

115TH CONGRESS  
2D SESSION

# H. R. 5861

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

---

## 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

---

## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

- Sec. 4. Re-naming of program.
- Sec. 5. Helping more Americans enter and remain in the workforce.
- Sec. 6. Expecting universal engagement and case management.
- Sec. 7. Promoting accountability by measuring work outcomes.
- Sec. 8. Targeting funds to truly needy families.
- Sec. 9. Targeting funds to core purposes.
- Sec. 10. Strengthening program integrity by measuring improper payments.
- Sec. 11. Prohibition on State diversion of Federal funds to replace State spending.
- Sec. 12. Inclusion of poverty reduction as a program purpose.
- Sec. 13. Welfare for needs not weed.
- Sec. 14. Strengthening accountability through HHS approval of State plans.
- Sec. 15. Aligning and improving data reporting.
- Sec. 16. Technical corrections to data exchange standards to improve program coordination.
- Sec. 17. Set-aside for economic downturns.
- Sec. 18. Definitions related to use of funds.
- Sec. 19. Elimination of obsolete provisions.
- Sec. 20. Effective date.

1 **SEC. 3. REFERENCES.**

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

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

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

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

12       (b) CONFORMING AMENDMENTS.—

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

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

4           (3) The heading for section 471(e)(7)(B)(i) (42  
5           U.S.C. 671(e)(7)(B)(i)), as in effect pursuant to the  
6           amendment made by section 50711(a)(2) of division  
7           E of the Bipartisan Budget Act of 2018 (Public  
8           Law 115–123), is amended by striking “TANF”  
9           and inserting “JOBS”.

10 **SEC. 5. HELPING MORE AMERICANS ENTER AND REMAIN IN**  
11 **THE WORKFORCE.**

12           (a) FAMILY ASSISTANCE GRANTS.—Section  
13 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of  
14 subparagraphs (A) and (C) by striking “2017 and 2018”  
15 and inserting “2019 through 2023”.

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

19                   (1) by striking “2017 and 2018” and inserting  
20                   “2019 through 2023”; and

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

22           (c) TRIBAL FAMILY ASSISTANCE GRANTS.—Section  
23 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by  
24 striking “2017 and 2018” and inserting “2019 through  
25 2023”.

1 (d) IMPROVING ACCESS TO CHILD CARE TO SUP-  
2 PORT WORK.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is  
3 amended by striking “\$2,917,000,000 for each of fiscal  
4 years 2017 and 2018” and inserting “\$3,525,000,000 for  
5 each of fiscal years 2019 through 2023”.

6 (e) GRANTS TO THE TERRITORIES.—Section  
7 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking  
8 “2017 and 2018” and inserting “2019 through 2023”.

9 **SEC. 6. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**  
10 **MANAGEMENT.**

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

13 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

14 “(1) ASSESSMENT.—The State agency respon-  
15 sible for administering the State program funded  
16 under this part shall make an initial assessment of  
17 the following for each work-eligible individual (as de-  
18 fined in the regulations promulgated pursuant to  
19 section 407(i)(1)(A)(i)):

20 “(A) The education obtained, skills, prior  
21 work experience, work readiness, and barriers  
22 to work of the individual.

23 “(B) The well-being of the children in the  
24 family of the individual and, where appropriate,  
25 activities or services (such as services offered by

1 a program funded under section 511) to im-  
2 prove the well-being of the children.

3 “(2) CONTENTS OF PLANS.—On the basis of  
4 the assessment required by paragraph (1) of this  
5 subsection, the State agency, in consultation with  
6 the individual, shall develop an individual oppor-  
7 tunity plan that—

8 “(A) includes a personal responsibility  
9 agreement in which the individual acknowledges  
10 receipt of publicly funded benefits and responsi-  
11 bility to comply with program requirements in  
12 order to receive the benefits;

13 “(B) sets forth the obligations of the indi-  
14 vidual to participate in work activities (as de-  
15 fined in section 407(d)), and the number of  
16 hours per month for which the individual will so  
17 participate pursuant to section 407;

18 “(C) sets forth an employment goal and  
19 planned short-, intermediate-, and long-term ac-  
20 tions to achieve the goal, and, in the case of an  
21 individual who has not attained 24 years of age  
22 and is in secondary school or the equivalent, the  
23 intermediate action may be completion of sec-  
24 ondary school or the equivalent;

1           “(D) describes the job counseling and  
2           other services the State will provide to the indi-  
3           vidual to enable the individual to obtain and  
4           keep employment in the private sector;

5           “(E) may include referral to appropriate  
6           substance abuse or mental health treatment;  
7           and

8           “(F) is signed by the individual.

