the amendments made by this Act, activities authorized by part A of title IV of the Social Security Act, and by section 1108(b) of the Social Security Act, shall continue through September 30, 2003, in the manner authorized, and at the level provided, for fiscal year 2002.

## TITLE II—CHILD CARE

**SEC. 201. SHORT TITLE.**

This title may be cited as the ''Caring for Children Act of 2003''.

**SEC. 202. GOALS.**

(a) GOALS.—Section 658A(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in paragraph (3) by striking ''encourage'' and inserting ''assist'',

(2) by amending paragraph (4) to read as follows:

''(4) to assist States to provide child care to low-income parents;'',

(3) by redesignating paragraph (5) as paragraph (7), and

(4) by inserting after paragraph (4) the following:

''(5) to encourage States to improve the quality of child care available to families;

''(6) to promote school readiness by encouraging the exposure of young children in child care to nurturing environments and developmentally-appropriate activities, including activities to foster early cognitive and literacy development; and''.

(b) CONFORMING AMENDMENT.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended by striking ''through (5)'' and inserting ''through (7)''.

**SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

(1) by striking ''is'' and inserting ''are'', and

(2) by striking ''$1,000,000,000 for each of the fiscal years 1996 through 2002'' and inserting ''$2,100,000,000 for fiscal year 2003, $2,300,000,000 for fiscal year 2004, $2,500,000,000 for fiscal year 2005, $2,700,000,000 for fiscal year 2006, $2,900,000,000 for fiscal year 2007, and $3,100,000,000 for fiscal year 2008''.

**SEC. 204. APPLICATION AND PLAN.**

Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858C(c)(2)) is amended—

(1) by amending subparagraph (D) to read as follows:

''(D) CONSUMER AND CHILD CARE PROVIDER EDUCATION INFORMATION.—Certify that the State will collect and disseminate, through resource and referral services and other means as determined by the State, to parents of eligible children, child care providers, and the general public, information regarding—

''(i) the promotion of informed child care choices, including information about the quality and availability of child care services;

''(ii) research and best practices on children's development, including early cognitive development;

''(iii) the availability of assistance to obtain child care services; and

''(iv) other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible, including the food stamp program, the WIC program under section 17 of the Child Nutrition Act of 1966, the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act, and the medicaid and SCHIP programs under titles XIX and XXI of the Social Security Act.'', and

(2) by inserting after subparagraph (H) the following:

''(I) COORDINATION WITH OTHER EARLY CHILD CARE SERVICES AND EARLY CHILDHOOD EDUCATION PROGRAMS.—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start, Early Reading First, Even Start, Ready-To-Learn Television, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education without displacing services provided by the current early care and education delivery system.

''(J) PUBLIC-PRIVATE PARTNERSHIPS.—Demonstrate how the State encourages partnerships with private and other public entities to leverage existing service delivery systems of early childhood education and increase the supply and quality of child care services.

''(K) CHILD CARE SERVICE QUALITY.—

''(i) CERTIFICATION.—For each fiscal year after fiscal year 2004, certify that during the then preceding fiscal year the State was in compliance with section 658G and describe how funds were used to comply with such section during such preceding fiscal year.

''(ii) STRATEGY.—For each fiscal year after fiscal year 2004, contain an outline of the strategy the State will implement during such fiscal year for which the State plan is submitted, to address the quality of child care services in the State available to low-income parents from eligible child care providers, and include in such strategy—

''(I) a statement specifying how the State will address the activities described in paragraphs (1), (2), and (3) of section 658G;

''(II) a description of quantifiable, objective measures for evaluating the quality of child care services separately with respect to the activities listed in each of such paragraphs that the State will use to evaluate its progress in improving the quality of such child care services;

''(III) a list of State-developed child care service quality targets for such fiscal year quantified on the basis of such measures; and

''(IV) for each fiscal year after fiscal year 2004, a report on the progress made to achieve such targets during the then preceding fiscal year.

''(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to require that the State apply measures for evaluating quality to specific types of child care providers.

''(L) ACCESS TO CARE FOR CERTAIN POPULATIONS.—Demonstrate how the State is addressing the child care needs of parents eligible for child care services for which financial assistance is provided under this subchapter who have children with special needs, work nontraditional hours, or require child care services for infants or toddlers.''.

**SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.**

Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

**''SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.**

''A State that receives funds to carry out this subchapter for a fiscal year, shall use

not less than 6 percent of the amount of such funds for activities provided through resource and referral services or other means, that are designed to improve the quality of child care services in the State available to low-income parents from eligible child care providers. Such activities include—

''(1) programs that provide training, education, and other professional development activities to enhance the skills of the child care workforce, including training opportunities for caregivers in informal care settings;

''(2) activities within child care settings to enhance early learning for young children, to promote early literacy, and to foster school readiness;

''(3) initiatives to increase the retention and compensation of child care providers, including tiered reimbursement rates for providers that meet quality standards as defined by the State; or

''(4) other activities deemed by the State to improve the quality of child care services provided in such State.''.

**SEC. 206. REPORT BY SECRETARY.**

Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended to read as follows:

**''SEC. 658L. REPORT BY SECRETARY.**

''(a) REPORT REQUIRED.—Not later than October 1, 2005, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the following:

''(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K.

''(2) Aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs.

''(3) An assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States.

''(b) COLLECTION OF INFORMATION.—The Secretary may utilize the national child care data system available through resource and referral organizations at the local, State, and national level to collect the information required by subsection (a)(2).

**SEC. 207. DEFINITIONS.**

Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B)) is amended by striking ''85 percent of the State median income'' and inserting ''income levels as established by the State, prioritized by need,''.

**SEC. 208. ENTITLEMENT FUNDING.**

Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following:

''(G) $2,917,000,000 for each of fiscal years 2004 through 2008.''.

## TITLE III—CHILD SUPPORT

**SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.**

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended—

(1) in paragraph (1)(A), by inserting ''subject to paragraph (7)'' before the semicolon; and

(2) by adding at the end the following:

''(7) FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

''(A) the State distributes the amount to the family;

''(B) the total of the amounts so distributed to the family during the month—

''(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

''(ii) does not exceed the greater of—

''(I) $100; or

''(II) $50 plus the amount described in clause (i); and

''(C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2005.

**SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.**

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)), as amended by section 301(a) of this Act, is amended—

(1) in paragraph (2)(B), in the matter preceding clause (i), by inserting '', except as provided in paragraph (8),'' after ''shall''; and

(2) by adding at the end the following:

''(8) STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2005.

**SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.**

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking ''parent, or,'' and inserting ''parent or''; and

(2) by striking ''upon the request of the State agency under the State plan or of either parent,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2005.

**SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.**

(a) IN GENERAL.—Section 454(6)(B) (42 U.S.C. 654(6)(B)) is amended—

(1) by inserting ''(i)'' after ''(B)'';

(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) by adding ''and'' after the semicolon; and

(4) by adding after and below the end the following new clause:

''(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program);''.

(b) CONFORMING AMENDMENT.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2004.

**SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.**

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed. The report shall include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

**SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.**

(a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j)) is amended by adding at the end the following:

''(7) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

''(A) IN GENERAL.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name, address, and employer identification number of any putative employer of the individual, subject to this paragraph.

''(B) CONDITION ON DISCLOSURE.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

''(C) USE OF INFORMATION.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2004.

**SEC. 307. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.**

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(b) CONFORMING AMENDMENT.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2004.

**SEC. 308. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.**

(a) IN GENERAL.—Section 464 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking ''(as that term is defined for purposes of this paragraph under subsection (c))''; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2), as used in'' and inserting ''In''; and

(ii) by inserting ''(whether or not a minor)'' after ''a child'' each place it appears; and

(B) by striking paragraphs (2) and (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2005.

**SEC. 309. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.**

(a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(ii)(V), by striking all that follows ''Armed Forces'' and inserting a semicolon; and

(2) by adding at the end the following:

''(3) LIMITATIONS WITH RESPECT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.—Notwithstanding any other provision of this section:

''(A) Compensation described in paragraph (1)(A)(ii)(V) shall not be subject to withholding pursuant to this section—

''(i) for payment of alimony; or

''(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

''(B) Not more than 50 percent of any payment of compensation described in paragraph (1)(A)(ii)(V) may be withheld pursuant to this section.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2005.

**SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRACTICES.**

(a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

''(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply. Subsection (c)(3)(A) shall apply with respect to past due support being enforced by the State notwithstanding any other provision of law, including sections 207 and 1631(d)(1) of the Social Security Act (42 U.S.C. 407 and 1383(d)(1)), section 413(b) of Public law 91–173 (30 U.S.C. 923(b)), and section 14 of the Act of August 29, 1935 (45 U.S.C. 231m).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2004.

**SEC. 311. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.**

Section 452(j) (42 U.S.C. 652(j)) is amended by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,'' before ''which shall be available''.

**SEC. 312. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.**

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the 1st sentence, by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,'' before ''which shall be available''; and

(2) in the 2nd sentence, by striking ''for each of fiscal years 1997 through 2001''.

## TITLE IV—CHILD WELFARE

**SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.**

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking ''2002'' and inserting ''2008''.

**SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.**

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking ''not more than 10''.

**SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.**

Section 1130 (42 U.S.C. 1320a–9) is amended by adding at the end the following:

''(h) NO LIMIT ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEMONSTRATION PROJECTS.—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.''.

**SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS THAT MAY BE GRANTED TO A SINGLE STATE FOR DEMONSTRATION PROJECTS.**

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED TO, OR DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED BY, A SINGLE STATE.—The Secretary shall not impose any limit on the number of waivers that may be granted to a State, or the number of demonstration projects that a State may be authorized to conduct, under this section.''.

**SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS TO AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.**

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(j) STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS AND EXTENSIONS.—The Secretary shall develop a streamlined process for consideration of amendments and extensions proposed by States to demonstration projects conducted under this section.''.

**SEC. 406. AVAILABILITY OF REPORTS.**

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(k) AVAILABILITY OF REPORTS.—The Secretary shall make available to any State or other interested party any report provided to the Secretary under subsection (f)(2), and any evaluation or report made by the Secretary with respect to a demonstration project conducted under this section, with a focus on information that may promote best practices and program improvements.''.

**SEC. 407. TECHNICAL CORRECTION.**

Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is amended by striking ''422(b)(9)'' and inserting ''422(b)(10)''.

## TITLE V—SUPPLEMENTAL SECURITY INCOME

**SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.**

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

''(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2004;

''(ii) at least 40 percent of all such determinations that are made in fiscal year 2005; and

''(iii) at least 50 percent of all such determinations that are made in fiscal year 2006 or thereafter.

''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

## TITLE VI—STATE AND LOCAL FLEXIBILITY

**SEC. 601. PROGRAM COORDINATION DEMONSTRATION PROJECTS.**

(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

(b) DEFINITIONS.—In this section:

(1) ADMINISTERING SECRETARY.—The term ''administering Secretary'' means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

(2) QUALIFIED PROGRAM.—The term ''qualified program'' means—

(A) a program under part A of title IV of the Social Security Act;

(B) the program under title XX of such Act;

(C) activities funded under title I of the Workforce Investment Act of 1998, except subtitle C of such title;

(D) a demonstration project authorized under section 505 of the Family Support Act of 1988;

(E) activities funded under the Wagner-Peyser Act;

(F) activities funded under the Adult Education and Family Literacy Act;

(G) activities funded under the Child Care and Development Block Grant Act of 1990;

(H) activities funded under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), except that such term shall not include—

(i) any program for rental assistance under section 8 of such Act (42 U.S.C. 1437f); and

(ii) the program under section 7 of such Act (42 U.S.C. 1437e) for designating public housing for occupancy by certain populations;

(I) activities funded under title I, II, III, or IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.); or

(J) the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(c) APPLICATION REQUIREMENTS.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this section) shall jointly) submit to the administering Secretary of each such program an application that contains the following:

(1) PROGRAMS INCLUDED.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

(2) POPULATION SERVED.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(3) DESCRIPTION AND JUSTIFICATION.—A detailed description of the project, including—

(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(4) WAIVERS REQUESTED.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

(5) COST NEUTRALITY.—Such information and assurances as necessary to establish to the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

(6) EVALUATION AND REPORTS.—An assurance that the applicant will conduct ongoing and final evaluations of the project, and make interim and final reports to the administering Secretary, at such times and in such manner as the administering Secretary may require.

(7) PUBLIC HOUSING AGENCY PLAN.—In the case of an application proposing a demonstration project that includes activities referred to in subsection (b)(2)(H) of this section—

(A) a certification that the applicable annual public housing agency plan of any agency affected by the project that is approved under section 5A of the United States Housing Act of 1937 (42 U.S.C. 1437c–1) by the Secretary includes the information specified in paragraphs (1) through (4) of this subsection; and

(B) any resident advisory board recommendations, and other information, relating to the project that, pursuant to section 5A(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c–1(e)(2), is required to be included in the public housing agency plan of any public housing agency affected by the project.

(8) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the administering Secretary may require.

(d) APPROVAL OF APPLICATIONS.—

(1) IN GENERAL.—The administering Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

(C) includes the coordination of 2 or more qualified programs.

(2) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under paragraph (1)—

(A) with respect to any provision of law relating to—

(i) civil rights or prohibition of discrimination;

(ii) purposes or goals of any program;

(iii) maintenance of effort requirements;

(iv) health or safety;

(v) labor standards under the Fair Labor Standards Act of 1938; or

(vi) environmental protection;

(B) with respect to section 241(a) of the Adult Education and Family Literacy Act;

(C) in the case of a program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), with respect to any requirement under section 5A of such Act (42 U.S.C. 1437c–1; relating to public housing agency plans and resident advisory boards);

(D) in the case of a program under the Workforce Investment Act, with respect to any requirement the waiver of which would violate section 189(i)(4)(A)(i) of such Act;

(E) in the case of the food stamp program (as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), with respect to any requirement under—

(i) section 6 (if waiving a requirement under such section would have the effect of expanding eligibility for the program), 7(b) or 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(ii) title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.);

(F) with respect to any requirement that a State pass through to a sub-State entity part or all of an amount paid to the State;

(G) if the waiver would waive any funding restriction or limitation provided in an appropriations Act, or would have the effect of transferring appropriated funds from 1 appropriations account to another; or

(H) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this section, an administering Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

(4) COST-NEUTRALITY REQUIREMENT.—

(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(5) 90-DAY APPROVAL DEADLINE.—

(A) IN GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

(e) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

(f) REPORTS TO CONGRESS.—

(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application notice of the receipt, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

(A) the projects approved for each applicant;

(B) the number of waivers granted under this section, and the specific statutory provisions waived;

(C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

(D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B);

(E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and

(F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

(g) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 5A(d) of the United States Housing Act of 1937 (42 U.S.C. 1437c–1(d)) is amended—

(1) by redesignating paragraph (18) as paragraph (19); and

(2) by inserting after paragraph (17) the following new paragraph:

''(18) PROGRAM COORDINATION DEMONSTRATION PROJECTS.—In the case of an agency that administers an activity referred to in section 701(b)(2)(H) of the Personal Responsibility, Work, and Family Promotion Act of 2003 that, during such fiscal year, will be included in a demonstration project under section 701 of such Act, the information that is required to be included in the application for the project pursuant to paragraphs (1) through (4) of section 701(b) of such Act.''.

**SEC. 602. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.**

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

**''SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEMONSTRATION PROJECT.**

''(a) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

''(1) food assistance to needy individuals and families residing in the State;

''(2) funds to operate an employment and training program under subsection (g) for needy individuals under the program; and

''(3) funds for administrative costs incurred in providing the assistance.

''(b) ELECTION.—

''(1) IN GENERAL.—A State may elect to participate in the program established under subsection (a).

''(2) ELECTION REVOCABLE.—A State that elects to participate in the program established under subsection (a) may subsequently reverse the election of the State only once thereafter. Following the reversal, the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not receive a block grant under this section.

''(3) PROGRAM EXCLUSIVE.—A State that is participating in the program established under subsection (a) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

''(c) LEAD AGENCY.—

''(1) DESIGNATION.—A State desiring to participate in the program established under subsection (a) shall designate, in an application submitted to the Secretary under subsection (d)(1), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

''(2) DUTIES.—The lead agency shall—

''(A) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State;

''(B) develop the State plan to be submitted to the Secretary under subsection (d)(1); and

''(C) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

''(d) APPLICATION AND PLAN.—

''(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

''(A) an assurance that the State will comply with the requirements of this section;

''(B) a State plan that meets the requirements of paragraph (2); and

''(C) an assurance that the State will comply with the requirements of the State plan under paragraph (2).

''(2) REQUIREMENTS OF PLAN.—

''(A) LEAD AGENCY.—The State plan shall identify the lead agency.

''(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

''(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i);

''(ii) to administer an employment and training program under subsection (g) for needy individuals under the program and to provide reimbursements to needy individuals and families as would be allowed under section 16(h)(3); and

''(iii) to pay administrative costs incurred in providing the assistance.

''(C) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

''(D) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

''(E) OTHER ASSISTANCE.—

''(i) COORDINATION.—The State plan may coordinate assistance received under this section with assistance provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(ii) PENALTIES.—If an individual or family is penalized for violating part A of title IV of the Act, the State plan may reduce the amount of assistance provided under this section or otherwise penalize the individual or family.

''(F) ELIGIBILITY LIMITATIONS.—The State plan shall describe the income and resource eligibility limitations that are established for the receipt of assistance under this section.

''(G) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system to verify and otherwise ensure that no individual or family shall receive benefits under this section in more than 1 jurisdiction within the State.

''(H) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

''(I) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

''(3) APPROVAL OF APPLICATION AND PLAN.—During fiscal years 2004 through 2008, the Secretary may approve the applications and State plans that satisfy the requirements of this section of not more than 5 States for a term of not more than 5 years.

''(e) CONSTRUCTION OF FACILITIES.—No funds made available under this section shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.

''(f) BENEFITS FOR ALIENS.—No individual shall be eligible to receive benefits under a State plan approved under subsection (d)(3) if the individual is not eligible to participate in the food stamp program under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1601 et seq.).

''(g) EMPLOYMENT AND TRAINING.—Each State shall implement an employment and training program for needy individuals under the program.

''(h) ENFORCEMENT.—

''(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (d)(3).

''(2) NONCOMPLIANCE.—

''(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

''(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (d)(3); or

''(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section, the Secretary shall notify the State of the finding and that no further payments will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

''(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

''(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

''(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

''(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

''(B) imposing sanctions under this section.

''(i) PAYMENTS.—

''(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(3) an amount that is equal to the allotment of the State under subsection (l)(2) for the fiscal year.

''(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

''(3) SPENDING OF FUNDS BY STATE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (l)(2) for a fiscal year may be expended by the State only in the fiscal year.

''(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (l)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

''(4) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State to provide food assistance to needy individuals and families in the State, such as electronic benefits transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

''(5) DEFINITION OF FOOD ASSISTANCE.—In this section, the term 'food assistance'

means assistance that may be used only to obtain food, as defined in section 3(g).

''(j) AUDITS.—

''(1) REQUIREMENT.—After the close of each fiscal year, a State shall arrange for an audit of the expenditures of the State during the program period from amounts received under this section.

''(2) INDEPENDENT AUDITOR.—An audit under this section shall be conducted by an entity that is independent of any agency administering activities that receive assistance under this section and be in accordance with generally accepted auditing principles.

''(3) PAYMENT ACCURACY.—Each annual audit under this section shall include an audit of payment accuracy under this section that shall be based on a statistically valid sample of the caseload in the State.

''(4) SUBMISSION.—Not later than 30 days after the completion of an audit under this section, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

''(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

''(k) NONDISCRIMINATION.—

''(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

''(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

''(l) ALLOTMENTS.—

''(1) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

''(2) STATE ALLOTMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to each State participating in the program established under subsection (a) an amount that is equal to the sum of—

''(i) the greater of, as determined by the Secretary—

''(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 2003; or

''(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 2001 through 2003; and

''(ii) the greater of, as determined by the Secretary—

''(I) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for fiscal year 2003; or

''(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 2001 through 2003.

''(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.''.

## TITLE VII—ABSTINENCE EDUCATION

### SEC. 701. EXTENSION OF ABSTINENCE EDUCATION PROGRAM.

(a) EXTENSION OF APPROPRIATIONS.—Section 510(d) (42 U.S.C. 710(d)) is amended by striking ''2002'' and inserting ''2008''.

(b) ALLOTMENT OF FUNDS.—Section 510(a) (42 U.S.C. 710(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''an application for the fiscal year under section 505(a)'' and inserting '', for the fiscal year, an application under section 505(a), and an application under this section (in such form and meeting such terms and conditions as determined appropriate by the Secretary),''; and

(2) in paragraph (2), to read as follows:

''(2) the percentage that would be determined for the State under section 502(c)(1)(B)(ii) if the calculation under such section took into consideration only those States that transmitted both such applications for such fiscal year.''.

(c) REALLOTMENT OF FUNDS.—Section 510 (42 U.S.C. 710(a)) is amended by adding at the end the following new subsection:

''(e)(1) With respect to allotments under subsection (a) for fiscal year 2004 and subsequent fiscal years, the amount of any allotment to a State for a fiscal year that the Secretary determines will not be required to carry out a program under this section during such fiscal year or the succeeding fiscal year shall be available for reallotment from time to time during such fiscal years on such dates as the Secretary may fix, to other States that the Secretary determines—

''(A) require amounts in excess of amounts previously allotted under subsection (a) to carry out a program under this section; and

''(B) will use such excess amounts during such fiscal years.

''(2) Reallotments under paragraph (1) shall be made on the basis of such States' applications under this section, after taking into consideration the population of low-income children in each such State as compared with the population of low-income children in all such States with respect to which a determination under paragraph (1) has been made by the Secretary.

''(3) Any amount reallotted under paragraph (1) to a State is deemed to be part of its allotment under subsection (a).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to the program under section 510 for fiscal years 2004 and succeeding fiscal years.

## TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

### SEC. 801. EXTENSION OF MEDICAID TRANSITIONAL MEDICAL ASSISTANCE PROGRAM THROUGH FISCAL YEAR 2004.

(a) IN GENERAL.—Section 1925(f) (42 U.S.C. 1396r–6(f)) is amended by striking ''2002'' and inserting ''2004''.

(b) CONFORMING AMENDMENT.—Section 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by striking ''September 30, 2002'' and inserting ''the last date (if any) on which section 1925 applies under subsection (f) of that section''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2003.

### SEC. 802. ADJUSTMENT TO PAYMENTS FOR MEDICAID ADMINISTRATIVE COSTS TO PREVENT DUPLICATIVE PAYMENTS AND TO FUND EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.

Section 1903 (42 U.S.C. 1396b) is amended—

(1) in subsection (a)(7), by striking ''section 1919(g)(3)(B)'' and inserting ''subsection (x) and section 1919(g)(3)(C)''; and

(2) by adding at the end the following:

''(x) ADJUSTMENTS TO PAYMENTS FOR ADMINISTRATIVE COSTS TO FUND EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE.—

''(1) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Effective for each calendar quarter in fiscal year 2004 and fiscal year 2005, the Secretary shall reduce the amount paid under subsection (a)(7) to each State by an amount equal to 45 percent for fiscal year 2004, and 80 percent for fiscal year 2005, of one-quarter of the annualized amount determined for the medicaid program under section 16(k)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(2)(B)).

''(2) ALLOCATION OF ADMINISTRATIVE COSTS.—None of the funds or expenditures described in section 16(k)(5)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used to pay for costs—

''(A) eligible for reimbursement under subsection (a)(7) (or costs that would have been eligible for reimbursement but for this subsection); and

''(B) allocated for reimbursement to the program under this title under a plan submitted by a State to the Secretary to allocate administrative costs for public assistance programs;

except that, for purposes of subparagraph (A), the reference in clause (iii) of that section to 'subsection (a)' is deemed a reference to subsection (a)(7) and clause (iv)(II) of that section shall be applied as if 'medicaid program' were substituted for 'food stamp program'.''.

## TITLE IX—EFFECTIVE DATE

### SEC. 901. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) EXCEPTION.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

The CHAIRMAN pro tempore. No amendment to the bill shall be in order except those printed in House Report 108–9. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

It is now in order to consider amendment No. 1 printed in House Report 108–9.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Mr. KUCINICH:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Patsy Mink Memorial TANF Reauthorization Act''.

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

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Findings.
Sec. 4. Amendment of Social Security Act.

TITLE I—GENERAL PROVISIONS

Sec. 101. Purposes.
Sec. 102. State plan.
Sec. 103. Funding.
Sec. 104. Use of funds.

TITLE II—WORK REQUIREMENTS

Sec. 201. Reduced work requirement for parents of school-age children who cannot find adequate child care.
Sec. 202. Conforming the number of weeks to the unemployment insurance compensation standard.
Sec. 203. Revision of work activities.
Sec. 204. Penalties against individuals for unjustified refusal to work; additional justifications.
Sec. 205. Elimination of miscellaneous provisions.

TITLE III—PROHIBITIONS; REQUIREMENTS

Sec. 301. Replacement of requirement to sanction individual for noncooperation in establishing paternity or obtaining child support with prohibition on requiring such cooperation.
Sec. 302. Prohibition on requiring assignment of support rights to the State; return of support rights assigned to the State.
Sec. 303. Elimination of sanction against teenage parents not attending high school or other equivalent training program.
Sec. 304. Requirements relating to disregard of child support.
Sec. 305. Elimination of sanction against teenage parents not living in adult-supervised settings.
Sec. 306. Protection for children.
Sec. 307. 5-year time limit.
Sec. 308. Requirement to provide notice of rights of recipients, and train program personnel in carrying out program consistent with the rights.
Sec. 309. Requirement to provide information to individuals who are, or are at risk of being, sanctioned.
Sec. 310. Ban on counting income, scholarship, or gift received by dependent minors.
Sec. 311. Ban on diversion of potential applicants for assistance.
Sec. 312. Prohibition on requiring recipients to respond to surveys conducted to obtain information for quarterly reports.
Sec. 313. Confidentiality of program information.
Sec. 314. Nondiscrimination.
Sec. 315. Requirement to provide opportunity to appeal adverse decision.
Sec. 316. Clarification of penalty for failure to comply with individual responsibility plan.
Sec. 317. Applicability of civil rights laws.
Sec. 318. Elimination of special rules relating to treatment of aliens.

TITLE IV—PENALTIES

Sec. 401. Increase in penalty for failure to submit required report.
Sec. 402. Replacement of penalty against State for failure to comply with paternity establishment and child support enforcement requirements with penalty for requiring cooperation in establishing paternity or obtaining child support (including assigning support rights to the State).
Sec. 403. Extension of maintenance of effort requirement.
Sec. 404. Penalty for failure of State to comply with child support disregard requirements.
Sec. 405. Penalty for penalizing birth of child.
Sec. 406. Penalty for failure to notify recipients of rights, or train program personnel in respecting rights of recipients.
Sec. 407. Penalty for failure to provide information to individuals who are, or are at risk of being, sanctioned.
Sec. 408. Penalty for counting income, scholarship, or gift received by dependent minor.
Sec. 409. Penalty for diverting potential applicant for assistance.
Sec. 410. Penalty for requiring recipient to respond to survey conducted to obtain information for quarterly report.
Sec. 411. Penalty for unauthorized disclosure of information provided by recipient.
Sec. 412. Penalty for discrimination.
Sec. 413. Penalty for failure to provide opportunity to appeal adverse decision.
Sec. 414. Penalty for failure to comply with minimum benefit rules.
Sec. 415. Penalty for failure to provide individual child care entitlement.
Sec. 416. Failure to submit report on welfare access and outcomes.
Sec. 417. Elimination of reasonable cause exception.
Sec. 418. Modification of availability of corrective compliance plan option.
Sec. 419. Repeal of ban on assistance for persons convicted of a drug felony.

TITLE V—STUDIES AND REPORTS

Sec. 501. Additional information to be included in quarterly State reports.
Sec. 502. Elimination from secretarial report to the Congress of information on out-of-wedlock pregnancies.
Sec. 503. Access to welfare; welfare outcomes.
Sec. 504. Assessment of regional economies to identify higher entry level wage opportunities in industries experiencing labor shortages.
Sec. 505. Research, evaluations, and national studies.
Sec. 506. Study by the Census Bureau.

TITLE VI—WAIVERS

Sec. 601. Waivers.

TITLE VII—REPEAL OF LIMITATION ON FEDERAL AUTHORITY

Sec. 701. Repeal of limitation on Federal authority.

TITLE VIII—MINIMUM BENEFIT RULES

Sec. 801. Minimum benefit rules.

TITLE IX—CHILD CARE

Sec. 901. Individual entitlement to child care.

TITLE X—DEFINITION OF POVERTY LINE

Sec. 1001. Definition of poverty line.

TITLE XI—SERVICE PROVIDERS

Sec. 1101. Protection for beneficiaries.

TITLE XII—EFFECTIVE DATE

Sec. 1201. Effective date.

**SEC. 3. FINDINGS.**

The Congress finds the following:

(1) Welfare reform has reduced the welfare caseload but has failed to move families out of poverty. More than 40 percent of former welfare recipients continued to live below the poverty line in 1999. Employed former recipients earn a median hourly wage of $7.15. Because challenges to economic opportunity and well-being are not adequately addressed by current welfare programs, existing law must be changed to ensure that welfare policy effectively promotes the reduction of poverty.

(2) Between 1995 and 1999, a strong economy reduced poverty by about 2 percent. Reductions in Government transfer payments during this period, however, eliminated almost all of the antipoverty effectiveness of economic growth. Prior to welfare reform, between 1993 and 1995, Government transfer payments had produced the opposite effect, reducing poverty among American families.

(3) About ⅓ of people who have left welfare say they have had to cut the size of meals or skip meals because they did not have enough food in the house.

(4) Over 40 percent of welfare leavers report that they have had trouble paying housing and utility bills since leaving welfare.

(5) Since welfare reform was enacted in 1996, and despite a strong economy, there have been sharp increases in the rates at which single mothers with children have had to rely on food pantries and homeless shelters.

(6) An estimated ⅓ to ½ of all families leaving welfare for work do not receive medical assistance, food stamps, or child care to which they are entitled.

(7) Only 1,500,000 of the 9,900,000 children who are eligible for child care subsidies under their States' eligibility guidelines receive child care assistance.

(8) Between 1997 and 1999, over 500,000 families were sanctioned off welfare and these families have been more likely to experience poverty than have other families leaving welfare. On a variety of measures, families who have been sanctioned off welfare tend to fare worse than other leavers.

(9) States in which African Americans make up a higher proportion of recipients are statistically more likely to adopt full-family sanctions. African American recipients are statistically more likely than white recipients to participate in a TANF program that employs full-family sanctions. African-American families have, in fact, been sanctioned more frequently than their white counterparts.

(10) States in which African Americans make up a higher proportion of recipients are statistically more likely to adopt family cap policies. African American recipients are statistically more likely than white recipients to participate in a TANF program that employs a family cap policy.

