

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. HERGER**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Personal Responsi-  
3 bility, Work, and Family Promotion Act of 2002”.

**4 SEC. 2. TABLE OF CONTENTS.**

5 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. Study by the Census Bureau.
- Sec. 117. Repeal of waiver continuation authority.
- Sec. 118. Definition of assistance.
- Sec. 119. Technical corrections.
- Sec. 120. Fatherhood program.

TITLE II—CHILD CARE

- Sec. 201. Entitlement funding.

TITLE III—CHILD SUPPORT



## 2

- 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—BROADENED WAIVER AUTHORITY

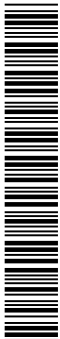
- Sec. 601. State program demonstration projects.

## TITLE VII—EFFECTIVE DATE

- Sec. 701. Effective date.

1 **SEC. 3. REFERENCES.**

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



1 made to a section or other provision of the Social Security  
2 Act.

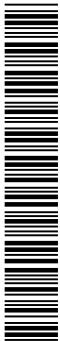
3 **SEC. 4. FINDINGS.**

4 The Congress makes the following findings:

5 (1) The Temporary Assistance for Needy Fami-  
6 lies (TANF) Program established by the Personal  
7 Responsibility and Work Opportunity Reconciliation  
8 Act of 1996 (Public Law 104–193) has succeeded in  
9 moving families from welfare to work and reducing  
10 child poverty.

11 (A) There has been a dramatic increase in  
12 the employment of current and former welfare  
13 recipients. The percentage of working recipients  
14 reached an all-time high in fiscal years 1999  
15 and 2000. In fiscal year 1999, 33 percent of  
16 adult recipients were working, compared to less  
17 than 7 percent in fiscal year 1992, and 11 per-  
18 cent in fiscal year 1996. All States met the  
19 overall participation rate standard in fiscal year  
20 2000, as did the District of Columbia and  
21 Puerto Rico.

22 (B) Earnings for welfare recipients re-  
23 maining on the rolls have also increased signifi-  
24 cantly, as have earnings for female-headed  
25 households. The increases have been particu-



1           larly large for the bottom 2 income quintiles,  
2           that is, those women who are most likely to be  
3           former or present welfare recipients.

4           (C) Welfare dependency has plummeted.  
5           As of September 2001, 2,103,000 families and  
6           5,333,000 individuals were receiving assistance.  
7           Accordingly, the number of families in the wel-  
8           fare caseload and the number of individuals re-  
9           ceiving cash assistance declined 52 percent and  
10          56 percent, respectively, since the enactment of  
11          TANF. These declines have persisted even as  
12          unemployment rates have increased: unemploy-  
13          ment rates nationwide rose 25 percent, from  
14          3.9 percent in September 2000 to 4.9 percent  
15          in September 2001, while welfare caseloads con-  
16          tinued to drop by 7 percent.

17          (D) The child poverty rate continued to de-  
18          cline between 1996 and 2000, falling 21 percent  
19          from 20.5 to 16.2 percent. The 2000 child pov-  
20          erty rate is the lowest since 1979. Child poverty  
21          rates for African-American and Hispanic chil-  
22          dren have also fallen dramatically during the  
23          past 6 years. African-American child poverty is  
24          at the lowest rate on record and Hispanic child



1 poverty has had the largest 4-year decrease on  
2 record.

3 (E) Despite these gains, States have had  
4 mixed success in fully engaging welfare recipi-  
5 ents in work activities. While all States have  
6 met the overall work participation rates re-  
7 quired by law, in 2000, in an average month,  
8 only about  $\frac{1}{3}$  of all families with an adult par-  
9 ticipated in work activities that were countable  
10 toward the State's participation rate. Eight ju-  
11 risdictions failed to meet the more rigorous 2-  
12 parent work requirements, and about 20 States  
13 are not subject to the 2-parent requirements,  
14 most because they moved their 2-parent cases  
15 to separate State programs where they are not  
16 subject to a penalty for failing the 2-parent  
17 rates.

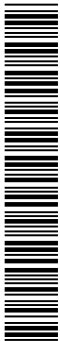
18 (2) As a Nation, we have made substantial  
19 progress in reducing teen pregnancies and births,  
20 slowing increases in nonmarital childbearing, and  
21 improving child support collections and paternity es-  
22 tablishment.

23 (A) The teen birth rate has fallen continu-  
24 ously since 1991, down a dramatic 22 percent  
25 by 2000. During the period of 1991–2000,



1           teenage birth rates fell in all States and the  
2           District of Columbia, Puerto Rico, and the Vir-  
3           gin Islands. Declines also have spanned age, ra-  
4           cial, and ethnic groups. There has been success  
5           in lowering the birth rate for both younger and  
6           older teens. The birth rate for those 15–17  
7           years of age is down 29 percent since 1991, and  
8           the rate for those 18 and 19 is down 16 per-  
9           cent. Between 1991 and 2000, teen birth rates  
10          declined for all women ages 15–19—white, Afri-  
11          can American, American Indian, Asian or Pa-  
12          cific Islander, and Hispanic women ages 15–19.  
13          The rate for African American teens—until re-  
14          cently the highest—experienced the largest de-  
15          cline, down 31 percent from 1991 to 2000, to  
16          reach the lowest rate ever reported for this  
17          group. Most births to teens are nonmarital; in  
18          2000, about 73 percent of the births to teens  
19          aged 15–19 occurred outside of marriage.

20                (B) Nonmarital childbearing continued to  
21           increase slightly in 2000, however not at the  
22           sharp rates of increase seen in recent decades.  
23           The birth rate among unmarried women in  
24           2000 was 3.5 percent lower than its peak  
25           reached in 1994, while the proportion of births

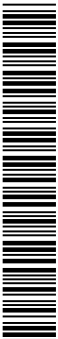


1 occurring outside of marriage has remained at  
2 approximately 33 percent since 1998.

3 (C) The negative consequences of out-of-  
4 wedlock birth on the mother, the child, the fam-  
5 ily, and society are well documented. These in-  
6 clude increased likelihood of welfare depend-  
7 ency, increased risks of low birth weight, poor  
8 cognitive development, child abuse and neglect,  
9 and teen parenthood, and decreased likelihood  
10 of having an intact marriage during adulthood.

11 (D) An estimated 23,900,000 children do  
12 not live with their biological father. 16,000,000  
13 children live with their mother only. These facts  
14 are attributable largely to declining marriage  
15 rates, increasing divorce rates, and increasing  
16 rates of nonmarital births during the latter part  
17 of the 20th century.

18 (E) There has been a dramatic rise in co-  
19 habitation as marriages have declined. Only 40  
20 percent of children of cohabiting couples will  
21 see their parents marry. Those who do marry  
22 experience a 50 percent higher divorce rate.  
23 Children in single-parent households and cohab-  
24 iting households are at much higher risk of



1 child abuse than children in intact married and  
2 stepparent families.

3 (F) Children who live apart from their bio-  
4 logical fathers, on average, are more likely to be  
5 poor, experience educational, health, emotional,  
6 and psychological problems, be victims of child  
7 abuse, engage in criminal behavior, and become  
8 involved with the juvenile justice system than  
9 their peers who live with their married, biologi-  
10 cal mother and father. A child living in a single-  
11 parent family is nearly 5 times as likely to be  
12 poor as a child living in a married-couple fam-  
13 ily. In married-couple families, the child poverty  
14 rate is 8.1 percent, in households headed by a  
15 single mother, the poverty rate is 39.7 percent.

16 (G) Since the enactment of the Personal  
17 Responsibility and Work Opportunity Reconcili-  
18 ation Act of 1996, child support collections  
19 within the child support enforcement system  
20 have grown every year, increasing from  
21 \$12,000,000,000 in fiscal year 1996 to nearly  
22 \$19,000,000,000 in fiscal year 2001. The num-  
23 ber of paternities established or acknowledged  
24 in fiscal year 2002 reached an historic high of  
25 over 1,500,000—which includes a nearly 100



1           percent increase through in-hospital acknowl-  
2           edgement programs to 688,510 in 2000 from  
3           349,356 in 1996. Child support collections were  
4           made in over 7,000,000 cases in fiscal year  
5           2000, significantly more than the almost  
6           4,000,000 cases having a collection in 1996.

7           (3) The Personal Responsibility and Work Op-  
8           portunity Reconciliation Act of 1996 gave States  
9           great flexibility in the use of Federal funds to de-  
10          velop innovative programs to help families leave wel-  
11          fare and begin employment and to encourage the  
12          formation of 2-parent families.

13                 (A) Total Federal and State TANF ex-  
14          penditures in fiscal year 2000 were  
15          \$24,000,000,000, up from \$22,600,000,000 for  
16          the previous year. This increased spending is  
17          attributable to significant new investments in  
18          supportive services in the TANF program, such  
19          as child care and activities to support work.

20                 (B) Since the welfare reform effort began  
21          there has been a dramatic increase in work par-  
22          ticipation (including employment, community  
23          service, and work experience) among welfare re-  
24          cipients, as well as an unprecedented reduction



1 in the caseload because recipients have left wel-  
2 fare for work.

3 (C) States are making policy choices and  
4 investment decisions best suited to the needs of  
5 their citizens.

6 (i) To expand aid to working families,  
7 all States disregard a portion of a family's  
8 earned income when determining benefit  
9 levels.

10 (ii) Most States increased the limits  
11 on countable assets above the former Aid  
12 to Families with Dependent Children  
13 (AFDC) program. Every State has in-  
14 creased the vehicle asset level above the  
15 prior AFDC limit for a family's primary  
16 automobile.

17 (iii) States are experimenting with  
18 programs to promote marriage and father  
19 involvement. Over half the States have  
20 eliminated restrictions on 2-parent fami-  
21 lies. Many States use TANF, child sup-  
22 port, or State funds to support community-  
23 based activities to help fathers become  
24 more involved in their children's lives or



1 strengthen relationships between mothers  
2 and fathers.

3 (4) Therefore, it is the sense of the Congress  
4 that increasing success in moving families from wel-  
5 fare to work, as well as in promoting healthy mar-  
6 riage and other means of improving child well-being,  
7 are very important Government interests and the  
8 policy contained in part A of title IV of the Social  
9 Security Act (as amended by this Act) is intended  
10 to serve these ends.

11 **TITLE I—TANF**

12 **SEC. 101. PURPOSES.**

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

14 (1) in the matter preceding paragraph (1), by  
15 striking “increase” and inserting “improve child  
16 well-being by increasing”;

17 (2) in paragraph (1), by inserting “and serv-  
18 ices” after “assistance”; and

19 (3) in paragraph (4), by striking “two-parent  
20 families” and inserting “healthy, 2-parent married  
21 families, and encourage responsible fatherhood.”.

22 **SEC. 102. FAMILY ASSISTANCE GRANTS.**

23 (a) EXTENSION OF AUTHORITY.—Section  
24 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—



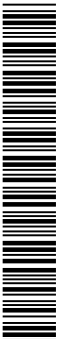
1 (1) by striking “1996, 1997, 1998, 1999, 2000,  
2 2001, and 2002” and inserting “2003 through  
3 2007”; and

4 (2) by inserting “payable to the State for the  
5 fiscal year” before the period.

6 (b) STATE FAMILY ASSISTANCE GRANT.—Section  
7 403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking  
8 subparagraphs (B) through (E) and inserting the fol-  
9 lowing:

10 “(B) STATE FAMILY ASSISTANCE  
11 GRANT.—The State family assistance grant  
12 payable to a State for a fiscal year shall be the  
13 amount that bears the same ratio to the  
14 amount specified in subparagraph (C) of this  
15 paragraph as the amount required to be paid to  
16 the State under this paragraph for fiscal year  
17 2002 (determined without regard to any reduc-  
18 tion pursuant to section 412(a)(1)) bears to the  
19 total amount required to be paid under this  
20 paragraph for fiscal year 2002.

21 “(C) APPROPRIATION.—Out of any money  
22 in the Treasury of the United States not other-  
23 wise appropriated, there are appropriated for  
24 each of fiscal years 2003 through 2007



1           \$16,566,542,000 for grants under this para-  
2           graph.”.

3           (c) MATCHING GRANTS FOR THE TERRITORIES.—  
4   Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by  
5   striking “1997 through “2002” and inserting “2003  
6   through 2007”.

7   **SEC. 103. PROMOTION OF FAMILY FORMATION AND**  
8           **HEALTHY MARRIAGE.**

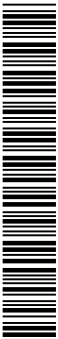
9           (a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.  
10   602(a)(1)(A)) is amended by adding at the end the fol-  
11   lowing:

12                           “(vii) Encourage equitable treatment  
13                           of married, 2-parent families under the  
14                           program referred to in clause (i).”.