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

12           “(A) within 180 days after the effective  
13           date of this subsection, in the case of an indi-  
14           vidual who, as of such effective date, is a recipi-  
15           ent of assistance under the State program fund-  
16           ed under this part (as in effect immediately be-  
17           fore such effective date); or

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

21           “(4) PENALTY FOR NONCOMPLIANCE BY INDI-  
22          VIDUAL.—In addition to any other penalties required  
23          under the State program funded under this part, the  
24          State may reduce, by such amount as the State con-  
25          siders appropriate, the amount of assistance other-

1 wise payable under the State program to a family  
2 that includes an individual who fails without good  
3 cause to comply with an individual opportunity plan  
4 developed pursuant to this subsection, that is signed  
5 by the individual.

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

10 “(A) review the individual opportunity plan  
11 developed for the individual;

12 “(B) discuss with the individual the  
13 progress made by the individual in achieving  
14 the goals specified in the plan; and

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

18 **SEC. 7. PROMOTING ACCOUNTABILITY BY MEASURING**  
19 **WORK OUTCOMES.**

20 (a) IN GENERAL.—Section 407(a) (42 U.S.C.  
21 607(a)) is amended to read as follows:

22 “(a) PERFORMANCE ACCOUNTABILITY AND WORK  
23 OUTCOMES.—

24 “(1) PURPOSE.—The purpose of this subsection  
25 is to provide for the establishment of performance

1       accountability measures to assess the effectiveness of  
2       States in increasing employment, retention, and ad-  
3       vancement among families receiving assistance under  
4       the State program funded under this part.

5               “(2) IN GENERAL.—A State to which a grant  
6       is made under section 403 for a fiscal year shall  
7       achieve the requisite level of performance on an indi-  
8       cator described in paragraph (3)(B) of this sub-  
9       section for the fiscal year.

10              “(3) MEASURING STATE PERFORMANCE.—

11                   “(A) IN GENERAL.—Each State, in con-  
12       sultation with the Secretary, shall collect and  
13       submit to the Secretary the information nec-  
14       essary to measure the level of performance of  
15       the State for each indicator described in sub-  
16       paragraph (B), for fiscal year 2020 and each  
17       fiscal year thereafter, and the Secretary shall  
18       use the information collected for fiscal year  
19       2020 to establish the baseline level of perform-  
20       ance for each State for each such indicator.

21                   “(B) INDICATORS OF PERFORMANCE.—

22       The indicators described in this subparagraph,  
23       for a fiscal year, are the following:

24                   “(i) The percentage of individuals who  
25       were work-eligible individuals as of the



1 time of exit from the program, who are in  
2 unsubsidized employment during the sec-  
3 ond quarter after the exit.

4 “(ii) The percentage of individuals  
5 who were work-eligible individuals who  
6 were in unsubsidized employment in the  
7 second quarter after the exit, who are also  
8 in unsubsidized employment during the  
9 fourth quarter after the exit.

10 “(iii) The median earnings of individ-  
11 uals who were work-eligible individuals as  
12 of the time of exit from the program, who  
13 are in unsubsidized employment during the  
14 second quarter after the exit.

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

1 “(C) LEVELS OF PERFORMANCE.—

2 “(i) IN GENERAL.—For each State  
3 submitting a State plan pursuant to sec-  
4 tion 402(a), there shall be established, in  
5 accordance with this subparagraph, levels  
6 of performance for each of the indicators  
7 described in subparagraph (B).

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

10 “(I) 40 percent, in the case of  
11 the indicator described in subpara-  
12 graph (B)(i).

13 “(II) 25 percent, in the case of  
14 the indicator described in subpara-  
15 graph (B)(ii).

16 “(III) 25 percent, in the case of  
17 the indicator described in subpara-  
18 graph (B)(iii).

19 “(IV) 10 percent, in the case of  
20 the indicator described in subpara-  
21 graph (B)(iv).

22 “(iii) AGREEMENT ON REQUISITE  
23 PERFORMANCE LEVEL FOR EACH INDI-  
24 CATOR.—

1           “(I) IN GENERAL.—The Sec-  
2           retary and the State shall negotiate  
3           the requisite level of performance for  
4           the State with respect to each indi-  
5           cator described in clause (ii), for each  
6           of fiscal years 2020 through 2023,  
7           and in the case of each of fiscal years  
8           2021 through 2023, shall do so before  
9           the beginning of the respective fiscal  
10          year.