(11) States in which African Americans make up a higher proportion of recipients are statistically more likely to adopt time limits shorter than the Federal Government requires. Approximately ⅔ of all families that will exhaust their allowable time on welfare are families of color.

(12) Overall, 78 percent of children with immigrant parents are themselves born in the United States and are therefore eligible for services if poor. Nearly ¼ of all children of immigrants live in poor families and 23 percent of all poor children in the United States

are either first- or second-generation immigrants. Immigrants whose children are eligible for public benefits often don't know about the services, are afraid to access them, or are incorrectly turned away.

(13) About 25 percent of former welfare recipients have no paid employment and have either no partner or a partner who is unemployed.

(14) Under welfare reform, single mothers have been forced to work at unsafe and hazardous job sites and to be subject to sexual harassment and racial discrimination.

(15) Most single mothers who leave welfare for work do not earn enough in wages to lift their families out of poverty, even several years after leaving welfare. 55 percent remain poor 1 year after leaving welfare; 49 percent 3 years after and 42 percent 5 years after. Only about ⅓ of all leavers have incomes above 150 percent of the poverty line years after going off welfare.

(16) Adolescent children of single mothers who have left welfare for work have school performance rates below those of other low-income children. Early studies of families in welfare-to-work programs in Florida, Minnesota, and Canada have found unexpected evidence that their adolescent children have lower academic achievement and more behavioral problems than the children of other welfare households. The researchers hypothesized that parents in the programs might have less time and energy to monitor their adolescents' behavior once they were employed; that under the stress of working, they might adopt harsher parenting styles; or that the adolescents' assuming more responsibilities at home when parents got jobs was creating too great a burden.

(17) Under welfare reform, when families lost income regardless of the reason, children were more likely to experience bad outcomes such as increased school suspensions, behavior and mental health problems including symptoms of depression, an increase in the number of children removed from their mother's care, increased enrollment in special classes for behavioral or emotional problems, and health problems such as increased trips to the emergency room. In programs where both employment and income were increased, the impact on children was more positive.

(18) Most single mothers on welfare who are eligible for the exemption from cooperating in establishing paternity are not made aware of this option.

(19) 35 percent of low-income families reported mental health problems according to a 1999 study. Similar rates of mental health problems have been found among welfare recipients. Among California welfare program participants, more than ⅓ had at least 1 diagnosable mental health problem in the previous 12 months, and about 20 percent had 2 or more. Nationally, between 70 and 90 percent of working-age adults with serious mental health problems are unemployed. According to a 2001 study, major depression significantly decreases the likelihood that a woman receiving welfare will be employed and the presence of 1 or more of 4 psychiatric disorders increases the likelihood of receiving cash assistance by 32 percent.

(20) Over half of women receiving welfare have been victims of domestic violence as adults. According to several studies, a quarter to a third of welfare recipients report having been abused within the last year. Abusive partners often interfere with women's attempts to work or to obtain education.

**SEC. 4. AMENDMENT OF SOCIAL SECURITY ACT.**

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

**TITLE I—GENERAL PROVISIONS**

**SEC. 101. PURPOSES.**

Section 401(a)(1) (42 U.S.C. 601(a)(1)) is amended to read as follows:

''(1) IN GENERAL.—The purpose of this part is to end child and family poverty by—

''(A) supporting caregivers so that children may be cared for in their own homes;

''(B) promoting education, training, work supports, and access to jobs that pay a living wage;

''(C) assuring access to Medicaid, Food Stamps, child care, and such other assistance for which the family is eligible;

''(D) providing access to services to address barriers to leaving poverty, including mental health, disability, substance abuse, domestic violence, and sexual assault; and

''(E) reducing poverty of families with children.''.

**SEC. 102. STATE PLAN.**

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

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively; and

(ii) by striking clauses (v) and (vi); and

(B) in subparagraph (B)—

(i) in clause (iii), by inserting ''and will notify recipients of assistance under the program of the rights of individuals under all laws applicable to program activities'' before the period;

(ii) by striking clauses (i) and (iv) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively;

(2) in paragraph (7), by striking subparagraph (B) and inserting the following:

''(B) DOMESTIC OR SEXUAL VIOLENCE DEFINED.—In this title, the term 'domestic or sexual violence' has the same meaning as 'battered or subject to extreme cruelty' in section 402(a)(7)(C)(ii).''; and

(3) by adding at the end the following:

''(7) CERTIFICATIONS REGARDING DOMESTIC AND SEXUAL VIOLENCE, MENTAL ILLNESS, DISABILITY, AND SUBSTANCE ABUSE.—

''(A) STANDARDS AND PROCEDURES.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that the State will do the following:

''(i) ADDRESS RECIPIENT'S BARRIERS TO LEAVING POVERTY.—Address the needs of a recipient who has a mental health problem, disability, or substance abuse addiction, or who is dealing with domestic or sexual violence, including how the State will, at the time of application, at a recipient's request, and before imposing any sanction or penalty for noncompliance—

''(I) have trained caseworkers screen, and, at the option of the recipient, qualified professionals assess and identify individuals who are dealing with a mental health problem, disability, substance abuse addiction, or domestic or sexual violence;

''(II) in the case of an individual who is so identified, at the option of the individual, refer the individual and affected children or other close family members for appropriate treatment, counseling, vocational rehabilitation, job training, and other services;

''(III) coordinate, contract, or hire appropriate licensed qualified professionals, including licensed qualified mental health service providers, licensed qualified physicians or medical service providers, licensed qualified substance abuse professionals, domestic violence coalitions, sexual assault coalitions, or victim services organizations;

''(IV) ensure the strict confidentiality of such information; and

''(V) pursuant to a determination of good cause, waive, without time limit, any State or Federal program requirement for so long as necessary in every case in which the requirement—

''(aa) makes it more difficult for the individual to manage his or her mental health problem, disability, substance abuse addiction, or domestic or sexual violence situation;

''(bb) unfairly penalizes the individual; or

''(cc) makes the individual unsafe.

''(ii) USE OF QUALIFIED PROFESSIONALS.—Enter into contracts with or employ qualified professionals for the provision of services in each of the fields of mental health, substance abuse, disability, and domestic or sexual violence, and that the contracts will require that, in the case of an individual who has multiple such barriers, the qualified professionals assigned to the case will collaborate to provide the individual with integrated, comprehensive services.

''(B) DEFINITIONS.—In this paragraph:

''(i) DOMESTIC VIOLENCE COALITION.—The term 'domestic violence coalition' means a nonprofit, nongovernmental membership organization that—

''(I) consists of the entities carrying out a majority of the domestic violence programs carried out in a State;

''(II) collaborates and coordinates activities with Federal, State, and local entities to further the purposes of domestic violence intervention and prevention; and

''(III) among other activities, provides training and technical assistance to entities carrying out domestic violence programs in a State, territory, political subdivision, or area under Federal authority.

''(ii) SEXUAL ASSAULT COALITION.—The term 'sexual assault coalition' means a nonprofit, nongovernmental membership organization that—

''(I) consists of the entities carrying out a majority of the sexual assault programs carried out in a State;

''(II) collaborates and coordinates activities with Federal, State, and local entities to further the purposes of sexual assault intervention and prevention; and

''(III) among other activities, provides training and technical assistance to entities carrying out sexual assault programs in a State, territory, political subdivision, or area under Federal authority.

''(iii) VICTIM SERVICES ORGANIZATION.—The term 'victim services organization' means a nonprofit, nongovernmental organization that provides assistance to victims of domestic or sexual violence or to advocates for such victims, including a rape crisis center, an organization carrying out a domestic violence program, an organization operating a shelter or providing counseling services, or an organization providing assistance through the legal process.

''(iv) LICENSED QUALIFIED MENTAL HEALTH SERVICE PROVIDER.—The term 'licensed qualified mental health service provider' means a psychiatrist, clinical psychologist, clinical social worker, community mental health counselor, or other licensed individual who has appropriate training in the diagnosis and treatment of mental illness in children, adolescents, and adults or provides mental health services reimbursed under title XVIII or a State plan approved under title XIX.

''(v) QUALIFIED PROFESSIONAL.—The term 'qualified professional' means—

''(I) with respect to a disability, a physician or other licensed medical provider;

''(II) with respect to substance abuse, a licensed drug counselor or clinician with expertise in the assessment and treatment of parents with drug addiction issues, who may

be affiliated with an out-patient or residential family drug or alcohol treatment program; or

''(III) with respect to domestic or sexual violence—

''(aa) a State or tribal domestic violence coalition or sexual assault coalition; or

''(bb) a State or local victim services organization with recognized expertise in the dynamics of domestic or sexual violence whose primary mission is to provide services to victims of domestic or sexual violence, such as a rape crisis center or domestic violence program.

''(8) CERTIFICATION REGARDING ASSESSMENT OF REGIONAL ECONOMIES AND INFORMING LOCALITIES OF SECTORAL LABOR SHORTAGES.—A certification by the chief executive officer of the State that, during the fiscal year, the State will assess its regional economies and provide information to political subdivisions of the State about the industrial sectors that are experiencing a labor shortage and that provide higher entry-level wage opportunities for unemployed and underemployed job seekers.''.

**SEC. 103. FUNDING.**

(a) FAMILY ASSISTANCE GRANT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of subparagraphs (A) and (E) by striking ''1996, 1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''1996 through 2008''.

(b) INFLATION ADJUSTMENT.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended—

(1) in subparagraph (B)—

(A) by striking ''means the greatest of—'' and inserting ''means, with respect to a fiscal year specified in subparagraph (A) of this paragraph—

''(i) the greatest of—'';

(B) by redesignating each of clauses (i), (ii)(I), (ii)(II), and (iii) as subclauses (I), (II)(aa), (II)(bb), and (III), respectively;

(C) by indenting each of the provisions specified in subparagraph (B) of this paragraph 2 additional ems to the right;

(D) by striking the period and inserting ''; multiplied by''; and

(E) by adding at the end the following:

''(ii) 1.00, plus the inflation percentage (as defined in subparagraph (F) of this paragraph) in effect for the fiscal year specified in subparagraph (A) of this paragraph.''; and

(2) by adding at the end the following:

''(F) INFLATION PERCENTAGE.—For purposes of subparagraph (B) of this paragraph:

''(i) IN GENERAL.—Except as provided in clause (ii), the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

''(I) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on September 30 of the immediately preceding fiscal year; exceeds

''(II) the average of the Consumer Price Index (as so defined) for the 12-month period ending on September 30, 2001.

''(ii) SPECIAL RULE FOR FISCAL YEAR 2003.—The inflation percentage applicable to fiscal year 2003 is ½ of the inflation percentage determined under clause (i) for fiscal year 2003.''.

(c) REPLACEMENT OF BONUS TO REWARD DECREASE IN ILLEGITIMACY RATIO WITH CHILD POVERTY REDUCTION BONUS.—Section 403(a)(2) (42 U.S.C. 603(a)) is amended to read as follows:

''(2) BONUS TO REWARD STATES THAT REDUCE CHILD POVERTY.—

''(A) IN GENERAL.—Beginning with fiscal year 2003, the Secretary shall make a grant pursuant to this paragraph to each State for each fiscal year for which the State is a qualified child poverty reduction State.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to this subparagraph, the amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be an amount equal to—

''(I) the number of children who had not attained 18 years of age by the end of the then most recently completed calendar year and who resided in the State as of the end of such calendar year, divided by the number of such children who resided in the United States as of the end of such calendar year; multiplied by

''(II) the amount appropriated pursuant to subparagraph (F) for the fiscal year.

''(ii) LIMITATIONS.—

''(I) MINIMUM GRANT.—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be not less than $1,000,000.

''(II) MAXIMUM GRANT.—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall not exceed an amount equal to 5 percent of the State family assistance grant for the fiscal year.

''(iii) PRO RATA INCREASE.—If the amount available for grants under this paragraph for a fiscal year is greater than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(II), be increased by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.

''(iv) PRO RATA REDUCTION.—If the amount available for grants under this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(I), be reduced by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.

''(v) SPECIAL RULE FOR FISCAL YEAR 2003.—The amount payable to a State under this paragraph for fiscal year 2003 shall be ½ of the amount otherwise so payable.

''(C) USE OF GRANT.—A State to which a grant is made under this paragraph shall use the grant for any purpose for which a grant made under this part may be used.

''(D) DEFINITIONS.—In this paragraph:

''(i) QUALIFIED CHILD POVERTY REDUCTION STATE.—The term 'qualified child poverty reduction State' means, with respect to a fiscal year, a State if—

''(I) the child poverty rate achieved by the State for the then most recently completed calendar year for which such information is available is less than the lowest child poverty rate achieved by the State during the applicable period; and

''(II) the average depth of child poverty in the State for the then most recently completed calendar year for which such information is available is not greater than the average depth of child poverty in the State for the calendar year that precedes such then most recently completed calendar year.

''(ii) APPLICABLE PERIOD.—In clause (i), the term 'applicable period' means, with respect to a State and the calendar year referred to in clause (i)(I), the period that—

''(I) begins with the calendar year that, as of October 1, 2002, precedes the then most recently completed calendar year for which such information is available; and

''(II) ends with the calendar year that precedes the calendar year referred to clause (i)(I).

''(iii) CHILD POVERTY RATE.—The term 'child poverty rate' means, with respect to a State and a calendar year, the percentage of children residing in the State during the calendar year whose family income for the calendar year is less than the poverty line then applicable to the family.

''(iv) AVERAGE DEPTH OF CHILD POVERTY.—The term 'average depth of child poverty' means with respect to a State and a calendar year, the average dollar amount by which family income is exceeded by the poverty line, among children in the State whose family income for the calendar year is less than the applicable poverty line.

''(v) POVERTY LINE.—The term 'poverty line' has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved.

''(E) FAMILY INCOME DETERMINATIONS.—For purposes of this paragraph, family income includes cash income, child support payments, government cash payments, and benefits under the Food Stamp Act of 1977 that are received by any family member, and family income shall be determined after payment of all taxes and receipt of any tax refund or rebate by any family member.

''(F) APPROPRIATIONS.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated—

''(I) for fiscal year 2003, $75,000,000 for grants under this paragraph; and

''(II) for fiscal year 2004 and each fiscal year thereafter $150,000,000 for grants under this paragraph.

''(ii) AVAILABILITY.—Amounts made available under clause (i) shall remain available until expended.''.

(d) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—Section 403(a)(3) (42 U.S.C. 603(a)) is amended—

(1) in subparagraph (A)(ii), by striking '', 2000, and 2001'' and inserting ''through 2008'';

(2) by striking subparagraphs (C) and (D) and inserting the following:

''(C) QUALIFYING STATE.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if rate at which the population of the State with income less than 200 percent of the poverty line has increased (as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the such rate for all States (as so determined) for such most recent fiscal year.

''(D) STATE DEFINED.—In this paragraph, the term 'State' means each of the 50 States of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, and Guam.''; and

(3) in subparagraph (E)—

(A) by striking ''1998, 1999, 2000, and 2001'' and inserting ''2003 through 2008''; and

(B) by striking ''$800,000,000'' and inserting ''$2,000,000,000''.

(e) AMENDMENT OF BONUS TO REWARD HIGH PERFORMANCE STATES.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended to read as follows:

''(4) BONUS TO REWARD HIGH PERFORMANCE STATES.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is a high performing State with respect to a category described in subparagraph (C).

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State for a bonus year with respect to a category, which shall be based on the score assigned to the State under subparagraph (D)(i) with respect to the category for the fiscal year that immediately precedes the bonus year.

''(ii) LIMITATION.—The total of the amounts payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

''(C) FORMULA FOR MEASURING STATE PERFORMANCE.—Not later than October 1, 2003, the Secretary shall, in consultation with affected groups, including recipient groups and State governors, issue regulations implementing criteria for awarding of bonuses under this paragraph in the following categories:

''(i) PREPARATION AND PLACEMENT OF RECIPIENTS IN EMPLOYMENT THAT WILL MOVE FAMILIES OUT OF POVERTY.—The degree of success in implementing employment-related measures, including job entry, job retention and earnings gain rates, improvement in each of such measures, and the success of States in—

''(I) meeting self-sufficiency needs for welfare leavers;

''(II) training, placing and retaining welfare leavers in higher-waged jobs identified in the assessment most recently submitted by the State pursuant to section 411(d);

''(III) training, placing and retaining welfare leavers in technical, professional, or nontraditional occupations for women;

''(IV) providing career development assistance related to higher-waged jobs including reliable, up-to-date career counseling services, employability assessments on available employment that pays a sustainable wage, nontraditional training and education options, and employment opportunities;

''(V) encouraging participation in post-secondary educational programs;

''(VI) encouraging use of effective literacy programs that strengthen basic skills in the context of employment; and

''(VII) encouraging participation in vocational education programs for occupations identified in the assessment most recently submitted by the State pursuant to section 411(d).

''(ii) REMOVAL OF BARRIERS TO SELF SUFFICIENCY.—The degree of success in removing mental health, substance abuse, disability, or domestic or sexual violence barriers to escaping poverty, which shall be based on an equal weighting of the following:

''(I) NOTIFICATION.—The percentage of individuals receiving assistance under this part who report having been notified of the option to be assessed for and receive services to manage a barrier to escaping poverty. A State shall not be eligible for a grant under this paragraph with respect to the category described in this subparagraph unless at least 75 percent of the individuals surveyed by the State respond in the affirmative to the question of whether the individual has received the notification.

''(II) TRAINING.—The percentage of caseworkers, supervisors, and new employees who have been trained in a curriculum developed by or in collaboration with qualified professionals in each of mental health, substance abuse, disability, or domestic or sexual violence services. A State shall not be eligible for a grant under this paragraph with respect to the category described in this subparagraph unless at least 80 percent of the caseworkers, supervisors, and employees administering the State program funded under this part have been trained in the curriculum.

''(III) ASSESSMENT AND SERVICES.—The State must certify that the State has contracts with or employs qualified professionals in mental health, substance abuse, disability, or domestic or sexual violence services, and that the contract requires that where an individual has multiple barriers the professional service providers will collaborate to provide the individual holistic services.

''(iii) PROVISION OF WORK SUPPORTS.—The extent to which the State has increased the percentages described to in the following subclauses in comparison to the percentages achieved in fiscal year 2001:

''(I) FOOD STAMPS MEASURES.—Of the number of families with children in the State who are eligible to receive food stamp benefits under the Food Stamp Act of 1977, the percentage who receive such benefits.

''(II) MEDICAID AND SCHIP MEASURES.—Of the individuals who have ceased receiving assistance under the State program funded under this part for 4 or more months, and are eligible to receive medical assistance under a State plan approved under title XIX or the child health assistance under a State plan approved under title XXI, the percentage who receive such medical or child health assistance.

''(III) CHILD CARE MEASURES.—Of the children in the State who meet the maximum allowable Federal eligibility requirements for benefits under the Child Care and Development Block Grant Act of 1990, the percentage who receive such benefits, including any such children who receive child care benefits provided with additional State or Federal funds, including Head Start Funds. In taking the percentage into account for purposes of this clause, the Secretary shall also consider (aa) the affordability of child care subsidies by including a comparison of co-payment rates charged to eligible families, and (bb) the proportion of market rates paid to providers of subsidized child care as determined by a market rate survey that was taken not more than 2 years earlier.

''(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.—For each bonus year, the Secretary shall—

''(i) use the formula developed under subparagraph (C) for a measure to assign a score to each eligible State with respect to the measure for the fiscal year that immediately precedes the bonus year; and

''(ii) prescribe a performance threshold for each such measure in such a manner so as to ensure that—

''(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals $278,333,333; and

''(II) the total amount of grants to be made under this paragraph for all bonus years equals $1,670,000,000.

''(E) DEFINITIONS.—In this paragraph:

''(i) BONUS YEAR.—The term 'bonus year' means fiscal years 2003 through 2008.

''(ii) HIGH PERFORMING STATE.—The term 'high performing State' means, with respect to a measure and a bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) with respect to the measure for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed under subparagraph (D)(ii) with respect to the measure for such preceding fiscal year.

''(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2003 through 2008 $1,670,000,000 for grants under this paragraph.''.

(f) ELIMINATION OF WELFARE-TO-WORK GRANTS.—

(1) IN GENERAL.—

(A) GRANTS TO STATES.—Section 403(a) (42 U.S.C. 603(a)) is amended by striking paragraph (5).

(B) GRANTS TO INDIAN TRIBES.—Section 412(a) (42 U.S.C. 612(a)) is amended by striking paragraph (3).

(2) CONFORMING AMENDMENTS.—

(A) Section 413 (42 U.S.C. 613) is amended by striking subsection (j).

(B) Section 510 (42 U.S.C. 710) is repealed.

(C) Section 404(k)(1)(C) (42 U.S.C. 604(k)(1)(C)) is amended—

(i) by adding ''and'' at the end of clause (ii);

(ii) by striking clause (iii); and

(iii) by redesignating clause (iv) as clause (iii).

(g) 50 PERCENT FEDERAL MATCH FOR STATE FUNDING IN EXCESS OF REQUIRED MAINTENANCE OF EFFORT LEVEL.—Section 403(a) (42 U.S.C. 603(a)), as amended by subsection (e)(1)(A) of this section, is amended by adding at the end the following:

''(5) MATCHING GRANTS FOR STATE EXPENDITURES EXCEEDING REQUIRED MAINTENANCE OF EFFORT LEVEL.—

''(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for a fiscal year a grant in an amount equal to the amount (if any) by which the total of the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year exceeds the applicable percentage (as defined in section 409(a)(7)(B)(ii)) of historic State expenditures (as defined in section 409(a)(7)(B)(iii)) with respect to the fiscal year.

''(B) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as are necessary for grants under this section for fiscal years 2003 through 2008.''.

(h) CONTINGENCY FUND.—

(1) IN GENERAL.—Section 403(b) (42 U.S.C. 603(b)) is amended by striking paragraphs (2) through (7) and inserting the following:

''(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 1997 through 2008 such sums as are necessary for grants under this section for the fiscal year.

''(3) GRANTS.—The Secretary shall make a grant to a needy State, for each eligible month with respect to the State, in an amount equal to the amount described in paragraph (6).

''(4) NEEDY STATE.—A State is a needy State for purposes of this paragraph if—

''(A) the rate of total unemployment in the State (seasonally adjusted) for the most recent month for which such information is available—

''(i) is at least 5.5 percent; or

''(ii) has increased by the lesser of 50 percent, or 1.5 percentage points, over the lesser of the average rate of total unemployment in the State (seasonally adjusted) for the preceding fiscal year or such average rate for the 2nd preceding fiscal year; or

''(B) the number of families participating in eligible State programs is at least 10 percent greater than the average monthly number of families who participated in the programs during the 2 consecutive calendar quarters of the then most recent 8 such quarters in which such average monthly number was the least.

''(5) ELIGIBLE MONTH.—In paragraph (3), the term 'eligible month' means, with respect to a State, any month for which the State is a needy State, and each subsequent month until—

''(A) 3 months has elapsed since the end of the most recent month in which the 3-month moving average of the rate of total unemployment in the State (seasonally adjusted) was less than the monthly unemployment rate in the State in the most recent month in which the State became (or, in the absence of paragraph (4)(B), would have become) a needy State by reason of paragraph (4)(A); and

''(B) 4 months has elapsed since the end of the most recent month in which the number of families participating in eligible State programs was at least as great as the number of families so participating in the most recent month in which the State became (or,

in the absence of paragraph (4)(A), would have become) a needy State by reason of paragraph (4)(B).

''(6) GRANT AMOUNT.—The amount described in this paragraph with respect to a State is an amount equal to 110 percent of—

''(A) 80 percent of the average total amount expended by the State under all eligible State programs in the 2 consecutive calendar quarters of the then most recent 8 such quarters in which the average monthly number of families participating in the programs was the least; multiplied by

''(B) the percentage by which the monthly number of families participating in eligible State programs has increased over the average monthly number of families so participating during the 2 consecutive quarters referred to in subparagraph (A).

''(7) ELIGIBLE STATE PROGRAM DEFINED.—In this subsection, the term 'eligible State program' means, with respect to a State, any program under which a State expenditure could be considered a qualified State expenditure (as defined in section 409(a)(7)(B)(i)).''.

(2) EASING OF RELATED MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended by striking ''100 percent'' and inserting ''the applicable percentage (as defined in paragraph (7)(B)(ii) of this subsection)''.

(i) FEDERAL LOANS FOR STATE WELFARE PROGRAMS.—Section 406 (42 U.S.C. 606) is amended—

(1) in subsection (d), by striking ''10'' and inserting ''20''; and

(2) in subsection (e), by striking ''$1,700,000,000'' and inserting ''$2,000,000,000''.

(j) GRANTS FOR INDIAN TRIBES.—Paragraphs (1)(A) and (2)(A) of section 412(a) (42 U.S.C. 612(a)(1)(A), (2)(A)) are each amended by striking ''1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''1997 through 2008''.

(k) STUDIES AND DEMONSTRATIONS.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by striking ''2002'' and inserting ''2008''.

(l) STUDY BY THE CENSUS BUREAU.—Section 414(b) (42 U.S.C. 614(b)) is amended by striking ''1996, 1997, 1998, 1999, 2000, 2001, and 2002'' and inserting ''1996 through 2008''.

(m) CHILD CARE ENTITLEMENT.—Section 418(a)(3) (42 U.S.C. 618(a)(3) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(G) $5,300,333,333 for fiscal year 2003;

''(H) $5,400,333,333 for fiscal year 2004;

''(I) $5,500,333,333 for fiscal year 2005;

''(J) $5,700,333,333 for fiscal year 2006;

''(K) $5,900,333,333 for fiscal year 2007; and

''(L) $6,050,333,333 for fiscal year 2008.''.

**SEC. 104. USE OF FUNDS.**

(a) ELIMINATION OF AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(b) MODIFICATIONS TO INDIVIDUAL DEVELOPMENT ACCOUNTS.—Section 404(h) (42 U.S.C. 604(h)) is amended—

(1) in paragraph (2), by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C);

(2) in paragraph (5)(A), by adding at the end the following:

''(iii) An institution that offers a course of study leading to adult literacy, in English as a second language, or a certificate of high school equivalency.''; and

(3) in paragraph (5)(F), by striking ''and inventory'' and inserting ''inventory, and transportation''.

(c) CONFORMING AMENDMENTS.—Section 404 (42 U.S.C. 404) is amended by striking subsections (i) and (j) and redesignating subsection (k) as subsection (i).

**TITLE II—WORK REQUIREMENTS**

**SEC. 201. REDUCED WORK REQUIREMENT FOR PARENTS OF SCHOOL-AGE CHILDREN WHO CANNOT FIND ADEQUATE CHILD CARE.**

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by adding at the end the following:

''Notwithstanding the preceding sentence, the maximum average number of hours per week shall be 20 for any week in which the recipient is the parent or caretaker relative of a child who has attained 6 years of age and does not have meaningful access to safe, appropriate, affordable, and quality after-school or summer care for the child.''.

**SEC. 202. CONFORMING THE NUMBER OF WEEKS TO THE UNEMPLOYMENT INSURANCE COMPENSATION STANDARD.**

Section 407(c)(2)(A)(i) (42 U.S.C. 607(c)(2)(A)(i)) is amended by striking ''6 weeks'' and inserting ''12 weeks''.

**SEC. 203. REVISION OF WORK ACTIVITIES.**

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

(1) by striking paragraph (4) and inserting the following:

''(4) transitional work experience leading to jobs that provide an income of not less than 250 percent of the poverty line;'';

(2) by striking paragraph (7) and inserting the following:

''(7) voluntary participation in a community service program;'';

(3) in paragraph (8), by striking ''(not to exceed 12 months with respect to any individual)''; and

(4) by striking paragraphs (10) through (12) and inserting the following:

''(10) participation in a State or Federal work-study program under part C of title IV of the Higher Education Act of 1965;'';

''(11) education, including not more than 6 hours of home study per week, in the case of a recipient who is enrolled—

''(A) at an elementary or secondary school (as defined in the Elementary and Secondary Education Act of 1965);

''(B) in a course of study leading to adult literacy, English as a second language, or a certificate of high school equivalency; or

''(C) at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965), regardless of the content of the course of study;

''(12) the provision of appropriate care to a child who has a disability or a serious health condition (as defined in section 101(11) of the Family Medical Leave Act) or has not attained 6 years of age, by a recipient who is a parent or caretaker relative of the child; and

''(13) participation in treatment or an educational activity designed to address a mental health problem, disability, substance abuse, or domestic or sexual violence.''.

(b) CONFORMING AMENDMENTS.—Section 407 of such Act (42 U.S.C. 607) is amended—

(1) in subsection (b), by striking paragraph (5); and

(2) in subsection (c)—

(A) in each of subparagraphs (A) and (B)(i) of paragraph (1), by striking ''not fewer than'' and all that follows through ''subsection (d),'';

(B) in paragraph (1)(B)(ii), by striking ''not fewer than'' and all that follows through ''subsection (d)''; and

(C) in paragraph (2), by striking subparagraph (D).

**SEC. 204. PENALTIES AGAINST INDIVIDUALS FOR UNJUSTIFIED REFUSAL TO WORK; ADDITIONAL JUSTIFICATIONS.**

(a) IN GENERAL.—Section 407(e) (42 U.S.C. 607(e)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Except as otherwise provided in this subsection, if an individual in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall, subject to such good cause and other exceptions as the State may establish, reduce the amount of assistance otherwise payable to the family on a pro rata basis, but to not less than the amount that would be payable to a family with the same number of children but with no adults, with respect to any period during a month in which the individual so refuses.'';

(2) in paragraph (2)—

(A) by striking ''EXCEPTION'' and inserting ''CHILD CARE EXCEPTION''; and

(B) by striking ''proves that the individual has a demonstrated inability (as determined by the State)'' and inserting ''certifies that the individual is unable''; and

(3) by adding at the end the following:

''(3) ADDITIONAL CHILD CARE EXCEPTIONS.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an individual to engage in work required in accordance with this section if the individual is a custodial parent or caretaker relative caring for—

''(A) a child who has a disability or a serious health condition (as defined in section 101(11) of the Family Medical Leave Act), and the individual does not have meaningful access to safe, appropriate, affordable, and quality care for the child; or

''(B) a child who has attained 6 years of age, and the individual does not have meaningful access to safe, appropriate, affordable, and quality after-school or summer care for the child.

''(4) MENTAL HEALTH PROBLEM, DISABILITY, SUBSTANCE ABUSE, OR DOMESTIC OR SEXUAL VIOLENCE EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on the failure of any individual who has a mental health problem, disability, or substance abuse problem, or who is a victim of sexual or domestic violence to engage in work required in accordance with this section if—

''(A) the individual is in the process of being screened or assessed for the mental health problem, disability, substance abuse problem, or sexual or domestic violence situation but the screening or assessment has not been completed;

''(B) the individual has not been offered treatment to address the problem or disability; or

''(C) the individual cannot comply because of the need to seek medical, legal, or other services in relation to the mental health problem, disability, or sexual or domestic violence situation.

