H. R. ______

To reauthorize and amend the program of block grants to States for temporary assistance for needy families and related programs.

IN THE HOUSE OF REPRESENTATIVES

Ms. MOORE introduced the following bill; which was referred to the Committee on ____________________

A BILL

To reauthorize and amend the program of block grants to States for temporary assistance for needy families and related programs.

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 “Rewriting to Improve and Secure an Exit Out of Poverty Act” or the “RISE Out of Poverty Act”.
5 SEC. 2. TABLE OF CONTENTS.
6 The table of contents of this Act is as follows:
Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.
Sec. 4. State plans required to address whether and how States will provide assistance to neediest geographic areas.
Sec. 5. Funding of the TANF program.
Sec. 6. Work requirements.
Sec. 7. Work rules.
Sec. 8. Prohibition on imposing limit of less than 60 months on duration of assistance.
Sec. 9. Response of TANF program to economic recessions.
Sec. 10. Requirement that States use merit-based system in administration of TANF programs.
Sec. 11. Ban on using Federal TANF funds to replace State and local spending that does not meet the definition of qualified State expenditures.
Sec. 12. TANF assistance to meet basic family economic needs.
Sec. 13. State plans and reports on child poverty.
Sec. 14. Requirement that States adopt standards and procedures to address domestic and sexual violence among TANF recipients.
Sec. 15. Child care entitlement.
Sec. 16. Child support enforcement.
Sec. 17. State option to extend eligibility for assistance to children through age 21; prohibition on considering financial aid tied to education of child in determining eligibility for, or amount of assistance; prohibition on imposing additional requirements based on educational enrollment of child.
Sec. 18. Elimination of certain other bars to TANF assistance.
Sec. 20. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided in this Act, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.
SEC. 4. STATE PLANS REQUIRED TO ADDRESS WHETHER AND HOW STATES WILL PROVIDE ASSISTANCE TO NEEDIEST GEOGRAPHIC AREAS.

Section 402(a)(1)(A)(i) (42 U.S.C. 602(a)(1)(A)(i)) is amended by inserting “, including whether and how the State will give priority to providing benefits and services in areas of the State with the greatest need (such as areas with the greatest unemployment rates, the greatest poverty rates, and the least job opportunity to population ratios)” before the period.

SEC. 5. FUNDING OF THE TANF PROGRAM.

(a) State Family Assistance Grant.—

(1) In general.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended—

(A) in subparagraph (A), by striking “each of fiscal years 2017 and 2018” and inserting “fiscal year 2019 and each succeeding fiscal year”; and

(B) by striking subparagraphs (B) and (C) and inserting the following:

“(B) State family assistance grant payable to a State for a fiscal year shall be the greater of—
“(I) the adjusted basic block grant, plus the amount required to be paid to the State under paragraph (3) (as in effect on September 30, 2010) for fiscal year 2010; or

“(II) the amount required to be paid to the State under this paragraph for the preceding fiscal year.

“(ii) ADJUSTED BASIC BLOCK GRANT.—In clause (i), the term ‘adjusted block grant’ means, with respect to a State, the product of—

“(I) the amount required to be paid to the State under this paragraph for fiscal year 2010 (determined without regard to any reduction pursuant to section 409 or 412(a)(1));

“(II) 1.00, plus the percentage (if any) by which the average of the CPI for the 12-month period ending with June of the preceding fiscal year exceeds the average of the CPI for the 12-month period ending with June 1996, expressed as a decimal; and
“(III) 1.00, plus the percentage (if any) by which the most recent estimate by the Bureau of the Census of the population of the State that has not attained 18 years of age exceeds the most recent estimate by the Bureau of the Census of that population as of July 1, 1996, expressed as a decimal.

“(iii) CPI defined.—In clause (ii), the term ‘CPI’ means the last Consumer Price Index for All Urban Consumers published by the Department of Labor for the period involved.

“(C) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as are necessary for grants under this paragraph for each fiscal year.”.

(2) Conforming amendment to eliminate supplemental grants for population increases in certain states.—Section 403(a) (42 U.S.C. 603(a)) is amended by striking paragraph (3).
(b) Penalty for Failure to Maintain Effort Adjusted for Inflation.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A), by inserting “the inflation-adjusted” before “historic State expenditures”; and

(2) in subparagraph (B), by redesignating clauses (iii) through (v) as clauses (iv) through (vi), respectively, and inserting after clause (ii) the following:

“(iii) Inflation-Adjusted Historic State Expenditures.—The term ‘inflation-adjusted historic State expenditures’ means, with respect to a fiscal year—

“(I) historic State expenditures;

multiplied by

“(II) 1.00, plus (in the case of fiscal year 2019 or any succeeding fiscal year) the percentage (if any) by which the average of the CPI (as defined in section 403(a)(1)(B)(iii)) for the 12-month period ending with June of the preceding fiscal year exceeds the average of the CPI (as so defined)
for the 12-month period ending with
June 2017, expressed as a decimal.”

(c) MODIFICATION OF CONTINGENCY FUND.—

(1) IN GENERAL.—Section 403(b) (42 U.S.C.
603(b)) is amended by striking all that follows para-
graph (1) and inserting the following:

“(2) GRANTS.—

“(A) IN GENERAL.—The Secretary shall
make a grant to each eligible State and each
Indian tribe that is an economically needy enti-
ty for a calendar quarter, in an amount equal
to 80 percent of the amount (if any) by which
the total amount of relevant expenditures of the
entity for the quarter exceeds the total amount
of the relevant expenditures of the entity for
the corresponding quarter in the base year of
the entity, subject to paragraph (2).

“(B) LIMITATION.—The total amount pay-
able to an entity under this subsection for a fis-
cal year shall not exceed an amount equal to 25
percent of the amount payable to the entity—

“(i) if the entity is a State, under sec-
tion 403(a)(1) for the fiscal year; or

“(ii) if the entity is an Indian tribe,
under section 412(a)(1) for the fiscal year.
“(3) DEFINITIONS.—In paragraph (2):

“(A) ECONOMICALLY NEEDY ENTITY.—

The term ‘economically needy entity’ means, with respect to a calendar quarter—

“(i) an entity with a seasonally adjusted average unemployment rate for the quarter or any of the preceding 4 calendar quarters that exceeds 6.5 percent; or

“(ii) in the case that the unemployment rate information described in clause (i) is not available with respect to an entity, an entity that meets such qualifications as the Secretary, in consultation with the Secretary of Labor, shall, by regulation, prescribe.

“(B) BASE YEAR.—The term ‘base year’ means, with respect to an entity and a calendar quarter in a fiscal year—

“(i) except as provided in clause (ii), whichever of the 2 fiscal years most recently preceding the 1st fiscal year of the most recent contingency fund eligibility period for the entity in which the relevant expenditures of the entity were the lesser; or
“(ii) if the 1st year of the period referred to in clause (i) is fiscal year 2015, whichever of fiscal year 2007 or 2008 is the fiscal year in which the relevant expenditures of the entity were the lesser.

“(C) CONTINGENCY FUND ELIGIBILITY PERIOD.—The term ‘contingency fund eligibility period’ means, with respect to an entity, a period of 1 or more consecutive calendar quarters for which the entity is an economically needy entity.

“(D) RELEVANT EXPENDITURES.—

“(i) IN GENERAL.—The term ‘relevant expenditures’ means expenditures—

“(I) for assistance under the program funded under this part of the entity (including, in the case of a State, any qualified State expenditures (as defined in section 409(a)(7)(B)(i)) and any expenditures under any other State program funded by such expenditures);

“(II) for child care;

“(III) for subsidized employment under the program funded under this
part of the entity (including, in the case of a State, such expenditures under any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i))), other than expenditures made using Federal funds or with respect to which the entity received a grant made under paragraph (3) of this subsection; and

“(IV) for administrative costs associated with making the expenditures referred to in the preceding subclauses of this clause.