11           “(II) REQUIREMENTS IN ESTAB-  
12          LISHING PERFORMANCE LEVELS.—In  
13          establishing the requisite levels of per-  
14          formance, the State and the Secretary  
15          shall—

16                   “(aa) take into account how  
17                   the levels involved compare with  
18                   the levels established for other  
19                   States;

20                   “(bb) ensure the levels in-  
21                   volved are adjusted, using the ob-  
22                   jective statistical model referred  
23                   to in clause (v), based on—

24                           “(AA) the differences  
25                           among States in economic

1 conditions, including dif-  
2 ferences in unemployment  
3 rates or employment losses  
4 or gains in particular indus-  
5 tries; and

6 “(BB) the characteris-  
7 ties of participants on entry  
8 into the program, including  
9 indicators of prior work his-  
10 tory, lack of educational or  
11 occupational skills attain-  
12 ment, or other factors that  
13 may affect employment and  
14 earnings; and

15 “(CC) take into account  
16 the extent to which the lev-  
17 els involved promote contin-  
18 uous improvement in per-  
19 formance by each State.

20 “(iv) REVISIONS BASED ON ECONOMIC  
21 CONDITIONS AND INDIVIDUALS RECEIVING  
22 ASSISTANCE DURING THE FISCAL YEAR.—  
23 The Secretary shall, in accordance with the  
24 objective statistical model referred to in  
25 clause (v), revise the requisite levels of per-

1 formance for a State and a fiscal year to  
2 reflect the economic conditions and charac-  
3 teristics of the relevant individuals in the  
4 State during the fiscal year.

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

17 “(vi) DEFINITION OF EXIT.—In this  
18 subsection, the term ‘exit’ means, with re-  
19 spect to a State program funded under  
20 this part, ceases to a receive a JOBS ben-  
21 efit under the program.

22 “(D) STATE OPTION TO ESTABLISH COM-  
23 MON EXIT MEASURES.—Notwithstanding sub-  
24 paragraph (C)(vi) of this paragraph, a State  
25 that has not provided the notification under

1 section 121(b)(1)(C)(ii) of the Workforce Inno-  
2 vation and Opportunity Act to exclude the State  
3 program funded under this part as a mandatory  
4 one-stop partner may adopt an alternative defi-  
5 nition of ‘exit’ for the purpose of creating com-  
6 mon exit measures to improve alignment with  
7 workforce programs operated under title I of  
8 such Act.

9 “(E) REGULATIONS.—In order to ensure  
10 nationwide comparability of data, the Secretary,  
11 after consultation the Secretary of Labor and  
12 with States, shall issue regulations governing  
13 the establishment of the performance account-  
14 ability system under this subsection and a tem-  
15 plate for performance reports to be used by all  
16 States consistent with subsection (b).”.

17 (b) REPORTS ON STATE PERFORMANCE ON HHS  
18 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.  
19 607(b)) is amended to read as follows:

20 “(b) PUBLICATION OF STATE PERFORMANCE.—The  
21 Secretary shall, directly or through the use of grants or  
22 contracts, establish and operate an Internet website that  
23 is accessible to the public, with a dashboard that is regu-  
24 larly updated and provides easy-to-understand information  
25 on the performance of each State program funded under

1 this part, including a profile for each such program, ex-  
2 pressed by use of a template, which shall include—

3 “(1) information on the indicators and requisite  
4 performance levels established for the State under  
5 subsection (a), including, with respect to each such  
6 level, whether the State achieves, exceeds, or fails to  
7 achieve the level on an ongoing basis, including—

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

12 “(B) a grade based on the overall perform-  
13 ance of the State, as determined by the Sec-  
14 retary and in consultation with the State, and  
15 the overall performance shall be graded based  
16 on the performance indicators and weights for  
17 each such indicator as described in subsection  
18 (a);

19 “(2) information reported under section 411 on  
20 the characteristics and demographics of individuals  
21 receiving assistance under the State program, in-  
22 cluding—

23 “(A) the number and percentage of child-  
24 only cases and reason why the cases are child-  
25 only; and

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

8           “(3) information on the results of improper  
9           payments reviews;

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

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

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

20           (1) in paragraph (1)—

21           (A) in subparagraph (A)—

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

24           and



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

4 (B) in subparagraph (B)—

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

8 (ii) in clause (i), by striking “, not  
9 fewer than” and all that follows through  
10 “this subsection”; and