''(5) MINIMUM WAGE EXCEPTION.—Notwithstanding paragraph (1), a State may not impose a sanction under the State program funded under this part on the basis of the refusal of an individual to accept any employment (including any employment offered under the program), if the wage rate for the employment does not equal or exceed the greater of—

''(A) the minimum wage rate then in effect under section 6 of the Fair Labor Standards Act of 1938; or

''(B) any minimum wage rate prescribed by or under the law of the State.

''(6) DISCRIMINATION EXCEPTION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on the failure of any individual to engage in work required in accordance with this section if the individual certifies in a manner described in subparagraph (B) that the individual has left or refused work based on discrimination.

''(B) CERTIFICATION.—An individual may provide a certification required by subparagraph (A) by sworn written statement or by providing other documentation, including a police or court record or documentation by a shelter worker, an employee of a victim assistance program, an attorney, a member of the clergy, or a medical or other professional from whom the individual has sought assistance as a victim.''.

(b) CONFORMING AMENDMENTS.—Section 409(a)(11) (42 U.S.C 609(a)(11)) is amended—

(1) in the paragraph heading, by striking ''WHO CANNOT OBTAIN CHILD CARE FOR CHILD UNDER AGE 6'' and inserting ''WITH JUSTIFIED REFUSAL TO WORK''; and

(2) in subparagraph (A), by striking ''407(e)(2)'' and inserting ''407(e)''.

**SEC. 205. ELIMINATION OF MISCELLANEOUS PROVISIONS.**

Section 407 (42 U.S.C. 607) is amended by striking subsections (g), (h), and (i).

**SEC. 206. ASSESSMENT OF INDIVIDUALS FOR JOB PREPARATION.**

Section 407 (42 U.S.C. 607), as amended by section 205 of this Act, is amended by adding at the end the following:

''(g) ASSESSMENT OF INDIVIDUALS FOR JOB PREPARATION.—At the option of a recipient of assistance under a State program funded under this part, the State shall, before assigning the recipient to a work activity under the program, perform an individual assessment for the preparation that is needed for the recipient to obtain and maintain a job at a monthly wage that is at least 200 percent of the poverty line applicable to the family of the recipient.''.

## TITLE III—PROHIBITIONS; REQUIREMENTS

**SEC. 301. REPLACEMENT OF REQUIREMENT TO SANCTION INDIVIDUAL FOR NONCOOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT WITH PROHIBITION ON REQUIRING SUCH COOPERATION.**

(a) IN GENERAL.—Section 408(a)(2) (42 U.S.C. 608(a)(2)) is amended to read as follows:

''(2) PROHIBITION ON REQUIRING COOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT.—A State to which a grant is made under section 403 shall not penalize an individual under the State program funded under this part by reason of the failure of the individual to cooperate in establishing paternity or establishing, modifying, or enforcing a child support order with respect to a child of the recipient.''.

(b) CONFORMING AMENDMENTS.—Section 454(29) (42 U.S.C. 654(29)) is amended—

(1) by striking ''the State program funded under part A,'' each place it appears; and

(2) in subparagraph (A)(i), by striking ''E,'' and inserting ''E''.

**SEC. 302. PROHIBITION ON REQUIRING ASSIGNMENT OF SUPPORT RIGHTS TO THE STATE; RETURN OF SUPPORT RIGHTS ASSIGNED TO THE STATE.**

(a) IN GENERAL.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

''(3) PROHIBITION ON REQUIRING ASSIGNMENT OF SUPPORT RIGHTS TO THE STATE; REQUIREMENT TO RETURN SUPPORT RIGHTS ASSIGNED TO THE STATE.—A State to which a grant is made under section 403 shall not penalize an individual or family under the State program funded under this part by reason of the failure of the individual to assign to the State any rights any person may have (on behalf of the person or of any other person for whom the individual has applied for or is receiving assistance) to support from any other person. If any person has assigned any such rights to the State, the State shall assign such rights back to the person.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 452 (42 U.S.C. 652) is amended—

(A) in subsection (a)(10)(C), by striking ''pursuant to section 408(a)(3) or''; and

(B) in subsection (h), by striking ''or with respect to whom an assignment pursuant to section 408(a)(3) is in effect''.

(2) Section 454(5) (42 U.S.C. 654(5)) is amended by striking ''(A)'' and all that follows through ''(B)''.

(3) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking ''assigned to the State pursuant to section 408(a)(3) or''.

(4) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking ''section 408(a)(3) or''.

(5) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''section 408(a)(3) or''.

**SEC. 303. ELIMINATION OF SANCTION AGAINST TEENAGE PARENTS NOT ATTENDING HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.**

Section 408(a) (42 U.S.C. 608(a)) is amended by striking paragraph (4).

**SEC. 304. REQUIREMENTS RELATING TO DISREGARD OF CHILD SUPPORT.**

(a) IN GENERAL.—Section 408(a) (42 U.S.C. 608(a)), as amended by section 303 of this Act, is amended by inserting after paragraph (3) the following:

''(4) LIMITED DISREGARD OF CHILD SUPPORT.—In determining the amount and type of assistance for which a family is eligible under the State program funded under this part, a State to which a grant is made under section 403 shall disregard—

''(A) the first $200 (or, if the family includes 2 or more children, $400) per month distributed to any family member by the State under section 457; and

''(B) all child support (as defined in section 459(i)(2)) received by any family member from any other source.''.

(b) REQUIREMENT TO PASS THROUGH ALL CHILD SUPPORT.—

(1) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

**''SEC. 457. DISTRIBUTION OF COLLECTED CHILD SUPPORT.**

''(a) IN GENERAL.—Except as provided in subsection (b), all amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed to the family.

''(b) EXCEPTION.—In the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount pursuant to the agreement.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 409(a)(7)(B)(i)(I)(aa) (42 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by striking ''457(a)(1)(B)'' and inserting ''457''.

(B) Section 454B(c)(1) (42 U.S.C. 654b(c)(1)) is amended by striking ''457(a)'' and inserting ''457''.

**SEC. 305. ELIMINATION OF SANCTION AGAINST TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.**

Section 408(a) (42 U.S.C. 608(a)) is amended by striking paragraph (5).

**SEC. 306. PROTECTION FOR CHILDREN BORN INTO POVERTY.**

Section 408(a) (42 U.S.C. 608(a)), as amended by section 305 of this Act, is amended by inserting after paragraph (4) the following:

''(5) PROTECTION FOR CHILDREN.—A State to which a grant is made under section 403 shall not deny or limit assistance to a child born into a family receiving assistance under the State program funded under this part.''.

**SEC. 307. 5-YEAR TIME LIMIT.**

(a) REMOVAL OF LIMITATIONS.—

(1) ELIMINATION OF LIMITATION ON HARDSHIP EXCEPTION.—Section 408(a)(7)(C) (42 U.S.C. 608(a)(7)(C)) is amended by striking clause (ii) and redesignating clause (iii) as clause (ii).

(2) COMPLIANCE EXCEPTION.—Section 408(a)(7) (42 U.S.C. 608(a)(7)) is amended by adding at the end the following:

''(H) COMPLIANCE EXCEPTION.—In determining the number of months for which an individual has received assistance under the State program funded under this part, the State shall disregard any month throughout which the individual is in compliance with all applicable requirements of the State program.''.

(b) UNIFORM DURATION OF ASSISTANCE.—Section 408(a)(7)(E) (42 U.S.C. 608(a)(7)(E)) is amended to read as follows:

''(E) REQUIREMENT TO PROVIDE ASSISTANCE FOR 5 YEARS.—Notwithstanding section 407(e), a State to which a grant is made under section 403 shall not impose a limitation of fewer than 60 months on the period for which a recipient is eligible for assistance under the State program funded under this part.''.

(c) PROTECTION AGAINST RECESSION.—Section 408(a)(7) (42 U.S.C. 608(a)(7)), as amended by subsection (a)(2) of this section, is amended by adding at the end the following:

''(I) SPECIAL RULES RELATING TO MONTH IN WHICH UNEMPLOYMENT IS HIGH OR HAS INCREASED SHARPLY OVER PRIOR 2 YEARS.—

''(i) CLOCK STOPPED FOR CURRENT RECIPIENTS.—In determining the number of months for which an individual has received assistance under the State program funded under this part, the State shall disregard any month that is a trigger month.

''(ii) TREATMENT OF FORMER RECIPIENTS WHO REACHED TIME LIMIT.—

''(I) NOTICE; DETERMINATION OF ELIGIBILITY.—On the occurrence of a trigger month, the State shall—

''(aa) issue a public notice that a trigger month has occurred; and

''(bb) on request of an individual who had become ineligible for assistance under the State program funded under this part by reason of this paragraph, determine the eligibility of the individual for such assistance as if the individual had received such assistance for 59 months.

''(II) ADDITIONAL MONTH OF ASSISTANCE FOR OTHERWISE ELIGIBLE FORMER RECIPIENTS.—If the individual is so determined to be eligible for such assistance, the State shall, notwithstanding subparagraph (A), provide such assistance to the individual for any month that is a trigger month, but shall not provide such assistance to the individual for any month that is not a trigger month.

''(iii) TRIGGER MONTH.—In this subparagraph, the term 'trigger month' means, with respect to a State, any month for which the unemployment rate of the State—

''(I) is at least 5.5 percent; or

''(II) has increased by the lesser of 50 percent, or 1.5 percentage points, over the lesser of the average rate of total unemployment in the State (seasonally adjusted) for the preceding fiscal year or the average unemployment rate of the State for the 2nd preceding fiscal year.''.

**SEC. 308. REQUIREMENT TO PROVIDE NOTICE OF RIGHTS OF RECIPIENTS, AND TRAIN PROGRAM PERSONNEL IN CARRYING OUT PROGRAM CONSISTENT WITH THE RIGHTS.**

Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(12) REQUIREMENT TO PROVIDE NOTICE OF RIGHTS OF RECIPIENTS, AND TRAIN PROGRAM PERSONNEL TO CARRY OUT PROGRAM CONSISTENT WITH THE RIGHTS.—A State to which a grant is made under section 403 shall—

''(A) notify each recipient of assistance under the program of the rights of recipients under all laws applicable to the activities of the State program funded under this part, and shall provide the notice—

''(i) to a recipient when the recipient enters the program;

''(ii) to all such recipients on a semiannual basis; and

''(iii) orally and in writing, in the native language of the recipient and at a 6th grade level, and if the native language is not English, a culturally competent translation shall be provided; and

''(B) train all program personnel on a regular basis in how to carry out the program consistent with the rights.''.

**SEC. 309. REQUIREMENT TO PROVIDE INFORMATION TO INDIVIDUALS WHO ARE, OR ARE AT RISK OF BEING, SANCTIONED.**

Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(13) STATE REQUIRED TO PROVIDE INFORMATION TO INDIVIDUAL WHO HAS BEEN, OR IS AT RISK OF BEING SANCTIONED.—A State to which a grant is made under section 403 shall provide to any individual who has been, or is at risk of being, sanctioned under the State program funded under this part, orally and in writing, at not more than a 6th grade level in the native language of the individual (and if the native language is not English, a culturally competent translation shall be provided), that—

''(A) program requirements may be waived for people dealing with a mental health, disability, substance abuse, domestic violence, or sexual assault issue;

''(B) an individual dealing with a mental health, disability, substance abuse, domestic violence, or sexual assault issue may request (or if the individual has left or been removed from the program, may return to the program and request) to be assessed under the program for services to address those issues, including appropriate treatment, counseling, vocational rehabilitation, job training, or other services; and

''(C) the State is required to keep any such information strictly confidential.''.

**SEC. 310. BAN ON COUNTING INCOME, SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT MINORS.**

Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(14) PROHIBITION ON COUNTING INCOME, SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT MINOR.—In determining the eligibility of a family for, and the amount and type of assistance to be provided to a family under, a State program funded under this part, the State shall disregard any income, scholarship, or gift received by a dependent minor child in the family.''.

**SEC. 311. BAN ON DIVERSION OF POTENTIAL APPLICANTS FOR ASSISTANCE.**

Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(15) BAN ON DIVERSION OF POTENTIAL APPLICANTS FOR ASSISTANCE.—A State may not refuse to accept, at the time of application, an application for assistance from the State program funded under this part, or give an individual reason to believe that, at the time of application, the State will not unconditionally accept such an application from any individual.''.

**SEC. 312. PROHIBITION ON REQUIRING RECIPIENTS TO RESPOND TO SURVEYS CONDUCTED TO OBTAIN INFORMATION FOR QUARTERLY REPORTS.**

Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(16) PROHIBITION ON REQUIRING RECIPIENTS TO RESPOND TO SURVEYS CONDUCTED TO OBTAIN INFORMATION FOR QUARTERLY REPORTS.—A State to which a grant is made under section 403 shall not penalize an individual under the State program funded under this part by reason of the failure of the individual to respond to a survey conducted to obtain information for use in a report required by section 411(a).''.

**SEC. 313. CONFIDENTIALITY OF PROGRAM INFORMATION.**

Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(17) CONFIDENTIALITY OF PROGRAM INFORMATION.—A State to which a grant is made under section 403 shall ensure that any information provided by an individual to a State officer or employee for use by the State program funded under this part shall not be disclosed to any other person, except to the extent that the disclosure is necessary to administer the program or is consented to by the individual.''.

**SEC. 314. NONDISCRIMINATION.**

Section 408(a) (42 U.S.C. 608(a) is amended by adding at the end the following:

''(18) NONDISCRIMINATION.—A State to which a grant is made under section 403 shall ensure equitable treatment of needy families in the State, and shall not discriminate among families based on marital status or applicant or recipient status.''.

**SEC. 315. REQUIREMENT TO PROVIDE OPPORTUNITY TO APPEAL ADVERSE DECISION.**

Section 408(a) (42 U.S.C. 608(a) is amended by adding at the end the following:

''(19) REQUIREMENT TO PROVIDE OPPORTUNITY TO APPEAL ADVERSE DECISION.—A State to which a grant is made under section 403 shall provide a recipient of assistance under the State program funded under this part with the opportunity to appeal any adverse decision made with respect to the recipient under the program.''.

**SEC. 316. CLARIFICATION OF PENALTY FOR FAILURE TO COMPLY WITH INDIVIDUAL RESPONSIBILITY PLAN.**

Section 408(b)(3) (42 U.S.C. 608(b)(3)) is amended by striking ''a family that includes''.

**SEC. 317. APPLICABILITY OF CIVIL RIGHTS LAWS.**

Section 408(d) (42 U.S.C. 608(d)) is amended—

(1) in paragraph (3), by inserting '', or any provision of State law relating to individuals with physical or mental disabilities'' before the 2nd period; and

(2) by adding at the end the following:

''(5) Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), or any provision of State law relating to discrimination on the basis of race, color, national origin, religion, gender, sex, parental or marital status, or sexual orientation.

''(6) The Age Discrimination in Employment Act of 1967 (29 U.S.C. 621–634), or any provision of State law relating to age discrimination.

''(7) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), or any provision of State law relating to discrimination in education.

''(8) The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), or any provision of State law relating to labor or to a term or condition of employment.

''(9) The Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq).

''(10) The National Labor Relations Act (29 U.S.C. 151 et seq.).

''(11) The Railway Labor Act (45 U.S.C. 151 et seq.).

''(12) Any Federal law providing employee protections against discrimination for union activity.

''(13) Any other provision of Federal or State law the purpose of which is to provide or protect a civil right.''.

**SEC. 318. ELIMINATION OF SPECIAL RULES RELATING TO TREATMENT OF ALIENS.**

(a) AMENDMENTS TO THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—

(1) Section 401(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)(2)) is amended—

(A) by striking ''or'' at the end of subparagraph (B);

(B) by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(D) to any assistance provided under a State program funded under the program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.''.

(2)(A) Section 402(b)(3) of such Act (8 U.S.C. 1612(b)(3)) is amended by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(B) Section 402(b)(2)(A)(ii) of such Act (8 U.S.C. 1612(b)(2)(A)(ii)) is amended by striking ''(C)'' and inserting ''(B)''.

(3) Section 403(c)(2) of such Act (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance under a State program funded under the program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.''.

(4) Section 423(d) of such Act (8 U.S.C. 1183a note) is amended by adding at the end the following:

''(12) Assistance under a State program funded under the program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 408 (42 U.S.C. 608) is amended by striking subsections (e) and (f) and by redesignating subsection (g) as subsection (e).

(2) Section 409(a)(7)(B)(i)(IV) (42 U.S.C. 609(a)(7)(B)(i)(IV)) is amended—

(A) by striking ''part,'' and inserting ''part and''; and

(B) by striking '', and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996''.

## TITLE IV—PENALTIES

**SEC. 401. INCREASE IN PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.**

Section 409(a)(2)(A) (42 U.S.C. 609(a)(2)(A)) is amended by striking ''4'' and inserting ''5''.

**SEC. 402. REPLACEMENT OF PENALTY AGAINST STATE FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS WITH PENALTY FOR REQUIRING COOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT (INCLUDING ASSIGNING SUPPORT RIGHTS TO THE STATE) OR FAILING TO RETURN SUPPORT RIGHTS ASSIGNED TO THE STATE.**

Section 409(a)(5) (42 U.S.C. 609(a)(5)) is amended to read as follows:

''(5) PENALTY FOR REQUIRING COOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT (INCLUDING ASSIGNING SUPPORT RIGHTS TO THE STATE) OR FAILING TO RETURN SUPPORT RIGHTS ASSIGNED TO THE STATE.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated paragraph (2) or (3) of section 408(a) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 403. EXTENSION OF MAINTENANCE OF EFFORT REQUIREMENT.**

Section 409(a)(7)(A) (42 U.S.C. 609(a)(7)(A)) is amended by striking ''or 2003'' and inserting ''2003, 2004, 2005, 2006, 2007, or 2008''.

**SEC. 404. PENALTY FOR FAILURE OF STATE TO COMPLY WITH CHILD SUPPORT DISREGARD REQUIREMENTS.**

Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) PENALTY FOR FAILURE TO COMPLY WITH CHILD SUPPORT DISREGARD REQUIREMENTS.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(4) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 405. PENALTY FOR PENALIZING BIRTH OF CHILD.**

Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(16) PENALTY FOR PENALIZING BIRTH OF CHILD.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(5) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 406. PENALTY FOR FAILURE TO NOTIFY RECIPIENTS OF RIGHTS, OR TRAIN PROGRAM PERSONNEL IN RESPECTING RIGHTS OF RECIPIENTS.**

Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(17) PENALTY FOR FAILURE TO NOTIFY RECIPIENTS OF RIGHTS, OR TRAIN PROGRAM PERSONNEL IN RESPECTING RIGHTS OF RECIPIENTS.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(12) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 407. PENALTY FOR FAILURE TO PROVIDE INFORMATION TO INDIVIDUALS WHO ARE, OR ARE AT RISK OF BEING, SANCTIONED.**

Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(18) PENALTY FOR FAILURE TO PROVIDE INFORMATION TO INDIVIDUAL WHO HAS BEEN, OR IS AT RISK OF BEING SANCTIONED.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(13) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 408. PENALTY FOR COUNTING INCOME, SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT MINOR.**

Section 409(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(19) PENALTY FOR COUNTING INCOME, SCHOLARSHIP, OR GIFT RECEIVED BY DEPENDENT MINOR.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(14) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 409. PENALTY FOR DIVERTING POTENTIAL APPLICANT FOR ASSISTANCE.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(20) PENALTY FOR DIVERTING POTENTIAL APPLICANT FOR ASSISTANCE.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(15) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 410. PENALTY FOR REQUIRING RECIPIENT TO RESPOND TO SURVEY CONDUCTED TO OBTAIN INFORMATION FOR QUARTERLY REPORT.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(21) PENALTY FOR REQUIRING RECIPIENT TO RESPOND TO SURVEY CONDUCTED TO OBTAIN INFORMATION FOR QUARTERLY REPORT.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(16) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 411. PENALTY FOR UNAUTHORIZED DISCLOSURE OF INFORMATION PROVIDED BY RECIPIENT.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(22) PENALTY FOR UNAUTHORIZED DISCLOSURE OF INFORMATION PROVIDED BY RECIPIENT.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(17) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 412. PENALTY FOR DISCRIMINATION.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(23) PENALTY FOR DISCRIMINATION.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(18) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 413. PENALTY FOR FAILURE TO PROVIDE OPPORTUNITY TO APPEAL ADVERSE DECISION.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(24) PENALTY FOR FAILURE TO PROVIDE OPPORTUNITY TO APPEAL ADVERSE DECISION.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(19) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 414. PENALTY FOR FAILURE TO COMPLY WITH MINIMUM BENEFIT RULES.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(25) PENALTY FOR FAILURE TO COMPLY WITH MINIMUM BENEFIT RULES.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 417 during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 415. PENALTY FOR FAILURE TO PROVIDE INDIVIDUAL CHILD CARE ENTITLEMENT.**

Section 409(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(26) PENALTY FOR FAILURE TO PROVIDE INDIVIDUAL CHILD CARE ENTITLEMENT.—Effective January 1, 2005, if the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 418(b) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 416. FAILURE TO SUBMIT REPORT ON WELFARE ACCESS AND OUTCOMES.**

Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(27) FAILURE TO SUBMIT REPORT ON WELFARE ACCESS AND OUTCOMES.—If the Secretary determines that a State has not, within 45 days after the end of a fiscal year, submitted the report required by section 411(c) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.''.

**SEC. 417. ELIMINATION OF REASONABLE CAUSE EXCEPTION.**

Section 409 (42 U.S.C. 609) is amended by striking subsection (b).

**SEC. 418. MODIFICATION OF AVAILABILITY OF CORRECTIVE COMPLIANCE PLAN OPTION.**

Section 409(c)(4) (42 U.S.C. 609(c)(4)) is amended to read as follows:

''(4) LIMITATION ON OPPORTUNITY TO SUBMIT CORRECTIVE COMPLIANCE PLAN.—The preceding provisions of this subsection shall not apply with respect to a violation of a provision of this part by a State if the State has violated the provision on 2 or more prior occasions.''.

**SEC. 419. REPEAL OF BAN ON ASSISTANCE FOR PERSONS CONVICTED OF A DRUG FELONY.**

Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 862a) is repealed.

## TITLE V—STUDIES AND REPORTS

**SEC. 501. ADDITIONAL INFORMATION TO BE INCLUDED IN QUARTERLY STATE REPORTS.**

Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) in paragraph (1)(A)—

(A) in each of clauses (vii) and (viii) by striking ''race' and inserting ''race, gender,'';

(B) in clause (xi)(I), by inserting '', broken down by education level'';

(C) by striking clause (xvi) and redesignating clause (xvii) and clause (xvi); and

(D) by adding at the end the following:

''(xvii) The amount (if any) of child support collected on behalf of any individual in the family, the amount (if any) of any such collected support that has been distributed to any such individual, and the amount (if any) of such distributed support that has been disregarded pursuant to section 408(a)(4).

''(xviii) The number of families receiving child care assistance under section 418.

''(xix) With respect to sanctions imposed under the program, the following information broken down by race and gender:

''(I) The number of families against whom a sanction is in effect.

''(II) The number of times sanctions have been imposed.

''(III) The reasons for imposition of sanctions.

''(IV) The percentage of sanction determinations that have been reviewed.

''(V) The percentage of reviewed sanction determinations that have been reversed.

''(VI) The number of families leaving the program as a result of sanctions.

''(xx) The number of families who have returned to the program after having left the program, and the length of the intervening period.

''(xxi) The percentage of families who report having been notified of the option to be assessed for and receive services to manage a barrier to escaping poverty.''; and

(2) by redesignating paragraph (7) as paragraph (8) and inserting after paragraph (6) the following:

''(7) REPORT ON TRAINING.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of caseworkers, supervisors, and new employees who received training to carry out the State program funded under this part during the quarter.''.

**SEC. 502. ELIMINATION FROM SECRETARIAL REPORT TO THE CONGRESS OF INFORMATION ON OUT-OF-WEDLOCK PREGNANCIES.**

Section 411(b)(1)(B)(ii) (42 U.S.C. 611(b)(1)(B)(ii)) is amended by striking ''out-of-wedlock pregnancies and''.

**SEC. 503. ACCESS TO WELFARE; WELFARE OUTCOMES.**

Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

''(c) ANNUAL REPORTS ON WELFARE ACCESS AND OUTCOMES.—

''(1) STATE REPORTS.—Not later than January 1 of each fiscal year, each eligible State shall collect and report to the Secretary, with respect to the preceding fiscal year, the following information:

''(A) The number of applications for assistance from the State program funded under this part, the percentage that are approved versus those that are disapproved, and the reasons for disapproval, broken down by race.

''(B) A copy of all rules and policies governing the State program funded under this part that are not required by Federal law, and a summary of the rules and policies, including the amounts and types of assistance provided and the types of sanctions imposed under the program.

''(C) The types of occupations of, types of job training received by, and types and levels of educational attainment of recipients of assistance from the State program funded under this part, broken down by gender and race.

''(D) The incidence of homelessness, of the use of food pantries and soup kitchens, and of the use of shelters among recipients of assistance from the State program funded under this part and among individuals to whom assistance under the State programs funded are this part has ended within the past 12 months. The information described in this subparagraph may be provided by submitting disaggregated case record information on a sample of families.

''(E) The number of individuals to whom assistance under the State program funded under this part has ended during the year, broken down by the reasons why the assistance has ended (including employment, marriage, sanction, time limit, or State policy.

''(F) The economic conditions of individuals to whom assistance under the State programs funded are this part has ended, including the types of occupations of, the duration of employment of, the income of, the benefits provided to, the types of job training received by, the types and levels of educational attainment of, and the incidence of homelessness, of the use of food pantries or soup kitchens, and of the use of shelters among, such individuals, broken down by gender and race.

''(G) The effects of applying the 5-year time limit to individuals who, in the absence of the limit, would continue to be eligible for assistance from the State program funded under this part, including the economic and social circumstances of the individuals, including income, employment, homelessness, use of food pantries or soup kitchens, and change in child custody arrangements.

''(2) USE OF SAMPLING.—A State may comply with this subsection by using a scientifically acceptable sampling method approved by the Secretary.

''(3) REPORT TO THE CONGRESS.—Not later than June 1 of each fiscal year, the Secretary shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, publish in the Federal Register, and make available to the public a compilation of the reports submitted pursuant to paragraph (1) for the preceding fiscal year.''.

**SEC. 504. ASSESSMENT OF REGIONAL ECONOMIES TO IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.**

Section 411 (42 U.S.C. 611) is further amended by adding at the end the following:

''(d) ASSESSMENT OF REGIONAL ECONOMIES TO IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

''(1) IN GENERAL.—An eligible State shall conduct annually an assessment of its regional economies that are experiencing a labor shortage and that provide higher entry-level wage opportunities for job seekers pursuant to section 402(a)(8).

''(2) MATTERS TO BE ASSESSED.—

''(A) LABOR MARKET.—The assessment shall—

''(i) identify industries or occupations that have or expect to grow, that have or expect a loss of skilled workers, or that have a need for workers;

''(ii) identify the entry-level education and skills requirements for the industries or occupations that have or expect a need for workers; and

''(iii) analyze the entry-level wages and benefits in identified industries or occupations.

''(B) JOB SEEKERS.—The assessment shall create a profile of the characteristics of the unemployed and underemployed residents of the State, including educational attainment, barriers to employment, geographic concentrations, self-sufficiency needs, and access to needed support services.

''(C) EDUCATION AND TRAINING INFRASTRUCTURE.—The assessment shall create a profile of the education, training, and support services in place in the State to prepare workers for the industries or occupations identified pursuant to subparagraph (A).

''(D) ALIGNING INDUSTRIES AND JOB SEEKERS.—The assessment shall compare the characteristics of the industries or occupations identified pursuant to subparagraph (A) to the profile of the job seekers in the State and the profile of the education and training infrastructure in the State.

''(3) SHARING OF INFORMATION WITH LOCALITIES.—The State shall share with the political subdivisions of the State information obtained pursuant to this subsection regarding higher entry-wage job opportunities in industries experiencing labor shortages, and information regarding opportunities for collaboration with institutions of higher education, community-based organizations, and economic development and welfare agencies.

''(4) REPORTS OF ASSESSMENT OF REGIONAL ECONOMIES.—Each eligible state shall submit to the Secretary annually a report hat contains the annual assessment conducted pursuant to this subsection.''.

**SEC. 505. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.**

Section 413 (42 U.S.C. 613) is amended—

(1) in subsection (a), by striking the 2nd sentence;

(2) in subsection (b)—

(A) in the subsection heading by striking ''WELFARE DEPENDENCY'' and inserting ''POVERTY''; and

(B) in paragraph (1), by striking ''welfare dependency'' and inserting ''poverty'';

(3) by striking subsections (d), (e), (g), and (j);

(4) in subsection (h)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking welfare dependency'' and inserting ''poverty''; and

(ii) in subparagraph (C), by striking ''(f)'' and inserting ''(d)''; and

(B) by adding at the end the following:

''(4) TECHNICAL ASSISTANCE IN ASSESSING REGIONAL ECONOMIES.—

''(A) IN GENERAL.—The Secretary may provide technical assistance to an eligible State to enable the State to conduct the assessments required by section 411(d).

''(B) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For the cost of providing technical assistance under subparagraph (A), there are authorized to be appropriated to the Secretary not more than $1,500,000 for each of fiscal years 2003 through 2008.'';

(5) in subsection (i)—

(A) in paragraph (1), by adding at the end the following: ''The statement shall include detailed information on the depth of child poverty in the State.''; and

(B) in paragraph (5), by inserting ''and the depth of child poverty'' before ''in the State''; and

(6) by redesignating subsections (f), (h), and (i) as subsections (d) through (f), respectively.

**SEC. 506. STUDY BY THE CENSUS BUREAU.**

Section 414(a) (42 U.S.C. 614(a)) is amended by striking all that follows ''low-income families'' and inserting a period.

## TITLE VI—WAIVERS

**SEC. 601. WAIVERS.**

Section 415(a) (42 U.S.C. 615(a)) is amended in each of paragraphs (1)(A) and (2)(A) by striking ''(determined without regard to any extensions)''.

## TITLE VII—REPEAL OF LIMITATION ON FEDERAL AUTHORITY.

**SEC. 701. REPEAL OF LIMITATION ON FEDERAL AUTHORITY.**

Section 417 (42 U.S.C. 617) is repealed.

## TITLE VIII—MINIMUM BENEFIT RULES

**SEC. 801. MINIMUM BENEFIT RULES.**

Part A of title IV (42 U.S.C. 601–619), as amended by section 701 of this Act, is amended by inserting after section 416 the following:

**''SEC. 417. MINIMUM BENEFIT RULES.**

''(a) IN GENERAL.—After taking into account all costs of living and family size in each State with a program funded under this part, the Secretary shall, by regulation, prescribe a minimum cash benefit in accordance with subsection (b), which shall be payable by the State to each recipient of assistance under the program.