“(ii) Child care expenditures.— For purposes of clause (i)(II), expenditures for child care consist of the following:

“(I) Amounts transferred under section 404(d)(1)(B).

“(II) Expenditures for child care assistance from Federal funds provided under this part.

“(III) In the case of an entity that is a State, expenditures for child care assistance that are qualified
State expenditures (as defined in section 409(a)(7)(B)(i)), but only to the extent exceeding the total expenditures of the State (other than from Federal funds) for child care in fiscal year 1994 or 1995 (whichever is the greater).

“(iii) Authority to collect and adjust data.—In determining the amount of the expenditures of a State for basic assistance, child care, and subsidized employment, during any period for which the State requests funds under this subsection, and during the base year of the State, the Secretary may make appropriate adjustments to the data, on a State-by-State basis, to ensure that the data are comparable with respect to the groups of families served and the types of aid provided. The Secretary may develop a mechanism for collecting expenditure data, including procedures which allow States to make reasonable estimates, and may set deadlines for making revisions to the data.
(4) Use of Grant.—Each State to which a grant is made under this subsection shall use the grant to serve areas of the State with the greatest need (as referred to in section 402(a)(1)(A)).

(5) Appropriation.—

(A) In General.—Out of any funds in the Treasury of the United States not otherwise appropriated, there are appropriated for payment to the Fund—

(i) $2,500,000,000 for fiscal year 2019; and

(ii) for each succeeding fiscal year, the amount appropriated under this paragraph for the then preceding fiscal year, increased by the percentage (if any) by which the amount appropriated under section 403(a)(1) for the fiscal year involved exceeds the amount appropriated under such section for the then preceding fiscal year.

(B) Availability.—Amounts made available under this paragraph for a fiscal year shall remain available until expended.

(6) Actions to be Taken in Anticipation of Exhaustion of Fund.—The Secretary shall
monitor the amount in, and the rate at which
amounts are paid from, the Fund, and if the Sec-
retary determines that the Fund will be exhausted
within 6 months, the Secretary shall—

“(A) notify the Congress of the determina-
tion; and

“(B) develop and communicate to each
State and Indian tribe that is an economically
needy entity as of the date of the determina-
tion, the procedure for allocating amounts in
the Fund among such entities.”.

(2) Elimination of penalty for failure
of state receiving amounts from contingency
fund to maintain 100 percent of historic ef-
fort.—

(A) In general.—Section 409(a) (42
U.S.C. 609(a)) is amended by striking para-
graph (10) and redesignating paragraphs (11)
through (16) as paragraphs (10) through (15),
respectively.

(B) Conforming amendments.—Section
409 (42 U.S.C. 609) is amended—

(i) in subsection (b)(2), by striking
“(10), (12), or (13)” and inserting “(11),
or (12)”; and
(ii) in subsection (c)(4), by striking “(10), (12), (13), or (16)” and inserting “(11), (12), or (15)”. 

(3) Conforming Amendment.—Section 409(a)(3)(C) (42 U.S.C. 609(a)(3)(C)) is amended by striking “needy State (as defined in section 403(b)(5))” and inserting “economically needy entity (as defined in section 403(b)(3)(A))”.

(4) Amounts provided to territories from contingency fund to be disregarded for purposes of limitation on payments to the territories.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by inserting “403(b),” before “406,”.

(d) Matching Grants for Subsidized Employment.—

(1) In general.—Section 403(a) (42 U.S.C. 603(a)), as amended by subsection (a)(2) of this section, is further amended by inserting after paragraph (2) the following:

“(3) Matching grants for subsidized employment.—

“(A) In general.—The Secretary shall make a grant—
“(i) to each eligible State that is 1 of the 50 States or the District of Columbia, for each fiscal year for which the State is an MOE State; and

“(ii) to each State that is not 1 of the 50 States or the District of Columbia, and to each Indian tribe, for each fiscal year for which such State or tribe meets such terms and conditions as the Secretary shall, by regulation, establish, which shall be comparable to the terms and conditions under which grants are made under clause (i).

“(B) MOE STATE.—In subparagraph (A), the term ‘MOE State’ means a State if the qualified expenditures of the State (as defined in section 409(a)(7)(B)(i)) for the fiscal year exceeds the applicable percentage (as defined in clause (ii) of such section) of inflation-adjusted historic State expenditures (as defined in clause (iii) of such section) of the State with respect to the fiscal year.

“(C) AMOUNT OF GRANT.—

“(i) STATES.—

“(ii) STATES.—
“(I) IN GENERAL.—The grant to be made to a State under subparagraph (A)(i) for a fiscal year shall be in an amount equal to 50 percent of the excess expenditures of the State for subsidized employment during the fiscal year.

“(II) EXCESS EXPENDITURES OF THE STATE FOR SUBSIDIZED EMPLOYMENT.—The term ‘excess expenditures of the State for subsidized employment’ means, with respect to a fiscal year, the lesser of—

“(aa) the excess described in subparagraph (B) with respect to the State for the fiscal year; or

“(bb) an amount equal to the total expenditures of the State for subsidized employment funded under this part or under any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)), excluding those with respect to which a grant is
made to the State under subsection (b) of this section, during the fiscal year.

“(ii) INDIAN TRIBES.—The grant to be made to an Indian tribe under this paragraph shall be in such amount as the Secretary determines to be appropriate.

“(D) USE OF GRANT.—Notwithstanding section 404, a State or Indian tribe to which a grant is made under this paragraph shall use the grant solely to finance subsidized employment activities, and to serve areas of the State with the greatest need (as referred to in section 402(a)(1)(A)).

“(E) APPROPRIATION.—Out of any funds in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as are necessary for grants under this paragraph for each fiscal year.”.

(2) AMOUNTS PROVIDED TO TERRITORIES FROM THE MATCHING GRANT TO BE DISREGARDED FOR PURPOSES OF LIMITATION ON PAYMENTS TO THE TERRITORIES.—Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by inserting “403(a)(3),” after “403(a)(2),”.
(3) Data reports required with respect to families that include an individual participating in subsidized employment programs.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended, in the matter before clause (i), by inserting “, and families that include an individual participating in subsidized employment funded with Federal funds or qualified State expenditures (as so defined)” before the colon.

(c) Tribal Family Assistance Grants.—Section 412(a)(1) (42 U.S.C. 612(a)(1)) is amended—

(1) in subparagraph (A), by striking “fiscal year 2012” and inserting “each fiscal year”; and

(2) in subparagraph (B)—

(A) by redesignating clause (ii) as clause (iii); and

(B) by striking clause (i) and inserting the following:

“(i) In general.—The amount determined under this subparagraph for a fiscal year is an amount equal to the sum of the adjusted historic expenditures for the fiscal year with respect to each State in which there lies a service area of the Indian tribe is located.
“(ii) ADJUSTED HISTORIC EXPENDITURES DEFINED.—In clause (i), the term ‘adjusted historic expenditures’ means, with respect to a fiscal year, a State, and an Indian tribe, the total amount of the Federal payments to the State under section 403 (as then in effect) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service areas identified by the tribe pursuant to subsection (b)(1)(C) of this section that are in the State, increased by the percentage (if any) by which the amount of the grant payable under section 403(a)(1) for the fiscal year to the State exceeds the amount of the grant so payable to the State for fiscal year 2010.”.

(f) CENSUS BUREAU STUDY.—Title IV is amended by inserting after section 413 (42 U.S.C. 613) the following:

“SEC. 414. STUDY BY THE CENSUS BUREAU.