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

14 (2) in paragraph (2)—

15 (A) by striking subparagraphs (A) and  
16 (D);

17 (B) in each of subparagraphs (B) and (C),  
18 by striking “For purposes of determining  
19 monthly participation rates under subsection  
20 (b)(1)(B)(i), a” and inserting “A”; and

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

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

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

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

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

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

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

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

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

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

23 “(k) PROHIBITIONS.—

24 “(1) USE OF FUNDS FOR PERSONS WITH IN-  
25 COME GREATER THAN TWICE THE POVERTY LINE.—

1 A State to which a grant is made under this part  
2 shall not use the grant to provide any assistance or  
3 services to a family whose monthly income exceeds  
4 twice the poverty line (as defined by the Office of  
5 Management and Budget, and revised annually in  
6 accordance with section 673(2) of the Omnibus  
7 Budget Reconciliation Act of 1981 (42 U.S.C.  
8 9902(2))).”.

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

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

14 “(A) information technology and comput-  
15 erization needed for tracking, monitoring, or  
16 data collection required by or under this part;  
17 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 SERV-  
22 ICES OR ACTIVITIES.—Section 404(k) (42 U.S.C. 604(k)),  
23 as amended by subsection (a) of this section, is amended  
24 by adding at the end the following:

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

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

11           “(1) IN GENERAL.—A State may use not more  
12          than 50 percent of the grant made to the State  
13          under section 403(a)(1) to carry out a State pro-  
14          gram pursuant to any or all of the following provi-  
15          sions of law:

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

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

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

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

23           “(A) In general.—A State may use not  
24          more than the applicable percentage of the  
25          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  
4           purposes of subparagraph (A), the applicable  
5           percentage 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  
14          that apply to Federal funds provided directly  
15          under the provision of law to carry out the pro-  
16          gram, and the expenditure of any amount so  
17          used shall not be considered to be an expendi-  
18          ture under this 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  
4                   section 128(a)(1) of the Workforce Innova-  
5                   tion 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 pro-  
9                   vided by this subsection may not be exercised by a  
10                  State that has provided the notification referred to  
11                  in section 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  
18                  25 PERCENT OF JOBS GRANT FOR SPENDING ON  
19                  CORE ACTIVITIES.—A State to which a grant is  
20                  made under section 403(a)(1) for a fiscal year shall  
21                  expend not less than 25 percent of the grant on as-  
22                  sistance, case management, work supports and sup-  
23                  portive services, work, wage subsidies, work activities  
24                  (as defined in section 407(d)), and non-recurring  
25                  short-term benefits.”.

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  
5 the 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  
16 CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-  
17 TURES.—Section 408(a) (42 U.S.C. 608(a)), as amended  
18 by subsections (a) and (b) of this section, is amended by  
19 adding at the end the following:

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

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

1 that are attributable to the value of goods and  
2 services provided by a source other than a State  
3 or local government shall not exceed the appli-  
4 cable percentage of the expenditures for the fis-  
5 cal year.

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

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

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

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

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

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

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

21 “(l) APPLICABILITY OF IMPROPER PAYMENTS  
22 LAWS.—

23 “(1) IN GENERAL.—The Improper Payments  
24 Information Act of 2002 and the Improper Pay-  
25 ments Elimination and Recovery Act of 2010 shall



1 apply to a State in respect of the State program  
2 funded under this part in the same manner in which  
3 such Acts apply to a Federal agency.

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

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

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

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

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

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

22 (1) by striking “and” at the end of paragraph  
23 (3);

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

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

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

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

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

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

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

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

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

16 (b) EFFECTIVE DATE.—The amendments made by  
17 subsection (a) shall take effect on the date that is 2 years  
18 after the date of the enactment of this Act.

19 **SEC. 14. STRENGTHENING ACCOUNTABILITY THROUGH**  
20 **HHS APPROVAL OF STATE PLANS.**

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

23 (1) in subsection (a)—

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

4 (B) in paragraph (1)—

5 (i) in subparagraph (A)—

6 (I) by striking clauses (ii) and  
7 (iii) and inserting the following:

8 “(ii) Require work-eligible individuals  
9 (as defined in the regulations promulgated  
10 pursuant to section 407(i)(1)(A)(i)) to en-  
11 gage in work activities consistent with sec-  
12 tion 407(c). The document shall describe  
13 any other activity that the State will con-  
14 sider a work activity under section  
15 407(c)(13).”;

16 (II) by redesignating clauses (iv)  
17 through (viii) as clauses (iii) through  
18 (vii), respectively; and

19 (III) by adding at the end the  
20 following:

21 “(viii) Describe the case management  
22 practices of the State with respect to the  
23 requirements of section 408(b), provide a  
24 copy of the form or forms that will be used  
25 to assess a work-eligible individual (as so

1 defined) and prepare an individual oppor-  
2 tunity plan for the individual, describe how  
3 the State will ensure that such a plan is  
4 reviewed in accordance with section  
5 408(b)(5), and describe how the State will  
6 measure progress under the plan.