''(b) LIMITATION.—The minimum cash benefit prescribed for a family under subsection (a) shall be an amount that is not less than the sum of the poverty line applicable to the family, plus the amount (if any) by which the housing costs of the family exceeds 30 percent of the poverty line applicable to the family.''.

## TITLE IX—CHILD CARE

**SEC. 901. INDIVIDUAL ENTITLEMENT TO CHILD CARE.**

Section 418 (42 U.S.C. 618) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) USE OF FUNDS TO PROVIDE INDIVIDUAL ENTITLEMENT TO CHILD CARE.—A State to

which a grant is made under this section shall use the grant, without fiscal year limitation, only to guarantee safe, appropriate, affordable, and quality care for any child of (or with respect to whom any of the following is acting as a caretaker relative)—

''(1) any recipient of assistance under the State program funded under this part who is employed or participating in a work activity required pursuant to this part (except for full-time participation in a work activity described in section 407(d)(12)); and

''(2) any other employed individual who is a member of a family whose income is less than 250 percent of the poverty line and who, during the past 24 months, ceased to receive assistance under any State program funded under this part.''; and

(2) in subsection (c), by inserting '', but subject to subsection (b) of this section'' after the 1st comma.

**TITLE X—DEFINITION OF POVERTY LINE**

**SEC. 1001. DEFINITION OF POVERTY LINE.**

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

''(6) POVERTY LINE.—The term 'poverty line' has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved.''.

**TITLE XI—SERVICE PROVIDERS**

**SEC. 1101. PROTECTION FOR BENEFICIARIES.**

Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) is amended—

(1) in subsection (e), by striking ''RIGHTS OF BENEFICIARIES OF ASSISTANCE'' and inserting ''PROTECTION FOR BENEFICIARIES''; and

(2) by adding at the end the following:

''(l) NO DISCRIMINATION IN HIRING WITH TAXPAYER DOLLARS.—Sections 702 and 703(e)(2) of the Civil Rights Act of 1964 shall not apply to a nongovernmental organization that receives funds under a program described in subsection (a)(2) of this section with respect to an individual who provides, or would provide, services funded in whole or in part under such a program, or individuals whose employment is, or would be, funded in whole or in part under such a program.

''(m) BENEFICIARY RIGHTS.—A nongovernmental organization that receives funds under a program funded under subsection (a)(2) may not, in providing services funded in whole or in part under such a program or engaging in outreach activities for services funded in whole or in part under such a program—

''(1) discriminate against a program beneficiary or prospective beneficiary on the basis of religion or religious belief; or

''(2) include sectarian worship, instruction or proselytization in such a program, or require or coerce a beneficiary to participate in, or be present for, sectarian worship, instruction or proselytization.''.

**TITLE XII—EFFECTIVE DATE**

**SEC. 1201. EFFECTIVE DATE.**

Except as otherwise provided, this Act and the amendments made by this Act shall take effect on April 1, 2003.

The CHAIRMAN pro tempore. Pursuant to House Resolution 69, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 20 minutes.

Mr. BOEHNER. Mr. Chairman, I claim the time in opposition to the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. BOEHNER) will be recognized for the time in opposition and will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today I am here to offer an amendment in the form of a substitute to H.R. 4. I am offering the Patsy Mink Memorial TANF Reauthorization Act with my colleagues, the gentlewoman from California (Ms. LEE), the gentleman from Massachusetts (Mr. MCGOVERN), the gentleman from California (Mr. LANTOS), the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), the gentleman from Illinois (Mr. DAVIS), the gentlewoman from the District of Columbia (Ms. NORTON), the gentlewoman from California (Ms. MILLENDER-MCDONALD), the gentlewoman from Michigan (Ms. KILPATRICK), the gentleman from New York (Mr. OWENS), and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Throughout her life, Patsy Mink was a dedicated advocate for women, children and families everywhere. She was a seasoned policymaker who targeted failings in the status quo with real solutions.

As a speaker at a conference on poverty, Patsy criticized TANF restrictions on education saying, ''Right now we cut welfare recipients off from education and job training after only 1 year. It is like saying that all poor mothers are worth are minimal schooling and skills and minimal wages.'' Patsy Mink said, ''We need to treat women on welfare the same way we treat all women, with respect, dignity and rights we all cherish for ourselves.''

Well, the Mink substitute does just that. It provides real opportunities for families in poverty and backs every provision with adequate time and funding. TANF's current work requirements tell the poor, get a job, any job, regardless of what it pays.

The Mink substitute allows recipients to prepare themselves and earn the qualifications so that they can get a living-wage job and permanently move out of poverty. It ensures that recipients are screened by trained professionals and have access to treatment for domestic violence, substance abuse or disabilities.

The Mink substitute lifts the time limits on education and removes State caps on the number of people pursuing education. This will mean that people can earn a degree instead of taking a couple of classes. It expands the definition of work to include all kinds of education. This ensures recipients can build the qualifications they need. In the last year, industries that have placed more than half of TANF recipients have reduced job openings, and this is in areas like retail and service industries, for example, by 20 percent.

Low-income women face an unemployment rate of 12.3 percent. TANF recipients need the time and opportunity to build new skills; otherwise, there will not be a job for them to go to.

When people find a job, they need adequate work supports so they can continue working. The Mink substitute guarantees child care to TANF recipients who are engaged in a work activity and for 2 years to those who leave TANF if their income is below 250 percent of poverty. It also provides $20 billion in mandatory child care funding which will provide child care for an additional 2 million children. There is no reason to support anything less than the necessary amount. If we demand that all mothers go to work, we must provide them with the same opportunities to do so.

Today, on the floor, I have heard a lot of my colleagues say that TANF is successful and that it is working. I hope that for the sake of this country my colleagues would understand that this is 2003, not 2000, and that the people of this Nation are experiencing a serious recession.

□ 1330

Our government from the Census Bureau to the Department of Labor has reported increasing figures of poverty, unemployment, TANF caseloads, and requests for emergency food and shelter for the last 2 years. We cannot bury our heads in the sand and call it compassion.

The truth is TANF, as a safety net program, is not working. The economy was working a few years ago; now it is not. Now we need a safety net, and those in poverty need better opportunities. The Mink bill recognizes this reality.

In talking about her life and legacy, Patsy Mink once said, ''My career in politics has been a crucible of challenges and crises where in the end the principles to which I was committed prevailed.'' It is my hope that Patsy is right and that the principles of equality, justice, and opportunity prevail with the passage of this legislation.

Support the Mink substitute. Celebrate her life and her purpose by supporting the Mink substitute.

Mr. Chairman, I reserve the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

For our colleagues who have listened to the debate today on the reauthorization of H.R. 4, the welfare reform law, I probably do not have to remind my colleagues that the sounds of the debate, the points that have been made, were all made in 1996. Members on our side of the aisle and, frankly, half the Members on the Democrat side of the aisle who supported the 1996 welfare reform law were confident that we could help move people from a life of dependency, despair and hopelessness to a life where they do have hope, they do have opportunity and can move into the mainstream of American society.

As my colleagues have seen over the course of this debate, the 1996 welfare reform law has been a tremendous success, even to the point where the New York Times called it an obvious success.

The substitute that is before us today undermines every major 1996 welfare reform law improvement, reversing recent historic gains in work, independence, family flexibility and in funding. I think it hurts our most vulnerable recipients. I think we create a costly new entitlement with the substitute that we have before us. It undermines work requirements and goes back and creates the same kind of dependency that we saw prior to 1996.

Yes, work is not something that most people would prefer to do, but the most important thing we did in 1996 was to encourage people to work, to encourage them to put their foot on the first rung of the economic ladder, and we agreed that we would provide assistance to help them up that ladder, whether it was transportation, whether it was child care, education, training to help them along while allowing them to keep their government-paid medical insurance; and what the program being offered here as a substitute to our bill would do would be to create the same kind of dependency.

People would leave work and go back to welfare under the proposal that we have before us because one of the provisions in the substitute says that if a person is not earning at least 250 percent above the average poverty rate, they are entitled to go back on to TANF. There are a lot of working Americans and hard-working Americans who do not earn 250 percent above the poverty rate.

We do not want to create the kind of dependency that we had before. We have a great success. There is no reason to turn tail and throw in the towel when, in fact, we have helped 9 million American families move from welfare to work, increased their dignity and gave them the hope of a lifetime to be in the mainstream of American society.

We should reject the substitute offered by my colleague from Ohio.

Mr. Chairman, I reserve the balance of my time.

Mr. KUCINICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. LEE) because she understands that the poor depend on Members of Congress to reduce poverty and reduce unemployment.

Ms. LEE. Mr. Chairman, I thank the gentleman from Ohio (Mr. KUCINICH) for his leadership and for his sponsorship and cosponsorship of this amendment.

First, Mr. Chairman, let me just say today we are offering this Mink substitute amendment not only as a tribute to our dear friend and former colleague, Congresswoman Patsy Mink, but also as the real comprehensive reauthorization alternative to the underlying Republican bill before us today.

I want to first send a special hello and a thank you to Patsy Mink's daughter Wendy who really helped craft the legislation; and I am delighted, as I know Patsy would be, that so many of her colleagues, I believe we have, what, close to a hundred, 105 colleagues have cosponsored this amendment today and are here to support it.

Mr. Chairman, Patsy Mink recognized that the real way we measure the success of welfare reform is to look at the quality of a family's life after they have left welfare. Patsy would ask, Are the families earning sufficient funds to really take their families out of poverty? Are they becoming self-sufficient? Today, the answer to that question is no, but we have the chance with this amendment to change the answer to that question by adopting the Mink substitute. In doing so, we would provide people on welfare the chance to get the education and the training they need, the child care that they need, and the time that they need to pull their families out of poverty.

Mr. Chairman, the Mink substitute provides strong poverty-alleviation provisions that would also take the country, our country, in the right direction in eliminating the racial and economic disparities that plague the current system.

A recent study conducted by the National Association of Social Workers found that black applicants were more likely than white applicants to be subjected to preemployment tests, that 55 percent of African American applicants were interviewed for 5 minutes or less while white applicants had interviews of 10 minutes or longer. Former white recipients earned significantly higher wages than African Americans and Hispanics. So this bill puts us in the right direction to end those outrageous economic and racial disparities.

Mr. Chairman, I have some personal experience with what we are talking about. I know education must be counted toward the work requirement, as this bill does. Had I been forced to drop out of college while on public assistance, I probably would not be here today. So I feel very responsible for protecting that same chance for other people who are striving toward the same goal.

That is why I urge all of my colleagues to support this amendment. The vital changes to the law that it contains have, really, the very awesome power to lift many out of poverty so that they can succeed at whatever careers they choose, even the United States Congress.

Specifically, this amendment adjusts the current block grant amount for inflation for future years and increases the child care development block grant by $20 billion over the next 5 years. It retains the current work requirement at 30 hours a week while removing the 12-month time limit for education, which is so important.

Also, the Mink amendment includes legal, mind you legal, immigrants who currently go off and fight for our country but cannot receive these vital benefits. That is wrong. That is wrong. We must correct that, Mr. Chairman.

Patsy Mink said it has always been the high principle of Congress to say families count first, the responsibilities of families to nurture their own children. She said, We want to put them at the top, as the emphasis of this new authorization should be, caring for children, allowing parents to stay home to care for their small children and giving them support to build their families' economic future through education. Patsy said that education must count and be equivalent to work.

I want to close by remembering our beloved Congresswoman Patsy Mink. She had a vision and we must remember her vision today. She had a real vision that is detailed in this legislation. This amendment does provide a voice for the voiceless, empowerment and self-sufficiency for the poor, and a chance at education, building strong families and a better life. It is truly about family values, Mr. Chairman.

So I urge a ''yes'' on the Mink substitute, which is the Kucinich-Lee-McGovern and Lantos amendment.

Mr. BOEHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), one of the real promoters of the original 1996 welfare reform law.

Mr. ENGLISH. Mr. Chairman, I want to thank the chairman for giving me the time.

Today, I stand in support of H.R. 4, which is a clear and consistent effort to improve upon the landmark welfare reform law that we enacted when I was a freshman in 1996. As I have stood here listening to this debate, the arguments I have heard have oddly echoed those arguments, and yet the matter is settled. Clearly welfare reform has been successful.

Since we overhauled this country's failed welfare system, some 3 million children have risen out of poverty. That is pro-family. According to the U.S. Department of Agriculture, the number of American children experiencing hunger has plummeted to half of its number in 1995. In all, 3.5 million fewer Americans live their lives in poverty than in 1995.

This is the most successful social experiment of the 20th century, and yet here we are today listening to the left arguing still against welfare reform. They are attempting to turn back the clock, and I urge my colleagues to vote against this awful amendment in the nature of a substitute.

These critics argue that welfare reform is not responsible for the decrease in poverty today, that instead the economy is solely responsible for these changes. Yet they ignore the fact that in the past the economy has risen but welfare rolls had risen before welfare reform; and since welfare reform, despite the Clinton recession starting in the last two quarters of that administration, welfare rolls have continued to drop. Yet some 2 million recipients remain dependent on welfare assistance, and many still do not participate in worker-training programs.

In response, we are poised today to pass a reauthorization of welfare reform boosted by tougher work requirements and reinvigorated work incentives for States and welfare recipients.

I want to draw my colleagues' attention to one specific provision called ''full-check sanction.'' This provision establishes a tough, consistent penalty for those welfare recipients who decline to participate steadily in the workforce. Contrary to the negative predictions of welfare reform's opponents, this provision, where it has been tried, has worked exceptionally well.

A study by former Clinton administration economist Rebecca Blank reveals that these States ''show consistently higher income gains among poor children throughout the income distribution than do States with lenient penalties.''

I am proud to note that by including this provision in today's bill we will soon apply full-check sanctions to welfare recipients throughout America. Full-check sanctions, marriage promotion, and other enhancements will only make welfare reform more effective. Stronger welfare reform means less dependence and more economic independence for the poor of America.

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent to yield the balance of my time to the gentlewoman from California (Ms. LEE) for purposes of continuing this debate.

The CHAIRMAN pro tempore (Mr. KOLBE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Ms. LEE. Mr. Chairman, I yield 2 minutes and 10 seconds to the gentlewoman from New York (Ms. VELÁZQUEZ), a great leader on many issues, our ranking member on the Committee on Small Business.

Ms. VELÁZQUEZ. Mr. Chairman, I would like to congratulate both the gentleman from Ohio (Mr. KUCINICH) and the gentlewoman from California (Ms. LEE) on this important amendment.

I rise today in strong opposition to H.R. 4. In 1996, we passed what was wrongly termed ''landmark legislation'' that would end welfare as we know it. Over the past several years, our Nation's poor and working families have survived, not because of the strong safety net, but because of a strong economy.

With the economy in recession and States facing record deficits, we need welfare reform now more than ever.

□ 1345

To hear the President speak, you think he would agree.

Recently the President said, ''Welfare reform, to me, means liberation from dependency. It means we realize each person matters, and if we can help people find work, it means dignity.'' Great rhetoric. I do not know what proposal he has been looking at, because today's proposal does nothing to promote dignity.

This proposal is about victimizing the poor. This bill is so bad in so many ways I do not even know where to start: lack of funding for child care, increased work requirements, discrimination against immigrants. But what it is most about, unfortunately, is a lost opportunity.

A major shortcoming of the welfare reform system is that it fails to effectively and creatively use our number one job creator, small business. The current system is so confusing and bureaucratic that both small businesses and welfare recipients simply give up out of sheer frustration. This leaves welfare recipients without jobs and small businesses without employees.

But today's vote is also about mixed-up priorities. Just imagine if we had taken the more than $300 billion for the Bush dividend tax cut and instead put it towards training and tax credits for small businesses that give welfare recipients jobs. Think of the economic power as small businesses expand and we gain a whole new group of consumers.

Once again, tax breaks for the wealthy is more important than dignity for the poor. That is a real shame. Vote ''no'' on H.R. 4 and support the Lee-Kucinich amendment.

Mr. BOEHNER. Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Chairman, it is a pleasure to rise in support of H.R. 4 and the wonderful work that has been done in welfare reform over the past several years.

Coming from a State legislative body and working on this issue in my State, I know how difficult it has been for us to get relief from some of the Federal rules, and I really commend our chairmen and those who have worked tirelessly to loosen those rules so that we can continue to pull more children from poverty and create environments where those children and their families can dream big dreams and have wonderful adventures in life.

I also want to commend the chairman and the committee that has worked on this. What we are doing in the bill we have before us is to address the needs in alternative child care, making it easier for us to provide child care for second- and third-shift workers so that those moms and dads can go and work and be productive in their jobs knowing that their children have a safe environment.

Ms. LEE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. OWENS), a great educator and Mr. Education, as we call him.

Mr. OWENS. Mr. Chairman, I rise in support of what we call the Mink substitute.

I miss the voice of Patsy Mink ringing in my ears. I used to be reminded when she talked of the quote from Shakespeare's King Lear, ''Fool me not to bear it tamely; touch me with noble anger.'' She was always full of anger about the great swindle of this welfare reform bill, about the denial of education opportunities, about the insistence that we pay the lowest rates and we allow the States to squirrel away whatever they save.

There is a standard that compassionate America has already created. If we look at the amount of money received per child in the survivor's benefits program when a Social Security recipient dies and their children receive benefits, it averages out to a child receiving $558 a month. One child receives $558 a month, or $6,706 a year.

In the welfare programs, we have pushed it down to that of the great model, which was Wisconsin, which was giving a family of three less than $500 a month. A family of three was receiving less than $500 a month. This, they say, is progress.

We are taking the children, and it is for our children, and giving them the minimum. And I do not understand why we declare it such a great success.

The food pantries, the soup kitchens in my district and in New York in general are overwhelmed with the number of people who are there now. Homelessness is greater than ever before. Half the people eligible for food stamps are not receiving them because of the hostility in the way the program was administered under Giuliani. In an attempt to save money they have thrown the whole thing out of kilter. And those who could qualify are not even bothering to try anymore.

So here we are in a situation that, despite all this emphasis on not a welfare check, but get a job, it is a situation where the only subsidy the U.S. approves of are farm subsidies, where a farm or agriculture business is eligible for as much as $270,000 per year in subsidies, which is a handout. It is a handout. Yet we want to reduce the family of three down to less than $500 a month and then call that a success. And then we will not allow them to get an education in order to be able to fill the jobs that are available.

There is a nursing shortage in America. If my colleagues have not heard about it, I do not know where they have been. There is a nursing shortage. Many of the women whose children are on welfare, if they had the opportunity to get the proper education, would qualify for those jobs. But we do not allow that. We do not allow them to go to junior college or college, and accept that as legitimate. It is an easy way, and anybody with common sense would realize, that the easiest way to move a person off welfare and into a decent job would be through the education system. But that is not allowed.

Mrs. Mink said this is part of a great swindle. The governors are able to take the money they save and put it into a slush fund, in their petty cash drawers. We are swindling from the poor in order to take care of the local budget-balancing problems.

Mr. ISAKSON. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, I thank my friend from Georgia for yielding me this time, and I want to commend the gentleman from Ohio (Mr. BOEHNER) in his efforts with this.

And I rise completely opposed to this amendment, which is basically a masquerade to go back to the days of old when you could stay in school forever. You could not take a job unless it paid just the amount you wanted, even though many people take jobs right at the poverty line or just above. They work hard and they pay their taxes. But, no, this bill would enable them to stay and say, oh, I do not want that job, it does not pay quite enough. The way an individual moves up in the workplace is to get an entry level job and ask, how do I move to the next level, get training to move to the next level? It is not going to college forever; it is focused.

But I rise as chairman of the Subcommittee on Criminal Justice, Drug Policy and Human Resources of the Committee on Government Reform to object to another provision of this. This goes back to the old days again, where we say people who take tax dollars from hard-working Americans, many who are struggling along the poverty line, who chose to work rather than take welfare and follow the laws, that this bill would say, if you are convicted of a drug crime, you are still entitled to the money from those who have been working, from those who have been following the laws.

We made a change, partly because countries around the world say, America, you are not focused. They say, America, you are not really trying to get rid of drug use in your country. You are letting it spread around the world and cause problems elsewhere.

Here is a bill where we were making progress, just like in other areas, and this amendment would repeal it. It would say, hard-working taxpayers, follow the law, but you do not have to if you are on welfare.

Mr. ISAKSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Chairman, I rise in opposition to the Kucinich amendment in the nature of a substitute and in support of H.R. 4.

Mr. Chairman, quality of life is much more than having food and shelter. The amendment would simply provide food and shelter. It would provide some assistance similar to what we provide in H.R. 4; however, it does not provide the incentive that people need, the incentive to move from welfare to a productive and free life.

The American dream, Mr. Chairman, is that dream to be able to provide for one's family, to be able to dream and achieve dreams of success in the future, to raise one's children, to be able to achieve the next step on the economic ladder. H.R. 4 provides this.

We have helped so many already. This reauthorization is necessary to continue to help those who have been dependent. They have secured more than the basics of life. They have been educated. They have achieved. Children have now seen a wonderful example to move forward in the United States and achieve a higher standard of living, that sense of accomplishment. They have received education.

We provide in H.R. 4 more child care at different kinds of times so that those who are working and who have that grit and want to succeed will be assisted in doing so. It also provides them with health care for that first year where they may not be able to get a job that provides health care. Our goal here, Mr. Chairman, is to raise people from poverty. We have succeeded with 3 million children already.

We need to reauthorize welfare reform, as H.R. 4 does, and reject the Kucinich amendment.

Ms. LEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MCGOVERN.)

(Mr. MCGOVERN asked and was given permission to revise and extend his remarks.)

Mr. MCGOVERN. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I rise in support of the Kucinich-Lee-McGovern-Lantos substitute and remind my colleagues that welfare reform is about lifting people out of poverty.

Mr. Chairman, I rise in support of the Kucinich-Lee-McGovern-Lantos amendment. This amendment, dedicated to the late Congresswoman Patsy Mink, is a strong substitute that will change the course of welfare as we know it, and, in the process, help millions of Americans leave welfare for good.

The 1996 welfare reform bill did what it was designed to do—trim the welfare rolls. Low-income people who received cash assistance left welfare because they were able to find jobs and because the economy was good.

Others left welfare because their benefits expired. But the goal of trimming the welfare rolls was reached, allowing some to claim welfare reform has been fully successful.

But I believe this law should do more than just trim the welfare rolls. The goal of the welfare program should be to help low-income individuals achieve true self-sufficiency. Welfare should enable low-income individuals and families to pursue the training and education they need to get good jobs so they can leave public assistance permanently and provide economic security for their families.

The Kucinich-Lee-McGovern-Lantos amendment will achieve this goal.

Look at the details. The extra $2 billion for child care included in the Republican bill is simply not enough to provide for adequate child care for parents. Our amendment would provide $20 billion more for child care—an increase of $18 billion over the Republican proposal.

Additionally, the current work requirements would be maintained, so people could continue to receive assistance while they train for a job that will keep them off welfare. And under this substitute, legal immigrants—people who pay taxes and fight in our armed forces—would be eligible for help.

This body has the moral obligation to provide a safety net for the people of this country who need one. We cannot forget about the low-income people in this country, especially in this time of economic uncertainty.

States across the country are facing record budget deficits, and in the process are slashing programs like Medicaid and other social services. Now, more than ever, the Federal Government must provide for those people who need help.

Members of this body only have to look to the gentlewoman from California, Ms. WOOLSEY, to see what happens when a mother on welfare can get the child care she needs. Yesterday, Ms. WOOLSEY testified before the Rules Committee.

She told the Committee that she wouldn't be here today as a member of this House if it weren't for welfare and for her mother, who took care of her children while she was working.

The gentlewoman from California made the point that people on welfare—women in particular—will not be able to focus on job training and, ultimately, self-sufficiency, if they can't find safe, affordable places for their kids. Ms. WOOLSEY was able to concentrate on her job, move off welfare and become a successful, self-sufficient woman. We can duplicate her success story with the passage of this amendment.

Mr. Chairman, nobody wants to be on welfare. People want to earn a paycheck, not a welfare check. but we have a moral responsibility to help people move off of welfare into productive work.

Our substitute does just that.

I urge my colleagues to support our effort to change the goal of this program to one of self-sufficiency. It's the right thing to do.

Ms. LEE. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. CUMMINGS), the Chair of the Congressional Black Caucus and a great leader.

Mr. CUMMINGS. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I come in support of the substitute.

Mr. Chairman, unemployment rates are on the rise at a record level of 6 percent, and in my district, some parts, as much as 12 percent. The Republican bill forces States to shift funds away from successful programs that are critical to working families in order to implement rigid new requirements under their bill. Meanwhile, there is no evidence that these rigid requirements would increase the effectiveness of these programs.

In my State of Maryland, we would need an additional $144 million over 5 years to implement the work participation requirements in H.R. 4. On one hand, President Bush praises the 1996 welfare law, but on the other hand he wants to deny States the flexibility they were provided by that law.

The Republicans' approach to welfare reform represents a study in contradictions. While they talk about sufficient resources, their proposal fails to increase welfare and child care funding

for even inflation. The administration says that it wants to help educate people, but their proposal actually restricts the States' discretion to provide training and education to welfare participants.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON), a valued member of the Committee on Education and the Workforce.

Mr. ISAKSON. Mr. Chairman, I wish to thank the chairman and commend him on all the efforts last year and the hearings and the investigations and the promotion that he did to bring us to this point today, and I rise in support of H.R. 4 and in opposition to the Kucinich substitute.

I want to make my comparison as simple as I can. H.R. 4 extends a program that raised expectations and turned a safety net into a springboard to independence. The unintended consequence of the substitute of the gentleman from Ohio (Mr. KUCINICH) is to turn a safety net into a dependency trap.

Mr. Chairman, if we listen to those arguing against the underlying bill, H.R. 4, one would think there is no money for child care and no money for health care, that in fact it is a cutback. In fact, this bill recognizes that those that remain on welfare will be the hardest to train and harder to employ, that their difficulties are they have young children at home, that they need health care, that they need transportation. And on each and every point: H.R. 4 provides child care, a transition in terms of medical help when they go from going off of Medicaid and on to work for a transition period of 1 year, encourages education and counts education and other programs toward the employment period work requirements.

Mr. Chairman, this is a very simple proposition. Congress passed an overwhelming success in 1996. It changed the lives of millions of Americans who had no expectations. For us to take a success and turn it into a failure by verbally abusing that which has really worked would be a shame. The consequences would be a dependency trap for millions of Americans who now will have hope because of this extension to realize the benefits of independence, of work, of employment and, most important of all, of the high expectations that this great country offers to every one of its citizens.

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Ms. LEE. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I am pleased to join in strong support of this amendment in tribute to Patsy Mink. But more importantly, I support this amendment because it speaks more directly to the needs of needy families than H.R. 4, families who need opportunities for education and training, families who need access to jobs.

Mr. Chairman, 75 percent of all new jobs in this country are found in areas where most people needing assistance do not live. They must have access. We all know how effective early childhood education has been. And yet while we have money for early childhood education, it is not nearly enough. We need to increase that part of it so no child is left behind. I support the Kucinich-Lee amendment.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

Ms. LEE. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. CORRINE BROWN).

Ms. CORRINE BROWN of Florida. Mr. Chairman, the Bible says the poor shall always be with us; but our job in this Congress is to help raise the standard. I know most Republicans think that only means the rich, but it also means the poor and the working people in this country.

What happened to ''leave no child behind''? As we all know, mothers newly off the welfare rolls struggle every day to find affordable, reliable, and safe care for their children while they work. The situation is even more desperate for nearly half of the mothers getting off welfare who can only find work in the evenings or late at night.

Yet we are faced with a Republican bill which demands that mothers work more hours, while actually taking money away from mothers to care for their children. Leave No Child Behind just proves that the Republicans can come up with great slogans. This is a perfect example of Republicans knowing how to talk the talk; but when it comes to walking the walk, there is nothing whatsoever compassionate about this Republican conservativeness. This Republican bill is a shameful attack on our Nation's poorest working mothers and their children. I urge support of the Kucinich substitute in the name of Patsy Mink.

Mr. BOEHNER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentlewoman from Florida (Ms. CORRINE BROWN) invoked the No Child Left Behind bill, the education reform plan which aims to educate every American child. We have increased funding for education over 200 percent over the last 5 years, including 30 percent in the last 18 months. But the issue in education is not about more money; it is about attitude, and it is about whether we as a Nation want to insist that all of our children get an education.

I will tell the gentlewoman that we have worked hard to increase funding and we are continuing to work hard to increase funding to help make this plan real in every American school. But let us leave no doubt about it: if money alone would solve the problems in our Nation's schools, they would have been solved decades ago. This is not about money. It is about whether we as a Nation are going to demand that all of our children get a chance at a good education.

Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. WILSON).

(Mr. WILSON of South Carolina asked and was given permission to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Chairman, I rise in favor of H.R. 4 and opposed to the Kucinich substitute.

Specifically, what I am concerned about in the substitute is that it would undermine the current reduction of dependence that we have achieved through welfare reform. Welfare reform has been a phenomenal success beginning in 1996 and has resulted in great opportunities, jobs created, education, training for people. And in particular, in the most recent report by Dr. Robert Rector of the Heritage Foundation, he indicates that the decrease in poverty has been greatest among black children. The poverty rate for black children has fallen to the lowest point in U.S. history. There are 1.2 million fewer black children in poverty today than there were in the mid-1990s.

Mr. Chairman, I would like to point out who made it possible. It was not we as Members of Congress. I have visited the DSS offices throughout the district that I represent. I have visited the social workers who have made a difference in people's lives, and I have thanked them. I have been to every office to thank them for the difference they have made helping people get jobs and create great new opportunities.

The article referencing the aforementioned report is as follows:

[From the Heritage Foundation Backgrounder, Feb. 6, 2003]

THE CONTINUING GOOD NEWS ABOUT WELFARE REFORM

(By Robert Rector and Patrick F. Fagan)

Six years ago, President Bill Clinton signed legislation overhauling part of the nation's welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193) replaced the failed Aid to Families with Dependent Children (AFDC) program with a new program called Temporary Assistance to Needy Families (TANF). The reform legislation had three goals: (1) to reduce welfare dependence and increase employment; (2) to reduce child poverty; and (3) to reduce illegitimacy and strengthen marriage.

At the time of its enactment, liberal groups passionately denounced the bill, predicting that it would result in substantial increases in poverty, hunger, and other social ills. Contrary to these alarming forecasts, welfare reform has been effective in meeting each of its goals.

Poverty has dropped substantially. Although liberals predicted that welfare reform would push an additional 2.6 million persons into poverty, 3.5 million fewer people live in poverty today than in 1995, according to Census Bureau figures.

Some 2.9 million fewer children live in poverty today than in 1995.

Decreases in poverty have been greatest among black children. In fact, the poverty rate for black children has fallen to the lowest point in U.S. history. There are 1.2 million fewer black children in poverty today than there were in the mid-1990s.

The poverty rate of children living with single mothers is at the lowest point in U.S. history, having fallen substantially since the onset of welfare reform.

