

## Union Calendar No. 587

115TH CONGRESS  
2D SESSION

# H. R. 5861

[Report No. 115-754]

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

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### IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2018

Mr. SMITH of Nebraska (for himself, Mr. BRADY of Texas, Mr. NUNES, Ms. JENKINS of Kansas, Mr. REED, Mr. RENACCI, Mrs. WALORSKI, Mr. LAHOOD, Mr. BISHOP of Michigan, Mr. RICE of South Carolina, Mr. SMITH of Missouri, Mr. HOLDING, Mr. BUCHANAN, Mr. MARCHANT, and Mr. KELLY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 13, 2018

Additional sponsors: Mr. FERGUSON, Mr. ARRINGTON, Mr. SMUCKER, Mr. SAM JOHNSON of Texas, Mr. ALLEN, Mr. WENSTRUP, Mr. GAETZ, Mrs. HANDEL, Mr. KUSTOFF of Tennessee, Mr. JOHNSON of Louisiana, Mr. RUTHERFORD, Mr. ESTES of Kansas, Mr. BANKS of Indiana, Mr. MARSHALL, Mrs. NOEM, Mr. LOUDERMILK, Mr. DUNN, Mr. CRAMER, Mr. MITCHELL, Mr. GIANFORTE, and Mr. ABRAHAM

JUNE 13, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 17, 2018]

# **A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

4        *This Act may be cited as the “Jobs and Opportunity*  
 5 *with Benefits and Services for Success Act”.*

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

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

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

*Sec. 3. References.*

*Sec. 4. Re-naming of program.*

*Sec. 5. Helping more Americans enter and remain in the workforce.*

*Sec. 6. Expecting universal engagement and case management.*

*Sec. 7. Promoting accountability by measuring work outcomes.*

*Sec. 8. Targeting funds to truly needy families.*

*Sec. 9. Targeting funds to core purposes.*

*Sec. 10. Strengthening program integrity by measuring improper payments.*

*Sec. 11. Prohibition on State diversion of Federal funds to replace State spend-*  
*ing.*

*Sec. 12. Inclusion of poverty reduction as a program purpose.*

*Sec. 13. Welfare for needs not weed.*

*Sec. 14. Strengthening accountability through HHS approval of State plans.*

*Sec. 15. Aligning and improving data reporting.*

*Sec. 16. Technical corrections to data exchange standards to improve program co-*  
*ordination.*

*Sec. 17. Set-aside for economic downturns.*

*Sec. 18. Definitions related to use of funds.*

*Sec. 19. Elimination of obsolete provisions.*

*Sec. 20. Effective date.*

8 **SEC. 3. REFERENCES.**

9        *Except as otherwise expressly provided, wherever in*  
 10 *this Act an amendment or repeal is expressed in terms of*  
 11 *an amendment to, or repeal of, a section or other provision,*  
 12 *the reference shall be considered to be made to a section or*  
 13 *other provision of the Social Security Act.*

1 **SEC. 4. RE-NAMING OF PROGRAM.**

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

4 **“PART A—JOBS AND OPPORTUNITY WITH**  
5 **BENEFITS AND SERVICES PROGRAM”.**

6 (b) *CONFORMING AMENDMENTS.*—

7 (1) *The heading for section 403(a)(2)(B) (42*  
8 *U.S.C. 603(a)(2)(B)) is amended by striking “TANF”*  
9 *and inserting “JOBS”.*

10 (2) *The heading for section 413(a) (42 U.S.C.*  
11 *613(a)) is amended by striking “TANF” and insert-*  
12 *ing “JOBS”.*

13 (3) *The heading for section 471(e)(7)(B)(i) (42*  
14 *U.S.C. 671(e)(7)(B)(i)), as in effect pursuant to the*  
15 *amendment made by section 50711(a)(2) of division*  
16 *E of the Bipartisan Budget Act of 2018 (Public Law*  
17 *115–123), is amended by striking “TANF” and in-*  
18 *serting “JOBS”.*

19 **SEC. 5. HELPING MORE AMERICANS ENTER AND REMAIN IN**  
20 **THE WORKFORCE.**

21 (a) *FAMILY ASSISTANCE GRANTS.*—*Section 403(a)(1)*  
22 *(42 U.S.C. 603(a)(1)) is amended in each of subparagraphs*  
23 *(A) and (C) by striking “2017 and 2018” and inserting*  
24 *“2019 through 2023”.*

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

4           (1) *by striking “2017 and 2018” and inserting*  
5 *“2019 through 2023”; and*

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

7       (c) *TRIBAL FAMILY ASSISTANCE GRANTS.*—Section  
8 *412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by strik-*  
9 *ing “2017 and 2018” and inserting “2019 through 2023”.*

10       (d) *IMPROVING ACCESS TO CHILD CARE TO SUPPORT*  
11 *WORK.*—Section 418(a)(3) (42 U.S.C. 618(a)(3)) *is amend-*  
12 *ed by striking “\$2,917,000,000 for each of fiscal years 2017*  
13 *and 2018” and inserting “\$3,525,000,000 for each of fiscal*  
14 *years 2019 through 2023”.*

15       (e) *GRANTS TO THE TERRITORIES.*—Section  
16 *1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking*  
17 *“2017 and 2018” and inserting “2019 through 2023”.*

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

19                           **MANAGEMENT.**

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

22       “(b) *INDIVIDUAL OPPORTUNITY PLANS.*—

23           “(1) *ASSESSMENT.*—*The State agency respon-*  
24 *sible for administering the State program funded*  
25 *under this part shall make an initial assessment of*

1        *the following for each work-eligible individual (as de-*  
2        *defined in the regulations promulgated pursuant to sec-*  
3        *tion 407(i)(1)(A)(i)):*

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

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

12                *“(2) CONTENTS OF PLANS.—On the basis of the*  
13                *assessment required by paragraph (1) of this sub-*  
14                *section, the State agency, in consultation with the in-*  
15                *dividual, shall develop an individual opportunity*  
16                *plan that—*

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

22                *“(B) sets forth the obligations of the indi-*  
23                *vidual to participate in work activities (as de-*  
24                *defined in section 407(d)), and the number of*

1           *hours per month for which the individual will so*  
2           *participate pursuant to section 407;*