7 “(ix) Propose the requisite levels of  
8 performance for the State for purposes of  
9 section 407(a)(3)(D) for each year in the  
10 2-year period referred to in subsection (d)  
11 of this section, and provide an explanation  
12 with supporting data of why each such  
13 level is appropriate.

14 “(x) Describe how the State will en-  
15 gage low-income noncustodial parents pay-  
16 ing child support and how such a parent  
17 will be provided with access to work sup-  
18 port and other services under the program  
19 to which the parent is referred to support  
20 their employment and advancement.

21 “(xi) Describe how the State will com-  
22 ply with improper payments provisions in  
23 section 404(l).

24 “(xii) Describe coordination with  
25 other programs, including whether the

1 State intends to exercise authority pro-  
2 vided by section 404(d) of this Act to  
3 transfer any funds paid to the State under  
4 this part, provide assurance that, in the  
5 case of a transfer to carry out a program  
6 under title I of the Workforce Innovation  
7 and Opportunity Act, the State will comply  
8 with section 404(d)(3)(B) of this Act and  
9 coordinate with the one-stop delivery sys-  
10 tem under the Workforce Innovation and  
11 Opportunity Act, and describe how the  
12 State will coordinate with the programs in-  
13 volved to provide services to families re-  
14 ceiving assistance under the program re-  
15 ferred to in paragraph (1) of this sub-  
16 section.

17 “(xiii) Describe how the State will  
18 promote marriage, such as through tem-  
19 porary disregard of the income of a new  
20 spouse when an individual receiving assist-  
21 ance under the State program marries so  
22 that the couple doesn’t automatically lose  
23 benefits due to marriage.”; and

24 (ii) in subparagraph (B), by striking  
25 clauses (iv) and (v);

1           (2) in subsection (c), by inserting “, on the  
2 website established pursuant to section 407(b),” be-  
3 fore “a summary”; and

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

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

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

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

16           (b) DUTIES OF THE SECRETARY.—

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

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

22                   (B) by adding after and below the end the  
23 following:

24           “(b) COORDINATION OF ACTIVITIES.—The Secretary  
25 shall coordinate all activities of the Department of Health

1 and Human Services relating to work activities (as defined  
2 in section 407(d)) and requirements and measurement of  
3 employment outcomes, and, to the maximum extent prac-  
4 ticable, coordinate the activities of the Department in this  
5 regard with similar activities of other Federal entities.

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

11 (c) TECHNICAL ASSISTANCE.—Section 406 (42  
12 U.S.C. 606) is amended to read as follows:

13 **“SEC. 406. TECHNICAL ASSISTANCE.**

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

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

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

2 (a) REQUIREMENT THAT STATES REPORT FULL-  
3 POPULATION DATA.—Section 411(a)(1) (42 U.S.C.  
4 611(a)(1)) is amended—

5 (1) by striking subparagraph (B);

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

8 (3) by—

9 (A) redesignating—

10 (i) subparagraph (A) as paragraph  
11 (1);

12 (ii) clauses (i) through (xvii) of sub-  
13 paragraph (A) as subparagraphs (A)  
14 through (Q), respectively;

15 (iii) subclauses (I) through (V) of  
16 clause (ii) as clauses (i) through (v), re-  
17 spectively;

18 (iv) subclauses (I) through (VII) of  
19 clause (xi) as clauses (i) through (vii), re-  
20 spectively; and

21 (v) subclauses (I) through (V) of  
22 clause (xvi) as clauses (i) through (v), re-  
23 spectively; and

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



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

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

8 “(i) in the case of each work-eligible  
9 individual (as defined in the regulations  
10 promulgated pursuant to section  
11 407(i)(1)(A)(i) in the family—

12 “(I) the number of hours (includ-  
13 ing zero hours) per month of partici-  
14 pation in—

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

17 “(bb) any other activity re-  
18 quired by the State to remove a  
19 barrier to employment; and

20 “(ii) in the case of each individual in  
21 the family who is not a work-eligible indi-  
22 vidual (as so defined), the reason for that  
23 status.