The poverty rate of black children and children in single-mothers families has continued to fall even during the current recession. Historically, poverty among these groups has risen sharply during recessions; the continuing decline of child poverty among black and single-mother families is an unprecedented departure from past poverty trends.

Hunger among children has been cut roughly in half. According to the U.S. Department of Agriculture, in 1995, before welfare reform was enacted, 1.3 percent of children experienced hunger; by 2001, the number had fallen to 0.6 percent.

The AFDC/TANF caseload has been more than cut in half. The decreases in welfare have been greatest among disadvantaged groups with the greatest propensity for long-term intergenerational dependence: for example, younger never-married mothers with young children.

Employment of single mothers has increased greatly. The largest increases in employment have been among the most disadvantaged mothers with the greatest barriers to obtaining work. Employment of young single mothers (ages 18 to 24) has nearly doubled. Employment of single mothers who are high-school dropouts has risen by two-thirds.

The explosive growth of out-of-wedlock childbearing has come to a virtual halt. Since the beginning of the War on Poverty, the share of births that are outside marriage had increased relentlessly at nearly one percentage point per year. Overall, the percentage of births that were out-of-wedlock rose from 7.7 in 1965 to an astonishing 32.6 percent in 1994. However, since welfare reform, the growth in illegitimacy has slowed to a near halt. The out-of-wedlock birth rate has remained almost flat for the past five years, and among blacks it has actually dropped.

Marriage has been strengthened. The share of children living in single-mother families has fallen, and the share living in married-couple families has increased, especially among black families.

Some incorrectly attribute these positive trends to the strong economy in the late 1990s. Although a strong economy contributed to some of these trends, most of the positive changes greatly exceed shifts that occurred during prior economic expansions. The difference is due to welfare reform. A recent analysis by former Congressional Budget Office Director June O'Neill finds that welfare reform has been responsible for three-quarters of the increase in employment of single mothers and three-quarters of the drop in welfare caseload. By contrast, good economic conditions were responsible for only one-quarter of the changes in these variables. The increase in employment of single mothers, in turn, is a major factor behind the drop in child poverty.

The Future of Reform. Notwithstanding this record of accomplishment, far more needs to be done. When TANF is reauthorized this year, federal work requirements should be strengthened to ensure that all able-bodied parents engage in supervised job search, community service work, or skills training as a condition of receiving aid. Even more important, Congress must recognize that the most effective way to reduce child poverty and increase child well-being is to increase the number of stable, productive marriages. In reauthorizing TANF, Congress must greatly strengthen the pro-marriage aspects of welfare reform.

The 1996 TANF law established the formal goals of reducing out-of-wedlock childbearing and increasing marriage; but despite nearly $100 billion in TANF spending over the past five years, the states have spent virtually nothing on specific pro-marriage programs. The slowdown in the growth of illegitimacy and the increases in marriage, noted above, have occurred as the incidental byproduct of work-related reforms and not as the result of positive pro-marriage initiatives.

This neglect of marriage by state welfare bureaucracies is scandalous and deeply injurious to the well-being of children. Current welfare policy sharply penalizes marriage between low-income men and women. In future years, welfare's disincentives to marriage should be significantly reduced. In addition, at least $300 million per year in future TANF funds should be earmarked for pro-marriage initiatives.

Ms. LEE. Mr. Chairman, I yield 30 seconds to the gentlewoman from Indiana (Ms. CARSON), who is an expert on this subject, former director of welfare.

Ms. CARSON of Indiana. Mr. Chairman, if Members would excuse my arrogance, I do not think anybody in this House knows more about running a welfare program than I do. I took over an agency that had a $20 million deficit, and left it with $7 million in the black when I came to Congress. We did not leave any child behind.

In order to get people out of poverty, they do not just need a hand out; they have to get a hand up. They need an opportunity to become self-sufficient.

Mr. Chairman, I support the Kucinich amendment because it is the make-sense amendment that is on the floor.

Ms. LEE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

(Mrs. CHRISTENSEN. asked and was given permission to revise and extend her remarks.)

Mrs. CHRISTENSEN. Mr. Chairman, I rise in opposition to H.R. 4 and in support of the Kucinich amendment.

Mr. Chairman, I rise in strong opposition to the Welfare Reform Bill on the floor today, and in support of the Kucinich amendment.

First I object to the process, and will object every time the Republican leadership brings a bill to the floor without committee hearings, mark-ups and outside of the regular order. This is an affront not just to those of us who serve on this side of the aisle, it is a denial of the rights of those who sent us here to represent their interests, and it is a repudiation of the Democratic process. The process does a disservice to all of us.

Second, I oppose it because of what it contains. I would imagine that is why it is being forced to the floor in this manner. It could not be brought into the daylight.

This bill forces persons out of a system that helps them to care for themselves and their families, into an economy that has no jobs to go to, and without the benefit of childcare or other supportive services. Not only would this force women and children further into poverty and all the ills that it brings, it would further tax the states who are already feeling the pressure of Medicaid and other cuts. Why is this body waging a war against poor folks. Where is the compassion in the conservatism.

Why does this bill increase the work requirement. Why does it not allow education and training to count towards this requirement. Why are we not providing for the care of the children of the mothers who are in training or at work. Why does this bill not provide equity for the Americans living in the Territories.

Mr. Chairman, although the U.S. territories, Guam, Puerto Rico and my district, the U.S. Virgin Islands are required to meet all of the TANF requirements, they do not have access to all the tools that other jurisdictions have to successfully move people from welfare to work.

The territories are island jurisdictions where the ability to move from one jurisdiction to another in search of work is prohibitive and as a consequence, in the Virgin Islands, while our welfare rolls have been lowered, our failure to meet the work participation rates have resulted in fines. And this in the face of the fact that we don't receive Supplemental Grant funds even though our average dollars per person is extremely low and we don't receive Contingency Funds even though we have experienced economic downturns and high unemployment.

This is why Ms. MADELEINE BORDALLO of Guam and I have joined Mr. AVEVEDO-VILÁ ACEVEDO of Puerto Rico in supporting the Democratic Substitute which makes our territories eligible for the Supplemental, Contingency and Child Care Block Grant programs. This funding is available to the states and gives them more resources to move people from welfare to work.

Again where is the compassion.

The base bill, H.R. 4 is a terrible bill, it hurts those in need and it offers no help. This body should not pass it.

Mr. Chairman and colleagues, people who have needed the help Welfare/TANF offers want to work and they need our help. Mr. Chairman, in honor of the memory of Congresswoman Patsy Mink, and of her years of distinguished service to this body and to mankind, and to really reform Welfare so that it helps to raise people out of poverty, we need to pass the substitute named in her honor.

Ms. LEE. Mr. Chairman, I yield 20 seconds to my colleague, the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise to support the Patsy Mink Memorial TANF Reauthorization on the basis that the opportunity for welfare recipients did increase in the 1990s when the Clinton administration created an economic boom. We are now in a deficit with an economy that is in shambles, and the divide between the rich and poor is getting larger.

Mr. Chairman, H.R. 4 is the wrong way to go, the misdirected way to go. I support this legislation because we believe in lifting all boats of poor people around the Nation.

Ms. LEE. Mr. Chairman, I yield 20 seconds to the gentlewoman from California (Ms. WATSON), who is an expert in TANF reauthorization, former Chair of the Health and Human Services Committee in California.

(Ms. WATSON asked and was given permission to revise and extend her remarks.)

Ms. WATSON. Mr. Chairman, I support this bill because it would maintain current work requirements and increase the block grant by inflation so

its value can be retained; and it would allow States to address barriers to work, such as domestic violence, substance abuse, and mental illness. We must improve on a program that has already shown success. This particular substitute would do just that.

Mr. Chairman, I strongly urge my colleagues to support the Kucinich-Lee substitute to H.R. 4. This substitute is almost identical to the TANF Reauthorization Act introduced by the late Congresswoman Patsy Mink last year. I want to thank Representatives KUCINICH and LEE for re-introducing her bill as a substitute amendment so we can all honor and recognize the hard work Patsy Mink has done on behalf of our nation's poor.

The Kucinich-Lee substitute would maintain current work requirements, it would increase the block grant by inflation so its value could be retained. These are resources essential for the states to really address the core issues of poverty and help lift families from dependency to self-sufficiency.

Specifically, the Kucinich-Lee substitute would allow states to address barriers to work, such as domestic violence, substance abuse and mental illness. States would have the resources to train caseworkers so they can properly screen recipients. Recipients with limited education can pursue an opportunity to earn a degree or receive vocational training. These are the tools for self-sufficiency that would last them a life time!

Mr. Chairman, I strongly urge my colleagues to support the Kucinich-Lee substitute and honor the contribution of our dearly missed former colleague Patsy T. Mink.

Mr. BOEHNER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, as we said before, the 1996 act has been a huge success in helping 9 million American families move from welfare to work, lifting their spirits, allowing them to participate in the mainstream of American life.

The proposal that is before us, the substitute offered by our colleagues on the other side of the aisle, would literally take us back to the pre-1996 welfare reform bill that trapped people in dependency and never really allowed them the opportunity to be all they could be.

We have the lowest African American child poverty rate in history as a result of the 1996 changes. We believe that we will make more advances in giving States more flexibility, more child care money, stronger work requirements to help move more people from welfare to work. Even though welfare rolls are down 60 percent from where they were in 1996, the States are getting the same amount of money, so Members can argue that they will be able to spend twice as much as they have in helping those on the system. Let us not go back, let us move ahead.

Ms. LEE. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, we tell the poor to get a job; and as jobs are drying up, we cut off their benefits. We call for the poor to pull themselves up by their bootstraps, and then deny them boots.

Some of my colleagues think that God loves the poor, he made so many of them. But we must make God's work truly our own. I urge Members to vote for the Mink substitute.

Mr. BOEHNER. Mr. Chairman, I yield the balance of my time to the gentleman from Texas (Mr. DELAY), the distinguished majority leader.

Mr. DELAY. Mr. Chairman, I thank the gentleman from Ohio (Mr. BOEHNER) for the hard work that he has performed, not just in bringing this bill to the floor, but the work he has done over the last 6 years, which has had meaningful impact on many Americans' lives. I also want to congratulate the chairmen of the other committees which have participated in this meaningful, historic legislation.

Mr. Chairman, welfare reform is a signal achievement for our House Republican majority. It offers a striking contrast between the core beliefs that inform our political party's appreciation for the proper role of the Federal Government in helping people in need.

We believe that for people in need, it is the job of the Federal Government to empower people mired in dependency to determine their own destiny. Republicans understand that people who need a hand-up still aspire to pursue their American dream.

But Democrats still do not trust people to make this vital transition to independence themselves. They just do not get the downside to dependency. They simply cannot or will not see the unintended negative consequences flowing from programs that raise barriers to work. Instead of requiring Americans to earn a paycheck and to discover the nobility of work, the Democrat approach leaves them mired in perpetual dependency with only the program to cling to.

Even now after all the reforms we put into place during 1996, and the extraordinary successes that these reforms sparked, the vast majority of welfare recipients still do not go to work every day, like the rest of the country. That is really a sad, sad, sad statistic. And the reason that is really a tragedy is because the people who have climbed up out of welfare and stepped up into the workplace are leading fuller, more satisfying lives. They are moving forward with lives of meaning.

Mr. Chairman, in this country we honor any type of work or vocation which is taken seriously and done well. All work is honorable, and we are doing all that we can to get this economy moving forward, so we will create millions of new jobs to inspire the people who are leaving welfare behind. These people are everyday heroes, and they are earning our deepest respect. They are showing their own children a powerful example of perseverance and hard work. They are unleashing their own creativity and seizing control of their own lives to build bright and favorable prospects for their children.

This awful substitute forgets every lesson we have learned over the past 7 years. It would turn back the clock to a fundamentally flawed approach that substitutes access to benefits for work. It is preaching a lie. It is a one-size-fits-all, top-down, big-government, budget-busting boondoggle that forgets every fundamental lesson learned over the last 40 years. It places the institutional appetites of the welfare bureaucracy and the political instincts of the left over the squelched hopes and aspirations of dependent Americans.

It offers false comfort to the needy. It is a bountiful blessing to aspiring bureaucrats.

Mr. Chairman, there is one indelible lesson that should guide all of our actions on this subject.

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Democrats defend their approach with an erroneous syllogism and they are trying to put it over on us with sophistry.

This is what they say: More money on welfare programs universally translates to greater help for needy people. That just is not so, Mr. Chairman.

This primitive, retrograde substitute amendment is a dangerous summons to step back in time. Its approach is fundamentally and inherently flawed. It did not work before. It will not work now. And, for a host of obvious and compelling reasons, it will go down to defeat this afternoon.

The CHAIRMAN pro tempore (Mr. BONILLA). The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. KUCINICH).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Ms. LEE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 124, noes 300, not voting 10, as follows:

[Roll No. 27]

AYES—124

| | | |
|---|---|---|
| Abercrombie | DeLauro | Lantos |
| Ackerman | Dingell | Larson (CT) |
| Andrews | Doyle | Lee |
| Baca | Engel | Lewis (GA) |
| Baldwin | Eshoo | Lofgren |
| Ballance | Evans | Lowey |
| Becerra | Farr | Majette |
| Berman | Fattah | Maloney |
| Bishop (GA) | Filner | Markey |
| Bishop (NY) | Frank (MA) | Matsui |
| Blumenauer | Grijalva | McCollum |
| Boswell | Gutierrez | McDermott |
| Boucher | Hastings (FL) | McGovern |
| Brady (PA) | Hinchey | McNulty |
| Brown (OH) | Hinojosa | Meehan |
| Brown, Corrine | Hoeffel | Meek (FL) |
| Capps | Holt | Meeks (NY) |
| Capuano | Honda | Menendez |
| Carson (IN) | Jackson (IL) | Miller, George |
| Case | Jackson-Lee (TX) | Mollohan |
| Clay | Jefferson | Nadler |
| Clyburn | Johnson, E. B. | Napolitano |
| Costello | Jones (OH) | Neal (MA) |
| Crowley | Kaptur | Oberstar |
| Cummings | Kennedy (RI) | Obey |
| Davis (AL) | Kildee | Olver |
| Davis (IL) | Kilpatrick | Owens |
| DeFazio | Kleczka | Pallone |
| DeGette | Kucinich | Pascrell |
| Delahunt | | Pastor |

Payne
Pelosi
Rahall
Rangel
Rodriguez
Roybal-Allard
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanders
Schakowsky
Scott (GA)
Scott (VA)
Serrano
Sherman
Slaughter
Solis
Stark
Strickland
Thompson (MS)
Tierney
Towns
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wynn

NOES—300

Aderholt
Akin
Alexander
Bachus
Baird
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bell
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Cardoza
Carson (OK)
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cooper
Cox
Cramer
Crane
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
English
Etheridge
Everett
Feeney
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hobson
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Janklow
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Lynch
Manzullo
Marshall
Matheson
McCarthy (MO)
McCarthy (NY)
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stearns
Stenholm
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Toomey
Turner (OH)
Turner (TX)
Udall (CO)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Allen
Combest
Conyers
Crenshaw
Cubin
Ferguson
Gephardt
Mica
Sanchez, Loretta
Tiberi

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). The Chair advises Members that 2 minutes remain in this vote.

□ 1436

Messrs. SHADEGG, MARIO DIAZ-BALART of Florida, GREENWOOD, FORD, JANKLOW, DICKS, TOWNS, DEUTSCH, LANGEVIN, RUPPERSBERGER, Ms. McCARTHY of Missouri, and Mrs. CAPITO changed their vote from ''aye'' to ''no.''

Mr. SCOTT of Georgia and Mr. TOWNS changed their vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. MICA. Mr. Chairman, I accompanied President Bush to Florida to meet with our military service personnel and business leaders in Jacksonville, and could not vote on rollcall No. 27. Had I been present, I would have voted ''no''.

The CHAIRMAN pro tempore (Mr. BONILLA). It is now in order to consider amendment No. 2 printed in House Report Number 108–9.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 2 OFFERED BY MR. CARDIN

Mr. CARDIN. Mr. Chairman, I offer an amendment in the nature of a substitute that was made in order under the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 2 offered by Mr. CARDIN:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Next Step in Reforming Welfare Act''.

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

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of Social Security Act.

TITLE I—CONTINUATION OF CERTAIN GRANTS

Sec. 101. Family assistance grants.
Sec. 102. Bonus to reward high performance States.
Sec. 103. Extension of supplemental grants.
Sec. 104. Additional grants for States with low Federal funding per poor child.
Sec. 105. Contingency Fund.
Sec. 106. Eligibility of Puerto Rico, the United States Virgin Islands, and Guam for the supplemental grant for population increases, the Contingency Fund, and mandatory child care funding.
Sec. 107. Direct funding and administration by Indian tribes.
Sec. 108. Extension of TANF program through fiscal year 2003.
Sec. 109. Matching grants for the territories.

TITLE II—POVERTY REDUCTION

Sec. 201. Additional purpose of TANF program.
Sec. 202. Child poverty reduction grants.
Sec. 203. Review and conciliation process.
Sec. 204. Replacement of caseload reduction credit with employment credit.
Sec. 205. States to receive partial credit toward work participation rate for recipients engaged in part-time work.
Sec. 206. TANF recipients who qualify for supplemental security income benefits removed from work participation rate calculation for entire year.
Sec. 207. Effective date.

TITLE III—REQUIRING AND REWARDING WORK

Sec. 301. Effect of wage subsidies on 5-year limit.
Sec. 302. Child care.
Sec. 303. Competitive grants to improve access to various benefit programs.
Sec. 304. Assessments for TANF recipients.
Sec. 305. Applicability of workplace laws.
Sec. 306. Work participation requirements.
Sec. 307. Hours of work-related activities.
Sec. 308. State option to require receipients to engage in work for 40 hours per week.
Sec. 309. Revision and simplification of the transitional medical assistance program (tma).
Sec. 310. Ensuring TANF funds are not used to displace public employees.
Sec. 311. Increase in funding for social services block grant.

TITLE IV—HELPING WELFARE LEAVERS CLIMB THE EMPLOYMENT LADDER

Sec. 401. State plan requirement on employment advancement.
Sec. 402. Employment Advancement Fund.
Sec. 403. Elimination of limit on number of TANF recipients enrolled in vocational education or high school who may be counted towards the work participation requirement.
Sec. 404. Counting of up to 2 years of vocational or educational training (including postsecondary education), work-study, and related internships as work activities.
Sec. 405. Limited counting of certain activities leading to employment as work activity.
Sec. 406. Clarification of authority of States to use TANF funds carried over from prior years to provide TANF benefits and services.
Sec. 407. Definition of assistance.
Sec. 408. Continuation of pre-welfare reform waivers.

TITLE V—PROMOTING FAMILY FORMATION AND RESPONSIBLE PARENTING

Sec. 501. Family Formation Fund.
Sec. 502. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

Sec. 503. Elimination of separate work participation rate for 2-parent families.
Sec. 504. Ban on imposition of stricter eligibility criteria for 2-parent families; State opt-out.
Sec. 505. Extension of abstinence education funding under maternal and child health program.
TITLE VI—RESTORING FAIRNESS FOR IMMIGRANT FAMILIES
Sec. 601. Treatment of aliens under the TANF program.
Sec. 602. Optional coverage of legal immigrants under the medicaid program and SCHIP.
Sec. 603. Eligibility of disabled children who are qualified aliens for SSI.
TITLE VII—ENSURING STATE ACCOUNTABILITY
Sec. 701. Extension of maintenance-of-effort requirement.
Sec. 702. Ban on using Federal TANF funds to replace State and local spending that does not meet the definition of qualified State expenditures.
TITLE VIII—IMPROVING INFORMATION ABOUT TANF RECIPIENTS AND PROGRAMS
Sec. 801. Extension of funding of studies and demonstrations.
Sec. 802. Longitudinal studies of employment and earnings of TANF leavers.
Sec. 803. Inclusion of disability status in information States report about TANF families.
Sec. 804. Annual report to the Congress to include greater detail about State programs funded under TANF.
Sec. 805. Enhancement of understanding of the reasons individuals leave State TANF programs.
Sec. 806. Standardized State plans.
Sec. 807. Study by the Census Bureau.
Sec. 808. Access to welfare; welfare outcomes.
TITLE IX—EFFECTIVE DATE
Sec. 901. Effective date.

**SEC. 3. AMENDMENT OF SOCIAL SECURITY ACT.**

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

## TITLE I—CONTINUATION OF CERTAIN GRANTS

**SEC. 101. FAMILY ASSISTANCE GRANTS.**

Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended by striking ''1996'' and all that follows through ''2002'' and inserting ''2004 through 2008''.

**SEC. 102. BONUS TO REWARD HIGH PERFORMANCE STATES.**

Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended—

(1) in subparagraph (D), by striking ''$1,000,000,000'' and inserting ''$1,800,000,000'';

(2) in subparagraph (E), by striking ''and 2003'' and inserting ''2003, 2004, 2005, 2006, 2007, and 2008''; and

(3) in subparagraph (F), by striking ''$1,000,000,000'' and inserting ''$800,000,000, and for fiscal years 2004 through 2008 $1,000,000,000,''.

**SEC. 103. EXTENSION OF SUPPLEMENTAL GRANTS.**

Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking ''and'' at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting ''; and''; and

(C) by adding at the end the following:

''(iii) for each of fiscal years 2004 through 2008, a grant in an amount equal to the amount required to be paid to the State under this paragraph in fiscal year 2001.'';

(2) in subparagraph (E), by striking ''1998'' and all that follows and inserting ''2004 through 2008 $1,597,250,000 for grants under this paragraph.''; and

(3) by striking subparagraph (G).

**SEC. 104. ADDITIONAL GRANTS FOR STATES WITH LOW FEDERAL FUNDING PER POOR CHILD.**

Section 403(a) (42 U.S.C. 603(a)) is amended by adding at the end the following:

''(6) ADDITIONAL GRANTS FOR STATES WITH LOW FEDERAL FUNDING PER POOR CHILD.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to a State—

''(i) for fiscal year 2004, if the State is an inadequately poverty-funded State for fiscal year 2003; and

''(ii) for any of fiscal years 2005 through 2008, if the State is an inadequately poverty-funded State for any prior fiscal year after fiscal year 2003.

''(B) INADEQUATELY POVERTY-FUNDED STATE.—For purposes of this paragraph, a State is an inadequately poverty-funded State for a particular fiscal year if—

''(i) the total amount of the grants made to the State under paragraph (1), paragraph (3), and this paragraph for the particular fiscal year, divided by the number of children in poverty in the State with respect to the particular fiscal year is less than 75 percent of the total amount of grants made to all eligible States under paragraph (1), paragraph (3), and this paragraph for the particular fiscal year, divided by the total number of children living in poverty in all eligible States with respect to the particular fiscal year; and

''(ii) the total of the amounts paid to the State under this subsection for all prior fiscal years that have not been expended by the State by the end of the preceding fiscal year is less than 50 percent of State family assistance grant for the particular fiscal year.

''(C) AMOUNT OF GRANT.—The amount of the grant to be made under this paragraph to a State for a particular fiscal year shall be—

''(i) if the particular fiscal year is fiscal year 2004, an amount equal to—

''(I) the number of children in poverty in the State for the then preceding fiscal year, divided by the total number of children in poverty in all States that are inadequately poverty-funded States for the then preceding fiscal year; multiplied by

''(II) the amount appropriated pursuant to subparagraph (G) for the particular fiscal year; or

''(ii) if the particular fiscal year is any of fiscal years 2005 through 2008, an amount equal to—

''(I) the amount required to be paid to the State under this paragraph for the then preceding fiscal year; plus

''(II) if the State is an inadequately poverty-funded State for the then preceding fiscal year—

''(aa) the number of children in poverty in the State for the then preceding fiscal year, divided by the total number of children in poverty in all States that are inadequately poverty-funded States for the then preceding fiscal year; multiplied by

''(bb) the amount appropriated pursuant to subparagraph (G) for the particular fiscal year.

''(D) USE OF GRANT.—A State to which a grant is made under this paragraph shall use the grant for any purpose for which a grant made under this part may be used.

''(E) DEFINITIONS.—In this paragraph:

''(i) CHILDREN IN POVERTY.—The term 'children in poverty' means, with respect to a State and a fiscal year, the number of children residing in the State who had not attained 18 years of age and whose family income was less than the poverty line then applicable to the family, as of the end of the fiscal year.

''(ii) POVERTY LINE.—The term 'poverty line' has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section.

''(F) FAMILY INCOME DETERMINATIONS.—For purposes of this paragraph, family income includes cash income, except cash benefits from means-tested public programs and child support payments.

''(G) APPROPRIATIONS.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for grants under this paragraph—

''(I) $65,000,000 for fiscal year 2004;

''(II) $130,000,000 for fiscal year 2005;

''(III) $195,000,000 for fiscal year 2006;

''(IV) $260,000,000 for fiscal year 2007; and

''(V) $325,000,000 for fiscal year 2008.

''(ii) AVAILABILITY.—Amounts made available under clause (i) shall remain available until expended.''.

**SEC. 105. CONTINGENCY FUND.**

(a) IN GENERAL.—Section 403(b) (42 U.S.C. 603(b)) is amended—

(1) in paragraph (2), by striking ''1997'' and all that follows and inserting ''2004 through 2008 such sums as are necessary for payments under this subsection''; and

(2) in paragraph (3), by striking subparagraph (C) and inserting the following:

''(C) LIMITATION ON MONTHLY PAYMENT TO A STATE.—The total amount paid to a single State under subparagraph (A) during a fiscal year shall not exceed 20 percent of the State family assistance grant.''.

(b) APPLICATION OF REGULAR MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended by striking ''100 percent of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection)'' and inserting ''the applicable percentage (as defined in paragraph (7)(B)(ii) of this subsection) of inflation-adjusted historic State expenditures (as defined in paragraph (7)(B)(vi) of this subsection)''.

(c) MODIFICATION OF UNEMPLOYMENT TEST TO BECOME NEEDY STATE.—Section 403(b)(5)(A) (42 U.S.C. 603(b)(5)(A)) is amended to read as follows:

''(A) the average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the most recent 3 months for which data are available has increased by the lesser of 1.5 percentage points or by 50 percent over the corresponding 3-month period in the preceding fiscal year; or''.

(d) MODIFICATION OF FOOD STAMP TEST TO BECOME NEEDY STATE.—Section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) is amended to read as follows:

''(B) as determined by the Secretary of Agriculture, the monthly average number of households (as of the last day of each month) that participated in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by at least 10 percent the monthly average number of households (as of the last day of each month) in the State that participated in the food stamp program in the corresponding 3-month period in the preceding fiscal year.''.

(e) SIMPLIFICATION OF RECONCILIATION FORMULA.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended to read as follows:

''(6) ANNUAL RECONCILIATION.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), if the Secretary makes a payment to a State under this subsection in a fiscal year, then the State shall remit to the Secretary, within 1 year after the end of the first subsequent period of 3 consecutive months for which the State is not a needy State, an amount equal to the amount (if any) by which—

''(i) the maintenance of effort level (as defined in subparagraph (B)(i) of this paragraph) for the fiscal year, plus the State contribution (as defined in subparagraph (B)(ii) of this paragraph) in the fiscal year; exceeds

''(ii) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) in the fiscal year.

''(B) DEFINITIONS.—In subparagraph (A):

''(i) MAINTENANCE OF EFFORT LEVEL.—The term ''maintenance of effort level'' means, with respect to a State and a fiscal year, an amount equal to the applicable percentage of historic State expenditures (as defined in section 409(a)(7)(B)) for the fiscal year.

''(ii) STATE CONTRIBUTION.—The term 'State contribution' means, with respect to a fiscal year—

''(I) the total amount paid to the State under this subsection in the fiscal year; multiplied by

''(II) 1 minus the greater of 75 percent or the Federal medical assistance percentage for the State (as defined in section 1905(b)), divided by the greater of 75 percent or the Federal medical assistance percentage for the State (as defined in section 1905(b)).''.

(f) INCREASE IN NUMBER OF MONTHS FOR WHICH STATE MAY QUALIFY FOR PAYMENTS.—Section 403(b)(4) (42 U.S.C. 603(b)(4)) is amended by striking ''2-month'' and inserting ''3-month''.

**SEC. 106. ELIGIBILITY OF PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS, AND GUAM FOR THE SUPPLEMENTAL GRANT FOR POPULATION INCREASES, THE CONTINGENCY FUND, AND MANDATORY CHILD CARE FUNDING.**

(a) SUPPLEMENTAL GRANT FOR POPULATION INCREASES.—

(1) IN GENERAL.—Section 403(a)(3)(D)(iii) (42 U.S.C. 603(a)(3)(D)(iii)) is amended by striking ''and the District of Columbia.'' and inserting '', the District of Columbia, Puerto Rico, the United States Virgin Islands, and Guam. For fiscal years beginning after the effective date of this sentence, this paragraph shall be applied and administered as if the term 'State' included the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam for fiscal year 1998 and thereafter.''.

(2) GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by inserting '', or any payment made to the Commonwealth of Puerto Rico, the United States Virgin Islands, or Guam under section 403(a)(3)'' before the period.

(b) CONTINGENCY FUND.—

(1) IN GENERAL.—Section 403(b)(7) (42 U.S.C. 603(b)(7)) is amended by striking ''and the District of Columbia'' and inserting '', the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam.''.

(2) GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by subsection (a)(2) of this section, is amended by inserting ''or 403(b)'' after ''403(a)(3)'' before the period.

(c) CHILD CARE ENTITLEMENT FUNDS.—

(1) IN GENERAL.—Section 418(d) (42 U.S.C. 618(d)) is amended by striking ''and the District of Columbia'' and inserting '', the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam''.

(2) AMOUNT OF PAYMENT.—

(A) GENERAL ENTITLEMENT.—Section 418(a)(1) (42 U.S.C. 618(a)(1)) is amended by striking ''the greater of—'' and all that follows and inserting the following:

''(A) in the case of the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam, 60 percent of the amount required to be paid to the State for fiscal year 2001 under the Child Care and Development Block Grant Act of 1990; or

''(B) in the case of any other State, the greater of—

''(i) the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to expenditures for child care under subsections (g) and (i) of section 402 (as in effect before October 1, 1995); or

''(ii) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the subsections referred to in clause (i).'';

(B) ALLOTMENT OF REMAINDER.—Section 418(a)(2)(B) (42 U.S.C. 618(a)(2)(B)) is amended to read as follows:

''(B) ALLOTMENTS TO STATES.—Of the total amount available for payments to States under this paragraph, as determined under subparagraph (A) of this paragraph—

''(i) an amount equal to 65 percent of the amount required to be paid to each of the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam for fiscal year 2001 under the Child Care and Development Block Grant Act of 1990, shall be allotted to the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam, respectively; and

''(ii) the remainder shall be allotted among the other States based on the formula used for determining the amount of Federal payments to each State under section 403(n) of this Act (as in effect before October 1, 1995).''.