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

10           “(D) *describes the job counseling and other*  
11           *services the State will provide to the individual*  
12           *to enable the individual to obtain and keep em-*  
13           *ployment in the private sector;*

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

16           “(F) *is signed by the individual.*

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

20           “(A) *within 180 days after the effective date*  
21           *of this subsection, in the case of an individual*  
22           *who, as of such effective date, is a recipient of as-*  
23           *sistance under the State program funded under*  
24           *this part (as in effect immediately before such ef-*  
25           *fective date); or*

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

4           “(4) *PENALTY FOR NONCOMPLIANCE BY INDI-*  
5           *VIDUAL.—In addition to any other penalties required*  
6           *under the State program funded under this part, the*  
7           *State may reduce, by such amount as the State con-*  
8           *siders appropriate, the amount of assistance otherwise*  
9           *payable under the State program to a family that in-*  
10          *cludes an individual who fails without good cause to*  
11          *comply with an individual opportunity plan devel-*  
12          *oped pursuant to this subsection, that is signed by the*  
13          *individual.*

14          “(5) *PERIODIC REVIEW.—The State shall meet*  
15          *with each work-eligible individual assessed by the*  
16          *State under paragraph (1), not less frequently than*  
17          *every 90 days, to—*

18                 “(A) *review the individual opportunity*  
19                 *plan developed for the individual;*

20                 “(B) *discuss with the individual the*  
21                 *progress made by the individual in achieving the*  
22                 *goals specified in the plan; and*

23                 “(C) *update the plan, as necessary, to re-*  
24                 *flect any changes in the circumstances of the in-*  
25                 *dividual since the plan was last reviewed.”.*



1 **SEC. 7. PROMOTING ACCOUNTABILITY BY MEASURING**  
2 **WORK OUTCOMES.**

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

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

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

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

18 “(3) *MEASURING STATE PERFORMANCE.*—

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

1           *tablish the baseline level of performance for each*  
2           *State for each such indicator.*

3           “(B) *INDICATORS OF PERFORMANCE.—The*  
4           *indicators described in this subparagraph, for a*  
5           *fiscal year, are the following:*

6                   “(i) *The percentage of individuals who*  
7                   *were work-eligible individuals as of the time*  
8                   *of exit from the program, who are in unsub-*  
9                   *sidized employment during the 2nd quarter*  
10                  *after the exit.*

11                  “(ii) *The percentage of individuals who*  
12                  *were work-eligible individuals who were in*  
13                  *unsubsidized employment in the 2nd quar-*  
14                  *ter after the exit, who are also in unsub-*  
15                  *sidized employment during the 4th quarter*  
16                  *after the exit.*

17                  “(iii) *The median earnings of individ-*  
18                  *uals who were work-eligible individuals as*  
19                  *of the time of exit from the program, who*  
20                  *are in unsubsidized employment during the*  
21                  *2nd quarter after the exit.*

22                  “(iv) *The percentage of individuals*  
23                  *who have not attained 24 years of age, are*  
24                  *attending high school or enrolled in an*  
25                  *equivalency program, and are work-eligible*

1 *individuals or were work-eligible individ-*  
2 *uals as of the time of exit from the program,*  
3 *who obtain a high school degree or its recog-*  
4 *nized equivalent while receiving assistance*  
5 *under the State program funded under this*  
6 *part or within 1 year after the exit.*

7 *“(C) LEVELS OF PERFORMANCE.—*

8 *“(i) IN GENERAL.—For each State sub-*  
9 *mitting a State plan pursuant to section*  
10 *402(a), there shall be established, in accord-*  
11 *ance with this subparagraph, levels of per-*  
12 *formance for each of the indicators described*  
13 *in subparagraph (B).*

14 *“(ii) WEIGHT.—The weight assigned to*  
15 *such an indicator shall be the following:*

16 *“(I) 40 percent, in the case of the*  
17 *indicator described in subparagraph*  
18 *(B)(i).*

19 *“(II) 25 percent, in the case of the*  
20 *indicator described in subparagraph*  
21 *(B)(ii).*

22 *“(III) 25 percent, in the case of*  
23 *the indicator described in subpara-*  
24 *graph (B)(iii).*

1                   “(IV) 10 percent, in the case of  
2                   the indicator described in subpara-  
3                   graph (B)(iv).

4                   “(iii) AGREEMENT ON REQUISITE PER-  
5                   FORMANCE LEVEL FOR EACH INDICATOR.—

6                   “(I) IN GENERAL.—The Secretary  
7                   and the State shall negotiate the req-  
8                   uisite level of performance for the State  
9                   with respect to each indicator described  
10                  in clause (ii), for each of fiscal years  
11                  2020 through 2023, and in the case of  
12                  each of fiscal years 2021 through 2023,  
13                  shall do so before the beginning of the  
14                  respective fiscal year.

15                  “(II) REQUIREMENTS IN ESTAB-  
16                  LISHING PERFORMANCE LEVELS.—In  
17                  establishing the requisite levels of per-  
18                  formance, the State and the Secretary  
19                  shall—

20                         “(aa) take into account how  
21                         the levels involved compare with  
22                         the levels established for other  
23                         States;

24                         “(bb) ensure the levels in-  
25                         volved are adjusted, using the ob-

1 *jective statistical model referred to*  
2 *in clause (v), based on—*

3 *“(AA) the differences*  
4 *among States in economic*  
5 *conditions, including dif-*  
6 *ferences in unemployment*  
7 *rates or employment losses or*  
8 *gains in particular indus-*  
9 *tries; and*

10 *“(BB) the characteris-*  
11 *tics of participants on entry*  
12 *into the program, including*  
13 *indicators of prior work his-*  
14 *tory, lack of educational or*  
15 *occupational skills attain-*  
16 *ment, or other factors that*  
17 *may affect employment and*  
18 *earnings; and*

19 *“(CC) take into account*  
20 *the extent to which the levels*  
21 *involved promote continuous*  
22 *improvement in performance*  
23 *by each State.*