24 “(L) For each work-eligible individual (as  
25 so defined) and each adult in the family who

1 did not participate in work activities (as so de-  
2 fined) during a month, the reason for the lack  
3 of participation.”.

4 (c) REPORTING OF INFORMATION ON EMPLOYMENT  
5 AND EARNINGS OUTCOMES.—Section 411(c) (42 U.S.C.  
6 611(c)) is amended to read as follows:

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

15 **SEC. 16. TECHNICAL CORRECTIONS TO DATA EXCHANGE**  
16 **STANDARDS TO IMPROVE PROGRAM COORDI-**  
17 **NATION.**

18 (a) IN GENERAL.—Section 411(d) (42 U.S.C.  
19 611(d)) is amended to read as follows:

20 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED  
21 INTEROPERABILITY.—

22 “(1) DESIGNATION.—The Secretary shall, in  
23 consultation with an interagency work group estab-  
24 lished by the Office of Management and Budget and  
25 considering State government perspectives, by rule,

1 designate data exchange standards to govern, under  
2 this part—

3 “(A) necessary categories of information  
4 that State agencies operating programs under  
5 State plans approved under this part are re-  
6 quired under applicable Federal law to elec-  
7 tronically exchange with another State agency;  
8 and

9 “(B) Federal reporting and data exchange  
10 required under applicable Federal law.

11 “(2) REQUIREMENTS.—The data exchange  
12 standards required by paragraph (1) shall, to the ex-  
13 tent practicable—

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

17 “(B) contain interoperable standards devel-  
18 oped and maintained by intergovernmental  
19 partnerships, such as the National Information  
20 Exchange Model;

21 “(C) incorporate interoperable standards  
22 developed and maintained by Federal entities  
23 with authority over contracting and financial  
24 assistance;

1           “(D) be consistent with and implement ap-  
2           plicable accounting principles;

3           “(E) be implemented in a manner that is  
4           cost-effective and improves program efficiency  
5           and effectiveness; and

6           “(F) be capable of being continually up-  
7           graded as necessary.

8           “(3) RULE OF CONSTRUCTION.—Nothing in  
9           this subsection shall be construed to require a  
10          change to existing data exchange standards found to  
11          be effective and efficient.”.

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

16                 (1) identifies federally required data exchanges,  
17                 include specification and timing of exchanges to be  
18                 standardized, and address the factors used in deter-  
19                 mining whether and when to standardize data ex-  
20                 changes; and

21                 (2) specifies State implementation options and  
22                 describes future milestones.

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

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

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

3               “(1) IN GENERAL.—Except as provided in para-  
4 graph (2), a State to which funds are paid under  
5 section 403(a)(1) shall obligate the funds within 2  
6 years after the date the funds are so paid, and shall  
7 expend the funds within 3 years after such date.

8               “(2) EXCEPTION FOR LIMITED AMOUNT OF  
9 FUNDS SET ASIDE FOR FUTURE USE.—A State to  
10 which funds are paid under section 403(a)(1) may  
11 reserve not more than 15 percent of the funds for  
12 future use in the State program funded under this  
13 part.”.

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

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

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

23               “(7) WORK SUPPORTS.—The term ‘work sup-  
24 ports’ means assistance and non-assistance transpor-  
25 tation benefits (such as the value of allowances, bus

1 tokens, car payments, auto repair, auto insurance  
2 reimbursement, and van services provided in order  
3 to help families obtain, retain, or advance in employ-  
4 ment, participate in work activities (as defined in  
5 section 407(d)), or as a non-recurrent, short-term  
6 benefit, including goods provided to individuals in  
7 order to help them obtain or maintain employment  
8 (such as tools, uniforms, fees to obtain special li-  
9 censes, bonuses, incentives, and work support allow-  
10 ances and expenditures for job access).

11 “(8) SUPPORTIVE SERVICES.—The term ‘sup-  
12 portive services’ means services such as domestic vio-  
13 lence services, and mental health, substance abuse  
14 and disability services, housing counseling services,  
15 and other family supports, except to the extent that  
16 the provision of the service would violate section  
17 408(a)(6).

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

20 “(A) assistance; or

21 “(B) wage subsidies that are paid, with  
22 funds provided under section 403(a) or with  
23 qualified State expenditures, with respect to a  
24 person who—

1                   “(i) was a work-eligible individual (as  
2                   defined in the regulations promulgated  
3                   pursuant to section 407(i)(1)(A)(i)) at the  
4                   time of entry into subsidized employment,  
5                   such as on-the-job training or apprentice-  
6                   ship; and

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

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

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

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

14               (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.  
15 603(a)) is amended by striking paragraph (4).