15           (b) HEALTHY MARRIAGE PROMOTION GRANTS; RE-  
16   PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY  
17   RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is  
18   amended to read as follows:

19                           “(2) HEALTHY MARRIAGE PROMOTION  
20                           GRANTS.—

21                           “(A) AUTHORITY.—The Secretary shall  
22                           award competitive grants to States, territories,  
23                           and tribal organizations for not more than 50  
24                           percent of the cost of developing and imple-



1           menting innovative programs to promote and  
2           support healthy, married, 2-parent families.

3           “(B) HEALTHY MARRIAGE PROMOTION AC-  
4           TIVITIES.—Funds provided under subparagraph  
5           (A) shall be used to support any of the fol-  
6           lowing programs or activities:

7                   “(i) Public advertising campaigns on  
8                   the value of marriage and the skills needed  
9                   to increase marital stability and health.

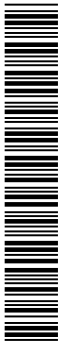
10                   “(ii) Education in high schools on the  
11                   value of marriage, relationship skills, and  
12                   budgeting.

13                   “(iii) Marriage education and mar-  
14                   riage skills programs for non-married preg-  
15                   nant women and non-married expectant fa-  
16                   thers.

17                   “(iv) Pre-marital education and mar-  
18                   riage skills training for engaged couples  
19                   and for couples interested in marriage.

20                   “(v) Marriage enhancement and mar-  
21                   riage skills training programs for married  
22                   couples.

23                   “(vi) Divorce reduction programs that  
24                   teach relationship skills.



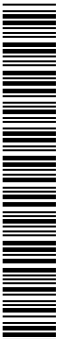
1 “(vii) Marriage mentoring programs  
2 which use married couples as role models  
3 and mentors in at-risk communities.

4 “(viii) Programs to reduce the dis-  
5 incentives to marriage in means-tested aid  
6 programs, if offered in conjunction with  
7 any activity described in this subpara-  
8 graph.

9 “(C) APPROPRIATION.—Out of any money  
10 in the Treasury of the United States not other-  
11 wise appropriated, there are appropriated for  
12 each of fiscal years 2003 through 2007  
13 \$100,000,000 for grants under this para-  
14 graph.”.

15 (c) COUNTING OF SPENDING ON NON-ELIGIBLE  
16 FAMILIES TO PREVENT AND REDUCE INCIDENCE OF  
17 OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION  
18 AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED  
19 FAMILIES, OR ENCOURAGE RESPONSIBLE FATHER-  
20 HOOD.—Section 409(a)(7)(B)(i) (42 U.S.C.  
21 609(a)(7)(B)(i)) is amended by adding at the end the fol-  
22 lowing:

23 “(V) COUNTING OF SPENDING  
24 ON NON-ELIGIBLE FAMILIES TO PRE-  
25 VENT AND REDUCE INCIDENCE OF



1 OUT-OF-WEDLOCK BIRTHS, ENCOUR-  
2 AGE FORMATION AND MAINTENANCE  
3 OF HEALTHY, 2-PARENT MARRIED  
4 FAMILIES, OR ENCOURAGE RESPON-  
5 SIBLE FATHERHOOD.—The term  
6 ‘qualified State expenditures’ includes  
7 the total expenditures by the State  
8 during the fiscal year under all State  
9 programs for a purpose described in  
10 paragraph (3) or (4) of section  
11 401(a).”.

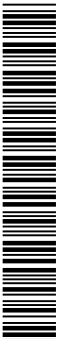
12 **SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-**  
13 **CREASES IN CERTAIN STATES.**

14 Section 403(a)(3)(H) (42 U.S.C. 603(a)(3)(H)) is  
15 amended—

16 (1) in clause (i), by striking “fiscal year 2002”  
17 and inserting “each of fiscal years 2002 through  
18 2006”;

19 (2) in clause (ii), by striking “2002” and in-  
20 serting “2006”; and

21 (3) in clause (iii), by striking “fiscal year  
22 2002” and inserting “each of fiscal years 2002  
23 through 2006”.



1 **SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-**  
2 **MENT.**

3 (a) REALLOCATION OF FUNDING.—Section 403(a)(4)  
4 (42 U.S.C. 603(a)(4)) is amended—

5 (1) in the paragraph heading, by striking  
6 “HIGH PERFORMANCE STATES” and inserting “EM-  
7 PLOYMENT ACHIEVEMENT”;

8 (2) in subparagraph (D)(ii)—

9 (A) in subclause (I), by striking “equals  
10 \$200,000,000” and inserting “(other than  
11 2003) equals \$200,000,000, and for bonus year  
12 2003 equals \$100,000,000”; and

13 (B) in subclause (II), by striking  
14 “\$1,000,000,000” and inserting  
15 “\$900,000,000”; and

16 (3) in subparagraph (F), by striking  
17 “\$1,000,000,000” and inserting “\$900,000,000”.

18 (b) BONUS TO REWARD EMPLOYMENT ACHIEVE-  
19 MENT.—

20 (1) IN GENERAL.—Section 403(a)(4) (42  
21 U.S.C. 603(a)(4)) is amended by striking subpara-  
22 graphs (A) through (F) and inserting the following:

23 “(A) IN GENERAL.—The Secretary shall  
24 make a grant pursuant to this paragraph to  
25 each State for each bonus year for which the  
26 State is an employment achievement State.



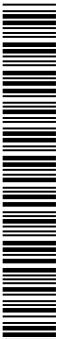
1 “(B) AMOUNT OF GRANT.—

2 “(i) IN GENERAL.—Subject to clause  
3 (ii) of this subparagraph, the Secretary  
4 shall determine the amount of the grant  
5 payable under this paragraph to an em-  
6 ployment achievement State for a bonus  
7 year, which shall be based on the perform-  
8 ance of the State as determined under sub-  
9 paragraph (D)(i) for the fiscal year that  
10 immediately precedes the bonus year.

11 “(ii) LIMITATION.—The amount pay-  
12 able to a State under this paragraph for a  
13 bonus year shall not exceed 5 percent of  
14 the State family assistance grant.

15 “(C) FORMULA FOR MEASURING STATE  
16 PERFORMANCE.—

17 “(i) IN GENERAL.—Subject to clause  
18 (ii), not later than October 1, 2003, the  
19 Secretary, in consultation with the Na-  
20 tional Governors Association, the American  
21 Public Human Services Association, and  
22 the National Conference of State Legisla-  
23 tures, shall develop a formula for meas-  
24 uring State performance in operating the  
25 State program funded under this part so



1 as to achieve the goals of employment  
2 entry, job retention, and increased earn-  
3 ings from employment for families receiv-  
4 ing assistance under the program, as  
5 measured on an absolute basis and on the  
6 basis of improvement in State perform-  
7 ance.

8 “(ii) SPECIAL RULE FOR BONUS YEAR  
9 2004.—For the purposes of awarding a  
10 bonus under this paragraph for bonus year  
11 2004, the Secretary may measure the per-  
12 formance of a State in fiscal year 2003  
13 using the job entry rate, job retention rate,  
14 and earnings gain rate components of the  
15 formula developed under section  
16 403(a)(4)(C) as in effect immediately be-  
17 fore the effective date of this paragraph.

18 “(D) DETERMINATION OF STATE PER-  
19 FORMANCE.—For each bonus year, the Sec-  
20 retary shall—

21 “(i) use the formula developed under  
22 subparagraph (C) to determine the per-  
23 formance of each eligible State for the fis-  
24 cal year that precedes the bonus year; and



1 “(ii) prescribe performance standards  
2 in such a manner so as to ensure that—

3 “(I) the average annual total  
4 amount of grants to be made under  
5 this paragraph for each bonus year  
6 equals \$100,000,000; and

7 “(II) the total amount of grants  
8 to be made under this paragraph for  
9 all bonus years equals \$500,000,000.

10 “(E) DEFINITIONS.—In this paragraph:

11 “(i) BONUS YEAR.—The term ‘bonus  
12 year’ means each of fiscal years 2004  
13 through 2008.

14 “(ii) EMPLOYMENT ACHIEVEMENT  
15 STATE.—The term ‘employment achieve-  
16 ment State’ means, with respect to a bonus  
17 year, an eligible State whose performance  
18 determined pursuant to subparagraph  
19 (D)(i) for the fiscal year preceding the  
20 bonus year equals or exceeds the perform-  
21 ance standards prescribed under subpara-  
22 graph (D)(ii) for such preceding fiscal  
23 year.

24 “(F) APPROPRIATION.—Out of any money  
25 in the Treasury of the United States not other-



1 wise appropriated, there are appropriated for  
2 fiscal years 2004 through 2008 \$500,000,000  
3 for grants under this paragraph.”.

4 (2) EFFECTIVE DATE.—The amendment made  
5 by paragraph (1) shall take effect on October 1,  
6 2003.

7 **SEC. 106. CONTINGENCY FUND.**

8 (a) DEPOSITS INTO FUND.—Section 403(b)(2) (42  
9 U.S.C. 603(b)(2)) is amended—

10 (1) by striking “1997, 1998, 1999, 2000, 2001,  
11 and 2002” and inserting “2003 through 2007”; and

12 (2) by striking all that follows  
13 “\$2,000,000,000” and inserting a period.

14 (b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C.  
15 603(b)(3)(C)(ii)) is amended by striking “fiscal years  
16 1997 through 2002” and inserting “fiscal years 2003  
17 through 2007”.

18 (c) DEFINITION OF NEEDY STATE.—Clauses (i) and  
19 (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are  
20 amended by inserting after “1996” the following: “, and  
21 the Food Stamp Act of 1977 as in effect during the cor-  
22 responding 3-month period in the fiscal year preceding  
23 such most recently concluded 3-month period,”.

24 (d) ANNUAL RECONCILIATION: FEDERAL MATCHING  
25 OF STATE EXPENDITURES ABOVE “MAINTENANCE OF



1 EFFORT” LEVEL.—Section 403(b)(6) (42 U.S.C.

2 603(b)(6)) is amended—

3 (1) in subparagraph (A)(ii)—

4 (A) by adding “and” at the end of sub-  
5 clause (I);

6 (B) by striking “; and” at the end of sub-  
7 clause (II) and inserting a period; and

8 (C) by striking subclause (III);

9 (2) in subparagraph (B)(i)(II), by striking all  
10 that follows “section 409(a)(7)(B)(iii))” and insert-  
11 ing a period;

12 (3) by amending subparagraph (B)(ii)(I) to  
13 read as follows:

14 “(I) the qualified State expendi-  
15 tures (as defined in section  
16 409(a)(7)(B)(i)) for the fiscal year;  
17 plus”; and

18 (4) by striking subparagraph (C).

19 (e) CONSIDERATION OF CERTAIN CHILD CARE EX-

20 PENDITURES IN DETERMINING STATE COMPLIANCE

21 WITH CONTINGENCY FUND MAINTENANCE OF EFFORT

22 REQUIREMENT.—Section 409(a)(10) (42 U.S.C.

23 609(a)(10)) is amended—

24 (1) by striking “(other than the expenditures  
25 described in subclause (I)(bb) of that paragraph)



1 under the State program funded under this part”;  
2 and

3 (2) by striking “excluding any amount ex-  
4 pended by the State for child care under subsection  
5 (g) or (i) of section 402 (as in effect during fiscal  
6 year 1994) for fiscal year 1994,”.

7 **SEC. 107. USE OF FUNDS.**

8 (a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C.  
9 604(a)(2)) is amended by striking “in any manner that”  
10 and inserting “for any purposes or activities for which”.

11 (b) TREATMENT OF INTERSTATE IMMIGRANTS.—

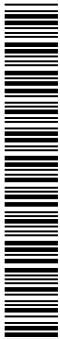
12 (1) STATE PLAN PROVISION.—Section  
13 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended  
14 by striking clause (i) and redesignating clauses (ii)  
15 through (iv) as clauses (i) through (iii), respectively.

16 (2) USE OF FUNDS.—Section 404 (42 U.S.C.  
17 604) is amended by striking subsection (c).

18 (c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD  
19 CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is  
20 amended by striking “30” and inserting “50”.

21 (d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE  
22 XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C.  
23 604(d)(2)(B)) is amended to read as follows:

24 “(B) APPLICABLE PERCENT.—For pur-  
25 poses of subparagraph (A), the applicable per-



1 cent is 10 percent for fiscal year 2003 and each  
2 succeeding fiscal year.”.

3 (e) CLARIFICATION OF AUTHORITY OF STATES TO  
4 USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS  
5 TO PROVIDE TANF BENEFITS AND SERVICES.—Section  
6 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

7 “(e) AUTHORITY TO CARRYOVER OR RESERVE CER-  
8 TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-  
9 TURE CONTINGENCIES.—

10 “(1) CARRYOVER.—A State or tribe may use a  
11 grant made to the State or tribe under this part to  
12 provide, without fiscal year limitation, any benefit or  
13 service that may be provided under the State or trib-  
14 al program funded under this part.