24 *“(iv) REVISIONS BASED ON ECONOMIC*  
25 *CONDITIONS AND INDIVIDUALS RECEIVING*

1           *ASSISTANCE DURING THE FISCAL YEAR.—*

2           *The Secretary shall, in accordance with the*  
3           *objective statistical model referred to in*  
4           *clause (v), revise the requisite levels of per-*  
5           *formance for a State and a fiscal year to re-*  
6           *fect the economic conditions and character-*  
7           *istics of the relevant individuals in the*  
8           *State during the fiscal year.*

9                   “(v)       *STATISTICAL       ADJUSTMENT*  
10           *MODEL.—The Secretary shall use an objec-*  
11           *tive statistical model to make adjustments*  
12           *to the requisite levels of performance for the*  
13           *economic conditions and characteristics of*  
14           *the relevant individuals, and shall consult*  
15           *with the Secretary of Labor to develop a*  
16           *model that is the same as or similar to the*  
17           *model       described       in       section*  
18           *116(b)(3)(A)(viii) of the Workforce Innova-*  
19           *tion and Opportunity Act (29 U.S.C.*  
20           *3141(b)(3)(A)(viii)).*

21                   “(vi)   *DEFINITION OF EXIT.—In this*  
22           *subsection, the term ‘exit’ means, with re-*  
23           *spect to a State program funded under this*  
24           *part, ceases to a receive a JOBS benefit*  
25           *under the program.*

1           “(D) *STATE OPTION TO ESTABLISH COMMON*  
2           *EXIT MEASURES.*—*Notwithstanding subpara-*  
3           *graph (C)(vi) of this paragraph, a State that has*  
4           *not provided the notification under section*  
5           *121(b)(1)(C)(ii) of the Workforce Innovation and*  
6           *Opportunity Act to exclude the State program*  
7           *funded under this part as a mandatory one-stop*  
8           *partner may adopt an alternative definition of*  
9           *‘exit’ for the purpose of creating common exit*  
10           *measures to improve alignment with workforce*  
11           *programs operated under title I of such Act.*

12           “(E) *REGULATIONS.*—*In order to ensure*  
13           *nationwide comparability of data, the Secretary,*  
14           *after consultation the Secretary of Labor and*  
15           *with States, shall issue regulations governing the*  
16           *establishment of the performance accountability*  
17           *system under this subsection and a template for*  
18           *performance reports to be used by all States con-*  
19           *sistent with subsection (b).”.*

20           “(b) *REPORTS ON STATE PERFORMANCE ON HHS ON-*  
21           *LINE DASHBOARD.*—*Section 407(b) (42 U.S.C. 607(b)) is*  
22           *amended to read as follows:*

23           “(b) *PUBLICATION OF STATE PERFORMANCE.*—*The*  
24           *Secretary shall, directly or through the use of grants or con-*  
25           *tracts, establish and operate an Internet website that is ac-*

1 *cessible to the public, with a dashboard that is regularly*  
2 *updated and provides easy-to-understand information on*  
3 *the performance of each State program funded under this*  
4 *part, including a profile for each such program, expressed*  
5 *by use of a template, which shall include—*

6           “(1) *information on the indicators and requisite*  
7 *performance levels established for the State under sub-*  
8 *section (a), including, with respect to each such level,*  
9 *whether the State achieves, exceeds, or fails to achieve*  
10 *the level on an ongoing basis, including—*

11                 “(A) *information on any adjustments made*  
12 *to the requisite levels using the statistical adjust-*  
13 *ment model described in subsection (a)(3)(D)(v);*  
14 *and*

15                 “(B) *a grade based on the overall perform-*  
16 *ance of the State, as determined by the Secretary*  
17 *and in consultation with the State, and the over-*  
18 *all performance shall be graded based on the per-*  
19 *formance indicators and weights for each such*  
20 *indicator as described in subsection (a);*

21           “(2) *information reported under section 411 on*  
22 *the characteristics and demographics of individuals*  
23 *receiving assistance under the State program, includ-*  
24 *ing—*



1           “(A) the number and percentage of child-  
2           only cases and reason why the cases are child-  
3           only; and

4           “(B) the average weekly number of hours  
5           that each work-eligible individual in the State  
6           program participates in work activities, includ-  
7           ing a separate section showing the number and  
8           percentage of the work-eligible individuals with  
9           zero hours of the participation and the reason for  
10          non-participation;

11          “(3) information on the results of improper pay-  
12          ments reviews;

13          “(4) a link to the State plan approved under sec-  
14          tion 402; and

15          “(5) information regarding any penalty im-  
16          posed, or other corrective action taken, by the Sec-  
17          retary against a State for failing to achieve a req-  
18          uisite performance level or any other requirement im-  
19          posed by or under this part.”.

20          (c) *MODIFICATION OF RULES FOR DETERMINING*  
21 *WHETHER AN INDIVIDUAL IS ENGAGED IN WORK.*—Section

22 *407(c) (42 U.S.C. 607(c)) is amended—*

23                 (1) *in paragraph (1)—*

24                         (A) *in subparagraph (A)—*

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

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

7                   (B) in subparagraph (B)—

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

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

14                  (iii) in clause (ii), by striking “, not  
15                  fewer than” and all that follows through  
16                  “subsection (d)”; and

17                  (2) in paragraph (2)—

18                  (A) by striking subparagraphs (A) and (D);

19                  (B) in each of subparagraphs (B) and (C),  
20                  by striking “For purposes of determining month-  
21                  ly participation rates under subsection  
22                  (b)(1)(B)(i), a” and inserting “A”; and

23                  (C) by redesignating subparagraphs (B)  
24                  and (C) as subparagraphs (A) and (B), respec-  
25                  tively.

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

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

5           (2) in paragraph (8), by striking “(not to exceed  
 6 12 months with respect to any individual)” and in-  
 7 serting “, including career technical education”;

8           (3) in paragraph (11), by striking “and” at the  
 9 end;

10          (4) in paragraph (12), by striking the period  
 11 and inserting “; and”; and

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

13           “(13) any other activity that the State deter-  
 14 mines is necessary to improve the employment, earn-  
 15 ings, or other outcomes of a recipient of assistance  
 16 that are used in determining a level of performance  
 17 by the State for purposes of subsection (a), as de-  
 18 scribed in the State plan approved under section  
 19 402.”.