“(a) IN GENERAL.—The Director of the Bureau of the Census shall conduct a study to assess the effects of
policies and programs related to low-income families, in-  
cluding policies and programs under State programs fund-  
ed under this part or funded with qualified State expendi-  
tures (as defined in section 409(a)(7)(B)(i)), including  
changes and policies in such programs made pursuant to  
the Rewriting to Improve and Secure an Exit Out of Pov-  
erty Act. The Director shall design the study in consulta-  
tion with the Secretary. Every 5 years, the Director shall,  
in consultation with the Secretary, revise the content and  
nature of the study to reflect emerging policy issues re-  
lated to low-income families.

“(b) APPROPRIATION.—Out of any money in the  
Treasury of the United States not otherwise appropriated,  
there are appropriated $10,000,000 for each fiscal year  
for payment to the Bureau of the Census to carry out sub-  
section (a).”.

(g) MATCHING GRANTS TO CERTAIN TERRI-  
TORIES.—Section 1108 (42 U.S.C. 1308) is amended—  
(1) in subsection (a)(2), by inserting “section  
403(a)(1) (to the extent exceeding the amount re-  
quired to be so paid to the territory for fiscal year  
2018),” before “403(a)(2)”; and  
(2) in subsection (b)(2), by striking “fiscal year  
2012” and inserting “each fiscal year”.

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SEC. 6. WORK REQUIREMENTS.

(a) PARTICIPATION RATE REQUIREMENT.—Section 407 (42 U.S.C. 607) is amended by striking subsections (a) and (b) and inserting the following:

“(a) PARTICIPATION RATE REQUIREMENT.—

“(1) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate of 50 percent with respect to all families residing in the State that include a work-eligible individual.

“(2) WORK-ELIGIBLE INDIVIDUAL DEFINED.—

“(A) IN GENERAL.—In this subsection, the term ‘work-eligible individual’, subject to subparagraphs (B) and (C), means—

“(i) an adult recipient of assistance under the State program funded under this part or under any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i));

“(ii) a former recipient of such assistance who is—

“(I) a parent of a dependent child who is such a recipient; and

“(II) no longer eligible for assistance under the State program funded
under this part by reason of section 408(a)(7); and

“(iii) a participant in a subsidized employment program funded under this part or under any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)).

“(B) EXCLUSION OF INDIVIDUALS SANCTIONED OR UNDERGOING PRE-SANCTION REVIEW.—The term ‘work-eligible individual’ does not include any individual with respect to whom—

“(i) there is in effect a penalty imposed by the State under subsection (e) of this section; or

“(ii) the State has initiated (but not completed) the pre-sanction review process pursuant to section 408(a)(14)(A).

“(C) STATE OPTION TO EXCLUDE CERTAIN INDIVIDUALS.—A State may exclude from the term ‘work-eligible individual’ any resident of the State who is—

“(i) a single parent caring for a child who has not attained 1 year of age;
“(ii) a recipient of supplemental security income benefits under title XVI, disability insurance benefits under title II, or other Federal or State benefits based on disability;

“(iii) an applicant for supplemental security income benefits under title XVI;

“(iv) an individual who is needed in the home of the individual to care for a disabled member of the family of the individual; or

“(v) an individual who (but for the exercise of the State option under this clause) would be a work-eligible individual under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

“(b) Calculation of Participation Rates.—

“(1) Average Monthly Rate.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.
“(2) Monthly participation rate.—For purposes of paragraph (1), the participation rate of a State for a month, expressed as a percentage, is—

“(A) the number of families residing in the State that include a work-eligible individual who is engaged in work for the month; divided by

“(B) the number of families residing in the State that include a work-eligible individual.”.

(b) Participation Requirements.—Section 407(c) (42 U.S.C. 607(c)) is amended to read as follows:

“(c) Engaged in work.—For purposes of subsection (b):

“(1) General rule.—An individual is engaged in work for a month in a fiscal year if the recipient is participating in work activities for an average of at least 20 hours per week during the month.

“(2) Individuals complying with a modified employability plan deemed to be engaged in work.—An individual is deemed to be engaged in work for a month if the State determines that the individual is in substantial compliance with the activities and hourly participation requirements of a modified employability plan developed for the individual in accordance with section 408(h).
“(3) Single teen head of household or married teen who maintains satisfactory school attendance deemed to be engaged in work.—An individual who is married or a head of household and has not attained 20 years of age is deemed to be engaged in work for a month if the recipient maintains satisfactory attendance at secondary school or the equivalent during the month.”.

(e) Elimination of 12-Month Limit on Counting Vocational Educational Training as a Work Activity.—Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amended by striking “(not to exceed 12 months with respect to any individual)”.

SEC. 7. WORK RULES.

(a) Option of Recipient to Have Trained Personnel Assess Certain Barriers to Employment; Additional Matters Required to Be Assessed.—Section 408(b)(1) (42 U.S.C. 608(b)(1)) is amended—

(1) by inserting “(which, at the option of the recipient, shall be conducted by trained personnel with respect to barriers to employment specified by the recipient)” after “assessment”; and

(2) by striking “and employability” and inserting “employability, physical and mental impairments, English proficiency, child care needs, and
whether the recipient is a victim of domestic or sexual violence,”.

(b) Individual Responsibility Plans.—

(1) Plans Required; Plans to Include Well-being Plans for Children.—Section 408(b)(2)(A) (42 U.S.C. 608(b)(2)(A)) is amended—

(A) in the matter preceding clause (i), by striking “may” and inserting “shall”; (B) in clause (iv)—

(i) by inserting “, supports,” after “counseling”; and (ii) by striking “and” at the end; (C) in clause (v), by striking the period and inserting “; and”; and (D) by adding at the end the following:

“(vi) describes a well-being plan for each child in the family.”.

(2) Deadline for Completion of Plan.—

Section 408(b)(2)(B) (42 U.S.C. 608(b)(2)(B)) is amended by striking “individual—” and all that follows and inserting “individual within 90 days after the individual is determined eligible for the assistance.”.
(3) **Sanction for failure of state to develop plan.**—Section 409(a) (42 U.S.C. 609(a)), as amended by section 5(c)(2)(A) of this Act, is amended by adding at the end the following:

“(16) **Penalty for failure of state to develop required individual responsibility plan.**—

   “(A) In general.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(b)(2) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

   “(B) Penalty based on severity of failure.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.”.

(4) **Conforming amendment.**—Section 408(b) (42 U.S.C. 608(b)) is amended by striking paragraph (4).
(e) Modified Employability Plans for Certain Individuals With Disabilities.—Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

“(h) Authority To Develop Modified Employability Plan for a Recipient of Assistance With, or Caring For a Family Member With, a Disability.—

“(1) In general.—A State may develop a modified employability plan for a recipient of assistance under the State program funded under this part—

“(A) who—

“(i) is a work-eligible individual (as defined in section 407(a)(2)); and

“(ii) has been determined by a qualified medical, mental health, addiction, or social services professional (as determined by the State) to have a disability; or

“(B) who is caring for a family member with a disability (as so determined).

“(2) Contents of Plan.—The modified employability plan shall—

“(A) include a determination that, because of the disability of the recipient or the indi-
individual for whom the recipient is caring, reasonable modification of work activities, hourly participation requirements, or both, is needed in order for the recipient to participate in the activities;

“(B) describe the modified work activities in which the recipient is required to participate;

“(C) specify the number of hours per week for which the recipient is required to participate in the modified work activities, based on an evaluation by the State of the circumstances of the family;

“(D) describe the services, supports, and modifications that the State will provide to the recipient or the family of the recipient;

“(E) be developed in cooperation with the recipient; and

“(F) be reviewed not less often than every 6 months.

“(3) DEFINITIONS.—In this subsection:

“(A) DISABILITY.—The term ‘disability’ means a mental or physical impairment, including substance abuse or addiction, that—

“(i) constitutes or results in a substantial impediment to employment; or
“(ii) substantially limits 1 or more major life activities.

“(B) MODIFIED WORK ACTIVITIES.—The term ‘modified work activities’ means activities which the State has determined will help the recipient become employable.”.