15 “(2) CONTINGENCY RESERVE.—A State or tribe  
16 may designate any portion of a grant made to the  
17 State or tribe under this part as a contingency re-  
18 serve for future needs, and may use any amount so  
19 designated to provide, without fiscal year limitation,  
20 any benefit or service that may be provided under  
21 the State or tribal program funded under this part.  
22 If a State or tribe so designates a portion of such  
23 a grant, the State shall, on an annual basis, include  
24 in its report under section 411(a) the amount so  
25 designated.”.



1 **SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE**  
2 **PROGRAMS.**

3 (a) REPEAL.—Section 406 (42 U.S.C. 606) is re-  
4 pealed.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 409(a) (42 U.S.C. 609(a)) is  
7 amended by striking paragraph (6).

8 (2) Section 412 (42 U.S.C. 612) is amended by  
9 striking subsection (f) and redesignating subsection  
10 (g) as subsection (f).

11 (3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2))  
12 is amended by striking “406,”.

13 **SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-**  
14 **SUFFICIENCY PLAN REQUIREMENTS.**

15 (a) MODIFICATION OF STATE PLAN REQUIRE-  
16 MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A))  
17 is amended by striking clauses (ii) and (iii) and inserting  
18 the following:

19 “(ii) Require a parent or caretaker re-  
20 ceiving assistance under the program to  
21 engage in work or alternative self-suffi-  
22 ciency activities (as defined by the State),  
23 consistent with section 407(e)(2).

24 “(iii) Require families receiving assist-  
25 ance under the program to engage in ac-  
26 tivities in accordance with family self-suffi-



1                   ciency plans developed pursuant to section  
2                   408(b).”.

3           (b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY  
4 PLANS.—

5           (1) IN GENERAL.—Section 408(b) (42 U.S.C.  
6           608(b)) is amended to read as follows:

7           “(b) FAMILY SELF-SUFFICIENCY PLANS.—

8           “(1) IN GENERAL.—A State to which a grant  
9           is made under section 403 shall—

10                   “(A) establish for each family that includes  
11                   a work-eligible individual receiving assistance  
12                   under the State program funded under this  
13                   part a self-sufficiency plan that specifies appro-  
14                   priate activities described in the State plan sub-  
15                   mitted pursuant to section 402, including direct  
16                   work activities as appropriate designed to assist  
17                   the family in achieving their maximum degree  
18                   of self-sufficiency;

19                   “(B) require, at a minimum, each member  
20                   of the family who is a work-eligible individual  
21                   (as defined in section 407(b)(2)(C)) to partici-  
22                   pate in activities in accordance with the self-  
23                   sufficiency plan;



1 “(C) monitor the participation of such  
2 family members in the activities and the  
3 progress of the family toward self-sufficiency;

4 “(D) regularly review the self-sufficiency  
5 plan; and

6 “(E) revise the self-sufficiency plan as ap-  
7 propriate.

8 “(2) TIMING.—The State shall comply with  
9 paragraph (1) with respect to a family—

10 “(A) in the case of a family that, as of Oc-  
11 tober 1, 2002, is not receiving assistance from  
12 the State program funded under this part, not  
13 later than 60 days after the family first receives  
14 assistance on the basis of the most recent appli-  
15 cation for the assistance; or

16 “(B) in the case of a family that, as of  
17 such date, is receiving the assistance, not later  
18 than 12 months after the date of the enactment  
19 of this subsection.”.

20 (2) PENALTY FOR FAILURE TO ESTABLISH  
21 FAMILY SELF-SUFFICIENCY PLAN.—Section  
22 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

23 (A) in the paragraph heading, by inserting  
24 “OR ESTABLISH FAMILY SELF-SUFFICIENCY  
25 PLAN” after “RATES”; and



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

3 **SEC. 110. WORK PARTICIPATION REQUIREMENTS.**

4 (a) IN GENERAL.—Section 407 (42 U.S.C. 607) is  
5 amended by striking all that precedes subsection (b)(3)  
6 and inserting the following:

7 **“SEC. 407. WORK PARTICIPATION REQUIREMENTS.**

8 “(a) PARTICIPATION RATE REQUIREMENTS.—A  
9 State to which a grant is made under section 403 for a  
10 fiscal year shall achieve a minimum participation rate  
11 equal to not less than—

12 “(1) 50 percent for fiscal year 2003;

13 “(2) 55 percent for fiscal year 2004;

14 “(3) 60 percent for fiscal year 2005;

15 “(4) 65 percent for fiscal year 2006; and

16 “(5) 70 percent for fiscal year 2007 and each  
17 succeeding fiscal year.

18 “(b) CALCULATION OF PARTICIPATION RATES.—

19 “(1) AVERAGE MONTHLY RATE.—For purposes  
20 of subsection (a), the participation rate of a State  
21 for a fiscal year is the average of the participation  
22 rates of the State for each month in the fiscal year.

23 “(2) MONTHLY PARTICIPATION RATES; INCOR-  
24 PORATION OF 40-HOUR WORK WEEK STANDARD.—



1           “(A) IN GENERAL.—For purposes of para-  
2 graph (1), the participation rate of a State for  
3 a month is—

4           “(i) the total number of countable  
5 hours (as defined in subsection (c)) with  
6 respect to the counted families for the  
7 State for the month; divided by

8           “(ii) 160 multiplied by the number of  
9 counted families for the State for the  
10 month.

11           “(B) COUNTED FAMILIES DEFINED.—

12           “(i) IN GENERAL.—In subparagraph  
13 (A), the term ‘counted family’ means, with  
14 respect to a State and a month, a family  
15 that includes a work-eligible individual and  
16 that receives assistance in the month under  
17 the State program funded under this part,  
18 subject to clause (ii).

19           “(ii) STATE OPTION TO EXCLUDE  
20 CERTAIN FAMILIES.—At the option of a  
21 State, the term ‘counted family’ shall not  
22 include—

23           “(I) a family in the first month  
24 for which the family receives assist-  
25 ance from a State program funded



1 under this part on the basis of the  
2 most recent application for such as-  
3 sistance; or

4 “(II) a family in which the  
5 youngest child has not attained 12  
6 months of age, except to the extent  
7 that the State, on a case-by-case  
8 basis, has elected to permit or require  
9 the family to engage in direct work  
10 activities or other activities specified  
11 by the State.

12 “(iii) STATE OPTION TO INCLUDE IN-  
13 DIVIDUALS RECEIVING ASSISTANCE UNDER  
14 A TRIBAL FAMILY ASSISTANCE PLAN OR  
15 TRIBAL WORK PROGRAM.—At the option of  
16 a State, the term ‘counted family’ may in-  
17 clude families in the State that are receiv-  
18 ing assistance under a tribal family assist-  
19 ance plan approved under section 412 or  
20 under a tribal work program to which  
21 funds are provided under this part.

22 “(C) WORK-ELIGIBLE INDIVIDUAL DE-  
23 FINED.—In this section, the term ‘work-eligible  
24 individual’ means an individual—



1 “(i) who is married or a single head  
2 of household; and

3 “(ii) whose needs are (or, but for  
4 sanctions under this part that have been in  
5 effect for more than 3 months (whether or  
6 not consecutive) in the preceding 12  
7 months or under part D, would be) in-  
8 cluded in determining the amount of cash  
9 assistance to be provided to the family  
10 under the State program funded under this  
11 part.”.

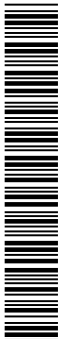
12 (b) RECALIBRATION OF CASELOAD REDUCTION  
13 CREDIT.—Section 407(b)(3)(A)(ii) (42 U.S.C.  
14 607(b)(3)(A)(ii)) is amended to read as follows:

15 “(ii) the average monthly number of  
16 families that received assistance under the  
17 State program funded under this part  
18 during—

19 “(I) if the fiscal year is fiscal  
20 year 2003, fiscal year 1996;

21 “(II) if the fiscal year is fiscal  
22 year 2004, fiscal year 1998; or

23 “(III) if the fiscal year is fiscal  
24 year 2005, fiscal year 2001; or



1 “(IV) if the fiscal year is fiscal  
2 year 2006, fiscal year 2002; or

3 “(V) if the fiscal year is fiscal  
4 year 2007, fiscal year 2003.”.

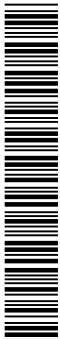
5 (c) COUNTABLE HOURS.—Section 407 of such Act  
6 (42 U.S.C. 607) is amended by striking subsections (c)  
7 and (d) and inserting the following:

8 “(c) COUNTABLE HOURS.—

9 “(1) DEFINITION.—In subsection (b)(2), the  
10 term ‘countable hours’ means, with respect to a fam-  
11 ily for a month, the total number of hours in the  
12 month in which any member of the family who is a  
13 work-eligible individual is engaged in a direct work  
14 activity or other activity specified by the State, sub-  
15 ject to the other provisions of this subsection.

16 “(2) LIMITATIONS.—Subject to such regula-  
17 tions as the Secretary may prescribe:

18 “(A) MINIMUM WEEKLY AVERAGE OF 24  
19 HOURS OF DIRECT WORK ACTIVITIES RE-  
20 QUIRED.—If the work-eligible individuals in a  
21 family are engaged in a direct work activity for  
22 an average total of fewer than 24 hours per  
23 week in a month, then the number of countable  
24 hours with respect to the family for the month  
25 shall be zero.



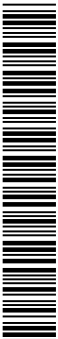
1           “(B) MAXIMUM WEEKLY AVERAGE OF 16  
2           HOURS OF OTHER ACTIVITIES.—An average of  
3           not more than 16 hours per week of other ac-  
4           tivities referred to in paragraph (1) may be  
5           considered countable hours in a month with re-  
6           spect to a family.

7           “(3) SPECIAL RULES.—For purposes of para-  
8           graph (1):

9           “(A) PARTICIPATION IN QUALIFIED AC-  
10          TIVITIES.—

11           “(i) IN GENERAL.—If, with the ap-  
12           proval of the State, the work-eligible indi-  
13           viduals in a family are engaged in 1 or  
14           more qualified activities for an average  
15           total of at least 24 hours per week in a  
16           month, then all such engagement in the  
17           month shall be considered engagement in a  
18           direct work activity, subject to clause (iii).

19           “(ii) QUALIFIED ACTIVITY DE-  
20           FINED.—The term ‘qualified activity’  
21           means an activity specified by the State,  
22           including a program meeting such stand-  
23           ards and criteria as the State may specify,  
24           excluding a program that does not address



1 a purpose specified in section 401(a), but  
2 including a program that provides—

3 “(I) substance abuse counseling  
4 or treatment;

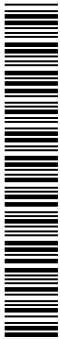
5 “(II) rehabilitation treatment  
6 and services;

7 “(III) work-related education or  
8 training directed effectively at ena-  
9 bling the family member to work; or

10 “(IV) job search or job readiness  
11 assistance.

12 “(iii) LIMITATION.—Clause (i) may  
13 not be applied to a family for more than  
14 3 consecutive months in any period of 24  
15 consecutive months.

16 “(B) SCHOOL ATTENDANCE BY TEEN  
17 HEAD OF HOUSEHOLD.—A family shall be con-  
18 sidered to be engaged in a direct work activity  
19 for an average of 40 hours per week in a month  
20 if the family includes an individual who is mar-  
21 ried or is a single head of household who has  
22 not attained 20 years of age, and the  
23 individual—



1 “(i) maintains satisfactory attendance  
2 at secondary school or the equivalent in  
3 the month; or

4 “(ii) participates in education directly  
5 related to employment for an average of at  
6 least 20 hours per week in the month.

7 “(d) DIRECT WORK ACTIVITIES.—In this section, the  
8 term ‘direct work activities’ means—

9 “(1) unsubsidized employment;

10 “(2) subsidized private sector employment;

11 “(3) subsidized public sector employment;

12 “(4) on-the-job training;

13 “(5) supervised work experience; or

14 “(6) supervised community service.”.

15 (d) PENALTIES AGAINST INDIVIDUALS.—Section  
16 407(e) (42 U.S.C. 607(e)) is amended—

17 (1) in paragraph (1), in the matter that pre-  
18 cedes subparagraph (A)—

19 (A) by striking “work” and inserting “ac-  
20 tivities”; and

21 (B) by inserting “and the family does not  
22 otherwise engage in activities in accordance  
23 with the self-sufficiency plan established for the  
24 family pursuant to section 408(b) for the num-



1           ber of hours required by the self-sufficiency  
2           plan,” before “the State shall”; and

3           (2) in paragraph (2)—

4                 (A) in the matter that precedes subpara-  
5           graph (A), by striking “work” and inserting  
6           “activities”; and

7                 (B) in subparagraph (A), by striking  
8           “work” and inserting “activity”.