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

21       (a) *PROHIBITION ON USE OF FUNDS FOR FAMILIES*  
 22 *WITH INCOME GREATER THAN TWICE THE POVERTY*  
 23 *LINE.*—Section 404(k) (42 U.S.C. 604(k)) is amended to  
 24 read as follows:

25       “(k) *PROHIBITIONS.*—

1           “(1) *USE OF FUNDS FOR PERSONS WITH INCOME*  
2           *GREATER THAN TWICE THE POVERTY LINE.*—A State  
3           to which a grant is made under this part shall not  
4           use the grant to provide any assistance or services to  
5           a family whose monthly income exceeds twice the pov-  
6           erty line (as defined by the Office of Management and  
7           Budget, and revised annually in accordance with sec-  
8           tion 673(2) of the Omnibus Budget Reconciliation Act  
9           of 1981 (42 U.S.C. 9902(2))).”.

10          (b) *ELIMINATION OF LIMITATION ON USE OF FUNDS*  
11 *FOR CASE MANAGEMENT ACTIVITIES.*—Section 404(b)(2)  
12 (42 U.S.C. 604(b)(2)) is amended to read as follows:

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

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

18                   “(B) case management activities to carry  
19                   out section 408(b).”.

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

1           “(2) *DIRECT SPENDING ON CHILD CARE SERV-*  
2           *ICES OR ACTIVITIES OR CHILD WELFARE SERVICES OR*  
3           *ACTIVITIES.—A State to which a grant is made under*  
4           *this part shall not use the grant for direct spending*  
5           *on child care services or activities or direct spending*  
6           *on child welfare services or activities.*”.

7           *(d) EXPANSION OF AUTHORITY TO TRANSFER FUNDS*  
8           *TO OTHER PROGRAMS.—Section 404(d) (42 U.S.C. 604(d))*  
9           *is amended by striking paragraphs (1) through (3) and in-*  
10          *serting the following:*

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

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

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

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

20           “(2) *LIMITATION ON AMOUNT TRANSFERRABLE*  
21           *TO SUBPART 1 OF PART B OF THIS TITLE.—*

22           “(A) *In general.—A State may use not*  
23           *more than the applicable percentage of the*  
24           *amount of a grant made to the State under sec-*

1            *tion 403(a)(1) to carry out State programs pur-*  
2            *suant to subpart 1 of part B.*

3            “(B) *APPLICABLE PERCENTAGE.*—*For pur-*  
4            *poses of subparagraph (A), the applicable per-*  
5            *centage is 10 percent.*

6            “(3) *APPLICABLE RULES.*—

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

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

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

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

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

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

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

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

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

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

15       **(c) PHASE-OUT OF COUNTING OF THIRD-PARTY CON-**  
 16 **TRIBUTIONS AS QUALIFIED STATE EXPENDITURES.**—Sec-  
 17 tion 408(a) (42 U.S.C. 608(a)), as amended by subsections  
 18 (a) and (b) of this section, is amended by adding at the  
 19 end the following:

20           “(15) **PHASE-OUT OF COUNTING OF THIRD-PARTY**  
 21 **CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-**  
 22 **TURES.**—

23           “(A) **IN GENERAL.**—The qualified State ex-  
 24 penditures (as defined in section  
 25 409(a)(7)(B)(i)) of a State for a fiscal year that



1           *are attributable to the value of goods and services*  
2           *provided by a source other than a State or local*  
3           *government shall not exceed the applicable per-*  
4           *centage of the expenditures for the fiscal year.*

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

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

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

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

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

16 ***SEC. 10. STRENGTHENING PROGRAM INTEGRITY BY MEAS-***  
17 ***URING IMPROPER PAYMENTS.***

18           *Section 404 (42 U.S.C. 604) is amended by adding*  
19 *at the end the following:*

20           “(l) *APPLICABILITY OF IMPROPER PAYMENTS LAWS.*—

21                    “(1) *IN GENERAL.*—*The Improper Payments In-*  
22                    *formation Act of 2002 and the Improper Payments*  
23                    *Elimination and Recovery Act of 2010 shall apply to*  
24                    *a State in respect of the State program funded under*

1        *this part in the same manner in which such Acts*  
2        *apply to a Federal agency.*

3            “(2) *REGULATIONS.*—*Within 2 years after the*  
4        *date of the enactment of this subsection, the Secretary*  
5        *shall prescribe regulations governing how a State re-*  
6        *views and reports improper payments under the State*  
7        *program funded under this part.”.*

8        **SEC. 11. PROHIBITION ON STATE DIVERSION OF FEDERAL**  
9            **FUNDS TO REPLACE STATE SPENDING.**

10        *Section 408(a) (42 U.S.C. 608(a)), as amended by sec-*  
11        *tion 9 of this Act, is amended by adding at the end the*  
12        *following:*

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

18        **SEC. 12. INCLUSION OF POVERTY REDUCTION AS A PRO-**  
19            **GRAM PURPOSE.**

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

21            (1) *by striking “and” at the end of paragraph*

22        (3);

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

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

1           “(5) reduce child poverty by increasing employ-  
2           ment entry, retention, and advancement of needy par-  
3           ents.”.

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

5           (a) *PROHIBITION.*—Section 408(a)(12)(A) (42 U.S.C.  
6 608(a)(12)(A)) is amended—

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

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

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

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

14           (b) *EFFECTIVE DATE.*—The amendments made by sub-  
15           section (a) shall take effect on the date that is 2 years after  
16           the date of the enactment of this Act.

17 **SEC. 14. STRENGTHENING ACCOUNTABILITY THROUGH**  
18 **HHS APPROVAL OF STATE PLANS.**

19           (a) *IN GENERAL.*—Section 402 (42 U.S.C. 602) is  
20           amended—

21                 (1) in subsection (a)—

22                         (A) in the matter preceding paragraph (1),  
23                                 by striking “found” and inserting “approved  
24                                 that”; and

25                         (B) in paragraph (1)—

1                   (i) in subparagraph (A)—

2                               (I) by striking clauses (ii) and  
3                               (iii) and inserting the following:

4                   “(ii) Require work-eligible individuals  
5                   (as defined in the regulations promulgated  
6                   pursuant to section 407(i)(1)(A)(i)) to en-  
7                   gage in work activities consistent with sec-  
8                   tion 407(c). The document shall describe  
9                   any other activity that the State will con-  
10                   sider a work activity under section  
11                   407(c)(13).”;

12                               (II) by redesignating clauses (iv)  
13                               through (viii) as clauses (iii) through  
14                               (vii), respectively; and

15                               (III) by adding at the end the fol-  
16                               lowing:

17                   “(viii) Describe the case management  
18                   practices of the State with respect to the re-  
19                   quirements of section 408(b), provide a copy  
20                   of the form or forms that will be used to as-  
21                   sess a work-eligible individual (as so de-  
22                   fined) and prepare an individual oppor-  
23                   tunity plan for the individual, describe how  
24                   the State will ensure that such a plan is re-  
25                   viewed in accordance with section

1                   408(b)(5), and describe how the State will  
2                   measure progress under the plan.