(d) SANCTIONS.—

(1) GENERAL SANCTION PROVISIONS.—

(A) PROHIBITION ON IMPOSING LIFETIME OR FULL FAMILY SANCTION.—

(i) PROHIBITION.—Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

“(13) PROHIBITION ON IMPOSING LIFETIME OR FULL FAMILY SANCTION.—A State to which a grant is made under section 403 shall not impose a lifetime prohibition on the provision of assistance to any individual or family under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) on the basis of the failure of a member of the family to comply with a program requirement.”.

(ii) PENALTY.—Section 409(a) (42 U.S.C. 609), as amended by section
5(c)(2)(A) of this Act and subsection (b)(3) of this section, is amended by adding at the end the following:

“(17) Penalty for imposing lifetime or full family sanction.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(a)(13) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.”.

(B) Due process protections.—

(i) In general.—Section 408(a) (42 U.S.C. 608(a)), as amended by subparagraph (A)(i) of this paragraph, is amended by adding at the end the following:

“(14) Sanction procedures.—

“(A) Pre-sanction review process.—

Before imposing a sanction against an individual or family receiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for...
failure to comply with program requirements, the State shall take the following steps:

“(i) Provide or send notice to the individual or family, and, if the recipient’s native language is not English, through a culturally competent written or verbal translation, of the following information:

“(I) The specific reason for the proposed sanction.

“(II) The amount of the proposed sanction.

“(III) The length of time during which the proposed sanction would be in effect.

“(IV) The steps required to come into compliance or to show good cause for noncompliance.

“(V) That the agency will provide assistance to help the individual demonstrate good cause for noncompliance, or come into compliance with program requirements.

“(VI) That the individual may appeal the determination to impose a sanction, and the steps that the indi-
individual must take to pursue such an appeal.

“(ii)(I) Ensure that, subject to clause (iii)—

“(aa) an individual, other than the individual who determined that a sanction be imposed, will review the determination and have the authority to take the actions described in subclause (II); and

“(bb) the individual or family against whom the sanction is to be imposed shall be afforded the opportunity to meet with the individual who is reviewing the determination to impose the sanction.

“(II) The actions described in this subclause are the following:

“(aa) Modify the determination to impose a sanction.

“(bb) Determine that there was good cause for the failure to comply.

“(cc) Recommend modifications to the individual responsibility or employment plan of an individual.
“(dd) Make such other determinations and take such other actions as may be appropriate.

“(iii) The review required under clause (ii) shall include consideration of the following:

“(I) To the extent applicable, whether barriers to compliance exist, such as a physical or mental impairment (including mental illness, substance abuse, mental retardation, or a learning disability), domestic or sexual violence, limited proficiency in English, limited literacy, homelessness, or the need to care for a child with a disability or health condition, that contributed to the noncompliance.

“(II) Whether the noncompliance resulted from failure to receive or have access to services identified as necessary in an individual responsibility or employment plan.

“(III) Whether changes to the individual responsibility or employment
plan of an individual should be made in order for the individual to come into compliance.

“(IV) Whether there is good cause for any noncompliance.

“(V) Whether the sanction policies of the State have been applied properly.

“(B) Sanction Follow-Up Requirements.—If a State imposes a sanction on a family or individual for failing to comply with program requirements, the State shall—

“(i) provide or send notice to the individual or family, in language calculated to be understood by the individual or family, and, if the individual’s or family’s native language is not English, through a culturally competent translation, of the reason for the sanction and the steps the individual or family must take to end the sanction;

“(ii) resume full assistance, services, or benefits to the individual or family under the program (if the individual or family is otherwise eligible for the assist-
ance, services, or benefits) once the individual who was not in compliance with program requirements that led to the sanction complies with the requirements for a reasonable period of time, as determined by the State and subject to State discretion to reduce the period; and

“(iii) if the State has not resumed providing the assistance, services, or benefits as of the end of the 120-day period that begins on the date that is 60 days after the date on which the sanction was imposed, provide notice to the individual or family, in language calculated to be understood by the individual or family, of the steps the individual or family must take to end the sanction, and of the availability of assistance to come into compliance or demonstrate good cause for noncompliance.

“(C) NOTICE TO EVICTED PERSONS.—The State shall make a reasonable effort to provide to an individual or family that has been evicted from a residence for failure to pay rent or as a result of another problem related to poverty,
any notice required by this paragraph to be provided to the individual or family.”.

(ii) PENALTY.—Section 409(a) (42 U.S.C. 609(a)), as amended by section 5(e)(2)(A) of this Act, subsection (b)(3) of this section, and subparagraph (A)(ii) of this paragraph, is amended by adding at the end the following:

“(18) PENALTY FOR FAILURE TO FOLLOW SANCTION PROCEDURES.—

“(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(a)(14) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

“(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.”.
(iii) State plan requirement to describe how states will notify applicants and recipients of their rights under the program and of potential benefits and services available under the program.—Section 402(a)(1)(B)(iii) (42 U.S.C. 602(a)(1)(B)(iii)) is amended by inserting ‘‘, and will notify applicants and recipients of assistance under the program of the rights of individuals under all laws applicable to program activities and of all potential benefits and services available under the program’’ before the period.

(2) Modifications to work sanction.—

(A) Elimination of full family sanction; state required to establish certain good cause exceptions.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended—

(i) by striking ‘‘shall—’’ and all that follows through subparagraph (B) and inserting ‘‘shall reduce the amount of assistance otherwise payable to the family pro rata with respect to any period during a
month in which the individual so refuses,”;

and

(ii) by striking “may establish” and inserting the following “shall establish, which shall include the decline of an offer of employment at a wage less than the greater of the applicable Federal or State minimum wage, or 80 percent of the wage that would have governed had the minimum hourly rate under the Fair Labor Standards Act been applicable to the offer of employment, at a site subject to a strike or lockout at the time of refusal, or for medical reasons or a lack of sufficient physical strength or stamina”.

(B) Prohibition on sanctioning individual for failure to engage in work if individual has a child under age 6 months or if failure results from inability to secure child care or after-school arrangements for a child under age 13.—Section 407(e)(2) (42 U.S.C. 607(e)(2)) is amended by striking “refusal” and all that follows and inserting “failure of an
individual to engage in work required in accordance with this section if—

“(A) the individual is a single custodial parent caring for a child who has not attained 6 months of age; or

“(B) the individual is the single custodial parent caring for a child who has not attained 13 years of age, and the failure resulted from the inability of the individual to secure child care or after-school arrangements for the child”.

(3) MODIFICATIONS TO CHILD SUPPORT SANCTION.—Section 408(a)(2) (42 U.S.C. 608(a)(2)) is amended by striking “State—” and all that follows and inserting “State shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part an amount equal to 25 percent of the amount of the assistance.”.

(e) RELATED STATE PLAN REQUIREMENT.—Section 402(a) (42 U.S.C. 602(a)) is amended by adding at the end the following:

“(8) CERTIFICATION THAT EMPLOYMENT ASSESSMENTS AND SANCTION REVIEWS WILL BE CONDUCTED BY COMPETENT PERSONNEL.—A certifi-
cation by the chief executive officer of the State that the employment assessments conducted pursuant to section 408(b)(1) and the sanction reviews conducted pursuant to section 408(a)(14)(A) will be conducted by personnel who have sufficient education, training, and professional competence to do so, which shall include information on the education, training, and professional competence that State will require of the personnel.”.

SEC. 8. PROHIBITION ON IMPOSING LIMIT OF LESS THAN 60 MONTHS ON DURATION OF ASSISTANCE.