9           (e) CONFORMING AMENDMENTS.—

10                 (1)    Section   404(k)(1)(D)   (42    U.S.C.  
11           604(k)(1)(D)) is amended by striking “work activi-  
12           ties (as defined in section 407(d)” and inserting “di-  
13           rect work activities”.

14                 (2)    Section   407(b)   (42    U.S.C.   607(b)) is  
15           amended by striking paragraphs (4) and (5).

16                 (3)    Section   407(f)   (42    U.S.C.   607(f)) is amend-  
17           ed in each of paragraphs (1) and (2) by striking  
18           “work activity described in subsection (d)” and in-  
19           serting “direct work activity”.

20                 (4)    The    heading   of   section   409(a)(14)   (42  
21           U.S.C.   609(a)(14)) is amended by inserting “OR RE-  
22           FUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY  
23           SELF-SUFFICIENCY PLAN” after “WORK”.



1 **SEC. 111. MAINTENANCE OF EFFORT.**

2 (a) IN GENERAL.—Section 409(a)(7) (42 U.S.C.  
3 609(a)(7)) is amended—

4 (1) in subparagraph (A) by striking “fiscal year  
5 1998, 1999, 2000, 2001, 2002, or 2003” and insert-  
6 ing “fiscal year 2003, 2004, 2005, 2006, 2007 or  
7 2008”; and

8 (2) in subparagraph (B)(ii)—

9 (A) by inserting “preceding” before “fiscal  
10 year”; and

11 (B) by striking “for fiscal years 1997  
12 through 2002,”.

13 (b) STATE SPENDING ON PROMOTING HEALTHY  
14 MARRIAGE.—

15 (1) IN GENERAL.—Section 404 (42 U.S.C. 604)  
16 is amended by adding at the end the following:

17 “(l) MARRIAGE PROMOTION.—A State, territory, or  
18 tribal organization to which a grant is made under section  
19 403(a)(2) may use a grant made to the State, territory,  
20 or tribal organization under any other provision of section  
21 403 for marriage promotion activities, and the amount of  
22 any such grant so used shall be considered State funds  
23 for purposes of section 403(a)(2).”.

24 (2) FEDERAL TANF FUNDS USED FOR MAR-  
25 RIAGE PROMOTION DISREGARDED FOR PURPOSES OF  
26 MAINTENANCE OF EFFORT REQUIREMENT.—Section



1       409(a)(7)(B)(i)(II) (42 U.S.C. 609(a)(7)(B)(i)(II)),  
2       as amended by section 103(c) of this Act, is amend-  
3       ed by adding at the end the following:

4                               “(VI) EXCLUSION OF FEDERAL  
5                               TANF FUNDS USED FOR MARRIAGE  
6                               PROMOTION ACTIVITIES.—Such term  
7                               does not include the amount of any  
8                               grant made to the State under section  
9                               403 that is expended for a marriage  
10                              promotion activity.”.

11 **SEC. 112. PERFORMANCE IMPROVEMENT.**

12       (a) STATE PLANS.—Section 402(a)(1) (42 U.S.C.  
13 602(a)(1)) is amended—

14               (1) in subparagraph (A)—

15                       (A) by redesignating clauses (vi) and (vii)  
16                       (as added by section 103(a) of this Act) as  
17                       clauses (vii) and (viii); and

18                       (B) by striking clause (v) and inserting the  
19                       following:

20                               “(v) Establish annual, specific numer-  
21                               ical performance goals, measures, measure-  
22                               ment methodology, and plans to improve  
23                               outcomes with respect to each of the 4 pro-  
24                               gram purposes described in section 401(a).



1 “(vi) Describe any strategies the State  
2 may be undertaking to address—

3 “(I) employment retention and  
4 advancement for recipients of assist-  
5 ance under the program, including  
6 placement into high-demand jobs, con-  
7 sistent with the criteria used by the  
8 Secretary in establishing performance  
9 targets in regulations prescribed  
10 under section 403(a)(4)(B);

11 “(II) efforts to reduce teen preg-  
12 nancy;

13 “(III) services for struggling and  
14 noncompliant families, and for clients  
15 with special problems; and

16 “(IV) program integration, in-  
17 cluding the extent to which employ-  
18 ment and training services under the  
19 program are provided through the  
20 One-Stop Career Center System cre-  
21 ated under the Workforce Investment  
22 Act of 1998, and the extent to which  
23 former recipients of such assistance  
24 have access to additional core, inten-



1                   sive, or training services funded  
2                   through such Act.”; and

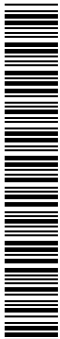
3                   (2) in subparagraph (B), by striking clause (iv)  
4           and inserting the following:

5                   “(iv) The document shall describe  
6                   strategies to engage faith-based organiza-  
7                   tions in the provision of services funded  
8                   under this part and efforts related to sec-  
9                   tion 104 of the Personal Responsibility and  
10                  Work Opportunity Reconciliation Act of  
11                  1996.

12                  “(v) The document shall describe  
13                  strategies to improve program manage-  
14                  ment and performance.”.

15           (b) PERFORMANCE MEASURES.—Section 413 (42  
16 U.S.C. 613) is amended by adding at the end the fol-  
17 lowing:

18           “(k) PERFORMANCE IMPROVEMENT.—The Secretary,  
19 in consultation with the National Governors’ Association  
20 and the American Public Human Services Association,  
21 shall develop uniform performance measures designed to  
22 assess the degree of effectiveness, and the degree of im-  
23 provement, of State programs funded under this part in  
24 accomplishing the purposes of this part.”.



1 (c) ANNUAL RANKING OF STATES.—Section  
2 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking  
3 “long-term private sector jobs” and inserting “private sec-  
4 tor jobs, the success of the recipients in retaining employ-  
5 ment, the ability of the recipients to increase their  
6 wages,”.

7 **SEC. 113. DATA COLLECTION AND REPORTING.**

8 (a) CONTENTS OF REPORT.— Section 411(a)(1)(A)  
9 (42 U.S.C. 611(a)(1)(A)) is amended—

10 (1) in clause (vii), by inserting “and minor par-  
11 ent” after “of each adult”;

12 (2) in clause (viii), by striking “and educational  
13 level”;

14 (3) in clause (ix), by striking “, and if the lat-  
15 ter 2, the amount received”;

16 (4) in clause (x)—

17 (A) by striking “each type of”; and

18 (B) by inserting before the period “and, if  
19 applicable, the reason for receipt of the assist-  
20 ance for a total of more than 60 months”;

21 (5) in clause (xi), by striking the subclauses  
22 and inserting the following:

23 “(I) Subsidized private sector  
24 employment.

25 “(II) Unsubsidized employment.



1 “(III) Public sector employment,  
2 supervised work experience, or super-  
3 vided community service.

4 “(IV) On-the-job training.

5 “(V) Job search and placement.

6 “(VI) Training.

7 “(VII) Education.

8 “(VIII) Other activities directed  
9 at the purposes of this part, as speci-  
10 fied in the State plan submitted pur-  
11 suant to section 402.”;

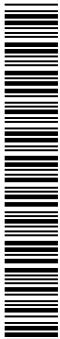
12 (6) in clause (xii), by inserting “and progress  
13 toward universal engagement” after “participation  
14 rates”;

15 (7) in clause (xiii), by striking “type and” be-  
16 fore “amount of assistance”;

17 (8) in clause (xvi), by striking subclause (II)  
18 and redesignating subclauses (III) through (V) as  
19 subclauses (II) through (IV), respectively; and

20 (9) by adding at the end the following:

21 “(xviii) The date the family first re-  
22 ceived assistance from the State program  
23 on the basis of the most recent application  
24 for such assistance.



1 “(xix) Whether a self-sufficiency plan  
2 is established for the family in accordance  
3 with section 408(b).

4 “(xx) With respect to any child in the  
5 family, the marital status of the parents at  
6 the birth of the child, and if the parents  
7 were not then married, whether the pater-  
8 nity of the child has been established.”.

9 (b) USE OF SAMPLES.—Section 411(a)(1)(B) (42  
10 U.S.C. 611(a)(1)(B)) is amended—

11 (1) in clause (i)—

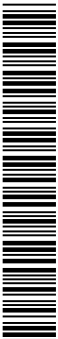
12 (A) by striking “a sample” and inserting  
13 “samples”; and

14 (B) by inserting before the period “, except  
15 that the Secretary may designate core data ele-  
16 ments that must be reported on all families”;  
17 and

18 (2) in clause (ii), by striking “funded under this  
19 part” and inserting “described in subparagraph  
20 (A)”.

21 (c) REPORT ON FAMILIES THAT BECOME INELI-  
22 GIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42  
23 U.S.C. 611(a)) is amended—

24 (1) by striking paragraph (5);



1           (2) by redesignating paragraph (6) as para-  
2       graph (5); and

3           (3) by inserting after paragraph (5) (as so re-  
4       designated) the following:

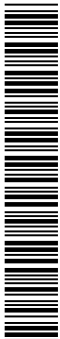
5           “(6) REPORT ON FAMILIES THAT BECOME IN-  
6       ELIGIBLE TO RECEIVE ASSISTANCE.—The report re-  
7       quired by paragraph (1) for a fiscal quarter shall in-  
8       clude for each month in the quarter the number of  
9       families and total number of individuals that, during  
10      the month, became ineligible to receive assistance  
11      under the State program funded under this part  
12      (broken down by the number of families that become  
13      so ineligible due to earnings, changes in family com-  
14      position that result in increased earnings, sanctions,  
15      time limits, or other specified reasons).”.

16      (e) REGULATIONS.—Section 411(a)(7) (42 U.S.C.  
17   611(a)(7)) is amended—

18           (1) by inserting “and to collect the necessary  
19      data” before “with respect to which reports”;

20           (2) by striking “subsection” and inserting “sec-  
21      tion”; and

22           (3) by striking “in defining the data elements”  
23      and all that follows and inserting “, the National  
24      Governors’ Association, the American Public Human  
25      Services Association, the National Conference of



1 State Legislators, and others in defining the data  
2 elements.”.

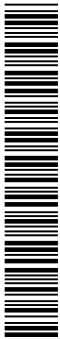
3 (f) ADDITIONAL REPORTS BY STATES.—Section 411  
4 (42 U.S.C. 611) is amended—

5 (1) by redesignating subsection (b) as sub-  
6 section (e); and

7 (2) by inserting after subsection (a) the fol-  
8 lowing:

9 “(b) ANNUAL REPORTS ON PROGRAM CHARACTERIS-  
10 TICS.—Not later than 90 days after the end of each fiscal  
11 year, each eligible State shall submit to the Secretary a  
12 report on the characteristics of the State program funded  
13 under this part and other State programs funded with  
14 qualified State expenditures (as defined in section  
15 409(a)(7)(B)(i)). The report shall include, with respect to  
16 each such program, the program name, a description of  
17 program activities, the program purpose, the program eli-  
18 gibility criteria, the sources of program funding, the num-  
19 ber of program beneficiaries, sanction policies, and any  
20 program work requirements.

21 “(c) MONTHLY REPORTS ON CASELOAD.—Not later  
22 than 3 months after the end of a calendar month that  
23 begins 1 year or more after the enactment of this sub-  
24 section, each eligible State shall submit to the Secretary  
25 report on the number of families and total number of indi-



1 viduals receiving assistance in the calendar month under  
2 the State program funded under this part.

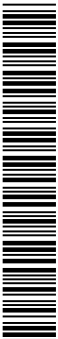
3 “(d) ANNUAL REPORT ON PERFORMANCE IMPROVE-  
4 MENT.—Beginning with fiscal year 2004, not later than  
5 January 1 of each fiscal year, each eligible State shall sub-  
6 mit to the Secretary a report on achievement and improve-  
7 ment during the preceding fiscal year under the numerical  
8 performance goals and measures under the State program  
9 funded under this part with respect to each of the matters  
10 described in section 402(a)(1)(A)(v).”.

11 (g) ANNUAL REPORTS TO CONGRESS BY THE SEC-  
12 RETARY.—Section 411(e), as so redesignated by sub-  
13 section (f) of this section, is amended—

14 (1) in the matter preceding paragraph (1), by  
15 striking “and each fiscal year thereafter” and insert-  
16 ing “and by July 1 of each fiscal year thereafter”;

17 (2) in paragraph (2), by striking “families ap-  
18 plying for assistance,” and by striking the last  
19 comma; and

20 (3) in paragraph (3), by inserting “and other  
21 programs funded with qualified State expenditures  
22 (as defined in section 409(a)(7)(B)(i))” before the  
23 semicolon.



1   **SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY IN-**  
2                   **DIAN TRIBES.**

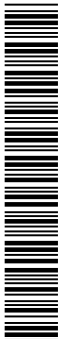
3           (a) TRIBAL FAMILY ASSISTANCE GRANT.—Section  
4   412(a)(1) (42 U.S.C. 612(a)(1)) is amended by striking  
5   “1997, 1998, 1999, 2000, and 2001” and inserting “2003  
6   through 2007”.