3                   “(ix) Propose the requisite levels of  
4                   performance for the State for purposes of  
5                   section 407(a)(3)(D) for each year in the 2-  
6                   year period referred to in subsection (d) of  
7                   this section, and provide an explanation  
8                   with supporting data of why each such level  
9                   is appropriate.

10                  “(x) Describe how the State will engage  
11                  low-income noncustodial parents paying  
12                  child support and how such a parent will be  
13                  provided with access to work support and  
14                  other services under the program to which  
15                  the parent is referred to support their em-  
16                  ployment and advancement.

17                  “(xi) Describe how the State will com-  
18                  ply with improper payments provisions in  
19                  section 404(l).

20                  “(xii) Describe coordination with other  
21                  programs, including whether the State in-  
22                  tends to exercise authority provided by sec-  
23                  tion 404(d) of this Act to transfer any funds  
24                  paid to the State under this part, provide  
25                  assurance that, in the case of a transfer to

1           *carry out a program under title I of the*  
2           *Workforce Innovation and Opportunity Act,*  
3           *the State will comply with section*  
4           *404(d)(3)(B) of this Act and coordinate*  
5           *with the one-stop delivery system under the*  
6           *Workforce Innovation and Opportunity Act,*  
7           *and describe how the State will coordinate*  
8           *with the programs involved to provide serv-*  
9           *ices to families receiving assistance under*  
10          *the program referred to in paragraph (1) of*  
11          *this subsection.*

12           *“(xiii) Describe how the State will pro-*  
13          *mote marriage, such as through temporary*  
14          *disregard of the income of a new spouse*  
15          *when an individual receiving assistance*  
16          *under the State program marries so that the*  
17          *couple doesn’t automatically lose benefits*  
18          *due to marriage.*

19           *“(xiv) Describe how the State will*  
20          *allow for a transitional period of benefits,*  
21          *such as through temporary earned income*  
22          *disregards or a gradual reduction in the*  
23          *monthly benefit amount, for an individual*  
24          *receiving assistance who obtains employ-*  
25          *ment and becomes ineligible due to an in-*

1                   crease in income obtained through employ-  
2                   ment or through an increase in wages.”;  
3                   and

4                   (ii) in subparagraph (B), by striking  
5                   clauses (iv) and (v);

6                   (2) by striking subsection (c) and inserting the  
7                   following:

8                   “(c) *PUBLIC AVAILABILITY OF STATE PLANS.*—The  
9                   Secretary shall make available to the public a link to any  
10                  plan or plan amendment submitted by a State under this  
11                  subsection.”; and

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

13                  “(d) *2-YEAR PLAN.*—A plan submitted pursuant to  
14                  this section shall be designed to be implemented during a  
15                  2-year period.

16                  “(e) *COMBINED PLAN ALLOWED.*—A State may sub-  
17                  mit to the Secretary and the Secretary of Labor a combined  
18                  State plan that meets the requirements of subsections (a)  
19                  and (d) and that is for programs and activities under the  
20                  Workforce Innovation and Opportunity Act.

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

24                  (b) *DUTIES OF THE SECRETARY.*—

1           (1) *COORDINATION OF ACTIVITIES; DISSEMINA-*  
2           *TION OF INFORMATION.—Section 416 (42 U.S.C. 616)*  
3           *is amended—*

4                   (A) *by inserting “(a) IN GENERAL.—” be-*  
5                   *fore “The programs”; and*

6                   (B) *by adding at the end the following:*

7           “(b) *COORDINATION OF ACTIVITIES.—The Secretary*  
8           *shall coordinate all activities of the Department of Health*  
9           *and Human Services relating to work activities (as defined*  
10           *in section 407(d)) and requirements and measurement of*  
11           *employment outcomes, and, to the maximum extent prac-*  
12           *ticable, coordinate the activities of the Department in this*  
13           *regard with similar activities of other Federal entities.*

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

19           (c) *TECHNICAL ASSISTANCE.—*

20                   (1) *IN GENERAL.—Section 406 (42 U.S.C. 606)*  
21           *is amended to read as follows:*

22           **“SEC. 406. TECHNICAL ASSISTANCE.**

23                   “(a) *IN GENERAL.—The Secretary shall provide tech-*  
24           *nical assistance to States and Indian tribes (which may*  
25           *include providing technical assistance on a reimbursable*



1 basis), which shall be provided by qualified experts on prac-  
 2 tices grounded in scientifically valid research, where appro-  
 3 priate, to support activities related publication of State per-  
 4 formance under section 407(b) and to carry out State and  
 5 tribal programs funded under this part.

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

10 (2) *CONFORMING AMENDMENT.*—Section  
 11 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended by  
 12 striking “percentage specified in section 413(h)(1)”  
 13 and inserting “the sum of the percentages specified in  
 14 sections 406(b) and 413(h)”.