(a) Prohibition.—

(1) In general.—Section 408(a)(7) (42 U.S.C. 608(a)(7)) is amended—

(A) in the paragraph heading, by striking “NO ASSISTANCE FOR MORE THAN 5 YEARS’’ and inserting “DURATIONAL LIMITS ON ASSISTANCE’’;

(B) in the heading for subparagraph (A), by striking “IN GENERAL” and inserting “NO ASSISTANCE FOR MORE THAN 5 YEARS’’; and

(C) by adding at the end the following:

“(H) PROHIBITION ON LIMITING DURATION OF ASSISTANCE TO LESS THAN 60 MONTHS.—A State to which a grant is made
under section 403 shall not impose a limit of
less than 60 months on the duration for which
a family may be provided assistance from Fed-
eral or State funds under the State program
funded under this part or under a program
funded with qualified State expenditures (as de-
deined in section 409(a)(7)(B)(i)).”.

(2) Conforming Amendment.—The heading
of section 409(a)(9) (42 U.S.C. 609(a)(9)) is
amended by striking “5-YEAR LIMIT” and inserting
“RULES GOVERNING DURATIONAL LIMITS”.

(b) Requirement To Conduct Outreach To In-
form Potentially Eligible Families Of Elimi-
nation Of Durational Limit On Assistance Of Less
Than 60 Months.—

(1) In General.—Section 408(a) (42 U.S.C.
608(a)), as amended by section 7(d)(1) of this Act,
is amended by adding at the end the following:
“(15) Requirement To Conduct Outreach
To Inform Potentially Eligible Recipients Of
Assistance Of Elimination Of Durational Limit
On Assistance Of Less Than 60 Months.—A
State to which a grant is made under section 403
for a fiscal year that, before the effective date of this
paragraph, denied assistance under the State pro-
gram funded under this part or any other State pro-
gram funded by qualified State expenditures (as de-
defined in section 409(a)(7)(B)(i)) to an individual or
g family on the basis of a durational limit on the as-
sistance that was imposed other than under section
408(a)(7) shall conduct outreach to inform individ-
uals and families who were so denied that they may
be eligible for additional months of the assistance.”.

(2) PENALTY.—Section 409(a) (42 U.S.C.
609(a)), as amended by sections 5(c)(2)(A) and
7(d)(1) of this Act, is amended by adding at the end
the following:

“(19) FAILURE TO CONDUCT OUTREACH TO IN-
FORM POTENTIALLY ELIGIBLE RECIPIENTS OF AS-
SISTANCE OF ELIMINATION OF DURATIONAL LIMIT
ON ASSISTANCE OF LESS THAN 60 MONTHS.—If the
Secretary determines that a State to which a grant
is made under section 403 in a fiscal year has vio-
lated section 408(a)(15) during the fiscal year, the
Secretary shall reduce the grant payable to the State
under section 403(a)(1) for the immediately suc-
ceding fiscal year by an amount equal to 5 percent
of the State family assistance grant.”.

(c) STATE PLAN REQUIRED TO INCLUDE DESCRIP-
TION OF HOW POTENTIALLY ELIGIBLE RECIPIENTS WILL
1. BE INFORMED OF ELIMINATION OF DURATIONAL LIMIT
2. ON ASSISTANCE OF LESS THAN 60 MONTHS.—Section
4. adding at the end the following:

   “(vi) In the case of a State that, be-
5. fore the date this clause takes effect, de-
6. nied assistance under the program to an
7. individual or family on the basis of a
8. durational limit on the assistance that was
9. imposed other than under section
10. 408(a)(7), the document shall describe how
11. the State intends to inform the individuals
12. and families who were so denied that they
13. may be eligible for additional months of
14. the assistance.”.

SEC. 9. RESPONSE OF TANF PROGRAM TO ECONOMIC RE-
17. CESSIONS.

(a) INAPPLICABILITY OF DURATIONAL LIMIT ON AS-
19. SISTANCE.—Section 408(a)(7) (42 U.S.C. 608(a)(7)), as
20. amended by section 8(a)(1)(C) of this Act, is amended by
21. adding at the end the following:

   “(I) INAPPLICABILITY OF DURATIONAL
22. LIMIT DURING RECESSION.—Subparagraph (A)
23. shall not apply in a State during any month
which is in a high unemployment period with respect to the State.

“(J) DISREGARD OF ASSISTANCE PROVIDED DURING RECESSION.—In determining the number of months for which an adult has received assistance under a State or tribal program funded under this part or any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)), the State or tribe shall disregard any month which is in a high unemployment period with respect to the State.

“(K) 6-MONTH GRACE PERIOD REQUIRED AFTER RECESSION.—Subparagraph (A) shall not apply to a recipient of assistance under the State program funded under this part or any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)) during the 6-month period that begins with the month immediately following a high unemployment period with respect to the State if the recipient received the assistance for the last month of the period.”.
(b) REQUIREMENT TO CONDUCT OUTREACH TO INFORM POTENTIALLY ELIGIBLE FAMILIES OF SUSPENSION OF DURATIONAL LIMIT ON ASSISTANCE.—

(1) IN GENERAL.—Section 408(a) (42 U.S.C. 608(a)), as amended by sections 7(d)(1) and 8(b)(1) of this Act, is amended by adding at the end the following:

“(16) REQUIREMENT TO CONDUCT OUTREACH TO INFORM POTENTIALLY ELIGIBLE RECIPIENTS OF ASSISTANCE OF SUSPENSION OF DURATIONAL LIMIT ON ASSISTANCE.—In each month which is a high unemployment period with respect to a State to which a grant is made under section 403 for a fiscal year, the State shall conduct outreach to inform individuals and families who are potentially eligible for assistance under the State program funded under this part or any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)) of the suspension of any durational limit on assistance under the program.”.

(2) PENALTY.—Section 409(a) (42 U.S.C. 609(a)), as amended by sections 5(c)(2)(A), 7(d)(1), and 8(b)(2) of this Act, is amended by adding at the end the following:
“(20) Failure to conduct outreach to inform potentially eligible recipients of assistance of suspension of durational limit on assistance.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(a)(16) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.”.

(c) State Plan Required To Include Description of How Potentially Eligible Recipients Will Be Informed of Suspension of Time Limits During Recession.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended by section 8(c) of this Act, is amended by adding at the end the following:

“(vii) The document shall describe how the State intends to inform potentially eligible recipients of assistance under the program of the suspension of durational limits on the assistance during a high unemployment period with respect to the State.”.
(d) **HIGH UNEMPLOYMENT PERIOD DEFINED.**—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

“(6) **HIGH UNEMPLOYMENT PERIOD DEFINED.**—The term ‘high unemployment period’ means, with respect to a State, a period of 1 or more consecutive months if the average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the then most recent 3 months for which data for all States are published equals or exceeds 6.5 percent.”.

**SEC. 10. REQUIREMENT THAT STATES USE MERIT-BASED SYSTEM IN ADMINISTRATION OF TANF PROGRAMS.**

(a) **PROGRAM REQUIREMENT.**—Section 408(a) (42 U.S.C. 608(a)), as amended by sections 7(d)(1), 8(b)(1), and 9(b)(1) of this Act, is amended by adding at the end the following:

“(17) **REQUIREMENT TO USE MERIT-BASED SYSTEM IN ADMINISTERING PROGRAM.**—A State to which a grant is made under section 403 shall establish and maintain personnel standards through a merit-based system, in administering the State program funded under this part and any other State
program funded by qualified State expenditures (as
defined in section 409(a)(7)(B)(i)).”.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609), as
amended by sections 5(c)(2)(A), 7(d)(1), 8(b)(2), and
9(b)(2) of this Act, is amended by adding at the end the
following:

“(21) PENALTY FOR FAILURE TO USE MERIT-
BASED SYSTEM IN ADMINISTERING PROGRAM.—If
the Secretary determines that a State to which a
grant is made under section 403 in a fiscal year has
violated section 408(a)(17) during the fiscal year,
the Secretary shall reduce the grant payable to the
State under section 403(a)(1) for the immediately
succeeding fiscal year by an amount equal to 5 per-
cent of the State family assistance grant.”.