(3) GRANT PAYMENT DISREGARDED FOR PURPOSES OF SECTION 1108 LIMITATION.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by subsections (a)(2) and (b)(2) of this section, is amended by striking ''or 403(b)'' and inserting '', 403(b), or 418''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003, and shall apply to expenditures for fiscal years beginning with fiscal year 2004.

**SEC. 107. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.**

(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1) (42 U.S.C. 612(a)(1)) is amended by striking ''1997, 1998, 1999, 2000, and 2001'' and inserting ''2004 through 2008''.

(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2) (42 U.S.C. 612(a)(2)) is amended by striking ''1997, 1998, 1999, 2000, and 2001'' and inserting ''2004 through 2008''.

**SEC. 108. EXTENSION OF TANF PROGRAM THROUGH FISCAL YEAR 2003.**

Except as otherwise provided in this Act and the amendments made by this Act, activities authorized by part A of title IV of the Social Security Act, and by section 1108(b) of the Social Security Act, shall continue through September 30, 2003, in the manner authorized, and at the level provided, for fiscal year 2002.

**SEC. 109. MATCHING GRANTS FOR THE TERRITORIES.**

Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking ''1997 through 2002'' and inserting ''2004 through 2008''.

## TITLE II—POVERTY REDUCTION

**SEC. 201. ADDITIONAL PURPOSE OF TANF PROGRAM.**

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

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(3) by adding at the end the following:

''(5) reduce the extent and severity of poverty and promote self-sufficiency among families with children.''.

**SEC. 202. CHILD POVERTY REDUCTION GRANTS.**

Section 403(a) (42 U.S.C. 603(a)) is further amended by adding at the end the following:

''(7) BONUS TO REWARD STATES THAT REDUCE CHILD POVERTY.—

''(A) IN GENERAL.—Beginning with fiscal year 2004, the Secretary shall make a grant pursuant to this paragraph to each State for each fiscal year for which the State is a qualified child poverty reduction State.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to this subparagraph, the amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be an amount equal to—

''(I) the number of children who had not attained 18 years of age by the end of the then most recently completed calendar year and who resided in the State as of the end of such calendar year, divided by the number of such children who resided in the United States as of the end of such calendar year; multiplied by

''(II) the amount appropriated pursuant to subparagraph (F) for the fiscal year.

''(ii) LIMITATIONS.—

''(I) MINIMUM GRANT.—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall be not less than $1,000,000.

''(II) MAXIMUM GRANT.—The amount of the grant to be made to a qualified child poverty reduction State for a fiscal year shall not exceed an amount equal to 5 percent of the State family assistance grant for the fiscal year.

''(iii) PRO RATA INCREASE.—If the amount available for grants under this paragraph for a fiscal year is greater than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(II), be increased by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.

''(iv) PRO RATA REDUCTION.—If the amount available for grants under this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall, subject to clause (ii)(I), be reduced by such equal percentage as may be necessary to ensure that the total of the amounts payable for the fiscal year under this paragraph equals the amount available for the grants.

''(C) USE OF GRANT.—A State to which a grant is made under this paragraph shall use the grant for any purpose for which a grant made under this part may be used.

''(D) DEFINITIONS.—In this paragraph:

''(i) QUALIFIED CHILD POVERTY REDUCTION STATE.—The term 'qualified child poverty reduction State' means, with respect to a fiscal year, a State if—

''(I) the child poverty rate achieved by the State for the then most recently completed calendar year for which such information is available is less than the lowest child poverty rate achieved by the State during the applicable period; and

''(II) the average depth of child poverty in the State for the then most recently completed calendar year for which such information is available is not greater than the average depth of child poverty in the State for the calendar year that precedes such then most recently completed calendar year.

''(ii) APPLICABLE PERIOD.—In clause (i), the term 'applicable period' means, with respect to a State and the calendar year referred to in clause (i)(I), the period that—

''(I) begins with the calendar year that, as of October 1, 2003, precedes the then most recently completed calendar year for which such information is available; and

''(II) ends with the calendar year that precedes the calendar year referred to clause (i)(I).

''(iii) CHILD POVERTY RATE.—The term 'child poverty rate' means, with respect to a State and a calendar year, the percentage of children residing in the State during the calendar year whose family income for the calendar year is less than the poverty line then applicable to the family.

''(iv) AVERAGE DEPTH OF CHILD POVERTY.—The term 'average depth of child poverty' means with respect to a State and a calendar year, the average dollar amount by which family income is exceeded by the poverty line, among children in the State whose family income for the calendar year is less than the applicable poverty line.

''(v) POVERTY LINE.—The term 'poverty line' has the meaning given the term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved.

''(E) FAMILY INCOME DETERMINATIONS.—For purposes of this paragraph, family income includes cash income, child support payments, government cash payments, and benefits under the Food Stamp Act of 1977 that are received by any family member, and family income shall be determined after payment of all taxes and receipt of any tax refund or rebate by any family member.

''(F) APPROPRIATIONS.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008 $150,000,000 for grants under this paragraph.

''(ii) AVAILABILITY.—Amounts made available under clause (i) shall remain available until expended.''.

**SEC. 203. REVIEW AND CONCILIATION PROCESS.**

(a) REQUIREMENT.—Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(12) REVIEW AND CONCILIATION PROCESS REQUIREMENTS.—A State to which a grant is made under section 403 shall not impose a sanction against a person under the State program funded under this part, unless the State—

''(A) has attempted at least twice (using at least 2 different methods) to notify the person of the impending imposition of the sanction, the reason for the proposed sanction, the amount of the sanction, the length of time during which the proposed sanction would be in effect, and the steps required to come into compliance or to show good cause for noncompliance;

''(B) has afforded the person an opportunity—

''(i) to meet with the caseworker involved or another individual who has authority to determine whether to impose the sanction; and

''(ii) to explain why the person did not comply with the requirement on the basis of which the sanction is to be imposed;

''(C) has considered and taken any such explanation into account in determining to impose the sanction;

''(D) has specifically considered whether certain conditions exist, such as a physical or mental impairment, domestic violence, or limited proficiency in English, that contributed to the noncompliance of the person; and

''(E) in determining whether to impose the sanction, has used screening tools developed in consultation with individuals or groups with expertise in matters described in subparagraph (D).''.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) PENALTY FOR FAILURE OF STATE TO USE REVIEW AND CONCILIATION PROCESS.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(12) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.''.

**SEC. 204. REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT.**

(a) EMPLOYMENT CREDIT TO REWARD STATES IN WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDITIONAL CREDIT FOR FAMILIES WITH HIGHER EARNINGS.—

(1) IN GENERAL.—Section 407(b) (42 U.S.C. 607(b)), as amended by section 503 of this Act, is amended by adding at the end the following:

''(5) EMPLOYMENT CREDIT.—

''(A) IN GENERAL.—The participation rate, determined under paragraph (1), of a State for a fiscal year shall be increased by the lesser of—

''(i) the number of percentage points (if any) of the employment credit for the State for the fiscal year; or

''(ii) the number of percentage points (if any) by which the participation rate, so determined, is less than 99 percent.

''(B) CALCULATION OF CREDIT.—

''(i) IN GENERAL.—The employment credit for a State for a fiscal year is an amount equal to—

''(I) twice the average quarterly number of families with an adult that ceased to receive assistance under the State program funded under this part during the preceding fiscal year (but only if the adult did not receive such assistance for at least 2 months after the cessation) and that was employed during the calendar quarter immediately succeeding the quarter in which the payments ceased; divided by

''(II) the average monthly number of families that include an adult who received cash payments under the State program funded under this part during the preceding fiscal year.

''(ii) SPECIAL RULE FOR FORMER RECIPIENTS WITH HIGHER EARNINGS.—In calculating the employment credit for a State for a fiscal year, a family that, in the quarter in which the wage was examined, earned at least 42 percent of the average quarterly wage in the State (determined on the basis of State unemployment data) shall be considered to be 1.5 families.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out this paragraph.

''(D) REPORTS ON AMOUNT OF CREDIT.—Not later than 6 months after the end of each calendar quarter, the Secretary shall report to the Congress and each State the amount of the employment credit for the State for the quarter. The Secretary may carry out this subparagraph using funds made available under this part for research.''.

(2) AUTHORITY OF SECRETARY TO USE INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i) (42 U.S.C. 653(i)) is amended by adding at the end the following:

''(5) CALCULATION OF EMPLOYMENT CREDIT FOR PURPOSES OF DETERMINING STATE WORK PARTICIPATION RATES UNDER TANF.—The Secretary may use the information in the National Directory of New Hires for purposes of calculating State employment credits pursuant to section 407(b)(5).''.

(3) ELIMINATION OF CASELOAD REDUCTION CREDIT.—

(A) IN GENERAL.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

(B) CONFORMING AMENDMENT.—Section 453(i)(5) (42 U.S.C. 653(i)(5)), as added by paragraph (2) of this subsection, is amended by striking ''407(b)(5)'' and inserting ''407(b)(4)''.

**SEC. 205. STATES TO RECEIVE PARTIAL CREDIT TOWARD WORK PARTICIPATION RATE FOR RECIPIENTS ENGAGED IN PART-TIME WORK.**

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)), as amended by section 307 of this Act, is amended by adding at the end the following flush sentence:

''For purposes of subsection (b)(1)(B)(i), a family that does not include a recipient who is participating in work activities for an average of 30 hours per week during a month but includes a recipient who is participating in such activities during the month for an average of at least 50 percent of the minimum average number of hours per week specified for the month in the table set forth in this subparagraph shall be counted as a percentage of a family that includes an adult or minor child head of household who is engaged in work for the month, which percentage shall be the number of hours for which the recipient participated in such activities during the month divided by the number of hours of such participation required of the recipient under this section for the month.''.

**SEC. 206. TANF RECIPIENTS WHO QUALIFY FOR SUPPLEMENTAL SECURITY INCOME BENEFITS REMOVED FROM WORK PARTICIPATION RATE CALCULATION FOR ENTIRE YEAR.**

Section 407(b)(1)(B)(ii) (42 U.S.C. 607(b)(1)(B)(ii)) is amended—

(1) in subclause (I), by inserting ''who has not become eligible for supplemental security income benefits under title XVI during the fiscal year'' before the semicolon; and

(2) in subclause (II), by inserting '', and that do not include an adult or minor child head of household who has become eligible for supplemental security income benefits under title XVI during the fiscal year'' before the period.

**SEC. 207. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by sections 204 through 206 shall take effect on October 1, 2004.

(b) STATE OPTION TO PHASE-IN REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH EMPLOYMENT CREDIT AND DELAY APPLICABILITY OF OTHER PROVISIONS.—A State may elect to have the amendments made by sections 204(b), 205, and 206 of this Act not apply to the State program funded under part A of title IV of the Social Security Act until October 1, 2005, and if the State makes the election, then, in determining the participation rate of the State for purposes of sections 407 and 409(a)(3) of the Social Security Act for fiscal year 2005, the State shall be credited with ½ of the reduction in the rate that would otherwise result from applying section 407(b)(5) of the Social Security Act (as added by section 204(a)(1) of this Act) to the State

for fiscal year 2005 and ½ of the reduction in the rate that would otherwise result from applying section 407(b)(2) of such Act (as so redesignated by section 503(2)(D) of this Act) to the State for fiscal year 2005.

**TITLE III—REQUIRING AND REWARDING WORK**

**SEC. 301. EFFECT OF WAGE SUBSIDIES ON 5-YEAR LIMIT.**

Section 408(a)(7) (42 U.S.C. 608(a)(7)) is amended by adding at the end the following:

''(H) LIMITATION ON MEANING OF 'ASSISTANCE' FOR FAMILIES WITH INCOME FROM EMPLOYMENT.—For purposes of this paragraph, at the option of the State, a benefit or service provided to a family during a month under the State program funded under this part shall not be considered assistance under the program if—

''(i) during the month, the family includes an adult or a minor child head of household who has received at least such amount of income from employment as the State may establish; and

''(ii) the average weekly earned income of the family for the month is at least $100.''.

**SEC. 302. CHILD CARE.**

(a) INCREASE IN ENTITLEMENT FUNDING.—

(1) IN GENERAL.—Section 418(a) (42 U.S.C. 618(a)) is amended—

(A) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''and paragraph (6)'' after ''paragraph (3)'';

(B) in paragraph (3)—

(i) by striking ''and'' at the end of subparagraph (E);

(ii) in subparagraph (F), by striking ''fiscal year 2002.'' and inserting ''each of fiscal years 2002 through 2006; and''; and

(iii) by adding at the end the following:

''(G) $3,217,000,000 for fiscal year 2007; and

''(H) $3,717,000,000 for fiscal year 2008.'';

(C) by striking paragraph (4) and inserting the following:

''(4) AMOUNTS RESERVED FOR INDIAN TRIBES.—

''(A) IN GENERAL.—The Secretary shall reserve 2 percent of the aggregate amount appropriated under paragraphs (3) and (5) for each fiscal year for payments to Indian tribes and tribal organizations for each such fiscal year for the purpose of providing child care assistance.

''(B) USE OF FUNDS; APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—Subsections (b) and (c) shall apply to amounts received under this paragraph in the same manner as such subsections apply to amounts received by a State under this section.'';

(D) by redesignating paragraph (5) as paragraph (7); and

(E) by inserting after paragraph (4) the following:

''(5) ADDITIONAL GENERAL ENTITLEMENT GRANTS.—

''(A) APPROPRIATION.—In addition to amounts appropriated under paragraph (3) for any fiscal year, there are appropriated for additional grants under paragraph (1)—

''(i) $1,250,000,000 for fiscal year 2004;

''(ii) $1,750,000,000 for fiscal year 2005; and

''(iii) $2,250,000,000 for each of fiscal years 2006 through 2008.

''(B) ADDITIONAL GRANT.—In addition to the grant paid to a State under paragraph (1) for each of fiscal years 2003 through 2007, of the amount available for additional grants under subparagraph (A) for a fiscal year, the Secretary shall pay the State an amount equal to the same proportion of such available amount as the proportion of the State's grant under paragraph (1) bears to the amount appropriated under paragraph (3) for the fiscal year.

''(6) REQUIREMENT FOR GRANT INCREASE.—Notwithstanding paragraphs (1), (2), and (5), the aggregate of the amounts paid to a State under this section for each of fiscal years 2003 through 2008 may not exceed the aggregate of the amounts paid to the State under this section for fiscal year 2002, unless the State ensures that the level of State expenditures for child care for the fiscal year is not less than the level of State expenditures for child care that were matched under a grant made to the State under paragraph (2); and that the State expended to meet its maintenance of effort obligation under paragraph (2) for fiscal year 2002.''.

(2) CONFORMING AMENDMENT.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking ''or 413(f)'' and inserting ''413(f), or 418(a)(4)(B)''.

(b) AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

**''SEC. 658B. AUTHORIZATION OF APPROPRIATIONS; AMOUNTS AVAILABLE FOR INCENTIVE GRANTS TO IMPROVE QUALITY OF CHILD CARE SERVICES.**

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subchapter $2,350,000,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2008.

''(b) AMOUNTS AVAILABLE FOR INCENTIVE GRANTS TO IMPROVE QUALITY OF CHILD CARE SERVICES.—Of the amount made available to carry out this subchapter, $500,000,000 shall be used for each of the fiscal years 2004 through 2008 to make grants under section 658H.''.

(2) STATE PLAN REQUIREMENTS.—Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)) is amended—

(A) in subparagraph (A)—

(i) in clause (ii) by striking ''and'' at the end;

(ii) in clause (iii) by adding ''and'' at the end; and

(iii) by inserting after clause (iii) the following:

''(iv) in order to help ensure that parents have the freedom to choose quality center-based child care services, the State shall make significant effort to develop contracts with accredited child care providers in low-income and rural communities;'';

(B) by amending subparagraph (D) to read as follows:

''(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices, and describe how the State will inform parents receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other low-income parents about eligibility for assistance under this subchapter.'';

(C) by amending subparagraph (H) to read as follows:

''(H) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, families with children with disabilities and other special needs, low-income families not receiving cash assistance under a State program under part A of title IV of the Social Security Act, and families that are at risk of becoming dependent on such assistance.''; and

(D) by adding at the end the following:

''(I) AVAILABILITY OF STAFF.—Describe how the State will ensure that staff from the lead agency described in section 658D will be available, at the offices of the State program funded under part A of title IV of the Social Security Act, to provide information about eligibility for assistance under this subchapter and to assist individuals in applying for such assistance.

''(J) ELIGIBILITY REDETERMINATION.—Demonstrate that each child that receives assistance under this subchapter in the State will receive such assistance for not less than 1 year before the State redetermines the eligibility of the child under this subchapter.

''(K) SUPPLEMENT NOT SUPPLANT.—Provide assurances that the amounts paid to a State under this subchapter shall be used to supplement and not supplant other State or local funds expended or otherwise available to support payments for child care assistance and to increase the quality of available child care for eligible families under this subchapter.''.

(3) PAYMENT RATES.—Section 658E(c)(4)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)(A)) is amended—

(A) by striking ''such access'' and inserting ''equal access to comparable quality and types of services''; and

(B) by adding at the end the following:

''(i) Market rate surveys (that reflect variations in the cost of child care services by locality) shall be conducted by the State not less often than at 2-year intervals, and the results of such surveys shall be used to implement payment rates that ensure equal access to comparable services as required by this subparagraph.

''(ii) Payment rates shall be adjusted at intervals between such surveys to reflect increases in the cost of living, in such manner as the Secretary may specify.

''(iii) Payment rates shall reflect variations in the cost of providing child care services for children of different ages and providing different types of care.''.

(4) CHILD CARE ACCOUNTABILITY IMPROVEMENTS.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

**''SEC. 658G. CHILD CARE ACCOUNTABILITY IMPROVEMENTS.**

''(a) ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.—A State that receives funds to carry out this subchapter shall reserve and use not less than 12 percent of the funds for improvements in the quality of child care services provided in the State and in political subdivisions of the State.

''(1) Not less than 35 percent of the funds reserved under this subsection shall be used for activities that are designed to increase the quality and supply of child care services for children from birth through 3 years of age.

''(2) Funds reserved under this subsection shall be used for 1 or more activities consisting of—

''(A) providing for the development, establishment, expansion, operation, and coordination of, child care resource and referral services;

''(B) making grants or providing loans to eligible child care providers to assist the providers in meeting applicable State and local child care standards and recognized accreditation standards;

''(C) improving the ability of State or local government, as applicable, to monitor compliance with, and to enforce, State and local licensing and regulatory requirements (including registration requirements) applicable to child care providers;

''(D) providing training and technical assistance in areas relating to the provision of child care services, such as training relating

to promotion of health and safety, promotion of good nutrition, provision of first aid, recognition of communicable diseases, child abuse detection and prevention, and care of children with disabilities and other special needs;

''(E) improving salaries and other compensation paid to full-time and part-time staff who provide child care services for which assistance is made available under this subchapter;

''(F) making grants or providing financial assistance to eligible child care providers for training in child development and early education;

''(G) making grants or providing financial assistance to eligible child care providers to support delivery of early education and child development activities;

''(H) making grants or providing financial assistance to eligible child care providers to make minor renovations to such providers' physical environments that enhance the quality of the child care services they provide;

''(I) improving and expanding the supply of child care services for children with disabilities and other special needs;

''(J) increasing the supply of high quality inclusive child care for children with and without disabilities and other special needs;

''(K) supporting the system described in paragraph (2);

''(L) providing technical assistance to family child care providers and center-based child care providers to enable them to provide appropriate child care services for children with disabilities; and

''(M) other activities that can be demonstrated to increase the quality of child care services and parental choice.''.

''(b) CHILD CARE RESOURCE AND REFERRAL SYSTEM.—The State shall use a portion of the funds reserved under subsection (a) to support a system of local child care resource and referral organizations coordinated by a statewide, nonprofit, community-based child care resource and referral organization. The local child care resource and referral system shall—

''(1) provide parents in the State with information and support concerning child care options in their communities;

''(2) collect and analyze data on the supply of and demand for child care in political subdivisions within the State;

''(3) develop links with the business community or other organizations involved in providing child care services;

''(4) increase the supply and improve the quality of child care in the State and in political subdivisions in the State;

''(5) provide (or facilitate the provision of) specialists in health, mental health consultation, early literacy services for children with disabilities and other special needs, and infant and toddler care, to support or supplement community child care providers;

''(6) provide training or facilitate connections for training to community child care providers; or

''(7) hire disability specialists, and provide training and technical assistance to child care providers, to effectively meet the needs of children with disabilities.

(5) INCENTIVE GRANTS TO STATES.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658G the following:

**''SEC. 658H. INCENTIVE GRANTS TO STATES.**

''(a) AUTHORITY.—

''(1) IN GENERAL.—The Secretary shall use the amount made available under section 658B(b) for a fiscal year to make grants to eligible States in accordance with this section.

''(2) ANNUAL PAYMENTS.—The Secretary shall make an annual payment for such a grant to each eligible State out of the allotment for that State determined under subsection (c).

''(b) ELIGIBLE STATES.—

''(1) IN GENERAL.—In this section, the term 'eligible State' means a State that—

''(A) has conducted a survey of the market rates for child care services in the State within the 2 years preceding the date of the submission of an application under paragraph (2); and

''(B) submits an application in accordance with paragraph (2).

''(2) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and accompanied by such information, in addition to the information required under subparagraph (B), as the Secretary may require.

''(B) INFORMATION REQUIRED.—Each application submitted for a grant under this section shall—

''(i) detail the methodology and results of the State market rates survey conducted pursuant to paragraph (1)(A);

''(ii) describe the State's plan to increase payment rates from the initial baseline determined under clause (i);

''(iii) describe how the State will increase payment rates in accordance with the market survey results, for all types of child care providers who provide services for which assistance is made available under this subchapter;

''(iv) describe how rates are set to reflect the variations in the cost of providing care for children of different ages, different types of care, and in different localities in the State; and

''(v) describe how the State will prioritize increasing payment rates for care of higher-than-average quality, such as care by accredited providers, care that includes the provision of comprehensive services, care provided at nonstandard hours, care for children with disabilities and other special needs, care in low-income and rural communities, and care of a type that is in short supply.

''(3) CONTINUING ELIGIBILITY REQUIREMENT.—The Secretary may make an annual payment under this section to an eligible State only if—

''(A) the Secretary determines that the State has made progress, through the activities assisted under this subchapter, in maintaining increased payment rates; and

''(B) at least once every 2 years, the State conducts an update of the survey described in paragraph (1)(A).

''(4) REQUIREMENT OF MATCHING FUNDS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, the State shall agree to make available State contributions from State sources toward the costs of the activities to be carried out by a State pursuant to subsection (d) in an amount that is not less than 20 percent of such costs.

''(B) DETERMINATION OF STATE CONTRIBUTIONS.—State contributions shall be in cash. Amounts provided by the Federal Government may not be included in determining the amount of such State contributions.

''(c) ALLOTMENTS TO ELIGIBLE STATES.—The amount made available under section 658B(b) for a fiscal year shall be allotted among the eligible States in the same manner as amounts are allotted under section 658O(b).

''(d) USE OF FUNDS.—An eligible State that receives a grant under this section shall use the funds received to significantly increase the payment rate for the provision of child care assistance in accordance with this subchapter up to the 150th percentile of the market rate survey described in subsection (b)(1)(A).

''(e) EVALUATIONS AND REPORTS.—

''(1) STATE EVALUATIONS.—Each eligible State shall submit to the Secretary, at such time and in such form and manner as the Secretary may require, information regarding the State's efforts to increase payment rates and the impact increased rates are having on the quality of, and accessibility to, child care in the State.

''(2) REPORTS TO CONGRESS.—The Secretary shall submit biennial reports to Congress on the information described in paragraph (1). Such reports shall include data from the applications submitted under subsection (b)(2) as a baseline for determining the progress of each eligible State in maintaining increased payment rates.

''(f) PAYMENT RATE.—In this section, the term 'payment rate' means the rate of reimbursement to providers for subsidized child care.''.

(6) ADMINISTRATION, ENFORCEMENT, AND EVALUATION.—Section 658I of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g) is amended—

(A) in the heading by striking ''**AND ENFORCEMENT**'' and inserting ''**, ENFORCEMENT, AND EVALUATION**'';

(B) in subsection (a)(3) by inserting before the period at the end ''and including the establishment of a national training and technical assistance center specializing in infant and toddler care and their families''; and

(C) by adding at the end the following:

''(c) FEDERAL ADMINISTRATION AND EVALUATION ACTIVITIES.—The Secretary shall—

''(1) establish a national data system through grants, contracts or cooperative agreements to develop statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs, including use of data collected through child care resource and referral organizations at the national, State, and local levels; and

''(2) prepare and submit to Congress an annual report on the supply of, demand for, and quality of child care, early education, and non-school-hours programs, using data collected through State and local child care resource and referral organizations and other sources.''.

(7) REPORTS.—Section 658K(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)) is amended—

(A) in paragraph (1)(B)—

(i) in clause (ix) by striking ''and'' at the end;

(ii) in clause (x) by adding ''and'' at the end; and

(iii) by inserting after clause (x) the following:

''(xi) whether the child care provider is accredited by a national or State accrediting body;''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A) by striking ''aggregate data concerning'';

(ii) in subparagraph (D) by striking ''and'' at the end;

(iii) in subparagraph (E) by adding ''and'' at the end; and

(iv) by indenting the left margin of subparagraphs (A) through (E) 2 ems to the right and redesignating such subparagraphs as clauses (i) through (v), respectively;

(v) by inserting after clause (v), as so redesignated, the following:

''(vi) findings from market rate surveys, disaggregated by the types of services provided and by the sub-State localities, as appropriate;''; and

(vi) by inserting before clause (i), as so redesignated, the following:

''(A) information on how all of the funds reserved under section 658G were allocated and spent, and information on the effect of

those expenditures, to the maximum extent practicable; and

''(B) aggregate date concerning—''.

(8) DEFINITIONS.—Section 658P(4)(C) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(C)) is amended—

(A) in clause (i) by striking ''or'' at the end;

(B) in clause (ii) by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(iii) is a foster child.''.

(9) CONFORMING AMENDMENTS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended—

(A) in section 658E(c)(3)—

(i) in subparagraph (B) by striking ''through (5) of section 658A(b)'' and inserting ''through (6) of section 658A(c)''; and

(ii) in subparagraph (D) by striking ''1997 through 2002'' and inserting ''2004 through 2008'';

(B) in section 658K(a)(2) by striking ''1997'' and inserting ''2003''; and

(C) in section 658L—

(i) by striking ''July 31, 1998'' and inserting ''October 1, 2005'';

(ii) by striking ''Economic and Educational Opportunities'' and inserting ''Education and the Workforce''; and

(iii) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''.

(c) APPLICABILITY OF STATE OR LOCAL HEALTH AND SAFETY STANDARDS TO OTHER TANF CHILD CARE SPENDING.—Section 402(a) (42 U.S.C. 602(a)) is amended by adding at the end the following:

''(8) CERTIFICATION OF PROCEDURES TO ENSURE THAT CHILD CARE PROVIDERS COMPLY WITH APPLICABLE STATE OR LOCAL HEALTH AND SAFETY STANDARDS.—A certification by the chief executive officer of the State that procedures are in effect to ensure that any child care provider in the State that provides services for which assistance is provided under the State program funded under this part complies with all applicable State or local health and safety requirements as described in section 658E(c)(2)(F) of the Child Care and Development Block Grant Act of 1990.''.

(d) AVAILABILITY OF CHILD CARE FOR PARENTS REQUIRED TO WORK.—Section 407(e)(2) (42 U.S.C. 607(e)(2)) is amended by striking ''6'' and inserting ''13''.

**SEC. 303. COMPETITIVE GRANTS TO IMPROVE ACCESS TO VARIOUS BENEFIT PROGRAMS.**

(a) PURPOSES.—The purposes of this section are to—

(1) inform low-income families with children about programs available to families leaving welfare and other programs to support low-income families with children;

(2) provide incentives to States and counties to improve and coordinate application and renewal procedures for low-income family with children support programs; and

(3) track the extent to which low-income families with children receive the benefits and services for which they are eligible.

(b) DEFINITIONS.—In this section:

(1) LOCALITY.—The term locality means a municipality that does not administer a temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (in this section referred to as ''TANF'').

(2) LOW-INCOME FAMILY WITH CHILDREN SUPPORT PROGRAM.—The term ''low-income family with children support program'' means a program designed to provide low-income families with assistance or benefits to enable the family to become self-sufficient and includes—

(A) TANF;

(B) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) (in this section referred to as ''food stamps'');

(C) the medicaid program funded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(D) the State children's health insurance program (SCHIP) funded under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

(E) the child care program funded under the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

(F) the child support program funded under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

(G) the earned income tax credit under section 32 of the Internal Revenue Code of 1986;

(H) the low-income home energy assistance program (LIHEAP) established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C 8621 et seq.);

(I) the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(J) programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.); and

(K) any other Federal or State funded program designed to provide family and work support to low-income families with children.

(3) NONPROFIT.—The term ''nonprofit'', as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by 1 or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, and the United States Virgin Islands.

(c) AUTHORIZATION OF GRANTS.—

(1) STATES AND COUNTIES.—

(A) IN GENERAL.—The Secretary is authorized to award grants to States and counties to pay the Federal share of the costs involved in improving the administration of low-income family with children support programs, including simplifying application, recertification, reporting, and verification rules, and promoting participation in such programs.

(B) FEDERAL SHARE.—The Federal share shall be 80 percent.

(2) NONPROFITS AND LOCALITIES.—The Secretary is authorized to award grants to nonprofits and localities to promote participation in low-income family with children support programs, and distribute information about and develop service centers for low-income family with children support programs.

(d) GRANT APPROVAL CRITERIA.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Agriculture, shall establish criteria for approval of an application for a grant under this section that include consideration of—

(A) the extent to which the proposal, if funded, is likely to result in improved service and higher participation rates in low-income children's support programs;

(B) an applicant's ability to reach hard-to-serve populations;

(C) the level of innovation in the applicant's grant proposal; and

(D) any partnerships between the public and private sector in the applicant's grant proposal.

(2) SEPARATE CRITERIA.—Separate criteria shall be established for the grants authorized under paragraphs (1) and (2) of subsection (c).

(e) USES OF FUNDS.—

(1) STATES AND COUNTIES.—

(A) IMPROVEMENTS IN PROGRAMS.—Grants awarded to States and counties under subsection (c)(1) shall be used to—

(i) simplify low-income family with children support program application, recertification, reporting, and verification rules;

(ii) create uniformity in eligibility criteria for low-income family with children support programs;

(iii) develop options for families to apply for low-income family with children support programs through the telephone, mail, facsimile, Internet, or electronic mail, and submit any recertifications or reports required for such families through these options;

(iv) co-locate eligibility workers for various low-income family with children support programs at strategically located sites;

(v) develop or enhance one-stop service centers for low-income family with children support programs, including establishing evening and weekend hours at these centers; and

(vi) improve training of staff in low-income families with children support programs to enhance their ability to enroll eligible applicants in low-income family with children support programs, provide case management, and refer eligible applicants to other appropriate programs.