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

16 (a) *REQUIREMENT THAT STATES REPORT FULL-POP-*  
 17 *ULATION DATA.*—Section 411(a)(1) (42 U.S.C. 611(a)(1))  
 18 is amended—

19 (1) by striking subparagraph (B);

20 (2) by striking “(1) *GENERAL REPORTING RE-*  
 21 *QUIREMENT.*—”; and

22 (3) by—

23 (A) redesignating—

24 (i) subparagraph (A) as paragraph

25 (1);

1                   (ii) clauses (i) through (xvii) of sub-  
2                   paragraph (A) as subparagraphs (A)  
3                   through (Q), respectively;

4                   (iii) subclauses (I) through (V) of  
5                   clause (ii) as clauses (i) through (v), respec-  
6                   tively;

7                   (iv) subclauses (I) through (VII) of  
8                   clause (xi) as clauses (i) through (vii), re-  
9                   spectively; and

10                  (v) subclauses (I) through (V) of clause  
11                  (xvi) as clauses (i) through (v), respectively;  
12                  and

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

15           (b) *REPORT ON PARTICIPATION IN WORK ACTIVI-*  
16 *TIES.—Section 411(a)(1) (42 U.S.C. 611(a)(1)), as amend-*  
17 *ed by subsection (a)(3) of this section, is amended by strik-*  
18 *ing subparagraphs (K) and (L) and inserting the following:*

19                   “(K) *The work eligibility status of each in-*  
20                   *dividual in the family, and—*

21                   “(i) *in the case of each work-eligible*  
22                   *individual (as defined in the regulations*  
23                   *promulgated pursuant to section*  
24                   *407(i)(1)(A)(i) in the family—*

1                   “(I) the number of hours (includ-  
2                   ing zero hours) per month of participa-  
3                   tion in—

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

6                   “(bb) any other activity re-  
7                   quired by the State to remove a  
8                   barrier to employment; and

9                   “(ii) in the case of each individual in  
10                  the family who is not a work-eligible indi-  
11                  vidual (as so defined), the reason for that  
12                  status.

13                  “(L) For each work-eligible individual (as  
14                  so defined) and each adult in the family who did  
15                  not participate in work activities (as so defined)  
16                  during a month, the reason for the lack of par-  
17                  ticipation.”.

18                  (c) *REPORTING OF INFORMATION ON EMPLOYMENT*  
19 *AND EARNINGS OUTCOMES.*—Section 411(c) (42 U.S.C.  
20 611(c)) is amended to read as follows:

21                  “(c) *REPORTING OF INFORMATION ON EMPLOYMENT*  
22 *AND EARNINGS OUTCOMES.*—The Secretary, in consulta-  
23 tion with the Secretary of Labor, shall determine the infor-  
24 mation that is necessary to compute the employment and  
25 earnings outcomes and the statistical adjustment model for

1 *the employment and earnings outcomes required under sec-*  
2 *tion 407, and each eligible State shall collect and report*  
3 *that information to the Secretary.”.*

4 **SEC. 16. TECHNICAL CORRECTIONS TO DATA EXCHANGE**  
5 **STANDARDS TO IMPROVE PROGRAM COORDI-**  
6 **NATION.**

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

9 *“(d) DATA EXCHANGE STANDARDS FOR IMPROVED*  
10 *INTEROPERABILITY.—*

11 *“(1) DESIGNATION.—The Secretary shall, in con-*  
12 *sultation with an interagency work group established*  
13 *by the Office of Management and Budget and consid-*  
14 *ering State government perspectives, by rule, des-*  
15 *ignate data exchange standards to govern, under this*  
16 *part—*

17 *“(A) necessary categories of information*  
18 *that State agencies operating programs under*  
19 *State plans approved under this part are re-*  
20 *quired under applicable Federal law to electroni-*  
21 *cally exchange with another State agency; and*

22 *“(B) Federal reporting and data exchange*  
23 *required under applicable Federal law.*

1           “(2) *REQUIREMENTS.*—*The data exchange stand-*  
2           *ards required by paragraph (1) shall, to the extent*  
3           *practicable—*

4                     “(A) *incorporate a widely accepted, non-*  
5                     *proprietary, searchable, computer-readable for-*  
6                     *mat, such as the eXtensible Markup Language;*

7                     “(B) *contain interoperable standards devel-*  
8                     *oped and maintained by intergovernmental part-*  
9                     *nerships, such as the National Information Ex-*  
10                    *change Model;*

11                    “(C) *incorporate interoperable standards*  
12                    *developed and maintained by Federal entities*  
13                    *with authority over contracting and financial*  
14                    *assistance;*

15                    “(D) *be consistent with and implement ap-*  
16                    *plicable accounting principles;*

17                    “(E) *be implemented in a manner that is*  
18                    *cost-effective and improves program efficiency*  
19                    *and effectiveness; and*

20                    “(F) *be capable of being continually up-*  
21                    *graded as necessary.*

22           “(3) *RULE OF CONSTRUCTION.*—*Nothing in this*  
23           *subsection shall be construed to require a change to*  
24           *existing data exchange standards found to be effective*  
25           *and efficient.”.*

1       (b) *EFFECTIVE DATE.*—Not later than the date that  
2 is 24 months after the date of the enactment of this section,  
3 the Secretary of Health and Human Services shall issue  
4 a proposed rule that—

5           (1) *identifies federally required data exchanges,*  
6 *include specification and timing of exchanges to be*  
7 *standardized, and address the factors used in deter-*  
8 *mining whether and when to standardize data ex-*  
9 *changes; and*

10          (2) *specifies State implementation options and*  
11 *describes future milestones.*

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

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

15       “(e) *DEADLINES FOR OBLIGATION AND EXPENDI-*  
16 *TURES OF FUNDS BY STATES.*—

17           “(1) *IN GENERAL.*—Except as provided in para-  
18 *graph (2), a State to which funds are paid under sec-*  
19 *tion 403(a)(1) shall obligate the funds within 2 years*  
20 *after the date the funds are so paid, and shall expend*  
21 *the funds within 3 years after such date.*

22           “(2) *EXCEPTION FOR LIMITED AMOUNT OF*  
23 *FUNDS SET ASIDE FOR FUTURE USE.*—A State to  
24 *which funds are paid under section 403(a)(1) may re-*

1       *serve not more than 15 percent of the funds for future*  
2       *use in the State program funded under this part.”.*

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

4       *Section 419 (42 U.S.C. 619) is amended by adding*  
5       *at the end the following:*

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

11               “(7) *WORK SUPPORTS.*—*The term ‘work sup-*  
12       *ports’ means assistance and non-assistance transpor-*  
13       *tation benefits (such as the value of allowances, bus*  
14       *tokens, car payments, auto repair, auto insurance re-*  
15       *imbursement, and van services provided in order to*  
16       *help families obtain, retain, or advance in employ-*  
17       *ment, participate in work activities (as defined in*  
18       *section 407(d)), or as a non-recurrent, short-term ben-*  
19       *efit, including goods provided to individuals in order*  
20       *to help them obtain or maintain employment (such as*  
21       *tools, uniforms, fees to obtain special licenses, bonuses,*  
22       *incentives, and work support allowances and expendi-*  
23       *tures for job access).*