SEC. 11. BAN ON USING FEDERAL TANF FUNDS TO RE-
PLACE STATE AND LOCAL SPENDING THAT
DOES NOT MEET THE DEFINITION OF QUALI-
FIED STATE EXPENDITURES.

(a) PROHIBITION.—Section 408(a) (42 U.S.C.
608(a)), as amended by sections 7(d)(1), 8(b)(1), 9(b)(1),
and 10(a) of this Act, is amended by adding at the end
the following:

“(18) BAN ON USING FEDERAL TANF FUNDS
TO REPLACE STATE OR LOCAL SPENDING THAT IS
NOT A QUALIFIED STATE EXPENDITURE.—A State to which a grant is made under section 403, and a sub-State entity that receives funds from such a grant, shall not expend any part of the grant funds to supplant State or local spending for benefits or services which are not qualified State expenditures (within the meaning of section 409(a)(7)(B)(i)).”.

(b) PENALTY.—Section 409(a) (42 U.S.C. 609), as amended by sections 5(c)(2)(A), 7(d)(1), 8(b)(2), 9(b)(2), and 10(b) of this Act, is amended by adding at the end the following:

“(22) USE OF FEDERAL TANF FUNDS TO REPLACE STATE OR LOCAL SPENDING THAT IS NOT A QUALIFIED STATE EXPENDITURE.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(a)(18) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.”.

SEC. 12. TANF ASSISTANCE TO MEET BASIC FAMILY ECONOMIC NEEDS.

(a) STATE PLAN REQUIREMENT.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended by
sections 8(c) and 9(c) of this Act, is amended by adding
at the end the following:

“(viii) FAMILY BUDGET PROVISIONS.—The document shall set forth a
family budget of a dollar amount sufficient

to meet the basic economic needs (including food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses) of a family, how
the family budget is adjusted for family
size, the method used to estimate the family
budget (including a statement of the relationship between shelter and utility costs
and the fair market rents in localities in the State), and the relationship between the amount of assistance provided to each
family under the program and the amount
of the family budget for the family.”.

(b) PROGRAM REQUIREMENT.—Section 408(a) (42
U.S.C. 608(a)), as amended by sections 7(d)(1), 8(b)(1),
9(b)(1), 10(a), and 11(a) of this Act, is amended by adding
at the end the following:

“(19) REQUIREMENT THAT AMOUNT OF ASSISTANCE MEET BASIC ECONOMIC NEEDS.—A State to which a grant is made under section 403 shall en-
sure that the total amount of assistance provided to
a family under the State program funded under this
part and all programs funded with qualified State
expenditures (as defined in section 409(a)(7)(B)(i))
for which the family is eligible is sufficient to meet
the basic economic needs of the family, taking into
account all earned and unearned income of the fam-
ily and an amount not to exceed the value of the
supplemental nutrition assistance benefits provided
to the family under the Food and Nutrition Act of
2008.”.

(c) PENALTY.—Section 409(a) (42 U.S.C. 609), as
amended by sections 5(e)(2)(A), 7(d)(1), 8(b)(2), 9(b)(2),
10(b), and 11(b) of this Act, is amended by adding at the
end the following:

“(23) PENALTY FOR FAILURE OF STATE TANF
ASSISTANCE TO MEET BASIC ECONOMIC NEEDS OF A
RECIPIENT FAMILY.—If the Secretary determines
that a State to which a grant is made under section
403 in a fiscal year has violated section 408(a)(19)
during the fiscal year, the Secretary shall reduce the
grant payable to the State under section 403(a)(1)
for the immediately succeeding fiscal year by an
amount equal to 5 percent of the State family assist-
ance grant.”.
SEC. 13. STATE PLANS AND REPORTS ON CHILD POVERTY.

(a) Child Poverty Reduction as a Purpose of the TANF Program.—Section 401(a) (42 U.S.C. 601(a)) is amended by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively, and by inserting before paragraph (2) (as so redesignated) the following:

“(1) reduce poverty among children;”.

(b) State Plan Provisions.—

(1) Matters Required to Be Addressed.—

Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

“(ix) Goals and Methods for Reducing Child Poverty.—Reduce child poverty using Federal funds provided under this part and State funds, including establishing numerical goals for reducing child poverty.

“(x) Goals and Tracking of Work Outcomes.—Track work-related outcomes for recipients of assistance under the program, such as employment entries, wages, and job retention, including establishing numerical goals for work-related outcomes for recipients.
“(xi) PROVIDE PREVENTATIVE SERVICES TO FAMILIES AT RISK OF ABUSE OR NEGLECT.—Provide benefits and services to families at risk of having their children removed from the home because of abuse and neglect, using Federal funds provided under this part and State funds.

“(xii) HOW NONCUSTODIAL PARENTS WILL BE SERVED.—Serve nonecustodial parents, using Federal funds provided under this part and State funds.”

(2) PUBLIC AVAILABILITY.—Section 402(c) (42 U.S.C. 602(c)) is amended to read as follows:

“(c) PUBLIC AVAILABILITY.—

“(1) IN GENERAL.—The State shall make available to the public, including by posting on a public website of the State or another appropriate website—

“(A) each draft of any plan or plan amendment to be submitted by the State under this section, for at least 45 days before the submission; and

“(B) any such plan or amendment certified by the Secretary to be complete.
“(2) PROCEDURES.—The State shall establish procedures to receive and respond to comments from the public, private sector organizations, and local governments on any draft referred to in paragraph (1).”.

(e) ANNUAL PERFORMANCE REPORT.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

“(e) ANNUAL PERFORMANCE REPORT BY STATES.—Not later than December 31 of each year, each eligible State shall submit to the Secretary (in accordance with such form and content rules as the Secretary, in consultation with the National Governor’s Association, National Conference of State Legislatures, and the American Public Human Services Association, develops) a report on the following aspects of the State program funded under this part in the preceding fiscal year:

“(1) Whether the State met the child poverty reduction goals set forth in the State plan. This part of the report shall include a discussion of the factors, including benefits, services, and activities funded with Federal funds provided under this part or State funds, which contributed to the meeting of, or the failure to meet, the goals.
“(2) Whether the work programs of the State were effective in meeting the objectives and numerical goals of the State plan. This part of the report shall include a discussion of data derived from the tracking of recipients, including—

“(A) the number of families that left the State program funded under this part;

“(B) the employment rate for those who left the program in each calendar quarter;

“(C) the wage rates of those who left the program, including the percentage of leavers who, in each calendar quarter, earned an amount equal to at least 50 percent of the average wage then paid in the State; and

“(D) the employment outcomes of those who left the program because of a durational limit on assistance, reported at 6 months, 12 months, 24 months, and 36 months after leaving the program.

The Secretary shall provide States with technical assistance in preparing this part of the report, including by providing States with data from the National Directory of New Hires.

“(3) Whether the State has been effective in providing benefits and services under the program to
persons with disabilities. This part of the report shall include a report on recipients of assistance under the State program funded under this part who participated in work activities (as defined in section 407(d)) pursuant to a modified employability plan due to disability, including the following:

“(A) The aggregate number of recipients with modified employability plans due to a disability.

“(B) The percentage of all recipients with modified employability plans who substantially complied with activities set forth in the plans each month of the fiscal year.

“(C) Information regarding the most prevalent types of physical and mental impairments that provided the basis for the disability determinations.

“(D) The percentage of cases with a modified employability plan in which the recipient had a disability, was caring for a child with a disability, or was caring for another family member with a disability.

“(E) A description of the most prevalent types of modification in work activities or hours
of participation that were included in the modified employability plans.