7           (b) GRANTS FOR INDIAN TRIBES THAT RECEIVED  
8   JOBS FUNDS.—Section 412(a)(2) (42 U.S.C. 612(a)(2))  
9   is amended by striking “1997, 1998, 1999, 2000, and  
10   2001” and inserting “2003 through 2007”.

11   **SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**  
12                   **IES.**

13           (a) SECRETARY’S FUND FOR RESEARCH, DEM-  
14   ONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section  
15   413 (42 U.S.C. 613), as amended by section 112 of this  
16   Act, is further amended by adding at the end the fol-  
17   lowing:

18           “(l) FUNDING FOR RESEARCH, DEMONSTRATIONS,  
19   AND TECHNICAL ASSISTANCE.—Out of any money in the  
20   Treasury of the United States not otherwise appropriated,  
21   there are appropriated \$100,000,000 for each of fiscal  
22   years 2003 through 2007, which shall be available to the  
23   Secretary for the purpose of conducting and supporting  
24   research and demonstration projects by public or private  
25   entities, and providing technical assistance to States, In-  
26   dian tribal organizations, and such other entities as the



1 Secretary may specify that are receiving a grant under  
2 this part, which shall be expended primarily on activities  
3 described in section 403(a)(2)(B), and which shall be in  
4 addition to any other funds made available under this  
5 part.”.

6 (b) FUNDING OF STUDIES AND DEMONSTRATIONS.—  
7 Section 413(h) (42 U.S.C. 613(h)) is amended by striking  
8 “1997 through 2002” and inserting “2003 through  
9 2007”.

10 **SEC. 116. STUDY BY THE CENSUS BUREAU.**

11 (a) IN GENERAL.—Section 414(a) (42 U.S.C.  
12 614(a)) is amended to read as follows:

13 “(a) IN GENERAL.—The Bureau of the Census shall  
14 implement a new longitudinal survey of program dynam-  
15 ics, developed in consultation with the Secretary and made  
16 available to interested parties, to allow for the assessment  
17 of the outcomes of continued welfare reform on the eco-  
18 nomic and child well-being of low-income families with  
19 children, including those who received assistance or serv-  
20 ices from a State program funded under this part, and,  
21 to the extent possible, shall provide State representative  
22 samples. The content of the survey should include such  
23 information as may be necessary to examine the issues of  
24 out-of-wedlock childbearing, marriage, welfare depend-  
25 ency, the beginning and ending of spells of assistance,



1 work, earnings and employment stability, and the well-  
2 being of children.”.

3 (b) APPROPRIATION.—Section 414(b) (42 U.S.C.  
4 614(b)) is amended by striking “1996,” and all that fol-  
5 lows through “2002” and inserting “2003 through 2007”.

6 **SEC. 117. REPEAL OF WAIVER CONTINUATION AUTHORITY.**

7 Section 415 (42 U.S.C. 615) is repealed.

8 **SEC. 118. DEFINITION OF ASSISTANCE.**

9 (a) IN GENERAL.—Section 419 (42 U.S.C. 619) is  
10 amended by adding at the end the following:

11 “(6) ASSISTANCE.—

12 “(A) IN GENERAL.—The term ‘assistance’  
13 means payment, by cash, voucher, or other  
14 means, to or for an individual or family for the  
15 purpose of meeting a subsistence need of the in-  
16 dividual or family (including food, clothing,  
17 shelter, and related items, but not including  
18 costs of transportation or child care).

19 “(B) EXCEPTION.—The term ‘assistance’  
20 does not include a payment described in sub-  
21 paragraph (A) to or for an individual or family  
22 on a short-term, nonrecurring basis (as defined  
23 by the State in accordance with regulations pre-  
24 scribed by the Secretary).”.

25 (b) CONFORMING AMENDMENTS.—



1 (1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is  
2 amended by striking “assistance” and inserting  
3 “aid”.

4 (2) Section 404(f) (42 U.S.C. 604(f)) is amend-  
5 ed by striking “assistance” and inserting “benefits  
6 or services”

7 (3) Section 408(a)(5)(B)(i) (42 U.S.C.  
8 608(a)(5)(B)(i)) is amended in the heading by strik-  
9 ing “ASSISTANCE” and inserting “AID”.

10 **SEC. 119. TECHNICAL CORRECTIONS.**

11 (a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is  
12 amended by inserting a comma after “appropriate”.

13 (b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C.  
14 611(a)(1)(A)(ii)(III)) is amended by striking the last close  
15 parenthesis.

16 (c) Section 413(j)(2)(A) (42 U.S.C. 613(i)(2)(A)) is  
17 amended by striking “section” and inserting “sections”.

18 (d)(1) Section 413 (42 U.S.C. 613) is amended by  
19 striking subsection (g) and redesignating subsections (h)  
20 through (i) and subsections (k) and (l) (as added by sec-  
21 tions 112(b) and 115(a) of this Act, respectively) as sub-  
22 sections (g) through (k), respectively.

23 (2) Each of the following provisions is amended by  
24 striking “413(j)” and inserting “413(i)”:



1 (A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C.  
2 603(a)(5)(A)(ii)(III)).

3 (B) Section 403(a)(5)(F) (42 U.S.C.  
4 603(a)(5)(F)).

5 (C) Section 403(a)(5)(G)(ii) (42 U.S.C.  
6 603(a)(5)(G)(ii)).

7 (D) Section 412(a)(3)(B)(iv) (42 U.S.C.  
8 612(a)(3)(B)(iv)).

9 **SEC. 120. FATHERHOOD PROGRAM.**

10 (a) SHORT TITLE.—This section may be cited as the  
11 “Promotion and Support of Responsible Fatherhood and  
12 Healthy Marriage Act of 2002”.

13 (b) FATHERHOOD PROGRAM.—Title IV (42 U.S.C.  
14 601–619) is amended by inserting after part B the fol-  
15 lowing:

16 **“PART C—FATHERHOOD PROGRAM**

17 **“SEC. 441. FINDINGS AND PURPOSES.**

18 “(a) FINDINGS.—The Congress finds that there is  
19 substantial evidence strongly indicating the urgent need  
20 to promote and support involved, committed, and respon-  
21 sible fatherhood, and to encourage and support healthy  
22 marriages between parents raising children, including data  
23 demonstrating the following:

24 “(1) In approximately 90 percent of cases  
25 where a parent is absent, that parent is the father.



1           “(2) By some estimates, 60 percent of children  
2           born in the 1990’s will spend a significant portion  
3           of their childhood in a home without a father.

4           “(3) Nearly 75 percent of children in single-  
5           parent homes will experience poverty before they are  
6           11 years old, compared with only 20 percent of chil-  
7           dren in 2-parent families.

8           “(4) Low income is positively correlated with  
9           children’s difficulties with education, social adjust-  
10          ment, and delinquency, and single-parent households  
11          constitute a disproportionate share of low-income  
12          households.

13          “(5) Where families (whether intact or with a  
14          parent absent) are living in poverty, a significant  
15          factor is the father’s lack of job skills.

16          “(6) Children raised in 2-parent married fami-  
17          lies, on average, fare better as a group in key areas,  
18          including better school performance, reduced rates of  
19          substance abuse, crime, and delinquency, fewer  
20          health, emotional, and behavioral problems, lower  
21          rates of teenage sexual activity, less risk of abuse or  
22          neglect, and lower risk of teen suicide.

23          “(7) Committed and responsible fathering dur-  
24          ing infancy and early childhood contributes to the



1 development of emotional security, curiosity, and  
2 math and verbal skills.

3 “(8) An estimated 24,000,000 children (33.5  
4 percent) live apart from their biological father.

5 “(9) A recent national survey indicates that of  
6 all children under age 18 not living with their bio-  
7 logical father, 29 percent had not seen their father  
8 even once in the last 12 months.

9 “(b) PURPOSES.—The purposes of this part are:

10 “(1) To provide for projects and activities by  
11 public entities and by nonprofit community entities,  
12 including religious organizations, designed to test  
13 promising approaches to accomplishing the following  
14 objectives:

15 “(A) Promoting responsible, caring, and  
16 effective parenting through counseling, men-  
17 toring, and parenting education, dissemination  
18 of educational materials and information on  
19 parenting skills, encouragement of positive fa-  
20 ther involvement, including the positive involve-  
21 ment of nonresident fathers, and other meth-  
22 ods.

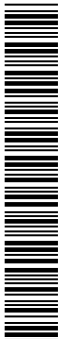
23 “(B) Enhancing the abilities and commit-  
24 ment of unemployed or low-income fathers to  
25 provide material support for their families and



1 to avoid or leave welfare programs by assisting  
2 them to take full advantage of education, job  
3 training, and job search programs, to improve  
4 work habits and work skills, to secure career  
5 advancement by activities such as outreach and  
6 information dissemination, coordination, as ap-  
7 propriate, with employment services and job  
8 training programs, including the One-Stop de-  
9 livery system established under title I of the  
10 Workforce Investment Act of 1998, encourage-  
11 ment and support of timely payment of current  
12 child support and regular payment toward past  
13 due child support obligations in appropriate  
14 cases, and other methods.

15 “(C) Improving fathers’ ability to effec-  
16 tively manage family business affairs by means  
17 such as education, counseling, and mentoring in  
18 matters including household management,  
19 budgeting, banking, and handling of financial  
20 transactions, time management, and home  
21 maintenance.

22 “(D) Encouraging and supporting healthy  
23 marriages and married fatherhood through such  
24 activities as premarital education, including the  
25 use of premarital inventories, marriage prepara-



1           tion programs, skills-based marriage education  
2           programs, marital therapy, couples counseling,  
3           divorce education and reduction programs, di-  
4           vorce mediation and counseling, relationship  
5           skills enhancement programs, including those  
6           designed to reduce child abuse and domestic vi-  
7           olence, and dissemination of information about  
8           the benefits of marriage for both parents and  
9           children.

10          “(2) Through the projects and activities de-  
11         scribed in paragraph (1), to improve outcomes for  
12         children with respect to measures such as increased  
13         family income and economic security, improved  
14         school performance, better health, improved emo-  
15         tional and behavioral stability and social adjustment,  
16         and reduced risk of delinquency, crime, substance  
17         abuse, child abuse and neglect, teen sexual activity,  
18         and teen suicide.

19          “(3) To evaluate the effectiveness of various ap-  
20         proaches and to disseminate findings concerning out-  
21         comes and other information in order to encourage  
22         and facilitate the replication of effective approaches  
23         to accomplishing these objectives.



1   **“SEC. 442. DEFINITIONS.**

2           “In this part, the terms ‘Indian tribe’ and ‘tribal or-  
3   ganization’ have the meanings given them in subsections  
4   (e) and (l), respectively, of section 4 of the Indian Self-  
5   Determination and Education Assistance Act.

6   **“SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.**

7           “(a) IN GENERAL.—The Secretary may make grants  
8   for fiscal years 2003 through 2007 to public and nonprofit  
9   community entities, including religious organizations, and  
10   to Indian tribes and tribal organizations, for demonstra-  
11   tion service projects and activities designed to test the ef-  
12   fectiveness of various approaches to accomplish the objec-  
13   tives specified in section 441(b)(1).

14          “(b) ELIGIBILITY CRITERIA FOR FULL SERVICE  
15   GRANTS.—In order to be eligible for a grant under this  
16   section, except as specified in subsection (c), an entity  
17   shall submit an application to the Secretary containing the  
18   following:

19               “(1) PROJECT DESCRIPTION.—A statement  
20               including—

21                       “(A) a description of the project and how  
22                       it will be carried out, including the geographical  
23                       area to be covered and the number and charac-  
24                       teristics of clients to be served, and how it will  
25                       address each of the 4 objectives specified in sec-  
26                       tion 441(b)(1); and



1           “(B) a description of the methods to be  
2           used by the entity or its contractor to assess  
3           the extent to which the project was successful  
4           in accomplishing its specific objectives and the  
5           general objectives specified in section 441(b)(1).

6           “(2) EXPERIENCE AND QUALIFICATIONS.—A  
7           demonstration of ability to carry out the project, by  
8           means such as demonstration of experience in suc-  
9           cessfully carrying out projects of similar design and  
10          scope, and such other information as the Secretary  
11          may find necessary to demonstrate the entity’s ca-  
12          pacity to carry out the project, including the entity’s  
13          ability to provide the non-Federal share of project  
14          resources.

15          “(3) ADDRESSING CHILD ABUSE AND NEGLECT  
16          AND DOMESTIC VIOLENCE.—A description of how  
17          the entity will assess for the presence of, and inter-  
18          vene to resolve, domestic violence and child abuse  
19          and neglect, including how the entity will coordinate  
20          with State and local child protective service and do-  
21          mestic violence programs.