(B) CUSTOMER SURVEYS.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used to carry out a customer survey.

(ii) MODEL SURVEYS.—The customer survey under clause (i) of this subparagraph shall be modeled after a form developed by the Secretary under subsection (g).

(iii) REPORTS TO SECRETARY.—Not later than 1 year after a State or county is awarded a grant under subsection (c)(1), and annually thereafter, the State or county shall submit a report to the Secretary detailing the results of the customer survey carried out under clause (i) of this subparagraph.

(iv) REPORTS TO PUBLIC.—A State or county receiving a grant under subsection (c)(1) and the Secretary shall make the report required under clause (iii) of this subparagraph available to the public.

(v) PUBLIC COMMENT.—A State or county receiving a grant under subsection (c)(1) shall accept public comments and hold public hearings on the report made available under clause (iv) of this subparagraph.

(C) TRACKING SYSTEMS.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used to implement a tracking system to determine the level of participation in low-income family with children support programs of the eligible population.

(ii) REPORTS.—Not later than 1 year after a State or county is awarded a grant under subsection (c)(1), and annually thereafter, the State or county shall submit a report to the Secretary detailing the effectiveness of the tracking system implemented under clause (i) of this subparagraph.

(D) IN-PERSON INTERVIEWS.—A State or county awarded a grant under subsection (c)(1) may expend funds made available under the grant to provide for reporting and recertification procedures through the telephone, mail, facsimile, Internet, or electronic mail.

(E) JURISDICTION-WIDE IMPLEMENTATION.—

(i) IN GENERAL.—A grant awarded to a State or county under subsection (c)(1) shall be used for activities throughout the jurisdiction.

(ii) EXCEPTION.—A State or county awarded a grant under subsection (c)(1) may use grant

funds to develop one-stop service centers and telephone, mail, facsimile, Internet, or electronic mail application and renewal procedures for low-income family with children support programs without regard to the requirements of clause (i) of this subparagraph.

(F) SUPPLEMENT NOT SUPPLANT.—Funds provided to a State or county under a grant awarded under subsection (c)(1) shall be used to supplement and not supplant other State or county public funds expended to provide support services for low-income families.

(2) NONPROFITS AND LOCALITIES.—A grant awarded to a nonprofit or locality under subsection (c)(2) shall be used to—

(A) develop one-stop service centers for low-income family with children support programs in cooperation with States and counties; or

(B) provide information about and referrals to low-income family with children support programs through the dissemination of materials at strategic locations, including schools, clinics, and shopping locations.

(f) APPLICATION.—

(1) IN GENERAL.—Each applicant desiring a grant under paragraph (1) or (2) of subsection (c) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(2) STATES AND COUNTIES.—

(A) NON-FEDERAL SHARE.—Each State or county applicant shall provide assurances that the applicant will pay the non-Federal share of the activities for which a grant is sought.

(B) PARTNERSHIPS.—Each State or county applicant shall submit a memorandum of understanding demonstrating that the applicant has entered into a partnership to coordinate its efforts under the grant with the efforts of other State and county agencies that have responsibility for providing low-income families with assistance or benefits.

(g) DUTIES OF THE SECRETARY.—

(1) SURVEY FORM.—The Secretary, in cooperation with other relevant agencies, shall develop a customer survey form to determine whether low-income families—

(A) encounter any impediments in applying for or renewing their participation in low-income family with children support programs; and

(B) are unaware of low-income family with children support programs for which they are eligible.

(2) REPORTS.—

(A) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit a report to Congress describing the uses of grant funds awarded under this section.

(B) RESULTS OF TRACKING SYSTEMS AND SURVEYS.—The Secretary shall submit a report to Congress detailing the results of the tracking systems implemented and customer surveys carried out by States and counties under subsection (e) as the information becomes available.

(h) MISCELLANEOUS.—

(1) MATCHING FUNDS.—Matching funds required from a State or county awarded a grant under subsection (c)(1) of this section may—

(A) include in-kind services and expenditures by municipalities and private entities; and

(B) be considered a qualified State expenditure for purposes of determining whether the State has satisfied the maintenance of effort requirements of the temporary assistance for needy families program under section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7)).

(2) LIMITATION ON EXPENDITURES.—Subject to paragraph (3) of this subsection, not more than 20 percent of a grant awarded under subsection (c) shall be expended on customer surveys or tracking systems.

(3) REVERSION OF FUNDS.—Any funds not expended by a grantee within 2 years after awarded a grant shall be available for redistribution among other grantees in such manner and amount as the Secretary may determine, unless the Secretary extends by regulation the 2-year time period to expend funds.

(4) NONAPPORTIONMENT.—Notwithstanding any other provision of law, a State, county, locality, or nonprofit awarded a grant under subsection (c) is not required to apportion the costs of providing information about low-income family with children support programs among all low-income family with children support programs.

(5) ADMINISTRATIVE COSTS OF THE SECRETARY.—Not more than 5 percent of the funds appropriated to carry out this section shall be expended on administrative costs of the Secretary.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $500,000,000 for the period of fiscal years 2004 through 2008.

**SEC. 304. ASSESSMENTS FOR TANF RECIPIENTS.**

Section 408(b) (42 U.S.C. 608(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall, for each recipient of assistance under the program who is a head of household, make an initial assessment of the skills, prior work experience, and circumstances related to the employability of the recipient, including physical or mental impairments, proficiency in English, child care needs, and whether the recipient is a victim of domestic violence.'';

(2) in paragraph (2)(A), by striking ''may develop'' and inserting ''shall develop''; and

(3) by striking paragraph (4).

**SEC. 305. APPLICABILITY OF WORKPLACE LAWS.**

Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

''(h) No individual engaged in any activity funded in whole or in part by the TANF program shall be subjected to discrimination based on race, color, religion, sex, national origin, age, or disability, nor shall such an individual be denied the benefits or protections of any Federal, State or local employment, civil rights, or health and safety law because of such individual's status as a participant in the TANF program.''.

**SEC. 306. WORK PARTICIPATION REQUIREMENTS.**

Section 407(a)(1) (42 U.S.C. 607(a)), as amended by section 503 of this Act, is amended to read as follows:

''(1) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

''(A) 50 percent for fiscal year 2004;

''(B) 55 percent for fiscal year 2005;

''(C) 60 percent for fiscal year 2006;

''(D) 65 percent for fiscal year 2007; and

''(E) 70 percent for fiscal year 2008 and each succeeding fiscal year.''.

**SEC. 307. HOURS OF WORK-RELATED ACTIVITIES.**

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by striking ''20'' and inserting ''24''.

**SEC. 308. STATE OPTION TO REQUIRE RECEIPIENTS TO ENGAGE IN WORK FOR 40 HOURS PER WEEK.**

Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by adding at the end the following flush sentence:

''At the option of a State, the State may require, a recipient not referred to in paragraph (2)(B) to engage in work for an average of 40 hours per week in each month in a particular fiscal year.''.

**SEC. 309. REVISION AND SIMPLIFICATION OF THE TRANSITIONAL MEDICAL ASSISTANCE PROGRAM (TMA).**

(a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO AN ADDITIONAL YEAR.—

(1) OPTION OF CONTINUOUS ELIGIBILITY FOR 12 MONTHS BY MAKING REPORTING REQUIREMENTS OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r–6(b)) is amended—

(A) in paragraph (1), by inserting '', at the option of a State,'' after ''and which'';

(B) in paragraph (2)(A), by inserting ''Subject to subparagraph (C)—'' after ''(A) NOTICES.—'';

(C) in paragraph (2)(B), by inserting ''Subject to subparagraph (C)—'' after ''(B) REPORTING REQUIREMENTS.—'';

(D) by adding at the end the following new subparagraph:

''(C) STATE OPTION TO WAIVE NOTICE AND REPORTING REQUIREMENTS.—A State may waive some or all of the reporting requirements under clauses (i) and (ii) of subparagraph (B). Insofar as it waives such a reporting requirement, the State need not provide for a notice under subparagraph (A) relating to such requirement.''; and

(E) in paragraph (3)(A)(iii), by inserting ''the State has not waived under paragraph (2)(C) the reporting requirement with respect to such month under paragraph (2)(B) and if'' after ''6-month period if''.

(2) STATE OPTION TO EXTEND ELIGIBILITY FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r–6) is further amended—

(A) by redesignating subsections (c) through (f) as subsections (d) through (g); and

(B) by inserting after subsection (b) the following new subsection:

''(c) STATE OPTION OF UP TO 12 MONTHS OF ADDITIONAL ELIGIBILITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which received assistance during the entire 6-month period under subsection (b) and which meets the applicable requirement of paragraph (2), in the last month of the period the option of extending coverage under this subsection for the succeeding period not to exceed 12 months.

''(2) INCOME RESTRICTION.—The option under paragraph (1) shall not be made available to a family for a succeeding period unless the State determines that the family's average gross monthly earnings (less such costs for such child care as is necessary for the employment of the caretaker relative) as of the end of the 6-month period under subsection (b) does not exceed 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''(3) APPLICATION OF EXTENSION RULES.—The provisions of paragraphs (2), (3), (4), and (5) of subsection (b) shall apply to the extension provided under this subsection in the same manner as they apply to the extension provided under subsection (b)(1), except that for purposes of this subsection—

''(A) any reference to a 6-month period under subsection (b)(1) is deemed a reference to the extension period provided under paragraph (1) and any deadlines for any notices or reporting and the premium payment periods shall be modified to correspond to the appropriate calendar quarters of coverage provided under this subsection; and

''(B) any reference to a provision of subsection (a) or (b) is deemed a reference to the corresponding provision of subsection (b) or of this subsection, respectively.''.

(b) STATE OPTION TO WAIVE RECEIPT OF MEDICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR TMA.—Section 1925(a)(1) (42 U.S.C. 1396r–6(a)(1)) is amended by adding at the end the following: ''A State may, at its option, also apply the previous sentence in the case of a family that was receiving such aid for fewer than 3 months, or that had applied for and was eligible for such aid for fewer than 3 months, during the 6 immediately preceding months described in such sentence.''.

(c) ELIMINATION OF SUNSET FOR TMA.—

(1) Subsection (g) of section 1925 (42 U.S.C. 1396r–6), as redesignated under subsection (a)(2), is repealed.

(2) Section 1902(e)(1) (42 U.S.C. 1396a(e)(1)) is amended by striking ''(A) Nothwithstanding'' and all that follows through ''During such period, for'' in subparagraph (B) and inserting ''For''.

(d) CMS REPORT ON ENROLLMENT AND PARTICIPATION RATES UNDER TMA.—Section 1925, as amended by subsections (a)(2) and (c), is amended by adding at the end the following new subsection:

''(g) ADDITIONAL PROVISIONS.—

''(1) COLLECTION AND REPORTING OF PARTICIPATION INFORMATION.—Each State shall—

''(A) collect and submit to the Secretary, in a format specified by the Secretary, information on average monthly enrollment and average monthly participation rates for adults and children under this section; and

''(B) make such information publicly available.

Such information shall be submitted under subparagraph (A) at the same time and frequency in which other enrollment information under this title is submitted to the Secretary. Using such information, the Secretary shall submit to Congress annual reports concerning such rates.''.

(e) COORDINATION OF WORK.—Section 1925(g), as added by subsection (d), is amended by adding at the end the following new paragraph:

''(2) COORDINATION WITH ADMINISTRATION FOR CHILDREN AND FAMILIES.—The Administrator of the Centers for Medicare & Medicaid Services, in carrying out this section, shall work with the Assistant Secretary for the Administration for Children and Families to develop guidance or other technical assistance for States regarding best practices in guaranteeing access to transitional medical assistance under this section.''.

(f) ELIMINATION OF TMA REQUIREMENT FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—

(1) IN GENERAL.—Section 1925 is further amended by adding at the end the following new subsection:

''(h) PROVISIONS OPTIONAL FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—A State may (but is not required to) meet the requirements of subsections (a) and (b) if it provides for medical assistance under section 1931 to families (including both children and caretaker relatives) the average gross monthly earning of which (less such costs for such child care as is necessary for the employment of a caretaker relative) is at or below a level that is at least 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.''.

(2) CONFORMING AMENDMENTS.—Such section is further amended, in subsections (a)(1) and (b)(1), by inserting '', but subject to subsection (h),'' after ''Notwithstanding any other provision of this title,'' each place it appears.

(g) EXTENDING USE OF OUTSTATIONED WORKERS TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE.—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55)) is amended by inserting ''and under section 1931'' after ''(a)(10)(A)(ii)(IX)''.

(h) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or after the date of the enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

**SEC. 310. ENSURING TANF FUNDS ARE NOT USED TO DISPLACE PUBLIC EMPLOYEES.**

(a) WELFARE-TO-WORK WORKER PROTECTIONS.—Section 403(a)(5)(I) (42 U.S.C. 603(a)(5)(I)) is amended—

(1) by striking clauses (i) and (iv);

(2) by redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively; and

(3) by inserting before clause (ii) the following:

''(i) NONDISPLACEMENT.—A State shall establish and maintain such procedures as are necessary to do the following with respect to activities funded in whole or in part under this part:

''(I) Prohibit the placement of an individual in a work activity specified in section 407(d) from resulting in the displacement of any employee or position (including partial displacement, such as a reduction in the hours of nonovertime work wages, or employment benefits, or fill any unfilled vacancy, or performing work when any other individual is on layoff from the same or any substantially equivalent job).

''(II) Prohibit the placement of an individual in a work activity specified in section 407(d) which would impair any contract for services, be inconsistent with any employment-related State or local law or regulation, or collective bargaining agreement, or infringe on the recall rights or promotional opportunities of any worker.

''(III) Maintain an impartial grievance procedure to resolve any complaints alleging violations of subclause (I) or (II) within 60 days after receipt of the complaint, and if a decision is adverse to the party who filed such a grievance or no decision has been reached, provided for the completion of an arbitration procedure within 75 days after receipt of the complaint or the adverse decision or conclusion of the 60-day period, whichever is earlier. The procedures shall include a right to a hearing. The procedures shall include remedies for violations of the requirement that shall include termination or suspension of payments, prohibition of the participant, reinstatemt of an employee, and other appropriate relief. The procedures shall specifiy that if a direct work activity engaged in by a recipient of assistance under the State program funded under this part involves a placement in a State agency or local government agency pursuant to this section and the agency experiences a net reduction in its overall workforce in a given year, there is a rebuttable presumption that the placement has resulted in displacement of the employees of the agency in violation of this subparagraph.''.

(b) STATE PLAN REQUIREMENT.—Section 402(a) (42 U.S.C. 602(a)) is amended by adding at the end the following:

''(5) A plan that outlines the resources and procedures that will be used to ensure that the State will establish and maintain the procedures described in section 403(a)(5)(I)(i).''.

**SEC. 311. INCREASE IN FUNDING FOR SOCIAL SERVICES BLOCK GRANT.**

Section 2003(c) (42 U.S.C. 1397b(c)) is amended by adding at the end the following:

''(12) $2,800,000,000 for the fiscal year 2004 and each fiscal year thereafter.''.

## TITLE IV—HELPING WELFARE LEAVERS CLIMB THE EMPLOYMENT LADDER

**SEC. 401. STATE PLAN REQUIREMENT ON EMPLOYMENT ADVANCEMENT.**

(a) IN GENERAL.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

''(vii) Establish goals and take action to improve initial earnings, job advancement, and employment retention for individuals in and individuals leaving the program.''.

(b) INCLUSION IN ANNUAL REPORTS OF PROGRESS IN ACHIEVING EMPLOYMENT ADVANCEMENT GOALS.—Section 411(b) (42 U.S.C. 611(b)) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ''; and'' ; and

(3) by adding at the end the following:

''(5) in each report submitted after fiscal year 2004, the progress made by the State in achieving the goals referred to in section 402(a)(1)(A)(vii) in the most recent State plan submitted pursuant to section 402(a).''.

**SEC. 402. EMPLOYMENT ADVANCEMENT FUND.**

Section 403(a) (42 U.S.C. 603(a)) is further amended by adding at the end the following:

''(8) EMPLOYMENT ADVANCEMENT FUND.—

''(A) IN GENERAL.—The Secretary shall provide grants to States and localities for research, evaluation, technical assistance, and demonstration projects that focus on—

''(i) improving wages for low-income workers, regardless of whether such workers are recipients of assistance under a State program funded under this part, through training and other services; and

''(ii) enhancing employment prospects for recipients of such assistance with barriers to employment, such as a physical or mental impairment, a substance abuse problem, or limited proficiency in English.

''(B) ADMINISTRATION.—

''(i) ALLOCATION OF FUNDS.—The Secretary shall allocate at least 40 percent of the funds made available pursuant to this paragraph for projects that focus on the matters described in subparagraph (A)(i), and at least 40 percent of the funds for projects that focus on the matters described in subparagraph (A)(ii).

''(ii) DIVERSITY OF PROJECTS.—The Secretary shall attempt to provide funds under this paragraph for diverse projects from geographically different areas.

''(C) AID UNDER THIS PARAGRAPH NOT 'ASSISTANCE'.—A benefit or service provided with funds made available under this paragraph shall not, for any purpose, be considered assistance under a State program funded under this part.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008 $150,000,000 for grants under this paragraph.''.

**SEC. 403. ELIMINATION OF LIMIT ON NUMBER OF TANF RECIPIENTS ENROLLED IN VOCATIONAL EDUCATION OR HIGH SCHOOL WHO MAY BE COUNTED TOWARDS THE WORK PARTICIPATION REQUIREMENT.**

Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by striking subparagraph (D).

**SEC. 404. COUNTING OF UP TO 2 YEARS OF VOCATIONAL OR EDUCATIONAL TRAINING (INCLUDING POSTSECONDARY EDUCATION), WORK-STUDY, AND RELATED INTERNSHIPS AS WORK ACTIVITIES.**

Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amended to read as follows:

''(8) not more than 24 months of participation by an individual in—

''(A) vocational or educational training (including postsecondary education), at an eligible educational institution (as defined in section 404(h)(5)(A)) leading to attainment of a credential from the institution related to employment or a job skill;

''(B) a State or Federal work-study program under part C of title IV of the Higher Education Act of 1965 or an internship related to vocational or postsecondary education, supervised by an eligible educational institution (as defined in section 404(h)(5)(A)); or

''(C) a course of study leading to adult literacy, in which English is taught as a second language, or leading to a certificate of high school equivalency, if the State considers the activities important to improving the ability of the individual to find and maintain employment.''.

**SEC. 405. LIMITED COUNTING OF CERTAIN ACTIVITIES LEADING TO EMPLOYMENT AS WORK ACTIVITY.**

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

(1) by striking ''and'' at the end of paragraph (11);

(2) by striking the period at the end of paragraph (12) and inserting ''; and''; and

(3) by adding at the end the following:

''(13) Up to 6 months of participation (as determined by the State) in services designed to improve future employment opportunities, including substance abuse treatment services, services to address sexual or domestic violence, and physical rehabilitation and mental health services.''.

(b) CONFORMING AMENDMENT.—Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking ''and (12)'' each place it appears and inserting ''(12), and (13)''.

**SEC. 406. CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.**

Section 404(e) (42 U.S.C. 604(e)) is amended—

(1) in the subsection heading, by striking ''ASSISTANCE'' and inserting ''BENEFITS OR SERVICES''; and

(2) after the heading, by striking ''assistance'' and inserting ''any benefit or service that may be provided''.

**SEC. 407. DEFINITION OF ASSISTANCE.**

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

''(6) ASSISTANCE.—

''(A) IN GENERAL.—The term 'assistance' means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

''(B) EXCEPTION.—The term 'assistance' does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking ''assistance'' and inserting ''aid''.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking ''assistance'' and inserting ''benefits or services''.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking ''ASSISTANCE'' and inserting ''AID''.

**SEC. 408. CONTINUATION OF PRE-WELFARE REFORM WAIVERS.**

Section 415 (42 U.S.C. 615) is amended by adding at the end the following:

''(c) CONTINUATION OF WAIVERS APPROVED OR SUBMITTED BEFORE DATE OF ENACTMENT OF WELFARE REFORM.—Notwithstanding subsection (a), with respect to any State that is operating under a waiver described in subsection (a) which would otherwise expire on a date that occurs in the period that begins on September 30, 2002, and ends on September 30, 2008, the State may elect to continue to operate under the waiver, on the same terms and conditions as applied to the waiver on the day before such date, through September 30, 2008.''.

## TITLE V—PROMOTING FAMILY FORMATION AND RESPONSIBLE PARENTING

**SEC. 501. FAMILY FORMATION FUND.**

Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) FAMILY FORMATION FUND.—

''(A) IN GENERAL.—The Secretary shall provide grants to States and localities for research, technical assistance, and demonstration projects to promote and fund best practices in the following areas:

''(i) Promoting the formation of 2-parent families.

''(ii) Reducing teenage pregnancies.

''(iii) Increasing the ability of noncustodial parents to financially support and be involved with their children.

''(B) ALLOCATION OF FUNDS.—In making grants under this paragraph, the Secretary shall ensure that not less than 30 percent of the funds made available pursuant to this paragraph for a fiscal year are used in each of the areas described in subparagraph (A).

''(C) CONSIDERATION OF DOMESTIC VIOLENCE IMPACT.—In making grants under this paragraph, the Secretary shall consider the potential impact of a project on the incidence of domestic violence.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2004 through 2008 $100,000,000 for grants under this paragraph.''.

**SEC. 502. DISTRIBUTION OF CHILD SUPPORT COLLECTED BY STATES ON BEHALF OF CHILDREN RECEIVING CERTAIN WELFARE BENEFITS.**

(a) MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

''(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance paid to the family under the program, which accrues during the period that the family receives assistance under the program.''.

(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION RULES.—

(1) DISTRIBUTION RULES.—

(A) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended to read as follows:

''(a) IN GENERAL.—Subject to subsections (d) and (e), the amounts collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount collected, subject to paragraph (3)(A);

''(B) retain, or pay to the family, the State share of the amount collected, subject to paragraph (3)(B); and

''(C) pay to the family any remaining amount.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT.—To the extent that the amount collected does not exceed the current support amount, the State shall pay the amount to the family.

''(B) ARREARAGES.—To the extent that the amount collected exceeds the current support amount, the State—

''(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned pursuant to section 408(a)(3);

''(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

''(I) pay to the Federal Government, the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

''(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

''(iii) shall pay to the family any remaining amount.

''(3) LIMITATIONS.—

''(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the Federal Government under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the Federal share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(B) STATE REIMBURSEMENTS.—The total of the amounts retained by the State under paragraphs (1) and (2) of this subsection with respect to a family shall not exceed the State share of the amount assigned with respect to the family pursuant to section 408(a)(3).

''(4) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall pay the amount collected to the family.

''(5) FAMILIES UNDER CERTAIN AGREEMENTS.—Notwithstanding paragraphs (1) through (4), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.

''(6) STATE FINANCING OPTIONS.—To the extent that the State share of the amount payable to a family for a month pursuant to paragraph (2)(B) of this subsection exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family for the month pursuant to former section 457(a)(2)

(as in effect for the State immediately before the date this subsection first applies to the State) if such former section had remained in effect, the State may elect to use the grant made to the State under section 403(a) to pay the amount, or to have the payment considered a qualified State expenditure for purposes of section 409(a)(7), but not both.

''(7) STATE OPTION TO PASS THROUGH ADDITIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICIPATION.—

''(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is not a recipient of assistance under the State program funded under part A, to the extent that the State pays the amount to the family and disregards the payment for purposes of paying benefits under the State program funded under part A.

''(B) RECIPIENTS OF TANF FOR LESS THAN 5 YEARS.—Notwithstanding paragraphs (1) and (2), a State shall not be required to pay to the Federal Government the Federal share of an amount collected on behalf of a family that is a recipient of assistance under the State program funded under part A and that has received the assistance for not more than 5 years after the date of the enactment of this paragraph, to the extent that the State pays the amount to the family.''.

(B) APPROVAL OF ESTIMATION PROCEDURES.—Not later than October 1, 2003, the Secretary of Health and Human Services, in consultation with the States (as defined for purposes of part D of title IV of the Social Security Act), shall establish the procedures to be used to make the estimate described in section 457(a)(6) of such Act.

(2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:

''(5) CURRENT SUPPORT AMOUNT.—The term 'current support amount' means, with respect to amounts collected as support on behalf of a family, the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support.''.

(c) BAN ON RECOVERY OF MEDICAID COSTS FOR CERTAIN BIRTHS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (32);

(2) by striking the period at the end of paragraph (33) and inserting ''; and''; and

(3) by inserting after paragraph (33) the following:

''(34) provide that the State shall not use the State program operated under this part to collect any amount owed to the State by reason of costs incurred under the State plan approved under title XIX for the birth of a child for whom support rights have been assigned pursuant to section 408(a)(3), 471(a)(17), or 1912.''.

(d) STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended by striking ''shall'' and inserting ''may''.

(e) CONFORMING AMENDMENTS.—

(1) Section 409(a)(7)(B)(i)(I)(aa) (42 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by striking ''457(a)(1)(B)'' and inserting ''457(a)(1)''.

(2) Section 404(a) (42 U.S.C. 604(a)) is amended—

(A) by striking ''or'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; or''; and

(C) by adding at the end the following:

''(3) to fund payment of an amount pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to use the grant to fund the payment.''.

(3) Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

''(V) PORTIONS OF CERTAIN CHILD SUPPORT PAYMENTS COLLECTED ON BEHALF OF AND DISTRIBUTED TO FAMILIES NO LONGER RECEIVING ASSISTANCE.—Any amount paid by a State pursuant to clause (i) or (ii) of section 457(a)(2)(B), but only to the extent that the State properly elects under section 457(a)(6) to have the payment considered a qualified State expenditure.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and section 901(b) of this Act, the amendments made by this section shall take effect on October 1, 2007, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(2) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—A State may elect to have the amendments made by this section apply to the State and to amounts collected by the State, on and after such date as the State may select that is after the date of the enactment of this Act and before the effective date provided in paragraph (1).

**SEC. 503. ELIMINATION OF SEPARATE WORK PARTICIPATION RATE FOR 2-PARENT FAMILIES.**

Section 407 (42 U.S.C. 607) is amended—

(1) in subsection (a), by striking paragraph (2); and

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (4), by striking ''paragraphs (1)(B) and (2)(B)'' and inserting ''paragraph (1)(B)'';

(C) in paragraph (5), by striking ''rates'' and inserting ''rate''; and

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

**SEC. 504. BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES; STATE OPT-OUT.**

(a) PROHIBITION.—Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(13) BAN ON IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

''(A) IN GENERAL.—In determining the eligibility of a 2-parent family for assistance under a State program funded under this part, the State shall not impose a requirement that does not apply in determining the eligibility of a 1-parent family for such assistance.

''(B) STATE OPT-OUT.—Subparagraph (A) shall not apply to a State if the State legislature, by law, has elected to make subparagraph (A) inapplicable to the State.''.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(16) PENALTY FOR IMPOSITION OF STRICTER ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(13) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.''.

**SEC. 505. EXTENSION OF ABSTINENCE EDUCATION FUNDING UNDER MATERNAL AND CHILD HEALTH PROGRAM.**

(a) IN GENERAL.—Section 510(d) (42 U.S.C. 710(d)) is amended by striking ''2002'' and inserting ''2008''.

(b) PURPOSE OF ALLOTMENTS.—For each of the fiscal years 2004 through 2008, section 510(b)(1) of the Social Security Act is deemed to read as follows: ''(1) The purpose of an allotment under subsection (a) to a State is to enable the State to provide abstinence education, and at the option of the State—

''(A) programs that the State defines as an appropriate approach to abstinence education that educates those who are currently sexually active or at risk of sexual activity about methods to reduce unintended pregnancy or other health risks; and

''(B) where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.''.

(c) MEDICALLY AND SCIENTIFICALLY ACCURATE INFORMATION.—For each of the fiscal years 2004 through 2008, there is deemed to appear in the matter preceding subparagraph (A) of section 510(b)(2) of such Act the phrase ''a medically and scientifically accurate educational'' in lieu of the phrase ''an educational'', and there is deemed to appear after and below subparagraph (H) of such section the following:

''For purposes of this section, the term 'medically accurate', with respect to information, means information that is supported by research, recognized as accurate and objective by leading medical, psychological, psychiatric, and public health organizations and agencies, and where relevant, published in peer review journals.''.

(d) EFFECTIVE MODELS FOR PROGRAMS.—For each of the fiscal years 2004 through 2008, section 510 of such Act is deemed to have at the end the following subsection:

''(e)(1) None of the funds appropriated in this section shall be expended for a program unless the program is based on a model that has been demonstrated to be effective in reducing unwanted pregnancy, or in reducing the transmission of a sexually transmitted disease or the human immunodeficiency virus.

''(2) The requirement of paragraph (1) shall not apply to programs that have been approved and funded under this section on or before April 19, 2002.''.

(e) COMPARATIVE EVALUATION OF ABSTINENCE EDUCATION PROGRAMS.—

(1) STUDY.—The Secretary of Health and Human Services (referred to in this subsection as the ''Secretary'') shall, in consultation with an advisory panel of researchers identified by the Board on Children Youth and Families of the National Academy of Sciences, conduct an experimental study directly or through contract or interagency agreement which assesses the relative efficacy of two approaches to abstinence education for adolescents. The study design should enable a comparison of the efficacy of an abstinence program which precludes education about contraception with a similar abstinence program which includes education about contraception. Key outcomes that should be measured in the study include rates of sexual activity, pregnancy, birth, and sexually transmitted diseases.

(2) REPORT.—Not later than 5 years after the date of the enactment of this Act, the Secretary shall submit a report to Congress the available findings regarding the comparative analysis.

(3) FUNDING.—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2004 through 2008.

## TITLE VI—RESTORING FAIRNESS FOR IMMIGRANT FAMILIES

### SEC. 601. TREATMENT OF ALIENS UNDER THE TANF PROGRAM.

(a) EXCEPTION TO 5-YEAR BAN FOR QUALIFIED ALIENS.—Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Benefits under the Temporary Assistance for Needy Families program described in section 402(b)(3)(A).''.

(b) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1138a note) is amended by adding at the end the following:

''(12) Benefits under part A of title IV of the Social Security Act except for cash assistance provided to a sponsored alien who is subject to deeming pursuant to section 408(h) of the Social Security Act.''.

(c) TREATMENT OF ALIENS.—Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

''(h) SPECIAL RULES RELATING TO THE TREATMENT OF 213A ALIENS.—

''(1) IN GENERAL.—In determining whether a 213A alien is eligible for cash assistance under a State program funded under this part, and in determining the amount or types of such assistance to be provided to the alien, the State shall apply the rules of paragraphs (1), (2), (3), (5), and (6) of subsection (f) of this section by substituting '213A' for 'non-213A' each place it appears, subject to section 421(e) of the Personal Responsibility and Work Opportunity Reconcilation Act of 1996, and subject to section 421(f) of such Act (which shall be applied by substituting 'section 408(h) of the Social Security Act' for 'subsection (a)').