“(F) A description of the qualifications of the staff who determined whether individuals had a disability, of the staff who determined that individuals needed modifications to their work requirements, and of the staff who developed the modified employability plans.

“(4) The effectiveness of the benefits and services provided under the State program in reducing the number of children removed from their homes because of abuse and neglect. This part of the report shall include an analysis which includes the following:

“(A) The number of families provided the benefits or services that were at risk of having their children removed from the home.

“(B) The number of families served by the program that had 1 or more children removed from the home because of abuse or neglect.

“(5) An analysis of the extent to which the benefits and services under the State program were provided to noncustodial parents.

“(6) How funds provided to the State under this part, with a separate accounting for funds pro-
vided under section 403(a)(3) and funds provided under section 403(b), were used to serve areas of the State with the greatest need (as referred to in section 402(a)(1)(A)(i)). This part of the report shall include supporting data.”.

(d) ANNUAL REPORT TO CONGRESS ON THE EFFORTS OF STATE PROGRAMS TO PROMOTE AND SUPPORT EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES.—

Section 411 (42 U.S.C. 611), as amended by subsection (c) of this section, is amended by adding at the end the following:

“(f) REPORT BY SECRETARY.—Not later than July 31 of each fiscal year, the Secretary shall submit to the Congress a report, entitled ‘Efforts in State TANF Programs to Promote and Support Employment for Individuals with Disabilities’, that includes information on State efforts to engage individuals with disabilities in work activities during the preceding fiscal year. The report shall include the following information:

“(1) For each State, the number of individuals for whom the State has developed a modified employability plan.

“(2) The types of physical and mental impairments that provided the basis for the disability determination, and whether the individual with the dis-
ability was an adult recipient or minor child head of 
household, a child, or a non-recipient family mem-
ber.

“(3) The types of modifications that States 
have included in modified employability plans.

“(4) The extent to which individuals with a 
modified employability plan are participating in work 
activities.

“(5) For each State, an analysis of the extent 
to which the option to establish modified employ-
ability plans was a factor in the State achieving or 
not achieving the minimum participation rate re-
quired by section 407(a).”.

(e) REPORT TO CONGRESS ON LEGISLATIVE OPTIONS 
TO REWARD STATES WITH HIGH EMPLOYMENT RATES 
AND HIGH RATES OF EMPLOYMENT AT GOOD WAGES.— 
Within 4 years after the effective date of this section, the 
Secretary of Health and Human Services shall submit to 
the Congress a report that sets forth options for the enact-
ment of legislation to provide financial or other rewards 
to States that have high rates of employment and high 
rates of employment at good wages.
SEC. 14. REQUIREMENT THAT STATES ADOPT STANDARDS AND PROCEDURES TO ADDRESS DOMESTIC AND SEXUAL VIOLENCE AMONG TANF RECIPIENTS.

(a) In General.—Section 402(a)(7) (42 U.S.C. 602(a)(7)) is amended—

(1) by striking the paragraph heading and inserting “CERTIFICATION OF STANDARDS AND PROCEDURES REGARDING DOMESTIC AND SEXUAL VIOLENCE”;

(2) by striking subparagraph (A) and inserting the following:

“(A) In General.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure the right and entitlement of victims of domestic or sexual violence (notwithstanding section 401(b)) seeking or receiving assistance under the State program funded under this part or any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i))—

“(i) to be screened and identified while maintaining the confidentiality of the victims;
“(ii) to be referred to counseling and supportive services;

“(iii) to be granted a waiver, pursuant to a determination of good cause, of program requirements such as time limits (for so long as necessary), residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with the requirements would make it more difficult for the victims to escape domestic or sexual violence or unfairly penalize the victims or other individuals who are at risk of further domestic or sexual violence;

“(iv) to apply to participate in the program on the same day the victim appears in person in a program office during office hours;

“(v) to have an application that contains the name, address, and signature of the victim considered to be filed on the date the application is submitted;

“(vi) to receive at the time of application a clear, written statement explaining what the victim must do to cooperate in
obtaining verification and otherwise completing the application process; and

“(vii) if the victim has completed the application process, to have the eligibility of the victim for assistance determined promptly, and to be provided assistance retroactive to the application date if determined eligible within 30 days after the application date.”; and

(3) in subparagraph (B)—

(A) in the subparagraph heading, by inserting “OR SEXUAL” after “DOMESTIC”; and

(B) in the text, by inserting “or sexual” after “domestic”.

(b) Report to the Congress on Best Practices of States.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

“(k) Report to Congress on Best Practices of States in Addressing Domestic and Sexual Violence Suffered by TANF Recipients.—Every 4 years, the Secretary shall prepare and submit to the Congress a report which examines the practices of States in implementing section 402(a)(7), and identifies the best practices used to do so.”.
(c) **Effective Date.**—The amendments made by this section shall take effect on October 1, 2018.

**SEC. 15. Child Care Entitlement.**

(a) **Replacement of Requirement That Portion of Funds Be Used for Certain Populations With Child Care Guarantee.**—Section 418(b)(2) (42 U.S.C. 618(b)(2)) is amended to read as follows:

“(2) Child care to be guaranteed for certain populations.—As a condition of receiving funds under this section, a State shall guarantee the provision of child care services to—

“(A) each recipient of assistance under the State program funded under this part or under a State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i) of this Act), and to each work-eligible individual (as defined in section 407(a)(2) of this Act), for any period in which the recipient or individual is—

“(i) participating in a work activity (as defined in section 407(d) of this Act);

“(ii) employed, and in a family the total income of which does not exceed 250 percent of the poverty line (within the meaning of section 673(2) of the Omnibus...
Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved); or

“(iii) engaged in employment subsidized by the State; or

“(B) each individual who is a former recipient of assistance under such a program or a former work-eligible individual, for any portion of the 24-month period, beginning with the date the individual left the program involved, in which the individual is employed and in a family that meets the income requirement of subparagraph (A)(ii).”.

(b) Elimination of State Caps.—Section 418(a) (42 U.S.C. 618(a)) is amended—

(1) in paragraph (2)—

(A) by striking subparagraphs (B) and (D) and redesignating subparagraph (C) as subparagraph (B); and

(B) in subparagraph (B) (as so redesignated), by striking “the lesser of the State’s allotment under subparagraph (B) or”; and

(2) in paragraph (5), by striking “(2)(C)” and inserting “(2)(B)”.

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(c) OPEN-ENDED ENTITLEMENT.—Section 418(a) (42 U.S.C. 618(a)) is amended—

(1) in paragraph (1), by striking “Subject to the amount appropriated under paragraph (3), each” and inserting “Each”; and

(2) in paragraph (3), by striking “$2,917,000,000 for fiscal year 2012” and inserting “such sums as are necessary to carry out this section for each fiscal year.”.

(d) USE OF FUNDS IN ACCORDANCE WITH CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990 EXCEPT AS REQUIRED BY CHILD CARE GUARANTEE.—

Section 418(c) (42 U.S.C. 618(c)) is amended by inserting “except to the extent that such a requirement or limitation would interfere with the provision of child care services required by subsection (b)(2)” before the period.

SEC. 16. CHILD SUPPORT ENFORCEMENT.

(a) ELIMINATION OF BAN ON PROVIDING ASSISTANCE TO FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

(1) IN GENERAL.—Section 408(a) (42 U.S.C. 608(a)) is amended by striking paragraph (3).

(2) CONFORMING AMENDMENTS.—The following provisions are each amended by inserting after “section 408(a)(3)” the following: “(as in ef-
fect before the effective date of the amendments made by section 10(a) of the RISE Out of Poverty Act’’:

(A) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)).

(B) Section 452(h) (42 U.S.C. 652(h)).

(C) Section 454(5)(A) (42 U.S.C. 654(5)(A)).

(D) Section 456(a)(1) (42 U.S.C. 656(a)(1)).