22          “(4) ADDRESSING CONCERNS RELATING TO  
23          SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-  
24          mitment to make available to each individual partici-  
25          pating in the project education about alcohol, to-



1       bacco, and other drugs, and about the health risks  
2       associated with abusing such substances, and infor-  
3       mation about diseases and conditions transmitted  
4       through substance abuse and sexual contact, includ-  
5       ing HIV/AIDS, and to coordinate with providers of  
6       services addressing such problems, as appropriate.

7               “(5) COORDINATION WITH SPECIFIED PRO-  
8       GRAMS.—An undertaking to coordinate, as appro-  
9       priate, with State and local entities responsible for  
10      the programs under parts A, B, and D of this title,  
11      including programs under title I of the Workforce  
12      Investment Act of 1998 (including the One-Stop de-  
13      livery system), and such other programs as the Sec-  
14      retary may require.

15              “(6) RECORDS, REPORTS, AND AUDITS.—An  
16      agreement to maintain such records, make such re-  
17      ports, and cooperate with such reviews or audits as  
18      the Secretary may find necessary for purposes of  
19      oversight of project activities and expenditures.

20              “(7) SELF-INITIATED EVALUATION.—If the en-  
21      tity elects to contract for independent evaluation of  
22      the project (part or all of the cost of which may be  
23      paid for using grant funds), a commitment to sub-  
24      mit to the Secretary a copy of the evaluation report



1 within 30 days after completion of the report and  
2 not more than 1 year after completion of the project.

3 “(8) COOPERATION WITH SECRETARY’S OVER-  
4 SIGHT AND EVALUATION.—An agreement to cooper-  
5 ate with the Secretary’s evaluation of projects as-  
6 sisted under this section, by means including ran-  
7 dom assignment of clients to service recipient and  
8 control groups, if determined by the Secretary to be  
9 appropriate, and affording the Secretary access to  
10 the project and to project-related records and docu-  
11 ments, staff, and clients.

12 “(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE  
13 GRANTS.—In order to be eligible for a grant under this  
14 section in an amount under \$25,000 per fiscal year, an  
15 entity shall submit an application to the Secretary con-  
16 taining the following:

17 “(1) PROJECT DESCRIPTION.—A description of  
18 the project and how it will be carried out, including  
19 the number and characteristics of clients to be  
20 served, the proposed duration of the project, and  
21 how it will address at least 1 of the 4 objectives  
22 specified in section 441(b)(1).

23 “(2) QUALIFICATIONS.—Such information as  
24 the Secretary may require as to the capacity of the



1 entity to carry out the project, including any pre-  
2 vious experience with similar activities.

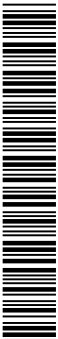
3 “(3) COORDINATION WITH RELATED PRO-  
4 GRAMS.—As required by the Secretary in appro-  
5 priate cases, an undertaking to coordinate and co-  
6 operate with State and local entities responsible for  
7 specific programs relating to the objectives of the  
8 project including, as appropriate, jobs programs and  
9 programs serving children and families.

10 “(4) RECORDS, REPORTS, AND AUDITS.—An  
11 agreement to maintain such records, make such re-  
12 ports, and cooperate with such reviews or audits as  
13 the Secretary may find necessary for purposes of  
14 oversight of project activities and expenditures.

15 “(5) COOPERATION WITH SECRETARY’S OVER-  
16 SIGHT AND EVALUATION.—An agreement to cooper-  
17 ate with the Secretary’s evaluation of projects as-  
18 sisted under this section, by means including afford-  
19 ing the Secretary access to the project and to  
20 project-related records and documents, staff, and cli-  
21 ents.

22 “(d) CONSIDERATIONS IN AWARDING GRANTS.—

23 “(1) DIVERSITY OF PROJECTS.—In awarding  
24 grants under this section, the Secretary shall seek to  
25 achieve a balance among entities of differing sizes,



1 entities in differing geographic areas, entities in  
2 urban and in rural areas, and entities employing dif-  
3 fering methods of achieving the purposes of this sec-  
4 tion, including working with the State agency re-  
5 sponsible for the administration of part D to help fa-  
6 thers satisfy child support arrearage obligations.

7 “(2) PREFERENCE FOR PROJECTS SERVING  
8 LOW-INCOME FATHERS.—In awarding grants under  
9 this section, the Secretary may give preference to  
10 applications for projects in which a majority of the  
11 clients to be served are low-income fathers.

12 “(e) FEDERAL SHARE.—

13 “(1) IN GENERAL.—Grants for a project under  
14 this section for a fiscal year shall be available for a  
15 share of the cost of such project in such fiscal year  
16 equal to—

17 “(A) up to 80 percent (or up to 90 per-  
18 cent, if the entity demonstrates to the Sec-  
19 retary’s satisfaction circumstances limiting the  
20 entity’s ability to secure non-Federal resources)  
21 in the case of a project under subsection (b);  
22 and

23 “(B) up to 100 percent, in the case of a  
24 project under subsection (c).



1           “(2) NON-FEDERAL SHARE.—The non-Federal  
2           share may be in cash or in kind. In determining the  
3           amount of the non-Federal share, the Secretary may  
4           attribute fair market value to goods, services, and  
5           facilities contributed from non-Federal sources.

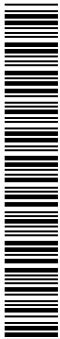
6   **“SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION**  
7           **PROJECTS.**

8           “(a) IN GENERAL.—The Secretary may make grants  
9           under this section for fiscal years 2003 through 2007 to  
10          eligible entities (as specified in subsection (b)) for 2  
11          multicity, multistate projects demonstrating approaches to  
12          achieving the objectives specified in section 441(b)(1). One  
13          of the projects shall test the use of married couples to  
14          deliver program services.

15          “(b) ELIGIBLE ENTITIES.—An entity eligible for a  
16          grant under this section must be a national nonprofit fa-  
17          therhood promotion organization that meets the following  
18          requirements:

19               “(1) EXPERIENCE WITH FATHERHOOD PRO-  
20               GRAMS.—The organization must have substantial ex-  
21               perience in designing and successfully conducting  
22               programs that meet the purposes described in sec-  
23               tion 441.

24               “(2) EXPERIENCE WITH MULTICITY,  
25               MULTISTATE PROGRAMS AND GOVERNMENT COORDI-



1 NATION.—The organization must have experience in  
2 simultaneously conducting such programs in more  
3 than 1 major metropolitan area in more than 1  
4 State and in coordinating such programs, where ap-  
5 propriate, with State and local government agencies  
6 and private, nonprofit agencies (including commu-  
7 nity-based and religious organizations), including  
8 State or local agencies responsible for child support  
9 enforcement and workforce development.

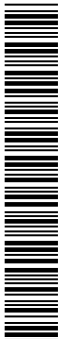
10 “(c) APPLICATION REQUIREMENTS.—In order to be  
11 eligible for a grant under this section, an entity must sub-  
12 mit to the Secretary an application that includes the fol-  
13 lowing:

14 “(1) QUALIFICATIONS.—

15 “(A) ELIGIBLE ENTITY.—A demonstration  
16 that the entity meets the requirements of sub-  
17 section (b).

18 “(B) OTHER.—Such other information as  
19 the Secretary may find necessary to dem-  
20 onstrate the entity’s capacity to carry out the  
21 project, including the entity’s ability to provide  
22 the non-Federal share of project resources.

23 “(2) PROJECT DESCRIPTION.—A description of  
24 and commitments concerning the project design, in-  
25 cluding the following:



1           “(A) IN GENERAL.—A detailed description  
2 of the proposed project design and how it will  
3 be carried out, which shall—

4           “(i) provide for the project to be con-  
5 ducted in at least 3 major metropolitan  
6 areas;

7           “(ii) state how it will address each of  
8 the 4 objectives specified in section  
9 441(b)(1);

10           “(iii) demonstrate that there is a suf-  
11 ficient number of potential clients to allow  
12 for the random selection of individuals to  
13 participate in the project and for compari-  
14 sons with appropriate control groups com-  
15 posed of individuals who have not partici-  
16 pated in such projects; and

17           “(iv) demonstrate that the project is  
18 designed to direct a majority of project re-  
19 sources to activities serving low-income fa-  
20 thers (but the project need not make serv-  
21 ices available on a means-tested basis).

22           “(B) OVERSIGHT, EVALUATION, AND AD-  
23 JUSTMENT COMPONENT.—An agreement that  
24 the entity—

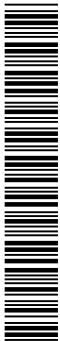


1 “(i) in consultation with the evaluator  
2 selected pursuant to section 445, and as  
3 required by the Secretary, will modify the  
4 project design, initially and (if necessary)  
5 subsequently throughout the duration of  
6 the project, in order to facilitate ongoing  
7 and final oversight and evaluation of  
8 project operation and outcomes (by means  
9 including, to the maximum extent feasible,  
10 random assignment of clients to service re-  
11 cipient and control groups), and to provide  
12 for mid-course adjustments in project de-  
13 sign indicated by interim evaluations;

14 “(ii) will submit to the Secretary re-  
15 vised descriptions of the project design as  
16 modified in accordance with clause (i); and

17 “(iii) will cooperate fully with the Sec-  
18 retary’s ongoing oversight and ongoing and  
19 final evaluation of the project, by means  
20 including affording the Secretary access to  
21 the project and to project-related records  
22 and documents, staff, and clients.

23 “(3) ADDRESSING CHILD ABUSE AND NEGLECT  
24 AND DOMESTIC VIOLENCE.—A description of how  
25 the entity will assess for the presence of, and inter-

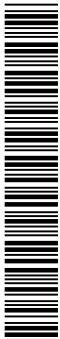


1       vene to resolve, domestic violence and child abuse  
2       and neglect, including how the entity will coordinate  
3       with State and local child protective service and do-  
4       mestic violence programs.

5               “(4) ADDRESSING CONCERNS RELATING TO  
6       SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A com-  
7       mitment to make available to each individual partici-  
8       pating in the project education about alcohol, to-  
9       bacco, and other drugs, and about the health risks  
10      associated with abusing such substances, and infor-  
11      mation about diseases and conditions transmitted  
12      through substance abuse and sexual contact, includ-  
13      ing HIV/AIDS, and to coordinate with providers of  
14      services addressing such problems, as appropriate.

15              “(5) COORDINATION WITH SPECIFIED PRO-  
16      GRAMS.—An undertaking to coordinate, as appro-  
17      priate, with State and local entities responsible for  
18      the programs funded under parts A, B, and D of  
19      this title, programs under title I of the Workforce  
20      Investment Act of 1998 (including the One-Stop de-  
21      livery system), and such other programs as the Sec-  
22      retary may require.

23              “(6) RECORDS, REPORTS, AND AUDITS.—An  
24      agreement to maintain such records, make such re-  
25      ports, and cooperate with such reviews or audits (in



1 addition to those required under the preceding provi-  
2 sions of paragraph (2)) as the Secretary may find  
3 necessary for purposes of oversight of project activi-  
4 ties and expenditures.

5 “(d) FEDERAL SHARE.—

6 “(1) IN GENERAL.—Grants for a project under  
7 this section for a fiscal year shall be available for up  
8 to 80 percent of the cost of such project in such fis-  
9 cal year.

10 “(2) NON-FEDERAL SHARE.—The non-Federal  
11 share may be in cash or in kind. In determining the  
12 amount of the non-Federal share, the Secretary may  
13 attribute fair market value to goods, services, and  
14 facilities contributed from non-Federal sources.

15 **“SEC. 445. EVALUATION.**

16 “(a) IN GENERAL.—The Secretary, directly or by  
17 contract or cooperative agreement, shall evaluate the effec-  
18 tiveness of service projects funded under sections 443 and  
19 444 from the standpoint of the purposes specified in sec-  
20 tion 441(b)(1).

21 “(b) EVALUATION METHODOLOGY.—Evaluations  
22 under this section shall—

23 “(1) include, to the maximum extent feasible,  
24 random assignment of clients to service delivery and  
25 control groups and other appropriate comparisons of



1 groups of individuals receiving and not receiving  
2 services;

3 “(2) describe and measure the effectiveness of  
4 the projects in achieving their specific project goals;  
5 and

6 “(3) describe and assess, as appropriate, the  
7 impact of such projects on marriage, parenting, do-  
8 mestic violence, child abuse and neglect, money man-  
9 agement, employment and earnings, payment of  
10 child support, and child well-being, health, and edu-  
11 cation.

12 “(c) EVALUATION REPORTS.—The Secretary shall  
13 publish the following reports on the results of the evalua-  
14 tion:

15 “(1) An implementation evaluation report cov-  
16 ering the first 24 months of the activities under this  
17 part to be completed by 36 months after initiation  
18 of such activities.

19 “(2) A final report on the evaluation to be com-  
20 pleted by September 30, 2010.