16               (2) **CONFORMING AMENDMENT.**—Section  
17 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by  
18 striking “403(a)(4),”.

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

21               (1) **IN GENERAL.**—Section 403(a) (42 U.S.C.  
22 603(a)) is amended by striking paragraph (5).

23               (2) **CONFORMING AMENDMENTS.**—

24                   (A) **ELIMINATION OF EXCLUSION FROM**  
25 **TIME LIMIT.**—Section 408(a)(7) (42 U.S.C.

1           608(a)(7)) is amended by striking subpara-  
2           graph (G).

3           (B) ELIMINATION OF PENALTY FOR MIS-  
4           USE OF COMPETITIVE WELFARE-TO-WORK  
5           FUNDS.—Section 409(a)(1) (42 U.S.C.  
6           609(a)(1)) is amended by striking subpara-  
7           graph (C).

8           (C) ELIMINATION OF EXCLUSION FROM  
9           QUALIFIED STATE EXPENDITURES OF STATE  
10          FUNDS USED TO MATCH WELFARE-TO-WORK  
11          GRANT FUNDS.—Section 409(a)(7)(B)(iv) (42  
12          U.S.C. 609(a)(7)(B)(iv)) is amended in the 1st  
13          sentence—

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

16                 (ii) by striking subclause (III) and re-  
17                 designating subclause (IV) as subclause  
18                 (III).

19          (D) ELIMINATION OF PENALTY FOR FAIL-  
20          URE OF STATE TO MAINTAIN HISTORIC EFFORT  
21          DURING YEAR IN WHICH WELFARE-TO-WORK  
22          GRANT IS RECEIVED.—Section 409(a) (42  
23          U.S.C. 609(a)) is amended by striking para-  
24          graph (13).



1           (E) ELIMINATION OF REQUIREMENTS RE-  
2           LATING TO WELFARE-TO-WORK GRANTS IN  
3           QUARTERLY STATE REPORTS.—Section 411(a)  
4           (42 U.S.C. 611(a)) is amended—

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

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

11           (F) INDIAN TRIBAL PROGRAMS.—Section  
12           412(a) (42 U.S.C. 612(a)) is amended by strik-  
13           ing paragraph (3).

14           (G) ELIMINATION OF REQUIREMENT TO  
15           DISCLOSE CERTAIN INFORMATION TO PRIVATE  
16           INDUSTRY COUNCIL RECEIVING WELFARE-TO-  
17           WORK FUNDS.—Section 454A(f) (42 U.S.C.  
18           654a(f)) is amended by striking paragraph (5).

19           (H) GRANTS TO TERRITORIES.—Section  
20           1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended  
21           by striking “403(a)(5),”.

22           (d) ELIMINATION OF CONTINGENCY FUND.—

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

1 (2) CONFORMING AMENDMENTS.—

2 (A) TRANSFER OF NEEDY STATE DEFINI-  
3 TION.—

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

6 (I) amended—

7 (aa) in the matter preceding  
8 subparagraph (A), by striking  
9 “paragraph (4)” and inserting  
10 “subparagraph (C)”;

11 (bb) in each of subpara-  
12 graphs (A) and (B), by redesign-  
13 ating clauses (i) and (ii) as sub-  
14 clauses (I) and (II), respectively;

15 (cc) by redesignating sub-  
16 paragraphs (A) and (B) as  
17 clauses (i) and (ii), respectively;

18 (dd) by redesignating such  
19 paragraph as subparagraph (D);  
20 and

21 (ee) by moving each provi-  
22 sion 2 ems to the left; and

23 (II) as so amended, hereby trans-  
24 ferred into section 409(a)(3) (42

1 U.S.C. 609(a)(3)) and added to the  
2 end of such section.

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

7 (B) ELIMINATION OF PENALTY FOR FAIL-  
8 URE OF STATE RECEIVING AMOUNTS FROM  
9 CONTINGENCY FUND TO MAINTAIN 100 PER-  
10 CENT OF HISTORIC EFFORT.—Section 409(a)  
11 (42 U.S.C. 609(a)) is amended by striking  
12 paragraph (10).

13 (e) CONFORMING AMENDMENTS RELATED TO ELIMI-  
14 NATION OF FEDERAL LOANS FOR STATE WELFARE PRO-  
15 GRAMS.—

16 (1) ELIMINATION OF ASSOCIATED PENALTY  
17 PROVISION.—

18 (A) IN GENERAL.—Section 409(a) (42  
19 U.S.C. 609(a)) is amended by striking para-  
20 graph (6).