(F) Section 457(a)(3)(A) (42 U.S.C. 657(a)(3)(A)).

(G) Section 457(a)(3)(B) (42 U.S.C. 657(a)(3)(B)).

(H) Section 464(a)(1) (42 U.S.C. 664(a)(1)).

(I) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)).

(b) REQUIREMENT THAT ALL CHILD SUPPORT COLLECTED ON BEHALF OF A CHILD IN A FAMILY RECEIVING TANF BE DISTRIBUTED TO THE FAMILY.—

(1) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended—
(A) in subsection (c)(1), by striking “means—” and all that follows through “(B) foster” and inserting “means foster”; and

(B) by adding at the end the following:

“(f) Notwithstanding the preceding provisions of this section, all amounts collected by a State as child support on behalf of a child in a family that is receiving assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) shall be distributed to the family.”.

(2) CONFORMING AMENDMENTS.—Section 458(b)(5)(C)(i)(I) (42 U.S.C. 658(b)(5)(C)(i)(I)) is amended—

(A) by inserting “is collected on behalf of a child described in section 457(f) or” after “involved”; and

(B) by striking “A or”.

SEC. 17. STATE OPTION TO EXTEND ELIGIBILITY FOR ASSISTANCE TO CHILDREN THROUGH AGE 21;
PROHIBITION ON CONSIDERING FINANCIAL AID TIED TO EDUCATION OF CHILD IN DETERMINING ELIGIBILITY FOR, OR AMOUNT OF ASSISTANCE; PROHIBITION ON IMPOSING ADDITIONAL REQUIREMENTS BASED ON EDUCATIONAL ENROLLMENT OF CHILD.

(a) STATE OPTION TO EXTEND TANF TO CHILDREN UNDER AGE 22.—Section 419(2) (42 U.S.C. 619(2)) is amended—

(1) by striking “or” at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(3) by adding at the end the following:

“(C) at the option of the State, has not attained 22 years of age.”.

(b) BAN ON CONSIDERING FINANCIAL AID TIED TO EDUCATION OF CHILD IN DETERMINING ELIGIBILITY FOR, OR AMOUNT OF ASSISTANCE; BAN ON IMPOSING ADDITIONAL REQUIREMENTS BASED ON EDUCATIONAL ENROLLMENT OF CHILD.—

(1) PROHIBITIONS.—Section 408(a) (42 U.S.C. 608(a)), as amended by sections 5(c)(2)(A), 7(d)(1),
8(b)(1), 9(b)(1), 10(a), 11(a), and 12(b) of this Act, is amended by adding at the end the following:

“(20) BAN ON CONSIDERING FINANCIAL AID TIED TO EDUCATION OF CHILD IN DETERMINING ELIGIBILITY FOR, OR AMOUNT OF ASSISTANCE; BAN ON IMPOSING ADDITIONAL REQUIREMENTS BASED ON EDUCATIONAL ENROLLMENT OF CHILD.—A State to which a grant is made under section 403 for a fiscal year shall not—

“(A) consider financial aid tied to the training, school attendance, or postsecondary school attendance of a minor child in determining that the eligibility of the family of the child for, or the amount of assistance to be provided to the family, under the State program funded under this part or any other State program funded by qualified State expenditures (as defined in section 409(a)(7)(B)(i)); or

“(B) impose additional requirements on a family solely because the family includes a minor child who is enrolled in a training program, school, or post-secondary educational institution.”.

(2) PENALTY.—Section 409(a) (42 U.S.C. 609), as amended by sections 5(e)(2)(A), 7(d)(1),
8(b)(2), 9(b)(2), 10(b), 11(b), and 12(c) of this Act, is amended by adding at the end the following:

“(24) CONSIDERING EDUCATIONAL ENROLLMENT OF CHILD OR OF FINANCIAL AID TIED TO EDUCATION OF CHILD.—If the Secretary determines that a State to which a grant is made under section 403 in a fiscal year has violated section 408(a)(20) during the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.”.

SEC. 18. ELIMINATION OF CERTAIN OTHER BARS TO TANF ASSISTANCE.

(a) BAR ON ASSISTANCE FOR PERSONS CONVICTED OF DRUG FELONIES.—Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (21 U.S.C. 862a) is amended—

(1) in the section heading by striking “ASSISTANCE AND” and inserting “SUPPLEMENTAL NUTRITION ASSISTANCE”; 

(2) in subsection (a), by striking “for—” and all that follows through “(2) benefits” and inserting “for benefits”;
(3) in subsection (b), by striking all through “The amount of benefits” and inserting the following:

“(b) Effects on Benefits for Others.—The amount of benefits”;

(4) in subsection (c), by striking “assistance or”; and

(5) in subsection (c), by striking “it—” and all that follows through “in section 3” and inserting “it in section 3”.

(b) Bar on Assistance for Unwed Teen Parents Not in School.—Section 408(a) (42 U.S.C. 608(a)) is amended by striking paragraph (4).

e) Bar on Assistance for Teens Not in an Adult-Supervised Living Arrangement.—Section 408(a) (42 U.S.C. 608(a)) is amended by striking paragraph (5).

(d) Redesignation of Provisions.—

(1) In General.—Section 408(a) (42 U.S.C. 608(a)), as amended by the preceding provisions of this Act, is amended by redesignating paragraphs (6) through (20) as paragraphs (3) through (17), respectively.

(2) Conforming Amendments.—

(B) Section 403(a)(5)(C)(ii)(II) (42 U.S.C. 603(a)(5)(C)(ii)(II)) is amended by striking “408(a)(7)(C)” and inserting “408(a)(4)(C)”.

(C) Section 403(a)(5)(C)(v) (42 U.S.C. 603(a)(5)(C)(v)) is amended by striking “408(a)(7)” and inserting “408(a)(4)”.


(E) Section 409(a)(9) (42 U.S.C. 609(a)(9)) is amended by striking “408(a)(7)” and inserting “408(a)(4)”.

(F) Section 409(a)(17), as added by section 7(d)(1)(A)(ii) of this Act, is amended by striking “408(a)(13)” and inserting “408(a)(10)”.

(G) Section 409(a)(18), as added by section 7(d)(1)(B)(ii) of this Act, is amended by striking “408(a)(14)” and inserting “408(a)(11)”.
(H) Section 409(a)(19), as added by section 8(b)(2) of this Act, is amended by striking “408(a)(15)” and inserting “408(a)(12)”.

(I) Section 409(a)(20), as added by section 9(b)(2) of this Act, is amended by striking “408(a)(16)” and inserting “408(a)(13)”.

(J) Section 409(a)(21), as added by section 10(b) of this Act, is amended by striking “408(a)(17)” and inserting “408(a)(14)”.

(K) Section 409(a)(22), as added by section 11(b) of this Act, is amended by striking “408(a)(18)” and inserting “408(a)(15)”.

(L) Section 409(a)(23), as added by section 12(c) of this Act, is amended by striking “408(a)(19)” and inserting “408(a)(16)”.

(M) Section 409(a)(24), as added by section 17(b)(2) of this Act, is amended by striking “408(a)(20)” and inserting “408(a)(17)”.


SEC. 19. TESTING FOR CONTROLLED SUBSTANCES.

Section 902 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 21 U.S.C. 862b) is repealed.
SEC. 20. EFFECTIVE DATE.

(a) In General.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 2018, and shall apply to payments under title IV of the Social Security Act for calendar quarters beginning on or after such date, without regard to whether regulations to implement the amendments are promulgated by such date.

(b) Delay Permitted if State Legislation Required.—If the Secretary of Health and Human Services determines that State legislation (other than legislation appropriating funds) is required in order for a State plan under part A or E of title IV of the Social Security Act to meet the additional requirements imposed by the amendments made by this Act, the plan shall not be regarded as failing to meet any of the additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. If the State has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the State legislature.