21 **“SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.**

22 The Secretary is authorized, by grant, contract, or  
23 cooperative agreement, to carry out projects and activities  
24 of national significance relating to fatherhood promotion,  
25 including—



1           “(1) COLLECTION AND DISSEMINATION OF IN-  
2           FORMATION.—Assisting States, communities, and  
3           private entities, including religious organizations, in  
4           efforts to promote and support marriage and respon-  
5           sible fatherhood by collecting, evaluating, developing,  
6           and making available (through the Internet and by  
7           other means) to all interested parties information re-  
8           garding approaches to accomplishing the objectives  
9           specified in section 441(b)(1).

10           “(2) MEDIA CAMPAIGN.—Developing, pro-  
11           moting, and distributing to interested States, local  
12           governments, public agencies, and private nonprofit  
13           organizations, including charitable and religious or-  
14           ganizations, a media campaign that promotes and  
15           encourages involved, committed, and responsible fa-  
16           therhood and married fatherhood.

17           “(3) TECHNICAL ASSISTANCE.—Providing tech-  
18           nical assistance, including consultation and training,  
19           to public and private entities, including community  
20           organizations and faith-based organizations, in the  
21           implementation of local fatherhood promotion pro-  
22           grams.

23           “(4) RESEARCH.—Conducting research related  
24           to the purposes of this part.



1 **“SEC. 447. NONDISCRIMINATION.**

2 “The projects and activities assisted under this part  
3 shall be available on the same basis to all fathers and ex-  
4 pectant fathers able to benefit from such projects and ac-  
5 tivities, including married and unmarried fathers and cus-  
6 todial and noncustodial fathers, with particular attention  
7 to low-income fathers, and to mothers and expectant  
8 mothers on the same basis as to fathers.

9 **“SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RES-**  
10 **ERVATION FOR CERTAIN PURPOSE.**

11 “(a) AUTHORIZATION.—There are authorized to be  
12 appropriated \$20,000,000 for each of fiscal years 2003  
13 through 2007 to carry out the provisions of this part.

14 “(b) RESERVATION.—Of the amount appropriated  
15 under this section for each fiscal year, not more than 15  
16 percent shall be available for the costs of the multicounty,  
17 multicounty, multistate demonstration projects under sec-  
18 tion 444, evaluations under section 445, and projects of  
19 national significance under section 446.”.

20 **TITLE II—CHILD CARE**

21 **SEC. 201. ENTITLEMENT FUNDING.**

22 Section 418(a)(3)(F) (42 U.S.C. 618(a)(3)(F)) is  
23 amended to read as follows:

24 “(F) \$2,717,000,000 for each of fiscal  
25 years 2002 through 2007.”.



1           **TITLE III—CHILD SUPPORT**  
2   **SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS**  
3                   **THROUGH OF CHILD SUPPORT PAYMENTS TO**  
4                   **FAMILIES RECEIVING TANF.**

5           (a) IN GENERAL.—Section 457(a) (42 U.S.C.  
6 657(a)) is amended—

7                   (1) in paragraph (1)(A), by inserting “subject  
8 to paragraph (7)” before the semicolon; and

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

10                   “(7) FEDERAL MATCHING FUNDS FOR LIMITED  
11 PASS THROUGH OF CHILD SUPPORT PAYMENTS TO  
12 FAMILIES RECEIVING TANF.—Notwithstanding para-  
13 graph (1), a State shall not be required to pay to  
14 the Federal Government the Federal share of an  
15 amount collected during a month on behalf of a fam-  
16 ily that is a recipient of assistance under the State  
17 program funded under part A, to the extent that—

18                           “(A) the State distributes the amount to  
19 the family;

20                           “(B) the total of the amounts so distrib-  
21 uted to the family during the month—

22                                   “(i) exceeds the amount (if any) that,  
23 as of December 31, 2001, was required  
24 under State law to be distributed to a fam-  
25 ily under paragraph (1)(B); and



1 “(ii) does not exceed the greater of—  
2 “(I) \$100; or  
3 “(II) \$50 plus the amount de-  
4 scribed in clause (i); and  
5 “(C) the amount is disregarded in deter-  
6 mining the amount and type of assistance pro-  
7 vided to the family under the State program  
8 funded under part A.”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 subsection (a) shall apply to amounts distributed on or  
11 after October 1, 2004.

12 **SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD**  
13 **SUPPORT PAYMENTS TO FAMILIES THAT**  
14 **FORMERLY RECEIVED TANF.**

15 (a) IN GENERAL.—Section 457(a) (42 U.S.C.  
16 657(a)), as amended by section 301 of this Act, is  
17 amended—

18 (1) in paragraph (2)(B), in the matter pre-  
19 ceding clause (i), by inserting “, except as provided  
20 in paragraph (8),” after “shall”; and

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

22 “(8) STATE OPTION TO PASS THROUGH ALL  
23 CHILD SUPPORT PAYMENTS TO FAMILIES THAT FOR-  
24 MERLY RECEIVED TANF.—In lieu of applying para-  
25 graph (2) to any family described in paragraph (2),



1       a State may distribute to the family all of any  
2       amount so collected during a month on behalf of the  
3       family.”.

4       (b) EFFECTIVE DATE.—The amendments made by  
5       subsection (a) shall apply to amounts distributed on or  
6       after October 1, 2004.

7       **SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF**  
8                   **CHILD SUPPORT ORDERS FOR FAMILIES RE-**  
9                   **CEIVING TANF.**

10       (a) IN GENERAL.—Section 466(a)(10)(A)(i) (42  
11       U.S.C. 666(a)(10)(A)(i)) is amended—

12               (1) by striking “parent, or,” and inserting  
13       “parent or”; and

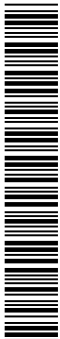
14               (2) by striking “upon the request of the State  
15       agency under the State plan or of either parent,”.

16       (b) EFFECTIVE DATE.—The amendment made by  
17       subsection (a) shall take effect on October 1, 2004.

18       **SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**  
19                   **PORT COLLECTION FOR FAMILY THAT HAS**  
20                   **NEVER RECEIVED TANF.**

21       (a) IN GENERAL.—Section 454(6)(B) (42 U.S.C.  
22       654(6)(B)) is amended—

23               (1) by inserting “(i) except as provided in  
24       clause (ii),” after “(B)”;



1 (2) by redesignating clauses (i) and (ii) as sub-  
2 clauses (I) and (II), respectively; and

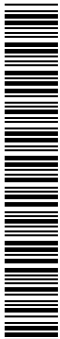
3 (3) by adding at the end the following new  
4 clause:

5 “(ii) in the case of an individual who has never  
6 received assistance under a State program funded  
7 under part A, the State shall impose an annual fee  
8 of \$25 for furnishing the services, which shall be  
9 paid by the individual applying for the services, or  
10 recovered from the absent parent, or paid by the  
11 State out of its own funds (the payment of which  
12 from State funds shall not be considered as an ad-  
13 ministrative cost of the State for the operation of  
14 the plan, and shall be considered income to the pro-  
15 gram);”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 subsection (a) shall take effect on October 1, 2003.

18 **SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT**  
19 **PAYMENTS.**

20 Not later than 6 months after the date of the enact-  
21 ment of this Act, the Secretary of Health and Human  
22 Services shall submit to the Committee on Ways and  
23 Means of the House of Representatives and the Committee  
24 on Finance of the Senate a report on the procedures that  
25 the States use generally to locate custodial parents for



1 whom child support has been collected but not yet distrib-  
2 uted. The report shall include an estimate of the total  
3 amount of such undistributed child support and the aver-  
4 age length of time it takes for such child support to be  
5 distributed. The Secretary shall include in the report rec-  
6 ommendations as to whether additional procedures should  
7 be established at the State or Federal level to expedite  
8 the payment of undistributed child support.

9 **SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
10 **ADMINISTRATION OF UNEMPLOYMENT COM-**  
11 **PENSATION PROGRAMS.**

12 (a) IN GENERAL.—Section 453(j) (42 U.S.C. 653(j))  
13 is amended by adding at the end the following:

14 “(7) INFORMATION COMPARISONS AND DISCLO-  
15 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-  
16 MENT COMPENSATION PROGRAMS.—

17 “(A) IN GENERAL.—If a State agency re-  
18 sponsible for the administration of an unem-  
19 ployment compensation program under Federal  
20 or State law transmits to the Secretary the  
21 name and social security account number of an  
22 individual, the Secretary shall, if the informa-  
23 tion in the National Directory of New Hires in-  
24 dicates that the individual may be employed,  
25 disclose to the State agency the name, address,



1 and employer identification number of any pu-  
2 tative employer of the individual, subject to this  
3 paragraph.

4 “(B) CONDITION ON DISCLOSURE.—The  
5 Secretary shall make a disclosure under sub-  
6 paragraph (A) only to the extent that the Sec-  
7 retary determines that the disclosure would not  
8 interfere with the effective operation of the pro-  
9 gram under this part.

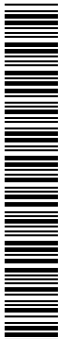
10 “(C) USE OF INFORMATION.—A State  
11 agency may use information provided under this  
12 paragraph only for purposes of administering a  
13 program referred to in subparagraph (A).”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall take effect on October 1, 2003.

16 **SEC. 307. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**  
17 **REARAGE TRIGGERING PASSPORT DENIAL.**

18 (a) IN GENERAL.—Section 452(k) (42 U.S.C.  
19 652(k)) is amended by striking “\$5,000” and inserting  
20 “\$2,500”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall take effect on October 1, 2003.



1 **SEC. 308. USE OF TAX REFUND INTERCEPT PROGRAM TO**  
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**  
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 (a) IN GENERAL.—Section 464 (42 U.S.C. 664) is  
5 amended—

6 (1) in subsection (a)(2)(A), by striking “(as  
7 that term is defined for purposes of this paragraph  
8 under subsection (c))”; and

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as pro-  
12 vided in paragraph (2), as used in” and in-  
13 serting “In”; and

14 (ii) by inserting “(whether or not a  
15 minor)” after “a child” each place it ap-  
16 pears; and

17 (B) by striking paragraphs (2) and (3).

18 (b) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall take effect on October 1, 2004.

20 **SEC. 309. GARNISHMENT OF COMPENSATION PAID TO VET-**  
21 **ERANS FOR SERVICE-CONNECTED DISABIL-**  
22 **ITIES IN ORDER TO ENFORCE CHILD SUP-**  
23 **PORT OBLIGATIONS.**

24 (a) IN GENERAL.—Section 459(h) (42 U.S.C.  
25 659(h)) is amended—



1 (1) in paragraph (1)(A)(ii)(V), by striking all  
2 that follows “Armed Forces” and inserting a semi-  
3 colon; and

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

5 “(3) LIMITATIONS WITH RESPECT TO COM-  
6 PENSATION PAID TO VETERANS FOR SERVICE-CON-  
7 NECTED DISABILITIES.—Notwithstanding any other  
8 provision of this section:

9 “(A) Compensation described in paragraph  
10 (1)(A)(ii)(V) shall not be subject to withholding  
11 pursuant to this section—

12 “(i) for payment of alimony; or

13 “(ii) for payment of child support if  
14 the individual is fewer than 60 days in ar-  
15 rears in payment of the support.

16 “(B) Not more than 50 percent of any  
17 payment of compensation described in para-  
18 graph (1)(A)(ii)(V) may be withheld pursuant  
19 to this section.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 subsection (a) shall take effect on October 1, 2004.

22 **SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC-**  
23 **TICES.**

24 Section 3716(h)(3) of title 31, United States Code,  
25 is amended to read as follows:



1           “(3) In applying this subsection with respect to  
2           any debt owed to a State, other than past due sup-  
3           port being enforced by the State, subsection  
4           (c)(3)(A) shall not apply.”.

5   **SEC. 311. MAINTENANCE OF TECHNICAL ASSISTANCE**  
6           **FUNDING.**

7           Section 452(j) (42 U.S.C. 652(j)) is amended by in-  
8           serting “, or the amount appropriated under this para-  
9           graph for fiscal year 2002, whichever is greater,” before  
10          “which shall be available”.

11   **SEC. 311. MAINTENANCE OF FEDERAL PARENT LOCATOR**  
12           **SERVICE FUNDING.**

13          Section 453(o) (42 U.S.C. 653(o)) is amended—

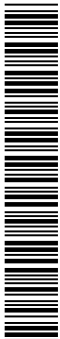
14               (1) in the 1st sentence, by inserting “, or the  
15               amount appropriated under this paragraph for fiscal  
16               year 2002, whichever is greater,” before “which  
17               shall be available”; and

18               (2) in the 2nd sentence, by striking “for each  
19               of fiscal years 1997 through 2001”.

20   **TITLE IV—CHILD WELFARE**

21   **SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-**  
22           **ONSTRATION PROJECTS.**

23          Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is  
24          amended by striking “2002” and inserting “2007”.