21 (B) CONFORMING AMENDMENTS.—Section  
22 412(g)(1) (42 U.S.C. 612(g)(1)) is amended by  
23 striking “(a)(6),”.

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

4           (3) ELIMINATION OF DISREGARD OF LOAN IN  
5 APPLYING LIMIT ON PAYMENTS TO THE TERRI-  
6 TORIES.—Section 1108(a)(2) (42 U.S.C.  
7 1308(a)(2)) is amended by striking “406,”.

8           (f) ELIMINATION OF LIMITATIONS ON OTHER STATE  
9 PROGRAMS FUNDED WITH QUALIFIED STATE EXPENDI-  
10 TURES.—

11           (1) The following provisions are each amended  
12 by striking “or any other State program funded with  
13 qualified State expenditures (as defined in section  
14 409(a)(7)(B)(i))”:

15           (A) Paragraphs (1) and (2) of section  
16 407(e) (42 U.S.C. 607(e)(1) and (2)).

17           (B) Section 411(a)(1)(A) (42 U.S.C.  
18 611(a)(1)(A)).

19           (C) Subsections (a)(1), (d), and (e)(1) of  
20 section 413 (42 U.S.C. 613(a)(1), (d), and  
21 (e)(1)).

22           (2) Section 413(a)(1) (42 U.S.C. 613(a)(1)) is  
23 amended by striking “and any other State program  
24 funded with qualified State expenditures (as defined  
25 in section 409(a)(7)(B)(i))”.

1 (g) CONFORMING AMENDMENTS RELATED TO ELIMI-  
2 NATION OF REPORT.—

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

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

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

9 (C) by striking “(A) QUARTERLY RE-  
10 PORTS.—”;

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

12 (E) by redesignating clauses (i) and (ii) of  
13 subparagraph (A) as subparagraphs (A) and  
14 (B), respectively.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 409(b)(2) (42 U.S.C.  
17 609(b)(2)) is amended by striking “and,” and  
18 all that follows and inserting a period.

19 (B) Section 409(c)(4) (42 U.S.C.  
20 609(c)(4)) is amended by striking “(2)(B),”.

21 (h) ANNUAL REPORTS TO CONGRESS.—Section  
22 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by  
23 striking “participation rates” and inserting “outcome  
24 measures”.

1 (i) REDUCTION IN FORCE PROVISIONS.—Section 416  
2 (42 U.S.C. 616) is amended by striking “, and the Sec-  
3 retary” and all that follows and inserting a period.

4 (j) CONFORMING CROSS-REFERENCES.—

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

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

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

13 (C) in subsection (b)(2), by striking “(8),  
14 (10), (12), or (13)” and inserting “or (10)”;  
15 and

16 (D) in subsection (c)(4), by striking “(8),  
17 (10), (12), (13), or (16)” and inserting “(10),  
18 or (13)”.

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

22 (k) MODIFICATIONS TO MAINTENANCE-OF-EFFORT  
23 REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C.  
24 609(a)(7)(B)(i)) is amended—

25 (1) in subclause (I)—

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

4 (B) by redesignating items (dd) and (ee)  
5 as items (ee) and (ff), respectively, and insert-  
6 ing after item (cc) the following:

7 “(dd) Expenditures for a  
8 purpose described in paragraph  
9 (3) or (4) of section 401(a).”;

10 and

11 (C) in item (ee) (as so redesignated by  
12 clause (ii) of this subparagraph), by striking  
13 “and (ee)” and inserting “(dd), and (ff)”;

14 (2) in subclause (II)(aa), by inserting “(as in  
15 effect just before the effective date of the Jobs and  
16 Opportunity with Benefits and Services for Success  
17 Act)” after “this section”;

18 (3) by striking subclause (V) and redesignating  
19 subclause (IV) as subclause (V); and

20 (4) in subclause (V) (as so redesignated by sub-  
21 paragraph (C) of this paragraph), by inserting “, ex-  
22 cept any of such families whose monthly income ex-  
23 ceeds twice the poverty line (as defined by the Office  
24 of Management and Budget, and revised annually in  
25 accordance with section 673(2) of the Omnibus

1 Budget Reconciliation Act of 1981 (42 U.S.C.  
2 9902(2)))” before the period.

3 **SEC. 20. EFFECTIVE DATE.**

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

○