24               “(8) *SUPPORTIVE SERVICES.*—*The term ‘sup-*  
25       *portive services’ means services such as domestic vio-*

1        *lence services, and mental health, substance abuse and*  
 2        *disability services, housing counseling services, and*  
 3        *other family supports, except to the extent that the*  
 4        *provision of the service would violate section*  
 5        *408(a)(6).*

6            “(9) *JOBS BENEFIT.*—*The term ‘JOBS benefit’*  
 7        *means—*

8            “(A) *assistance; or*

9            “(B) *wage subsidies that are paid, with*  
 10        *funds provided under section 403(a) or with*  
 11        *qualified State expenditures, with respect to a*  
 12        *person who—*

13            “(i) *was a work-eligible individual (as*  
 14        *defined in the regulations promulgated pur-*  
 15        *suant to section 407(i)(1)(A)(i)) at the time*  
 16        *of entry into subsidized employment, such*  
 17        *as on-the-job training or apprenticeship;*  
 18        *and*

19            “(ii) *is not receiving assistance.”.*

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

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

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



1           (1) *IN GENERAL.*—Section 403(a) (42 U.S.C.  
2           603(a)) is amended by striking paragraph (4).

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

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

7           (1) *IN GENERAL.*—Section 403(a) (42 U.S.C.  
8           603(a)) is amended by striking paragraph (5).

9           (2) *CONFORMING AMENDMENTS.*—

10           (A) *ELIMINATION OF EXCLUSION FROM*  
11           *TIME LIMIT.*—Section 408(a)(7) (42 U.S.C.  
12           608(a)(7)) is amended by striking subparagraph  
13           (G).

14           (B) *ELIMINATION OF PENALTY FOR MISUSE*  
15           *OF COMPETITIVE WELFARE-TO-WORK FUNDS.*—  
16           Section 409(a)(1) (42 U.S.C. 609(a)(1)) is  
17           amended by striking subparagraph (C).

18           (C) *ELIMINATION OF EXCLUSION FROM*  
19           *QUALIFIED STATE EXPENDITURES OF STATE*  
20           *FUNDS USED TO MATCH WELFARE-TO-WORK*  
21           *GRANT FUNDS.*—Section 409(a)(7)(B)(iv) (42  
22           U.S.C. 609(a)(7)(B)(iv)) is amended in the 1st  
23           sentence—

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

1                   (ii) by striking subclause (III) and re-  
2                   designating subclause (IV) as subclause  
3                   (III).

4                   (D) *ELIMINATION OF PENALTY FOR FAIL-*  
5                   *URE OF STATE TO MAINTAIN HISTORIC EFFORT*  
6                   *DURING YEAR IN WHICH WELFARE-TO-WORK*  
7                   *GRANT IS RECEIVED.*—Section 409(a) (42 U.S.C.  
8                   609(a)) is amended by striking paragraph (13).

9                   (E) *ELIMINATION OF REQUIREMENTS RE-*  
10                   *LATING TO WELFARE-TO-WORK GRANTS IN QUAR-*  
11                   *TERLY STATE REPORTS.*—Section 411(a) (42  
12                   U.S.C. 611(a)), as amended by section 15(a) of  
13                   this Act, is amended—

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

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

20                   (F) *INDIAN TRIBAL PROGRAMS.*—Section  
21                   412(a) (42 U.S.C. 612(a)) is amended by strik-  
22                   ing paragraph (3).

23                   (G) *ELIMINATION OF REQUIREMENT TO DIS-*  
24                   *CLOSE CERTAIN INFORMATION TO PRIVATE IN-*  
25                   *DUSTRY COUNCIL RECEIVING WELFARE-TO-WORK*

1           *FUNDS.—Section 454A(f) (42 U.S.C. 654a(f)) is*  
2           *amended by striking paragraph (5).*

3           *(H) GRANTS TO TERRITORIES.—Section*  
4           *1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by*  
5           *striking “403(a)(5),”.*

6           *(d) ELIMINATION OF CONTINGENCY FUND.—*

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

10          *(2) CONFORMING AMENDMENTS.—*

11          *(A) TRANSFER OF NEEDY STATE DEFINI-*  
12          *TION.—*

13                  *(i) IN GENERAL.—Paragraph (5) of*  
14                  *section 403(b) (42 U.S.C. 603(b)(5)) is—*

15                          *(I) amended—*

16                                  *(aa) in the matter preceding*  
17                                  *subparagraph (A), by striking*  
18                                  *“paragraph (4)” and inserting*  
19                                  *“subparagraph (C)”;*

20                                  *(bb) in each of subpara-*  
21                                  *graphs (A) and (B), by redesign-*  
22                                  *ating clauses (i) and (ii) as sub-*  
23                                  *clauses (I) and (II), respectively;*

1                   (cc) by redesignating sub-  
2                   paragraphs (A) and (B) as  
3                   clauses (i) and (ii), respectively;

4                   (dd) by redesignating such  
5                   paragraph as subparagraph (D);  
6                   and

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

9                   (II) as so amended, hereby trans-  
10                  ferred into section 409(a)(3) (42  
11                  U.S.C. 609(a)(3)) and added to the end  
12                  of such section.

13                  (ii) CONFORMING AMENDMENT.—Sec-  
14                  tion 409(a)(3)(C) (42 U.S.C. 609(a)(3)(C))  
15                  is amended by striking “(as defined in sec-  
16                  tion 403(b)(5))”.

17                  (B) ELIMINATION OF PENALTY FOR FAILURE  
18                  OF STATE RECEIVING AMOUNTS FROM CONTIN-  
19                  GENCY FUND TO MAINTAIN 100 PERCENT OF HIS-  
20                  TORIC EFFORT.—Section 409(a) (42 U.S.C.  
21                  609(a)) is amended by striking paragraph (10).