1 **SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF**  
2 **WAIVERS.**

3 Section 1130(a)(2) (42 U.S.C. 1320a-9(a)(2)) is  
4 amended by striking “not more than 10”.

5 **SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF**  
6 **STATES THAT MAY BE GRANTED WAIVERS TO**  
7 **CONDUCT DEMONSTRATION PROJECTS ON**  
8 **SAME TOPIC.**

9 Section 1130 (42 U.S.C. 1320a-9) is amended by  
10 adding at the end the following:

11 “(h) NO LIMIT ON NUMBER OF STATES THAT MAY  
12 BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR  
13 DEMONSTRATION PROJECTS.—The Secretary shall not  
14 refuse to grant a waiver to a State under this section on  
15 the grounds that a purpose of the waiver or of the dem-  
16 onstration project for which the waiver is necessary would  
17 be the same as or similar to a purpose of another waiver  
18 or project that is or may be conducted under this sec-  
19 tion.”.

20 **SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF**  
21 **WAIVERS THAT MAY BE GRANTED TO A SIN-**  
22 **GLE STATE FOR DEMONSTRATION PROJECTS.**

23 Section 1130 (42 U.S.C. 1320a-9) is further amend-  
24 ed by adding at the end the following:

25 “(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED  
26 TO, OR DEMONSTRATION PROJECTS THAT MAY BE CON-



1 DUCTED BY, A SINGLE STATE.—The Secretary shall not  
2 impose any limit on the number of waivers that may be  
3 granted to a State, or the number of demonstration  
4 projects that a State may be authorized to conduct, under  
5 this section.”.

6 **SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF**  
7 **AMENDMENTS TO AND EXTENSIONS OF DEM-**  
8 **ONSTRATION PROJECTS REQUIRING WAIV-**  
9 **ERS.**

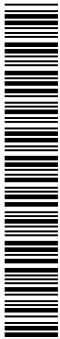
10 Section 1130 (42 U.S.C. 1320a–9) is further amend-  
11 ed by adding at the end the following:

12 “(j) STREAMLINED PROCESS FOR CONSIDERATION  
13 OF AMENDMENTS AND EXTENSIONS.—The Secretary  
14 shall develop a streamlined process for consideration of  
15 amendments and extensions proposed by States to dem-  
16 onstration projects conducted under this section.”.

17 **SEC. 406. AVAILABILITY OF REPORTS.**

18 Section 1130 (42 U.S.C. 1320a–9) is further amend-  
19 ed by adding at the end the following:

20 “(k) AVAILABILITY OF REPORTS.—The Secretary  
21 shall make available to any State or other interested party  
22 any report provided to the Secretary under subsection  
23 (f)(2), and any evaluation or report made by the Secretary  
24 with respect to a demonstration project conducted under



1 this section, with a focus on information that may promote  
2 best practices and program improvements.”.

3 **SEC. 407. TECHNICAL CORRECTION.**

4 Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is  
5 amended by striking “422(b)(9)” and inserting  
6 “422(b)(10)”.

7 **TITLE V—SUPPLEMENTAL**  
8 **SECURITY INCOME**

9 **SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-**  
10 **ABILITY DETERMINATIONS.**

11 Section 1633 (42 U.S.C. 1383b) is amended by add-  
12 ing at the end the following:

13 “(e)(1) The Commissioner of Social Security shall re-  
14 view determinations, made by State agencies pursuant to  
15 subsection (a) in connection with applications for benefits  
16 under this title on the basis of blindness or disability, that  
17 individuals who have attained 18 years of age are blind  
18 or disabled as of a specified onset date. The Commissioner  
19 of Social Security shall review such a determination before  
20 any action is taken to implement the determination.

21 “(2)(A) In carrying out paragraph (1), the Commis-  
22 sioner of Social Security shall review—

23 “(i) at least 15 percent of all determinations re-  
24 ferred to in paragraph (1) that are made in fiscal  
25 year 2003;



1           “(ii) at least 30 percent of all such determina-  
2           tions that are made in fiscal year 2004; and

3           “(iii) at least 50 percent of all such determina-  
4           tions that are made in fiscal year 2005 or thereafter.

5           “(B) In carrying out subparagraph (A), the Commis-  
6           sioner of Social Security shall, to the extent feasible, select  
7           for review the determinations which the Commissioner of  
8           Social Security identifies as being the most likely to be  
9           incorrect.”.

## 10   **TITLE VI—BROADENED WAIVER** 11                           **AUTHORITY**

### 12   **SEC. 601. STATE PROGRAM DEMONSTRATION PROJECTS.**

13           (a) PURPOSE.—The purpose of this section is to en-  
14           able States to conduct demonstration projects to integrate  
15           multiple public assistance, workforce development, and  
16           other programs, for the purpose of supporting working in-  
17           dividuals and families, helping families escape welfare de-  
18           pendency, promoting child well-being, or helping build  
19           stronger families, using innovative approaches to strength-  
20           en service systems and provide more coordinated and ef-  
21           fective service delivery.

22           (b) DEFINITIONS.—In this section:

23                   (1) ADMINISTERING SECRETARY.—The term  
24           “administering Secretary” means, with respect to a



1 qualified program, the head of the agency respon-  
2 sible for administering the program.

3 (2) QUALIFIED PROGRAM.—The term “qualified  
4 program” means—

5 (A) the unemployment insurance program  
6 under title III of the Social Security Act;

7 (B) a program under part A or D of title  
8 IV of such Act; or

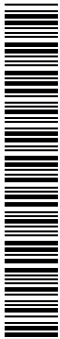
9 (C) the program under title XX of such  
10 Act.

11 (c) APPLICATION REQUIREMENTS.—A State desiring  
12 to conduct a demonstration project under this section in-  
13 volving 2 or more qualified programs shall submit to the  
14 administering Secretary of each such program an applica-  
15 tion that contains the following:

16 (1) PROGRAMS INCLUDED.—A statement identi-  
17 fying each qualified program to be included in the  
18 project, and describing how the purposes of each  
19 such program will be achieved by the project.

20 (2) POPULATION SERVED.—A statement identi-  
21 fying the population to be served by the project and  
22 specifying the eligibility criteria to be used.

23 (3) DESCRIPTION AND JUSTIFICATION.—A de-  
24 tailed description of the project, including—



1 (A) a description of how the project is ex-  
2 pected to improve or enhance achievement of  
3 the purposes of the programs to be included in  
4 the project, from the standpoint of quality, of  
5 cost-effectiveness, or of both; and

6 (B) a description of the performance objec-  
7 tives for the project, including any proposed  
8 modifications to the performance measures and  
9 reporting requirements used in the programs.

10 (4) WAIVERS REQUESTED.—A description of  
11 the statutory and regulatory requirements with re-  
12 spect to which a waiver is requested in order to  
13 carry out the project, and a justification of the need  
14 for each such waiver.

15 (5) COST NEUTRALITY.—Such information and  
16 assurances as necessary to establish to the satisfac-  
17 tion of the administering Secretary that the pro-  
18 posed project is reasonably expected to meet the ap-  
19 plicable cost neutrality requirements of subsection  
20 (d)(4).

21 (6) EVALUATION AND REPORTS.—An assurance  
22 that the State will conduct ongoing and final evalua-  
23 tions of the project, and make interim and final re-  
24 ports to the administering Secretary, at such times



1 and in such manner as the administering Secretary  
2 may require.

3 (7) OTHER INFORMATION AND ASSURANCES.—

4 Such other information and assurances as the ad-  
5 ministering Secretary may require.

6 (d) APPROVAL OF STATE APPLICATIONS.—

7 (1) IN GENERAL.—The administering Secretary  
8 with respect to a qualified program that is identified  
9 in an application submitted pursuant to subsection  
10 (c) may approve the application and, except as pro-  
11 vided in paragraph (2), waive any requirement appli-  
12 cable to the program, to the extent consistent with  
13 this section and necessary and appropriate for the  
14 conduct of the demonstration project proposed in the  
15 application, if the administering Secretary deter-  
16 mines that the project—

17 (A) has a reasonable likelihood of achieving  
18 the objectives of the programs to be included in  
19 the project; and

20 (B) may reasonably be expected to meet  
21 the applicable cost neutrality requirements of  
22 paragraph (4).

23 (2) PROVISIONS EXCLUDED FROM WAIVER AU-  
24 THORITY.—



1 (A) IN GENERAL.—Except as provided in  
2 subparagraph (B), a waiver shall not be grant-  
3 ed under paragraph (1) with respect to any pro-  
4 vision of law relating to—

5 (i) civil rights;

6 (ii) purposes or goals of any program;

7 (iii) maintenance of effort require-  
8 ments;

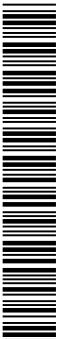
9 (iv) health or safety;

10 (v) labor standards under the Fair  
11 Labor Standards Act of 1938; or

12 (vi) environmental protection.

13 (B) EXCEPTION FOR CONSOLIDATION AND  
14 UNIFORMITY OF STATE ADMINISTRATIVE PRO-  
15 CEDURES FOR ADDRESSING CERTAIN COM-  
16 PLAINTS OR GRIEVANCES.—Subparagraph (A)  
17 shall not be construed to prevent a waiver from  
18 being granted to enable a State to consolidate  
19 and provide for uniform State administrative  
20 procedures for addressing complaints or griev-  
21 ances regarding public health or safety, labor  
22 standards, civil rights, occupational health or  
23 safety, or environmental protection.

24 (3) AGREEMENT OF EACH ADMINISTERING SEC-  
25 RETARY REQUIRED.—

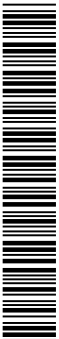


1 (A) IN GENERAL.—A State may not con-  
2 duct a demonstration project under this section  
3 unless each administering Secretary with re-  
4 spect to any program proposed to be included  
5 in the project has approved the application to  
6 conduct the project.

7 (B) AGREEMENT WITH RESPECT TO FUND-  
8 ING AND IMPLEMENTATION.—Before approving  
9 an application to conduct a demonstration  
10 project under this section, an administering  
11 Secretary shall have in place an agreement with  
12 the State with respect to the payment of funds  
13 and responsibilities required of the admin-  
14 istering Secretary with respect to the project.

15 (4) COST-NEUTRALITY REQUIREMENT.—

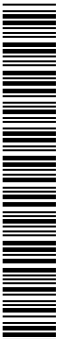
16 (A) GENERAL RULE.—Notwithstanding  
17 any other provision of law (except subparagraph  
18 (B)), the total of the amounts that may be paid  
19 to a State by the Federal Government for a fis-  
20 cal year with respect to the programs affected  
21 by a demonstration project conducted by the  
22 State under this section shall not exceed the es-  
23 timated total amount that the Federal Govern-  
24 ment would have paid to the State for the fiscal



1 year with respect to the programs if the project  
2 had not been conducted.

3 (B) SPECIAL RULE.—If a State submits to  
4 the Director of the Office of Management and  
5 Budget a request to apply the rules of this sub-  
6 paragraph to the programs affected by a dem-  
7 onstration project proposed in the State appli-  
8 cation submitted pursuant to this section, dur-  
9 ing such period of not more than 5 consecutive  
10 fiscal years in which the project is in effect, and  
11 the Director determines, on the basis of sup-  
12 porting information provided by the State, to  
13 grant the request, then, notwithstanding any  
14 other provision of law, the total of the amounts  
15 that may be paid to the State by the Federal  
16 Government for the period with respect to the  
17 programs shall not exceed the estimated total  
18 amount that the Federal Government would  
19 have paid to the State for the period with re-  
20 spect to the programs if the project had not  
21 been conducted.

22 (e) DURATION OF PROJECTS.—A demonstration  
23 project under this section may be approved for a term of  
24 not more than 5 years, and may be renewed for 1 or more  
25 additional terms of not more than 5 years.



1 (f) REPORTS TO CONGRESS.—Each administering  
2 Secretary shall provide annually to the Congress a report  
3 concerning demonstration projects approved under this  
4 section, including—

5 (1) the projects approved for each participating  
6 State;

7 (2) the number of waivers granted under this  
8 section, and the specific statutory provisions waived;  
9 and

10 (3) recommendations for modification of pro-  
11 grams based on outcomes of the projects.

## 12 **TITLE VII—EFFECTIVE DATE**

### 13 **SEC. 701. EFFECTIVE DATE.**

14 (a) IN GENERAL.—Except as otherwise provided, the  
15 amendments made by this Act shall take effect on October  
16 1, 2002.

17 (b) EXTENSION OF EFFECTIVE DATE FOR STATE  
18 LAW AMENDMENT.—In the case of a State plan under  
19 this part which the Secretary determines requires State  
20 legislation in order for the plan to meet the additional re-  
21 quirements imposed by the amendments made by this Act,  
22 the effective date of the amendments shall be 3 months  
23 after the first day of the first calendar quarter beginning  
24 after the close of the first regular session of the State leg-  
25 islature that begins after the date of the enactment of this



1 Act. For purposes of the preceding sentence, in the case  
2 of a State that has a 2-year legislative session, each year  
3 of the session shall be considered to be a separate regular  
4 session of the State legislature.