''(2) 213A ALIEN DEFINED.—An alien is a 213A alien for purposes of this subsection if the affidavit of support or similar agreement with respect to the alien that was executed by the sponsor of the alien's entry into the United States was executed pursuant to section 213A of the Immigration and Nationality Act.''.

(d) EFFECTIVE DATE AND APPLICABILITY.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2003.

(2) APPLICABILITY.—The amendments made by this section shall apply to benefits provided on or after the effective date of this section.

### SEC. 602. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID PROGRAM.—Section 1903(v) (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following new paragraph:

''(4)(A) A State may elect (in a plan amendment under this title) to provide medical assistance under this title, notwithstanding sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, for aliens who are lawfully residing in the United States (including battered aliens described in section 431(c) of such Act) and who are otherwise eligible for such assistance, within either or both of the following eligibility categories:

''(i) PREGNANT WOMEN.—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

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

''(B) In the case of a State that has elected to provide medical assistance to a category of aliens under subparagraph (A), no debt shall accrue under an affidavit of support against any sponsor of such an alien on the basis of provision of assistance to such category and the cost of such assistance shall not be considered as an unreimbursed cost.''.

(b) SCHIP.—Section 2107(e)(1) (42 U.S.C. 1397gg(e)(1)) as amended by section 803 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, is amended by redesignating subparagraphs (C) and (D) as subparagraph (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) Section 1903(v)(4) (relating to optional coverage of categories of permanent resident alien children), but only if the State has elected to apply such section to the category of children under title XIX.''.

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

### SEC. 603. ELIGIBILITY OF DISABLED CHILDREN WHO ARE QUALIFIED ALIENS FOR SSI.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by inserting after subparagraph (K) the following new subparagraph:

''(L) SSI EXCEPTION FOR DISABLED CHILDREN.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(A), paragraph (1) shall not apply to a child who is considered disabled for purposes of the supplemental security income program under title XVI of the Social Security Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2003, and apply to benefits furnished on or after such date.

## TITLE VII—ENSURING STATE ACCOUNTABILITY

### SEC. 701. EXTENSION OF MAINTENANCE-OF-EFFORT REQUIREMENT.

Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A) by striking ''fiscal year 1998, 1999, 2000, 2001, 2002, or 2003'' and inserting ''fiscal year 2003, 2004, 2005, 2006, 2007, 2008, or 2009''; and

(2) in subparagraph (B)(ii)—

(A) by inserting ''preceding'' before ''fiscal year''; and

(B) by striking ''for fiscal years 1997 through 2002,''.

### SEC. 702. BAN ON USING FEDERAL TANF FUNDS TO REPLACE STATE AND LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.

(a) PROHIBITION.—Section 408(a) (42 U.S.C. 608(a)) is further amended by adding at the end the following:

''(14) BAN ON USING FEDERAL TANF FUNDS TO REPLACE STATE OR LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.—A State to which a grant is made under section 403 and a sub-State entity that receives funds from such a grant shall not expend any part of the grant funds to supplant State or local spending for benefits or services which are not qualified State expenditures (within the meaning of section 409(a)(7)(B)(i)).''.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is further amended by adding at the end the following:

''(17) PENALTY FOR USING FEDERAL TANF FUNDS TO REPLACE STATE OR LOCAL SPENDING THAT DOES NOT MEET THE DEFINITION OF QUALIFIED STATE EXPENDITURES.—

''(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has violated section 408(a)(14) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

''(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.''.

## TITLE VIII—IMPROVING INFORMATION ABOUT TANF RECIPIENTS AND PROGRAMS

### SEC. 801. EXTENSION OF FUNDING OF STUDIES AND DEMONSTRATIONS.

Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by striking ''2002'' and inserting ''2008''.

### SEC. 802. LONGITUDINAL STUDIES OF EMPLOYMENT AND EARNINGS OF TANF LEAVERS.

Section 413 (42 U.S.C. 613) is amended—

(1) in subsection (h)(1)—

(A) by striking ''and'' at the end of subparagraph (C);

(B) by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(E) the cost of conducting the studies described in subsection (k).''; and

(2) by adding at the end the following:

''(k) LONGITUDINAL STUDIES OF EMPLOYMENT AND EARNINGS OF TANF LEAVERS.—

''(1) IN GENERAL.—The Secretary, directly or through grants, contracts, or interagency agreements shall conduct a study in each eligible State of a statistically relevant cohort of individuals who leave the State program funded under this part during fiscal year 2004 and individuals who leave the program during fiscal year 2006, which uses State unemployment insurance data to track the employment and earnings status of the individuals during the 3-year period beginning at the time the individuals leave the program.

''(2) REPORTS.—The Secretary shall annually publish the findings of the studies conducted pursuant to paragraph (1) of this subsection, and shall annually publish the earnings data used in making determinations under section 407(b).''.

### SEC. 803. INCLUSION OF DISABILITY STATUS IN INFORMATION STATES REPORT ABOUT TANF FAMILIES.

Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended by adding at the end the following:

''(xviii) Whether the head of the family has a significant physical or mental impairment.

### SEC. 804. ANNUAL REPORT TO THE CONGRESS TO INCLUDE GREATER DETAIL ABOUT STATE PROGRAMS FUNDED UNDER TANF.

Section 411(b)(3) (42 U.S.C. 611(b)(3)), as amended by section 401(b)(1) of this Act, is amended to read as follows:

''(3) the characteristics of each State program funded under this part, including, with respect to each program funded with amounts provided under this part or with amounts the expenditure of which is counted as a qualified State expenditure for purposes of section 409(a)(7)—

''(A) the name of the program;

''(B) whether the program is authorized at a sub-State level (such as at the county level);

''(C) the purpose of the program;

''(D) the main activities of the program;

''(E) the total amount received by the program from amounts provided under this part;

''(F) the total of the amounts received by the program that are amounts the expenditure of which are counted as qualified State expenditures for purposes of section 409(a)(7);

''(G) the total funding level of the program;

''(H) the total number of individuals served by the program, and the number of such individuals served specifically with funds provided under this part or with amounts the expenditure of which are counted as qualified State expenditures for purposes of section 409(a)(7); and

''(I) the eligibility criteria for participation in the program;''.

**SEC. 805. ENHANCEMENT OF UNDERSTANDING OF THE REASONS INDIVIDUALS LEAVE STATE TANF PROGRAMS.**

(a) DEVELOPMENT OF COMPREHENSIVE LIST OF CASE CLOSURE REASONS.—The Secretary of Health and Human Services shall develop, in consultation with States and policy experts, a comprehensive list of reasons why individuals leave State programs funded under this part. The list shall be aimed at substantially reducing the number of case closures under the programs for which a reason is not known.

(b) INCLUSION IN QUARTERLY STATE REPORTS.—Section 411(a)(1)(A)(xvi) (42 U.S.C. 611(a)(1)(A)(xvi)) is amended—

(1) by striking ''or'' at the end of subclause (IV);

(2) by striking the period at the end and inserting ''; or''; or

(3) by adding at the end the following:

''(VI) a reason specified in the list developed under section 805(a) of the Next Step in Reforming Welfare Act.''.

**SEC. 806. STANDARDIZED STATE PLANS.**

Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services, after consulting with the States, shall establish a standardized format which States shall use to submit plans under section 402(a) of the Social Security Act for fiscal year 2005 and thereafter.

**SEC. 807. STUDY BY THE CENSUS BUREAU.**

(a) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

''(a) IN GENERAL.—The Bureau of the Census shall implement a new longitudinal survey of program dynamics, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples.''.

(b) APPROPRIATION.—Section 414(b) (42 U.S.C. 614(b)) is amended by striking ''1996,'' and all that follows through ''2002'' and inserting ''2004 through 2008''.

**SEC. 808. ACCESS TO WELFARE; WELFARE OUTCOMES.**

Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

''(c) ANNUAL REPORTS ON WELFARE ACCESS AND OUTCOMES.—

''(1) STATE REPORTS.—Not later than January 1 of each fiscal year, each eligible State shall collect and report to the Secretary, with respect to the preceding fiscal year, the following information:

''(A) The number of applications for assistance from the State program funded under this part, the percentage that are approved versus those that are disapproved, and the reasons for disapproval, broken down by race.

''(B) A copy of all rules and policies governing the State program funded under this part that are not required by Federal law, and a summary of the rules and policies, including the amounts and types of assistance provided and the types of sanctions imposed under the program.

''(C) The types of occupations of, types of job training received by, and types and levels of educational attainment of recipients of assistance from the State program funded under this part, broken down by gender and race.

''(2) USE OF SAMPLING.—A State may comply with this subsection by using a scientifically acceptable sampling method approved by the Secretary.

''(3) REPORT TO THE CONGRESS.—Not later than June 1 of each fiscal year, the Secretary shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, publish in the Federal Register, and make available to the public a compilation of the reports submitted pursuant to paragraph (1) for the preceding fiscal year.''.

**TITLE IX—EFFECTIVE DATE**

**SEC. 901. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in sections 208 and 502(f) and in subsection (b) of this section, the amendments made by this Act shall take effect on October 1, 2003, and shall apply to payments under parts A and D of title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(b) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan under section 402(a) or 454 of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such section 402(a) or 454 solely on the basis of the failure of the plan to meet such additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

The CHAIRMAN pro tempore. Pursuant to House Resolution 69, the gentleman from Maryland (Mr. CARDIN) and a Member opposed each will control 20 minutes.

Mr. HERGER. Mr. Chairman, I rise in opposition to the substitute and I yield 10 minutes to the gentlewoman from Washington (Ms. DUNN) for purposes of control.

The CHAIRMAN pro tempore. Without objection, the gentlewoman from Washington (Ms. DUNN) will control 10 minutes, the gentleman from California (Mr. HERGER) 10 minutes, and the gentleman from Maryland (Mr. CARDIN) 20 minutes.

There was no objection.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Chairman, I yield myself such time as I may consume.

I would like to thank the gentleman from Wisconsin (Mr. KIND) and the gentlewoman from California (Ms. WOOLSEY) for joining me in offering this substitute. I want to thank the gentleman from New York (Mr. RANGEL), the gentleman from Michigan (Mr. LEVIN), the gentleman from California (Mr. GEORGE MILLER), and many other members of the Democratic Caucus who helped us in bringing forward this substitute.

As I said during general debate, the underlying bill before us is the wrong bill at the wrong time in order to help people that are currently in the welfare system. It is time to take welfare to the next step. Yes, we have been successful in removing individuals from the cash assistance rolls, but we have not been as successful as getting American families and children out of poverty. It is time to take welfare reform to the next step and to help American families escape not only cash assistance in welfare but poverty. There are significant differences between the underlying bill and the substitute. The substitute maintains State flexibility. It allows the States to provide education and training for the people that are on welfare.

Mr. Chairman, we have made a commitment in this Congress to education, leave no child behind. We say it is important for everyone except for someone who is on welfare. That is wrong. Our bill maintains and expands the flexibility to the State in education and training. Under the majority bill, if a State has a person working 20 hours a week in a traditional job and receiving 20 hours of job training, that person does not qualify for TANF assistance. That is wrong. The States should have the flexibility to tailor the program. Our bill, our substitute, allows that to continue. If a State chooses to cover legal immigrants, the State should have that option. There should be State flexibility. The underlying bill does not permit it; the substitute permits it.

The underlying bill provides for an unfunded mandate on our States, according to the Congressional Budget Office, $11 billion of extra expenditure by our States, and we only provide $1 billion of extra assistance. Under the bill before us, we provide $11 billion of additional child support to our States so they have the dollars necessary in order to carry out this very important program.

Mr. Chairman, a lot has changed since last year. Our States are struggling with large deficits. We should act as a partner with our States. We should not dictate to our States how they must configure their work requirements. We should trust the States as we did in 1996, allow them to provide the programs necessary to get people off of welfare, to get people in employment.

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Our bill provides for a meaningful work requirement for real jobs so that American families can succeed in our economic system.

Mr. Chairman, I urge my colleagues, who have been bragging about the success of the 1996 law, to build upon it. Do not destroy it. Listen to what our governors are saying when they tell you, without this substitute, we are moving backwards with unfunded mandates on the States. We have a chance to correct it.

I urge Members to support the substitute.

Ms. DUNN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when you pass major reform of a part of government as huge, as magnificent as welfare, you need to make sure that nobody falls through the cracks. That is the reason we are looking at this bill once again, 6 years after our accomplishment of welfare reform. It gives us a chance to review all the areas of the legislation and to make mid-course corrections where we need to.

Mr. Chairman, I rise in opposition to the Cardin substitute and in strong support of H.R. 4, the Personal Responsibility, Work and Family Promotion Act. This is critical legislation which builds on the great successes of the 1996 law to move people out of poverty into self-sufficiency. I want to thank my colleagues who worked very hard to bring this very important legislation to the floor once again today.

In 1996, we made historic changes to the welfare program. We transformed the welfare system from a permanent entitlement program that tolerated an average of 13 years on government dependence to a temporary assistance program that provided people the incentives to start working again, provided them the opportunities to gain the necessary skills to retain a job and provided them the great feeling of worth that comes from becoming self-sufficient.

We have an opportunity today to build upon our successes while improving this program to further assist individuals and families move out of poverty.

A terribly important element of encouraging welfare recipients to work is providing access to child care services. As a single parent who raised two children, I understand that quality child care is not an option, but a necessity, especially for many working mothers. Nothing is more important than the well-being of our children.

Mr. Chairman, I am very happy that this legislation gives working women greater access to child care services. As more parents, especially single mothers, enter the workforce, we must ensure they can access child care services to fit their needs.

For these reasons, our bill provides an additional $2 billion for child care, despite the fact that the welfare rolls have declined by 60 percent and despite the fact that the welfare reform bill has more than tripled spending on child care over the last 6 years, because we need to help in the area of infant care, of evening and weekend care and care for disabled children.

Our bill also gives States much greater flexibility to transfer more TANF funds toward child care services. This means an additional $3 billion over our additional $2 billion will be available for child care. The additional funding, along with the new flexibility options, will help States to offer more child care services for parents and for single mothers on the path toward a better future.

Mr. HERGER. Mr. Chairman, I reserve the balance of my time.

Mr. CARDIN. Mr. Chairman, I yield 2½ minutes to my friend, the gentleman from Wisconsin (Mr. KLECZKA), a distinguished member of the Committee on Ways and Means.

Mr. KLECZKA. Mr. Chairman, our Nation's economy has hit an extraordinary low. Since January 2001, 1.7 million jobs have been lost and unemployment stands at the highest rate in 8 years. Estimates show that 8.6 million Americans are actively searching for work, but unable to find it.

In my State of Wisconsin, we are experiencing a 5.4 percent unemployment rate. Over 42,000 people from the area I represent are out of work. In times like this, our Nation's social safety net must be extended, not retracted. Welfare rolls may have dropped, but poverty and hardship have not.

The success in the welfare reform bill that my Republican colleagues point to is an illusion. Our economic landscape is much different than it was during the welfare debate of the late 1990s. Then jobs were plentiful; today, they are not.

Now welfare reform will be put to the test. Instead of providing poor individuals with appropriate skills, training and education, the Republican welfare reform bill goes in a complete opposite direction.

H.R. 4 significantly reduces the ability of States to get individuals into innovative training and education programs. Under the bill, welfare recipients must work 40 hours per week. The first 24 must involve so-called direct work activities. Vocational training would be removed from the list of core activities counting for the 24-hour requirement. This eliminates the capability for individuals to spend the necessary time developing skills through education. Instead, they are forced to find jobs, if they are available, such as in fast food restaurants, dry cleaners and custodial work. This type of work offers no chance for advancement, no benefits and no decent wage to support a family.

Evidence shows that an overwhelming obstacle to work for parents is lack of affordable child care. The Republican welfare bill grossly underestimates funds for needed child care services. If a parent must expand the work hours, as is mandated under this legislation, the least we can do is give them access to child care.

In comparison, the Democratic substitute addresses the reality welfare families face in time of a recession. Our bill would allow welfare recipients to get vocational and education training as part of their work requirement. This includes obtaining a GED or taking English as a second language in classes. The Democratic substitute also commits an additional $11 billion for child care over the next 5 years. Providing child care is the only way that parents will be able to get work.

Mr. Chairman, what we need today is a meaningful reform bill that will create the incentive to work and not the approach advocated by my Republican colleagues.

I urge Members to support the Cardin substitute.

Ms. DUNN. Mr. Chairman, I yield 1 minute to the gentlewoman from Pennsylvania (Ms. HART), who, even though a junior Member, has been very active in our work to provide additional child care money.

Ms. HART. Mr. Chairman, I thank the gentlewoman for yielding me time.

Mr. Chairman, I rise in support of H.R. 4, and bring to everyone's attention the importance of what we are doing: We are reauthorizing something that has worked, a government program that works.

Welfare reform has raised over 3 million children out of poverty. Those that claim that is not true cannot support their claim with evidence. We know what has happened in the years that welfare reform has existed. We know that many people are now working, mothers, fathers, supporting their children and moving up out of poverty.

We have listened to the States, we have listened to those who have received welfare benefits in the past, those who are moving off the rolls; and they tell us some things need to change. Those things are adjusted in H.R. 4. One of the most important is that there is more opportunity for men and women who are single parents to get child care for their children while they work, while they go to school, while they reach higher and attain the points they want to: the American dream, a better job, a home, a better example for their children.

Mr. Chairman, I support H.R. 4 because it supports the American dream.

Mr. CARDIN. Mr. Chairman, it is my privilege to yield 3½ to the gentleman from Wisconsin (Mr. KIND), one of the coauthors of the substitute.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, first of all, I want to commend my colleagues, the gentleman from Maryland (Mr. CARDIN) as well as the gentlewoman from California (Ms. WOOLSEY), for working to put together what I think is an admirable and quality substitute measure.

For whatever reason, the majority party here today has a bill before us deciding to bypass the democratic process here in the House, bypassing the committee work, not giving an opportunity to 54 new Members of the House of Representatives to deal with

one of the most important pieces of legislation in the 108th Congress. This bad process has resulted in bad policy.

Let me put this in context: The legislation before us today is the single most important piece of legislation dealing with antipoverty programs that this session of Congress will address and that Congress has the opportunity to address for many years to come. But instead of working together to produce a meaningful bill that can empower people with real work opportunities and with empowering tools such as education and job training, they produced a bill which, I am afraid, is doomed to failure.

The key to implementation of this bill is getting the States to do it well. We did a survey of the States, and they came back and said they need basically two ingredients: Give us the flexibility, give us the tools, and we will finish the job. But instead of receiving the flexibility, they get a straitjacket. Instead of receiving the tools, they get a $12 billion unfunded mandate in H.R. 4, making it impossible for them to deal with changed economic circumstances, as well as the flexibility to empower people to become true, meaningful participants in our society.

Instead of rewarding States to get meaningful employment for recipients on TANF, they are still going to receive credit for merely reducing their caseload. That has worked over the last few years, but many of those no longer on the caseload, we have lost. We have no idea where they went or how well they're doing.

If anyone thinks this has a chance of succeeding by underfunding the required child care program, they do not understand that the parent or parents are not going to enter the workforce unless they know their children are taken care of.

This is an experiment being offered today, Mr. Chairman, but I am afraid it is doomed to failure. I do not know how a Member of the Wisconsin delegation, which was a pioneer in welfare reform, can support this bill that limits the flexibility of our State and State agencies, and then also provides a $89 million unfunded mandate to our State when we have serious budget difficulties already.

Furthermore, the Republican bill strips vocational education as wanting—the work requirements; our substitute allows it because it is the backbone to economic development programs throughout Wisconsin and the rest of the Nation. We can't have meaningful welfare reform without vocational education playing an important role.

We have an opportunity to still get this right, to deal with the flexibility issue, to deal with the funding issue, to allow recipients in TANF to get the type of skills and work qualifications that they need to gain meaningful employment and to stay off the welfare rolls forever. But, instead, we are falling back on an outdated program that may have worked during the boom of the 1990s in reducing caseloads, but I am afraid it is doomed to failure with the bad economic performance today.

Ms. DUNN. Mr. Chairman, I yield 1 minute to the gentlewoman from West Virginia (Mrs. CAPITO), who has been very effective in securing $2 billion additional for child care.

Mrs. CAPITO. Mr. Chairman, I stand before you today to offer and lend my support to H.R. 4, and most specifically because of the essential $2 billion in additional funds for child care.

As a representative of an economically distressed State, thousands of women and men in my district are reliant upon government-assisted child care so they can be on their road to self-sufficiency. Over 25 percent of the children in the State of West Virginia are reliant on government-supported child care. This increase in funding will ensure that these families will benefit, grow and prosper and go on to new and better lives.

People are in genuine need of quality, safe and affordable child care for their children. H.R. 4 will not only continue to guarantee this, but will also, with the increased $2 billion in child care, open the program up to more and larger families.

Mr. Chairman, I urge all of my colleagues to stand up and support the increased funding for child care. It is desperately needed by parents and children alike.

Mr. CARDIN. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY), who has been one of the key architects of the Democratic substitute.

I really congratulate her for her work on this.

Ms. WOOLSEY. Mr. Chairman, I thank the gentleman for yielding me time and for his good work.

The Cardin-Woolsey-Kind substitute makes poverty reduction a core purpose of welfare reform. It offers bonuses to States that reduce child poverty.

The Democratic substitute gives low-income parents access to real education, such as an AA degree, vocational training, literacy classes, English as a second language or GED studies. Our substitute gives families the support and services they need while they are working and learning, like an additional $11 billion in mandatory funding for child care over 5 years.

□ 1500

We know that States are struggling right now to meet the demand for child care. Twenty States currently have waiting lists for child care; and in my State of California, only 19 percent of the children and families on welfare received any type of child care assistance. This is before the Republican challenge to send welfare moms to work for 40 hours a week. There is no way that their small increase in H.R. 4 for child care funding will be able to meet this expanded need.

Nobody knows more than I do how important child care is when you are struggling and working. I was a mother on welfare 35 years ago. I had college education, I had great job skills, I was in the workforce, and I needed AFDC in order to get the health care, the child care, and the food stamps that I needed. But it was not until my mother moved from Seattle, Washington, to California that I was able to grow in my job and, within 6 months, I was promoted to management because I could think about my job while I was at work and I did not have to worry about my children.

So my story is a good story, and let that be something my colleagues hold in their minds. My colleagues have never been there. I have.

Welfare moms can only succeed if they get the education and the skills they need for a job that will support their family through good economies and bad economies. The Woolsey-Kind-Cardin substitute will break the cycle of poverty, and it will strengthen families. It is welfare reform that meets the needs of this current economy, an economy where jobs are scarce, where child care is scarce, and where an education counts greater than ever before. Vote for our substitute and against H.R. 4.

Ms. DUNN. Mr. Chairman, what the gentlewoman from California may not know is that if she opposes H.R. 4, she will be voting against $477 million additional dollars for child care in the State of California.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New Mexico (Mrs. WILSON), very much an advocate of child care from her background and experience.

Mrs. WILSON of New Mexico. Mr. Chairman, I thank the gentlewoman from Washington for yielding me this time. To my colleague from California I would say that what we have in common on both sides of the aisle today is that we are all moms. We all worry about child care for our kids, whether it is the gentlewoman from Washington (Ms. DUNN), who raised her two boys on her own, or the gentlewoman from West Virginia (Mrs. CAPITO) and her daughter and son, or my two little bugs at home. We all care about the quality of child care where our kids are concerned.

I used to operate the child care system in New Mexico as the cabinet Secretary for Children, and one of the things that was clear to me under welfare reform is that we needed adequate support for child care, for women to be able to go back to work. That means increasing the payment rates for child care. It means having child care available at odd hours and on weekends so people can do shift work. We needed to increase funds. And we have, by $2 billion, in this bill, while the number of families depending on welfare and on child care is going down. That is a good thing.

Poverty has gone down in America because moms have been able to get

jobs and go back to work. Now we have to focus on improving the quality of that child care, because what we are talking about is early education for the youngest American citizens, and a lot of it takes place outside of Head Start, which is the Cadillac of early childhood education in this country.

So I support this bill and I oppose the substitute, and I want to commend the gentlewoman from Washington (Ms. DUNN), the gentlewoman from West Virginia (Mrs. CAPITO), the gentlewoman from Connecticut (Mrs. JOHNSON), and the gentlewoman from Pennsylvania (Ms. HART) for their work over the last 2 years to focus on this problem of child care and really get something done about it.

Mr. CARDIN. Mr. Chairman, it is my pleasure to yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), one of the architects of the provisions in this bill, particularly as it relates to real work requirements.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Chairman, the American dream is not to live in poverty; the American dream is working, and working out of poverty. There is a basic fact: huge numbers of women who have moved from welfare to work remain in poverty. And this bill restricts the flexibility of the States to tailor plans to help people move up the ladder, whether by education or by other means.

The pivot of the rationale of the Republicans, that 58 percent of welfare recipients are not working, those figures are indeed more than questionable. The National Governors Association disagrees with it. And I urge everybody to go back to their States and look at the figures, the data behind those who are on welfare, how many have kids with disabilities, how many have other problems, so we see what the reality is.

Quickly, child care. I do not know how you on the majority side stand up and say you are for adequate child care when it is only $2 billion; CBO says it is billions inadequate. If we take into account inflation, it is $5 billion to $6 billion inadequate. How do you say that? Mr. Chairman, $1 billion is so inadequate that only it is mandatory and $1 billion is discretionary, if appropriated. It is a smoke screen.

And then this figure of $16,000 TANF per family. That is not only fuzzy math, that is phony math, because it includes all the child care for all working families, allocated or ascribed to people who are on TANF. And also another thing it does, it takes all of the programs of TANF that are not cash assistance and forgets about that as part of the TANF program.

The Cardin, et al bill is a bill to help people move to work out of poverty. That is where America wants to go and where this House should be going. Support the Cardin bill.

Ms. DUNN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida (Ms. BROWN-WAITE), A NEW MEMBER OF THE UNITED STATES CONGRESS, TO TALK ABOUT THE CHILD CARE PROVISIONS IN H.R. 4.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I rise in support of H.R. 4 and against the substitute.

When I was a Florida senator, we passed welfare reform before the Federal Government did. We certainly adopted the Federal Government's further welfare reform; and what we found was families became families, not welfare families; that women finally had some self-confidence, and self-confidence enough not only to get a job, but to take advantage of their employers' education programs, and they took advantage of their employers' education programs. I happen to know firsthand because I teach college, and many of the young women that I had in college, young and middle-aged women that I had in college had been previous welfare recipients. They were grateful. They were very grateful that we had a situation in America where they could break that cycle. Because guess what? Their mother and their grandmother also in many instances were on welfare.

The bill that we have before us allocates more funding for child care and health care for welfare families ensuring that welfare families are cared for, and that those on welfare have access to health care while trying to secure work. We all know that for many years people stayed on welfare, particularly single women, stayed on welfare because of the health care benefits. We are extending them.

I think it is very important to remember that the House and Senate committees with jurisdiction on this issue held more than 20 hearings reviewing this legislation during the 107th Congress and heard testimony from more than 60 witnesses. It has been adequately reviewed, and it enjoys the support of so many Members of this body but, more importantly, people back home, including those people who had previously been welfare recipients.

I would ask my colleagues to join me in support of H.R. 4 to bring the real kind of assistance to people on welfare that they actually need. The substitute would only set welfare reform back.

Mr. CARDIN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I am somewhat confused. I have listened to the debate from the other side and I think they are supporting my substitute, but then at the end they say they are not. They all say they are for child care support, and yet we know in California alone this bill will cost $2.8 billion, more than all of the money that has been provided in this bill, which is only $1 billion of mandatory funding. So if you are for child care support for the welfare recipients, I assume my colleagues will be supporting the substitute. It is the only opportunity we are going to have to provide the additional monies.

Ms. DUNN. Mr. Chairman, I yield myself such time as I may consume.

I want to reiterate some things that we have heard talked about when we refer to child care. This year, an additional $2 billion will be provided for child care over and above what has been spent in the last 6 years in the welfare reform bill. The fact is that the dollars spent for child care over that period of time have tripled.

In addition, we want to help the States with their flexibility. If they wish, they can shift up to 50 percent of their TANF funds, $5.5 billion of which remain in State coffers right now, to child care. Why do we do this, Mr. Chairman? We do it because we think that the 1996 welfare reform bill has been tremendously successful. Caseloads are down by 60 percent. Nearly 3 million children have been lifted out of poverty. More people are now on the path to independence. Employment of single mothers has risen by 70 percent, but we know much more needs to be done to bridge the gap between a paycheck and a government handout. We think that if we increase the funding for child care, this will help. It will help a lot.

So I maintain, Mr. Chairman, that we must defeat this other bill, and we need to support H.R. 4. It is our proposal. It has worked in the past. It will increase effectiveness in the future.

Mr. CARDIN. Mr. Chairman, I reserve the balance of my time.

Mr. HERGER. Mr. Chairman, I yield 1 minute to the gentleman from Nevada (Mr. PORTER) for the sake of a colloquy.

Mr. PORTER. Mr. Chairman, I rise to ask my distinguished colleague from California to engage in a colloquy.

Mr. Chairman, I want to thank the chairman for bringing this important bill to the floor. I represent a State that has grown more than 75 percent since the 1990 census. As with many States, after the 9–11 catastrophe, Nevada saw an increase in the need for temporary assistance for needy families. Without the existing supplemental TANF program, Nevada and other growing States would not be able to meet their commitments.

I want to thank the gentleman for reauthorizing the supplemental grants and the contingency funds, and I would ask the chairman for his favorable consideration in the future for measures to prevent State population growth from outstripping available resources for needy families.

Mr. HERGER. Mr. Chairman, if the gentleman will yield, I appreciate the gentleman's comments. I agree it is important to continue to provide States with the resources and flexibility necessary for them to address the needs of the residents. The 1996 welfare reform law included specific provisions designed to address the concerns for growing States such as Nevada. Those provisions are retained and extended in this bill. As we move forward, we will continue to take every

step to see that this legislation includes adequate resources for the States to serve low-income families and children, including in States with growing populations.

Mr. CARDIN. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I rise in support of our Democratic alternative. Unfortunately, the bill that has been offered by the other side of the aisle is a bill that is not really designed to get rid of poverty, and that is what we are trying to do. Our bill would move welfare recipients into real jobs and out of poverty; but more than that, we would allow for State flexibility to tailor services to help welfare recipients move into employment.

I am very concerned about having State flexibility because we are in a time of high unemployment and it does not seem to be getting any better. Those people who have been on for 5 years and they have to come off, we are dumping them out into an economy where we do not have jobs for them; but if the States have the flexibility to tailor the programs based on meeting the needs of the recipients, then I think it is fair. It is fair that not only do we have that flexibility, but we continue to have child care, child care support, and we continue to have fairness for our immigrant families.

***NOTICE***

***Incomplete record of House proceedings.***

***Today's House proceedings will be continued in the next issue of the Record.***