22                  (e) CONFORMING AMENDMENTS RELATED TO ELIMI-  
23                  NATION OF FEDERAL LOANS FOR STATE WELFARE PRO-  
24                  GRAMS.—

1           (1) *ELIMINATION OF ASSOCIATED PENALTY PRO-*  
2 *VISION.—*

3           (A) *IN GENERAL.—Section 409(a) (42*  
4 *U.S.C. 609(a)) is amended by striking para-*  
5 *graph (6).*

6           (B) *CONFORMING AMENDMENTS.—Section*  
7 *412(g)(1) (42 U.S.C. 612(g)(1)) is amended by*  
8 *striking “(a)(6),”.*

9           (2) *ELIMINATION OF PROVISION PROVIDING FOR*  
10 *TRIBAL ELIGIBILITY.—Section 412 (42 U.S.C. 612) is*  
11 *amended by striking subsection (f).*

12           (3) *ELIMINATION OF DISREGARD OF LOAN IN AP-*  
13 *PLYING LIMIT ON PAYMENTS TO THE TERRITORIES.—*  
14 *Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended*  
15 *by striking “406.”.*

16           (f) *ELIMINATION OF LIMITATIONS ON OTHER STATE*  
17 *PROGRAMS FUNDED WITH QUALIFIED STATE EXPENDI-*  
18 *TURES.—*

19           (1) *The following provisions are each amended*  
20 *by striking “or any other State program funded with*  
21 *qualified State expenditures (as defined in section*  
22 *409(a)(7)(B)(i))”:*

23           (A) *Paragraphs (1) and (2) of section*  
24 *407(e) (42 U.S.C. 607(e)(1) and (2)).*

1           (B) Section 411(a)(1) (42 U.S.C.  
2           611(a)(1)), as amended by section 15(a)(3)(A)(i)  
3           of this Act.

4           (C) Subsections (d) and (e)(1) of section  
5           413 (42 U.S.C. 613(d) and (e)(1)).

6           (2) Section 413(a) (42 U.S.C. 613(a)) is amend-  
7           ed by striking “and any other State program funded  
8           with qualified State expenditures (as defined in sec-  
9           tion 409(a)(7)(B)(i))”.

10          (g) *CONFORMING AMENDMENTS RELATED TO ELIMI-*  
11 *NATION OF REPORT.—*

12           (1) *IN GENERAL.—*Section 409(a)(2) (42 U.S.C.  
13           609(a)(2)) is amended—

14           (A) in the paragraph heading, by inserting  
15           “*QUARTERLY*” before “*REPORT*”;

16           (B) in subparagraph (A)(ii), by striking  
17           “*clause (i)*” and inserting “*subparagraph (A)*”;

18           (C) by striking “(A) *QUARTERLY RE-*  
19           *PORTS.—*”;

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

21           (E) by redesignating clauses (i) and (ii) of  
22           subparagraph (A) as subparagraphs (A) and  
23           (B), respectively (and adjusting the margins ac-  
24           cordingly).

25          (2) *CONFORMING AMENDMENTS.—*

1           (A) Section 409(b)(2) (42 U.S.C. 609(b)(2))  
2           is amended by striking “and,” and all that fol-  
3           lows and inserting a period.

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

6       (h) ANNUAL REPORTS TO CONGRESS.—Section  
7 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by strik-  
8 ing “participation rates” and inserting “outcome meas-  
9 ures”.

10       (i) REDUCTION IN FORCE PROVISIONS.—Section  
11 416(a) (42 U.S.C. 616(a)), as so designated by section  
12 14(b)(1)(A) of this Act, is amended by striking “, and the  
13 Secretary” and all that follows and inserting a period.

14       (j) CONFORMING CROSS-REFERENCES.—

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

16               (A) in subsection (a)(7)(B)(i)(III), by strik-  
17               ing “(12)” and inserting “(10)”;

18               (B) in subsection (a) (as amended by sub-  
19               sections (c)(2)(D), (d)(2)(B), and (e)(1)(A) of  
20               this section), by redesignating paragraphs (7),  
21               (8), (9), (11), (12), (14), (15), and (16) as para-  
22               graphs (6) through (13), respectively;

23               (C) in subsection (b)(2), by striking “(8),  
24               (10), (12), or (13)” and inserting “or (10)”;

1           (D) in subsection (c)(4), by striking “(8),  
2           (10), (12), (13), or (16)” and inserting “(10), or  
3           (13)”.

4           (2) Section 452 (42 U.S.C. 652) is amended in  
5           each of subsections (d)(3)(A)(i) and (g)(1) by striking  
6           “409(a)(8)” and inserting “409(a)(7)”.

7           (k) *MODIFICATIONS TO MAINTENANCE-OF-EFFORT RE-*  
8 *QUIREMENT.*—Section 409(a)(6)(B)(i) (42 U.S.C.  
9 609(a)(6)(B)(i)), as redesignated by subsection (j)(1)(B) of  
10 this section, is amended—

11           (1) in subclause (I)—

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

15                   (B) by redesignating items (dd) and (ee) as  
16                   items (ee) and (ff), respectively, and inserting  
17                   after item (cc) the following:

18                                   “(dd) Expenditures for a  
19                                   purpose described in paragraph  
20                                   (3) or (4) of section 401(a).”; and

21                   (C) in item (ee) (as so redesignated), by  
22                   striking “and (ee)” and inserting “(dd), and  
23                   (ff)”;

24           (2) in subclause (II)(aa), by inserting “(as in ef-  
25           fect just before the effective date of the Jobs and Op-



1 *portunity with Benefits and Services for Success*  
2 *Act)” after “this section”;*

3 *(3) by striking subclause (V); and*

4 *(4) in subclause (IV), by inserting “, except any*  
5 *of such families whose monthly income exceeds twice*  
6 *the poverty line (as defined by the Office of Manage-*  
7 *ment and Budget, and revised annually in accordance*  
8 *with section 673(2) of the Omnibus Budget Reconcili-*  
9 *ation Act of 1981 (42 U.S.C. 9902(2))” before the pe-*  
10 *riod.*

11 **SEC. 20. EFFECTIVE DATE.**

12 *Except as provided in section 13(b), the amendments*  
13 *made by this Act shall take effect on October 1, 2018.*

Union Calendar No. 587

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5861**

[Report No. 115-754]

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## **A BILL**

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

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JUNE 13, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed