

116TH CONGRESS
1ST SESSION

S. 3001

To provide for certain extensions with respect to the Medicare and Medicaid programs under titles XVIII and XIX of the Social Security Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2019

Mr. TOOMEY (for himself and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for certain extensions with respect to the Medicare and Medicaid programs under titles XVIII and XIX 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Permanent Relief for Seniors and Medicare, Medicaid,
6 Human Services Extension Act of 2019”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MISCELLANEOUS

- Sec. 101. Repeal of medical device excise tax.
 Sec. 102. Permanent extension of reduction in medical expense deduction floor.
 Sec. 103. Moratorium on annual fee on health insurance providers.

TITLE II—MEDICARE EXTENDERS

- Sec. 201. Extension of the work geographic index floor under the Medicare program.
 Sec. 202. Authorization of additional funding for quality measure endorsement, input, and selection.
 Sec. 203. Authorization of additional funding for outreach and assistance for low-income programs.
 Sec. 204. Extension and authorization of additional funding to the Patient-Centered Outcomes Research Trust Fund.

TITLE III—MEDICAID EXTENDERS

- Sec. 301. Delay of DSH reductions.
 Sec. 302. Extension of spousal impoverishment protections.
 Sec. 303. Extension of Community Mental Health Services demonstration program.

TITLE IV—HUMAN SERVICES EXTENDERS

- Sec. 401. Extension of sexual risk avoidance education program.
 Sec. 402. Jobs and Opportunity with Benefits and Services for Success Act.

1 **TITLE I—MISCELLANEOUS**2 **SEC. 101. REPEAL OF MEDICAL DEVICE EXCISE TAX.**

3 (a) IN GENERAL.—Chapter 32 of the Internal Rev-
 4 enue Code of 1986 is amended by striking subchapter E.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Subsection (a) of section 4221 of the Inter-
 7 nal Revenue Code of 1986 is amended by striking
 8 the last sentence.

9 (2) Paragraph (2) of section 6416(b) of such
 10 Code is amended by striking the last sentence.

11 (c) CLERICAL AMENDMENT.—The table of sub-
 12 chapters for chapter 32 of the Internal Revenue Code of

1 1986 is amended by striking the item relating to sub-
 2 chapter E.

3 (d) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to sales after December 31, 2019.

5 **SEC. 102. PERMANENT EXTENSION OF REDUCTION IN MED-**
 6 **ICAL EXPENSE DEDUCTION FLOOR.**

7 (a) REDUCTION.—

8 (1) IN GENERAL.—Section 213(a) of the Inter-
 9 nal Revenue Code of 1986 is amended by striking
 10 “10 percent” and inserting “7.5 percent”.

11 (2) CONFORMING AMENDMENT.—Section 213
 12 of such Code is amended by striking subsection (f).

13 (b) REPEAL OF MINIMUM TAX PREFERENCE.—Sec-
 14 tion 56(b)(1) of the Internal Revenue Code of 1986 is
 15 amended by striking subparagraph (B).

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2018.

19 **SEC. 103. MORATORIUM ON ANNUAL FEE ON HEALTH IN-**
 20 **SURANCE PROVIDERS.**

21 Subsection (j) of section 9010 of the Patient Protec-
 22 tion and Affordable Care Act (26 U.S.C. 4001 note prec.)
 23 is amended—

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

25 (2);

1 (2) by striking the period at the end of para-
 2 graph (3) and inserting “, and ending before Janu-
 3 ary 1, 2021, and”; and

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

6 “(4) beginning after December 31, 2022.”.

7 **TITLE II—MEDICARE**
 8 **EXTENDERS**

9 **SEC. 201. EXTENSION OF THE WORK GEOGRAPHIC INDEX**
 10 **FLOOR UNDER THE MEDICARE PROGRAM.**

11 Section 1848(e)(1)(E) of the Social Security Act (42
 12 U.S.C. 1395w–4(e)(1)(E)) is amended by striking “Janu-
 13 ary 1, 2020” and inserting “December 21, 2020”.

14 **SEC. 202. AUTHORIZATION OF ADDITIONAL FUNDING FOR**
 15 **QUALITY MEASURE ENDORSEMENT, INPUT,**
 16 **AND SELECTION.**

17 Section 1890(d)(2) of the Social Security Act (42
 18 U.S.C. 1395aaa(d)(2)) is amended—

19 (1) by inserting “(A)” after “(2)”; and

20 (2) by adding at the end the following new sub-
 21 paragraph:

22 “(B)(i) For purposes of carrying out this section and
 23 section 1890A (other than subsections (e) and (f)), there
 24 is hereby authorized to be appropriated for the period be-

1 ginning on December 21, 2019, and ending on December
 2 20, 2020, \$30,000,000.

3 “(ii) Amounts appropriated pursuant to clause (i)
 4 shall remain available until expended, and shall be in addi-
 5 tion to any unobligated funds transferred pursuant to sub-
 6 paragraph (A) for a preceding fiscal year that are avail-
 7 able under the third sentence of such subparagraph.”.

8 **SEC. 203. AUTHORIZATION OF ADDITIONAL FUNDING FOR**
 9 **OUTREACH AND ASSISTANCE FOR LOW-IN-**
 10 **COME PROGRAMS.**

11 (a) ADDITIONAL FUNDING FOR STATE HEALTH IN-
 12 SURANCE PROGRAMS.—Subsection (a)(1)(B) of section
 13 119 of the Medicare Improvements for Patients and Pro-
 14 viders Act of 2008 (42 U.S.C. 1395b–3 note), as amended
 15 by section 3306 of the Patient Protection and Affordable
 16 Care Act (Public Law 111–148), section 610 of the Amer-
 17 ican Taxpayer Relief Act of 2012 (Public Law 112–240),
 18 section 1110 of the Pathway for SGR Reform Act of 2013
 19 (Public Law 113–67), section 110 of the Protecting Ac-
 20 cess to Medicare Act of 2014 (Public Law 113–93), sec-
 21 tion 208 of the Medicare Access and CHIP Reauthoriza-
 22 tion Act of 2015 (Public Law 114–10), section 50207 of
 23 division E of the Bipartisan Budget Act of 2018 (Public
 24 Law 115–123), section 1402 of the Continuing Appropria-
 25 tions Act, 2020, and Health Extenders Act of 2019 (Pub-

1 lie Law 116–59), and section 1402 of the Further Con-
 2 tinuing Appropriations Act, 2020, and Further Health
 3 Extenders Act of 2019 (Public Law 116–69), is amend-
 4 ed—

5 (1) by redesignating clauses (i) through (xi) as
 6 subclauses (I) through (XI) and moving such sub-
 7 clauses 2 ems to the right;

8 (2) by striking “For purposes of making grants
 9 under this subsection, the Secretary” and inserting
 10 “For purposes of making grants under this sub-
 11 section—

12 “(i) the Secretary”;

13 (3) in subclause (XI), as redesignated by para-
 14 graph (1), by striking the period at the end and in-
 15 serting “; and”; and

16 (4) by inserting after such subclause (XI), the
 17 following new clause:

18 “(ii) there is hereby authorized to be
 19 appropriated for the period beginning on
 20 December 21, 2019, and ending on Decem-
 21 ber 20, 2020, \$13,000,000.”.

22 (b) ADDITIONAL FUNDING FOR AREA AGENCIES ON
 23 AGING.—Subsection (b)(1)(B) of such section 119, as so
 24 amended, is amended—

1 (1) by redesignating clauses (i) through (xi) as
 2 subclauses (I) through (XI) and moving such sub-
 3 clauses 2 ems to the right;

4 (2) by striking “For purposes of making grants
 5 under this subsection, the Secretary” and inserting
 6 “For purposes of making grants under this sub-
 7 section—

8 “(i) the Secretary”;

9 (3) in subclause (XI), as redesignated by para-
 10 graph (1), by striking the period at the end and in-
 11 serting “; and”; and

12 (4) by inserting after such subclause (XI), the
 13 following new clause:

14 “(ii) there is hereby authorized to be
 15 appropriated for the period beginning on
 16 December 21, 2019, and ending on Decem-
 17 ber 20, 2020, \$7,500,000.”.

18 (c) ADDITIONAL FUNDING FOR AGING AND DIS-
 19 ABILITY RESOURCE CENTERS.—Subsection (c)(1)(B) of
 20 such section 119, as so amended, is amended—

21 (1) by redesignating clauses (i) through (xi) as
 22 subclauses (I) through (XI) and moving such sub-
 23 clauses 2 ems to the right;

24 (2) by striking “For purposes of making grants
 25 under this subsection, the Secretary” and inserting

1 “For purposes of making grants under this sub-
 2 section—

3 “(i) the Secretary”;

4 (3) in subclause (XI), as redesignated by para-
 5 graph (1), by striking the period at the end and in-
 6 serting “; and”; and

7 (4) by inserting after such subclause (XI), the
 8 following new clause:

9 “(ii) there is hereby authorized to be
 10 appropriated for the period beginning on
 11 December 21, 2019, and ending on Decem-
 12 ber 20, 2020, \$5,000,000.”.

13 (d) ADDITIONAL FUNDING FOR CONTRACT WITH
 14 THE NATIONAL CENTER FOR BENEFITS AND OUTREACH
 15 ENROLLMENT.—Subsection (d)(2) of such section 119, as
 16 so amended, is amended—

17 (1) by redesignating clauses (i) through (xi) as
 18 subclauses (I) through (XI) and moving such sub-
 19 clauses 2 ems to the right;

20 (2) by striking “For purposes of making a
 21 grant or entering into a contract under paragraph
 22 (1), the Secretary” and inserting “For purposes of
 23 making a grant or entering into a contract under
 24 paragraph (1)—

25 “(i) the Secretary”;

1 (3) in subclause (XI), as redesignated by para-
 2 graph (1), by striking the period at the end and in-
 3 serting “; and”; and

4 (4) by inserting after such subclause (XI), the
 5 following new clause:

6 “(ii) there is hereby authorized to be
 7 appropriated for the period beginning on
 8 December 21, 2019, and ending on Decem-
 9 ber 20, 2020, \$12,000,000.”.

10 **SEC. 204. EXTENSION AND AUTHORIZATION OF ADDI-**
 11 **TIONAL FUNDING TO THE PATIENT-CEN-**
 12 **TERED OUTCOMES RESEARCH TRUST FUND.**

13 Section 9511 of the Internal Revenue Code of 1986
 14 is amended—

15 (1) in subsection (b), by adding at the end the
 16 following new paragraph:

17 “(4) AUTHORIZATION.—

18 “(A) IN GENERAL.—There is hereby au-
 19 thorized to be appropriated to the Trust Fund,
 20 for the period beginning on October 1, 2019,
 21 and ending on December 20, 2020, an amount
 22 equal to the sum of—

23 “(i) an amount equal to \$2 multiplied
 24 by the average number of individuals enti-
 25 tled to benefits under part A, or enrolled

1 under part B, of title XVIII of the Social
 2 Security Act during such period; and

3 “(ii) \$150,000,000.

4 “(B) AVAILABILITY.—Amounts appro-
 5 priated pursuant to subparagraph (A) shall re-
 6 main available until expended.”;

7 (2) in subsection (d)(2)(A), by inserting “, and
 8 for the period beginning on October 1, 2019, and
 9 ending on December 20, 2020,” after “2019”; and
 10 (3) in subsection (f), by striking “December 20,
 11 2019” and inserting “December 20, 2020”.

12 **TITLE III—MEDICAID** 13 **EXTENDERS**

14 **SEC. 301. DELAY OF DSH REDUCTIONS.**

15 Section 1923(f)(7)(A) of the Social Security Act (42
 16 U.S.C. 1396r-4(f)(7)(A)) is amended—

17 (1) in clause (i), in the matter preceding sub-
 18 clause (I), by striking “For the period beginning”
 19 and all that follows through “2025” and inserting
 20 “For the period beginning December 21, 2020, and
 21 ending September 30, 2021, and for each of fiscal
 22 years 2022 through 2028”; and

23 (2) in clause (ii)—

24 (A) by amending subclause (I) to read as
 25 follows:

1 “(I) \$8,000,000,000 for the pe-
2 riod beginning December 21, 2020,
3 and ending September 30, 2021;
4 and”; and

5 (B) in subclause (II), by striking “fiscal
6 years 2021 through 2025” and inserting “fiscal
7 years 2022 through 2028”.

8 **SEC. 302. EXTENSION OF SPOUSAL IMPOVERISHMENT PRO-**
9 **TECTIONS.**

10 (a) IN GENERAL.—Section 2404 of Public Law 111–
11 148 (42 U.S.C. 1396r–5 note) is amended by striking
12 “December 31, 2019” and inserting “December 20,
13 2020”.

14 (b) RULE OF CONSTRUCTION.—Nothing in section
15 2404 of Public Law 111–148 (42 U.S.C. 1396r–5 note)
16 or section 1902(a)(17) or 1924 of the Social Security Act
17 (42 U.S.C. 1396a(a)(17), 1396r–5) shall be construed as
18 prohibiting a State from applying an income or resource
19 disregard under a methodology authorized under section
20 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2))—

21 (1) to the income or resources of an individual
22 described in section 1902(a)(10)(A)(ii)(VI) of such
23 Act (42 U.S.C. 1396a(a)(10)(A)(ii)(VI)) (including
24 a disregard of the income or resources of such indi-
25 vidual’s spouse); or

1 (2) on the basis of an individual’s need for
 2 home and community-based services authorized
 3 under subsection (c), (d), (i), or (k) of section 1915
 4 of such Act (42 U.S.C. 1396n) or under section
 5 1115 of such Act (42 U.S.C. 1315).

6 (c) GAO REPORT.—Not later than September 30,
 7 2020, the Comptroller General of the United States shall
 8 submit to Congress a report evaluating the effect of apply-
 9 ing section 1924(h) of the Social Security Act (42 U.S.C.
 10 1396r–5(h)) pursuant to section 2404 of Public Law 111–
 11 148 (42 U.S.C. 1396r–5 note) on the number of individ-
 12 uals who qualify as community spouses (as such term is
 13 defined in such section 1924(h)).

14 **SEC. 303. EXTENSION OF COMMUNITY MENTAL HEALTH**
 15 **SERVICES DEMONSTRATION PROGRAM.**

16 (a) IN GENERAL.—Section 223(d)(3) of the Pro-
 17 tecting Access to Medicare Act of 2014 (42 U.S.C. 1396a
 18 note) is amended by striking “December 20, 2019” and
 19 inserting “March 31, 2021”.

20 (b) PHASEDOWN OF ENHANCED FMAP.—Subpara-
 21 graph (B) of section 223(d)(5) of the Protecting Access
 22 to Medicare Act of 2014 (42 U.S.C. 1396a note) is amend-
 23 ed to read as follows:

24 “(B) FEDERAL MATCHING PERCENTAGE.—

1 “(i) IN GENERAL.—The Federal
2 matching percentage specified in this sub-
3 paragraph is with respect to medical as-
4 sistance described in subparagraph (A)
5 that is furnished—

6 “(I) to a newly eligible individual
7 described in paragraph (2) of section
8 1905(y) of the Social Security Act (42
9 U.S.C. 1396d(y)), the matching rate
10 applicable under paragraph (1) of
11 that section; and

12 “(II) to an individual who is not
13 a newly eligible individual (as so de-
14 scribed) but who is eligible for medical
15 assistance under the State Medicaid
16 program, the enhanced FMAP appli-
17 cable to the State or, for fiscal quar-
18 ters beginning on or after January 1,
19 2020, the matching rate determined
20 for the State and quarter under
21 clause (ii).

22 “(ii) PHASEDOWN OF ENHANCED
23 FMAP.—For purposes of clause (i)(II), the
24 matching rate determined for a State and
25 fiscal quarter under this clause shall be—

1 “(I) for the fiscal quarter begin-
2 ning on January 1, 2020, a percent-
3 age equal to the enhanced FMAP ap-
4 plicable to the State reduced by a
5 number of percentage points equal to
6 $\frac{1}{6}$ of the percentage points difference
7 between the enhanced FMAP applica-
8 ble to the State and the Federal med-
9 ical assistance percentage applicable
10 to the State under section 1905(b) of
11 the Social Security Act (42 U.S.C.
12 1396d(b));

13 “(II) for the fiscal quarter begin-
14 ning on April 1, 2020, a percentage
15 equal to the enhanced FMAP applica-
16 ble to the State reduced by a number
17 of percentage points equal to $\frac{1}{3}$ of the
18 percentage points difference between
19 the enhanced FMAP applicable to the
20 State and the Federal medical assist-
21 ance percentage applicable to the
22 State under section 1905(b) of the
23 Social Security Act (42 U.S.C.
24 1396d(b));

1 “(III) for the fiscal quarter be-
2 ginning on July 1, 2020, a percentage
3 equal to the enhanced FMAP applica-
4 ble to the State reduced by a number
5 of percentage points equal to $\frac{1}{2}$ of the
6 percentage points difference between
7 the enhanced FMAP applicable to the
8 State and the Federal medical assist-
9 ance percentage applicable to the
10 State under section 1905(b) of the
11 Social Security Act (42 U.S.C.
12 1396d(b));

13 “(IV) for the fiscal quarter be-
14 ginning on October 1, 2020, a per-
15 centage equal to the enhanced FMAP
16 applicable to the State reduced by a
17 number of percentage points equal to
18 $\frac{2}{3}$ of the percentage points difference
19 between the enhanced FMAP applica-
20 ble to the State and the Federal med-
21 ical assistance percentage applicable
22 to the State under section 1905(b) of
23 the Social Security Act (42 U.S.C.
24 1396d(b));

1 “(V) for the fiscal quarter begin-
2 ning on January 1, 2021, a percent-
3 age equal to the enhanced FMAP ap-
4 plicable to the State reduced by a
5 number of percentage points equal to
6 $\frac{5}{6}$ of the percentage points difference
7 between the enhanced FMAP applica-
8 ble to the State and the Federal med-
9 ical assistance percentage applicable
10 to the State under section 1905(b) of
11 the Social Security Act (42 U.S.C.
12 1396d(b)); and

13 “(VI) for the fiscal quarter be-
14 ginning on April 1, 2021, and each
15 subsequent fiscal quarter, a percent-
16 age equal to the Federal medical as-
17 sistance percentage applicable to the
18 State under section 1905(b) of the
19 Social Security Act (42 U.S.C.
20 1396d(b)).”.

21 (c) CLARIFYING AUTHORITY TO RECOVER OVERPAY-
22 MENTS.—Section 223(d)(5) of the Protecting Access to
23 Medicare Act of 2014 (42 U.S.C. 1396a note) is amended
24 by adding at the end the following new subparagraph:

1 “(D) RECOVERY OF OVERPAYMENTS.—The
 2 amount of any overpayment made to a State
 3 under this paragraph shall be deemed an over-
 4 payment to the State under title XIX of the So-
 5 cial Security Act (42 U.S.C. 1396 et seq.) to be
 6 disallowed against the State’s regular quarterly
 7 draw for all Medicaid spending under section
 8 1903(d)(2) of such Act (42 U.S.C.
 9 1396b(d)(2)).”.

10 (d) REPORT TO CONGRESS ON CERTIFIED COMMU-
 11 NITY BEHAVIORAL HEALTH CENTER PERFORMANCE.—

12 (1) STUDY.—The Comptroller General of the
 13 United States shall conduct 1 or more studies on
 14 certified community behavioral health clinics partici-
 15 pating in the demonstration program established
 16 under section 223 of the Protecting Access to Medi-
 17 care Act of 2014 (42 U.S.C. 1396a note) that shall
 18 include the following:

19 (A) An evaluation of encounter data sub-
 20 missions and other reporting submitted by cer-
 21 tified community behavioral health clinics par-
 22 ticipating in the demonstration program, in-
 23 cluding identifying challenges faced in col-
 24 lecting, submitting, and ensuring the quality of
 25 the data submitted, as well as—

1 (i) an evaluation of the extent to
2 which the Centers for Medicare & Medicaid
3 Services and States face challenges vali-
4 dating encounter data for completeness
5 and accuracy;

6 (ii) an assessment of requirements im-
7 posed on such certified community behav-
8 ioral health clinics for collecting and sub-
9 mitting encounter data;

10 (iii) an assessment of any challenges
11 such certified community behavioral health
12 clinics face in collecting and submitting en-
13 counter data; and

14 (iv) an assessment of the efficacy of
15 automated checks conducted on encounter
16 data submitted by such certified commu-
17 nity behavioral health clinics for complete-
18 ness and accuracy.

19 (B) An evaluation of the payment arrange-
20 ment for certified community behavioral health
21 clinics participating in the demonstration pro-
22 gram and of payment arrangements for all cer-
23 tified community behavioral health clinics, in-
24 cluding any challenges related to the accuracy
25 of payments, such as—

1 (i) the extent to which the Secretary
2 of Health and Human Services and States
3 participating in the demonstration pro-
4 gram can monitor the accuracy of pay-
5 ments made under the program to certified
6 community behavioral health clinics par-
7 ticipating in the program;

8 (ii) any challenges associated with re-
9 quiring the Secretary of Health and
10 Human Services to accurately assess the
11 comparative impact of the certified com-
12 munity behavioral health clinics partici-
13 pating in such program, as compared to
14 certified community behavioral health clin-
15 ics that are not participating in such pro-
16 gram, on the Federal and State costs for
17 furnishing a full range of mental health
18 services (including inpatient, emergency
19 and ambulatory services); and

20 (iii) any comparisons of payment ar-
21 rangements by certified community behav-
22 ioral health clinics and the degree to which
23 there are payment disparities among such
24 clinics for furnishing the same or similar
25 services.

1 (C) An evaluation of the quality of data
2 submissions by States and certified community
3 behavioral health clinics participating in the
4 demonstration program, including the extent to
5 which—

6 (i) the Secretary of Health and
7 Human Services faced challenges vali-
8 dating the quality of data submitted by
9 such States and such certified community
10 behavioral health clinics;

11 (ii) the quality measures used to
12 evaluate certified community behavioral
13 health clinics participating in the dem-
14 onstration program compare with the
15 measures reported by certified community
16 behavioral health clinics that are not par-
17 ticipating in the program; and

18 (iii) the quality measures being re-
19 ported by certified community behavioral
20 health clinics participating in the dem-
21 onstration program offer insights on the
22 quality of care provided at, and the health
23 status of individuals treated by, such clin-
24 ics.

1 (D) An assessment of the extent to which
2 the certified community behavioral health clin-
3 ics participating in the demonstration program
4 expanded the services they offer, as compared
5 to certified community behavioral health clinics
6 that are not participating in the program, and
7 if so, what factored into the decision to expand.

8 (E) Such recommendations as the Comp-
9 troller General determines appropriate for im-
10 proving—

11 (i) the reporting, accuracy, and vali-
12 dation of encounter data;

13 (ii) accuracy in payments to certified
14 community behavioral health clinics under
15 State programs under title XIX of the So-
16 cial Security Act (42 U.S.C. 1396 et seq.)
17 and quality monitoring of such clinics; and

18 (iii) quality measure reporting and re-
19 placing process-driven quality measures
20 with outcome-based measures that reflect
21 improvements in patient functional status.

22 (2) REPORT.—Not later than December 31,
23 2020, the Comptroller General of the United States
24 shall submit to Congress a report containing the

1 findings of the study conducted under paragraph
 2 (1).

3 **TITLE IV—HUMAN SERVICES** 4 **EXTENDERS**

5 **SEC. 401. EXTENSION OF SEXUAL RISK AVOIDANCE EDU-** 6 **CATION PROGRAM.**

7 Section 510 of the Social Security Act (42 U.S.C.
 8 710) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1), in the matter pre-
 11 ceding subparagraph (A), by striking “and
 12 2019” and all that follows through “December
 13 20, 2019” and inserting “through 2020 and for
 14 the period beginning October 1, 2020, and end-
 15 ing December 20, 2020”; and

16 (B) in paragraph (2)(A), by striking “and
 17 2019” and all that follows through “December
 18 20, 2019” and inserting “through 2020 and for
 19 the period beginning October 1, 2020, and end-
 20 ing December 20, 2020”; and

21 (2) in subsection (f)(1), by striking “and 2019”
 22 and all that follows through “December 20, 2019”
 23 and inserting “through 2020 and \$16,643,836 for
 24 the period beginning October 1, 2020, and ending
 25 December 20, 2020”.

1 **SEC. 402. JOBS AND OPPORTUNITY WITH BENEFITS AND**
 2 **SERVICES FOR SUCCESS ACT.**

3 (a) REFERENCES.—Except as otherwise expressly
 4 provided, wherever in this section an amendment or repeal
 5 is expressed in terms of an amendment to, or repeal of,
 6 a section or other provision, the reference shall be consid-
 7 ered to be made to a section or other provision of the So-
 8 cial Security Act.

9 (b) RE-NAMING OF PROGRAM.—

10 (1) IN GENERAL.—The heading for part A of
 11 title IV is amended to read as follows:

12 **“PART A—JOBS AND OPPORTUNITY WITH**
 13 **BENEFITS AND SERVICES PROGRAM”.**

14 (2) CONFORMING AMENDMENTS.—

15 (A) The heading for section 403(a)(2)(B)
 16 (42 U.S.C. 603(a)(2)(B)) is amended by strik-
 17 ing “TANF” and inserting “JOBS”.

18 (B) The heading for section 413 (42
 19 U.S.C. 613) is amended by striking “**TEM-**
 20 **PORARY ASSISTANCE FOR NEEDY FAMI-**
 21 **LIES**” and inserting “**JOBS AND OPPOR-**
 22 **TUNITY WITH BENEFITS AND SERVICES**”.

23 (C) The heading for section 413(a) (42
 24 U.S.C. 613(a)) is amended by striking
 25 “TANF” and inserting “JOBS”.

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

(c) HELPING MORE AMERICANS ENTER AND REMAIN IN THE WORKFORCE.—

(1) FAMILY ASSISTANCE GRANTS.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of subparagraphs (A) and (C) by striking “2017 and 2018” and inserting “2020 through 2024”.

(2) HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD GRANTS.—Section 403(a)(2)(D) (42 U.S.C. 603(a)(2)(D)) is amended—

(A) by striking “2017 and 2018” and inserting “2020 through 2024”; and

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

(3) TRIBAL GRANTS.—Section 412(a) (42 U.S.C. 612(a)) is amended in each of paragraphs (1)(A) and (2)(A) by striking “2017 and 2018” and inserting “2020 through 2024”.

1 (4) IMPROVING ACCESS TO CHILD CARE TO
2 SUPPORT WORK.—Section 418(a)(3) (42 U.S.C.
3 618(a)(3)) is amended to read as follows:

4 “(3) APPROPRIATION.—For grants under this
5 section, there are appropriated—

6 “(A) \$2,917,000,000 for fiscal year 2020;
7 and

8 “(B) \$3,525,000,000 for each of fiscal
9 years 2021 through 2024.”.

10 (5) GRANTS TO THE TERRITORIES.—Section
11 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by
12 striking “2017 and 2018” and inserting “2020
13 through 2024”.

14 (6) PRORATING OF APPROPRIATIONS FOR FIS-
15 CAL YEAR 2020.—Notwithstanding the amendments
16 made by the paragraphs (1) through (3) and (5) of
17 this subsection, the amount appropriated in each
18 provision of law amended by such paragraphs for
19 fiscal year 2020 shall be—

20 (A) the amount that would be so appro-
21 priated in the absence of this subsection; multi-
22 plied by

23 (B) the number of days in the period from
24 the date of the enactment of this Act through
25 September 30, 2020, divided by 365.

1 (7) EFFECTIVE DATE.—This subsection and the
2 amendments made by this subsection shall take ef-
3 fect on the date of the enactment of this Act.

4 (d) EXPECTING UNIVERSAL ENGAGEMENT AND CASE
5 MANAGEMENT.—Section 408(b) (42 U.S.C. 608(b)) is
6 amended to read as follows:

7 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

8 “(1) ASSESSMENT.—The State agency respon-
9 sible for administering the State program funded
10 under this part shall make an initial assessment of
11 the following for each work-eligible individual (as de-
12 fined in the regulations promulgated pursuant to
13 section 407(i)(1)(A)(i)):

14 “(A) The education obtained, skills, prior
15 work experience, work readiness, and barriers
16 to work of the individual.

17 “(B) The well-being of the children in the
18 family of the individual and, where appropriate,
19 activities or services (such as services offered by
20 a program funded under section 511) to im-
21 prove the well-being of the children.

22 “(2) CONTENTS OF PLANS.—On the basis of
23 the assessment required by paragraph (1) of this
24 subsection, the State agency, in consultation with

1 the individual, shall develop an individual oppor-
2 tunity plan that—

3 “(A) includes a personal responsibility
4 agreement in which the individual acknowledges
5 receipt of publicly funded benefits and responsi-
6 bility to comply with program requirements in
7 order to receive the benefits;

8 “(B) sets forth the obligations of the indi-
9 vidual to participate in work activities (as de-
10 fined in section 407(d)), and the number of
11 hours per month for which the individual will so
12 participate pursuant to section 407;

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

20 “(D) describes the job counseling and
21 other services the State will provide to the indi-
22 vidual to enable the individual to obtain and
23 keep unsubsidized employment;

1 “(E) may include referral to appropriate
2 substance abuse or mental health treatment;
3 and

4 “(F) is signed by the individual.

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

8 “(A) within 1 year after the effective date
9 of this subsection, in the case of an individual
10 who, as of such effective date, is a recipient of
11 assistance under the State program funded
12 under this part (as in effect immediately before
13 such effective date); or

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

17 “(4) UNIVERSAL ENGAGEMENT.—Subject to the
18 exceptions in paragraph (3), each State shall require
19 all work-eligible recipients receiving funds under the
20 State program funded under this part to engage in
21 work in accordance with the provisions of section
22 407(c), 407(d), and 407(e).

23 “(5) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—In addition to any other penalties required
24 under the State program funded under this part, the
25

1 State shall reduce, by such amount as the State con-
 2 siderers appropriate, the amount of assistance other-
 3 wise payable under the State program to a family
 4 that includes an individual who fails without good
 5 cause to comply with an individual opportunity plan
 6 developed pursuant to this subsection, that is signed
 7 by the individual.

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

12 “(A) review the individual opportunity plan
 13 developed for the individual, including the eligi-
 14 bility of the individual for benefits;

15 “(B) discuss with the individual the
 16 progress made by the individual in achieving
 17 the goals specified in the plan; and

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

21 (e) PROMOTING ACCOUNTABILITY BY MEASURING
 22 WORK OUTCOMES.—

23 (1) IN GENERAL.—Section 407(a) (42 U.S.C.
 24 607(a)) is amended to read as follows:

1 “(a) PERFORMANCE ACCOUNTABILITY AND WORK
2 OUTCOMES.—

3 “(1) WORK OUTCOMES.—

4 “(A) IN GENERAL.—A State to which a
5 grant is made under section 403 shall achieve
6 the requisite minimum level of performance for
7 a fiscal year described in this paragraph with
8 respect to the percentage of employment exits
9 for families receiving assistance under the State
10 program funded under this part, or be subject
11 to penalty as described in section 409(a)(3).

12 “(B) CALCULATION OF PERCENTAGE OF
13 EMPLOYMENT EXITS.—For purposes of this
14 paragraph, the percentage of employment exits
15 with respect to a State equals the ratio of the
16 number of work-eligible individuals who are in
17 unsubsidized employment 6 months after their
18 exit to the average monthly number of families
19 receiving assistance under the State program
20 funded under this part.

21 “(C) AGREEMENT ON REQUISITE LEVEL
22 OF PERFORMANCE.—The Secretary and the
23 State shall negotiate the requisite level of per-
24 formance for the State with respect to employ-

1 ment exits for each fiscal year beginning with
2 fiscal year 2021.

3 “(2) PERFORMANCE ACCOUNTABILITY.—

4 “(A) PURPOSE.—The purpose of this para-
5 graph is to provide for the establishment of per-
6 formance accountability measures to assess the
7 effectiveness of States in increasing employ-
8 ment, retention, and advancement among fami-
9 lies receiving assistance under the State pro-
10 gram funded under this part.

11 “(B) IN GENERAL.—A State to which a
12 grant is made under section 403 for a fiscal
13 year shall achieve the requisite level of perform-
14 ance on an indicator described in subparagraph
15 (D) of this paragraph for the fiscal year.

16 “(C) MEASURING STATE PERFORMANCE.—
17 Each State, in consultation with the Secretary,
18 shall collect and submit to the Secretary the in-
19 formation necessary to measure the level of per-
20 formance of the State for each indicator de-
21 scribed in subparagraph (D), for fiscal year
22 2021 and each fiscal year thereafter, and the
23 Secretary shall use the information collected for
24 fiscal year 2021 to establish the baseline level

1 of performance for each State for each such in-
2 dicator.

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

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

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

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

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

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

8 “(E) LEVELS OF PERFORMANCE.—

9 “(i) IN GENERAL.—For each State
 10 submitting a State plan pursuant to sec-
 11 tion 402(a), there shall be established, in
 12 accordance with this subparagraph, levels
 13 of performance for each of the indicators
 14 described in subparagraph (D).

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

17 “(I) Forty percent, in the case of
 18 the indicator described in subpara-
 19 graph (D)(i).

20 “(II) Twenty-five percent, in the
 21 case of the indicator described in sub-
 22 paragraph (D)(ii).

23 “(III) Twenty-five percent, in the
 24 case of the indicator described in sub-
 25 paragraph (D)(iii).

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

4 “(iii) AGREEMENT ON REQUISITE
5 PERFORMANCE LEVEL FOR EACH INDICATOR.—
6

7 “(I) IN GENERAL.—The Sec-
8 retary and the State shall negotiate
9 the requisite level of performance for
10 the State with respect to each indi-
11 cator described in clause (ii), for each
12 fiscal year beginning with fiscal year
13 2021, and shall do so before the be-
14 ginning of the fiscal year involved.

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

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

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

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

“(AA) the differences
among States in economic
conditions, including dif-
ferences in unemployment
rates or employment losses
or gains in particular indus-
tries;

“(BB) the characteris-
tics of participants on entry
into the program, including
indicators of prior work his-
tory, lack of educational or
occupational skills attain-
ment, or other factors that
may affect employment and
earnings; and

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

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

1 ASSISTANCE DURING THE FISCAL YEAR.—

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

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

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

1 “(F) STATE OPTION TO ESTABLISH COM-
 2 MON EXIT MEASURES.—Notwithstanding sub-
 3 paragraph (E)(vi) of this paragraph, a State
 4 that has not provided the notification under
 5 section 121(b)(1)(C)(ii) of the Workforce Inno-
 6 vation and Opportunity Act to exclude the State
 7 program funded under this part as a mandatory
 8 one-stop partner may adopt an alternative defi-
 9 nition of ‘exit’ for the purpose of creating com-
 10 mon exit measures to improve alignment with
 11 workforce programs operated under title I of
 12 such Act.

13 “(G) REGULATIONS.—In order to ensure
 14 nationwide comparability of data, the Secretary,
 15 after consultation with the Secretary of Labor
 16 and with States, shall issue regulations gov-
 17 erning the establishment of the performance ac-
 18 countability system under this paragraph and a
 19 template for performance reports to be used by
 20 all States consistent with subsection (b).”.

21 (2) REPORTS ON STATE PERFORMANCE ON HHS
 22 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.
 23 607(b)) is amended to read as follows:

24 “(b) PUBLICATION OF STATE PERFORMANCE.—The
 25 Secretary shall, directly or through the use of grants or

1 contracts, establish and operate an Internet website that
 2 is accessible to the public, with a dashboard that is regu-
 3 larly updated and provides easy-to-understand information
 4 on the performance of each State program funded under
 5 this part, including a profile for each such program, ex-
 6 pressed by use of a template, which shall include—

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

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

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

23 “(2) information reported under section 411 on
 24 the characteristics and demographics of individuals

1 receiving assistance under the State program, in-
2 cluding—

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

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

13 “(3) information on the results of improper
14 payments reviews;

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

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

22 (3) MODIFICATION OF RULES FOR DETER-
23 MINING WHETHER AN INDIVIDUAL IS ENGAGED IN
24 WORK.—Section 407(c) (42 U.S.C. 607(c)) is
25 amended—

1 (A) in paragraph (1)—

2 (i) in subparagraph (A)—

3 (I) by striking “For purposes of
4 subsection (b)(1)(B)(i), a” and insert-
5 ing “A”; and

6 (II) by striking “, not fewer
7 than” and all that follows through
8 “this subsection”; and

9 (ii) in subparagraph (B)—

10 (I) in the matter preceding clause
11 (i), by striking “For purposes of sub-
12 section (b)(2)(B), an” and inserting
13 “An”;

14 (II) in clause (i), by striking “,
15 not fewer than” and all that follows
16 through “this subsection”; and

17 (III) in clause (ii), by striking “,
18 not fewer than” and all that follows
19 through “subsection (d)”; and

20 (B) in paragraph (2)—

21 (i) by striking subparagraphs (A) and
22 (D);

23 (ii) in each of subparagraphs (B) and
24 (C), by striking “For purposes of deter-
25 mining monthly participation rates under

1 subsection (b)(1)(B)(i), a” and inserting
 2 “A”;

3 (iii) by redesignating subparagraphs
 4 (B) and (C) as subparagraphs (A) and
 5 (B), respectively; and

6 (iv) by adding at the end the fol-
 7 lowing:

8 “(C) STATE OPTION FOR PARTICIPATION
 9 REQUIREMENT EXEMPTIONS.—For any fiscal
 10 year, a State may, at its option, not require an
 11 individual who is a single custodial parent car-
 12 ing for a child who has not attained 12 months
 13 of age to engage in work, for not more than 12
 14 months.”.

15 (4) MODIFICATIONS TO ALLOWABLE WORK AC-
 16 TIVITIES.—Section 407(d) (42 U.S.C. 607(d)) is
 17 amended—

18 (A) in paragraph (5), by inserting “, in-
 19 cluding apprenticeship” before the semicolon;

20 (B) in paragraph (6), by inserting “super-
 21 vised” before “job search”;

22 (C) in paragraph (8), by striking “(not to
 23 exceed 12 months with respect to any indi-
 24 vidual)” and inserting “, including career tech-
 25 nical education”;

1 (D) in paragraph (11), by striking “and”
 2 at the end;

3 (E) in paragraph (12), by striking the pe-
 4 riod and inserting “; and”; and

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

6 “(13) participation in an in-home program
 7 teaching parenting skills that complies with the re-
 8 quirements of section 407(c).”.

9 (5) PENALTY AGAINST STATES.—

10 (A) IN GENERAL.—Section 409(a)(3) (42
 11 U.S.C. 609(a)(3)) is amended by striking all
 12 that precedes subparagraph (B) and inserting
 13 the following:

14 “(3) FAILURE TO SATISFY WORK OUTCOMES
 15 AND WORK ENGAGEMENT.—

16 “(A) IN GENERAL.—If the Secretary deter-
 17 mines that a State to which a grant is made
 18 under section 403 for a fiscal year has failed to
 19 comply with any of section 407(a)(1), section
 20 408(b)(3), or section 408(b)(4) for the fiscal
 21 year, the Secretary shall reduce the grant pay-
 22 able to the State under section 403(a)(1) for
 23 the immediately succeeding fiscal year by an
 24 amount equal to the applicable percentage of
 25 the State family assistance grant.”.

1 (B) TRANSITION RULE.—The Secretary of
 2 Health and Human Services may not impose a
 3 penalty under section 409(a)(3) of the Social
 4 Security Act by reason of the failure of a State
 5 to comply with section 407(a) of such Act for
 6 any fiscal year before fiscal year 2021.

7 (6) PRO RATA REDUCTION OF ASSISTANCE FOR
 8 INDIVIDUAL NONCOMPLIANCE.—Section 407(e) (42
 9 U.S.C. 607(e)) is amended by adding at the end the
 10 following:

11 “(3) PRO RATA REDUCTION.—For purposes of
 12 paragraph (1)(A), the amount of a pro rata reduc-
 13 tion in assistance shall be determined by multiplying
 14 the total amount of monthly assistance that would,
 15 in the absence of the application of this paragraph,
 16 be paid to the entire family, by the ratio of—

17 “(A) the number of hours of required work
 18 activities as designated in subsection (d) actu-
 19 ally performed by the individual during the
 20 month; to

21 “(B) the number of hours of work activi-
 22 ties that the individual was required to perform
 23 during the month in accordance with subsection
 24 (c).

25 “(4) PENALTIES AND ENGAGEMENT.—

“(A) IN GENERAL.—Subject to the limitation in (B), if in a given month an individual who received assistance under this part was required to engage in work under section 408(b)(4), failed to fulfill those obligations and was subsequently sanctioned in accordance with section 407(e)(2) and (3), that individual shall be judged to be engaged in work for that month for purposes of section 408(b)(4).

“(B) LIMITATION.—If an individual receives no benefits for two consecutive months due to sanctioning under section 407(e)(2) and (3), that individual shall not be counted as engaged in work in subsequent months for purposes of section 408(b)(4) unless actual work in accordance with section 407(d) was resumed.”.

(7) CONFORMING AMENDMENT.—The heading of section 412(c) (42 U.S.C. 612(c)) is amended by striking “MINIMUM WORK PARTICIPATION REQUIREMENTS” and inserting “REQUIREMENTS FOR WORK OUTCOME MEASURES”.

(f) TARGETING FUNDS TO TRULY NEEDY FAMILIES.—

(1) PROHIBITION ON USE OF FUNDS FOR FAMILIES WITH INCOME GREATER THAN TWICE THE POV-

1 ERTY LINE.—Section 404(k) (42 U.S.C. 604(k)) is
 2 amended to read as follows:

3 “(k) PROHIBITIONS.—

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

6 A State to which a grant is made under this part
 7 shall not use the grant to provide any assistance or
 8 services to a family whose monthly income exceeds
 9 twice the poverty line (as defined by the Office of
 10 Management and Budget, and revised annually in
 11 accordance with section 673(2) of the Omnibus
 12 Budget Reconciliation Act of 1981 (42 U.S.C.
 13 9902(2))).”.

14 (2) ELIMINATION OF LIMITATION ON USE OF
 15 FUNDS FOR CASE MANAGEMENT ACTIVITIES.—Sec-
 16 tion 404(b)(2) (42 U.S.C. 604(b)(2)) is amended to
 17 read as follows:

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

20 “(A) information technology and comput-
 21 erization needed for tracking, monitoring, or
 22 data collection required by or under this part;
 23 or

24 “(B) case management activities to carry
 25 out section 408(b).”.

1 (3) PROHIBITION ON USE OF FUNDS FOR DI-
 2 RECT SPENDING ON CHILD CARE SERVICES OR AC-
 3 TIVITIES.—Section 404(k) (42 U.S.C. 604(k)), as
 4 amended by subsection (a) of this section, is amend-
 5 ed by adding at the end the following:

6 “(2) DIRECT SPENDING ON CHILD CARE SERV-
 7 ICES OR ACTIVITIES.—A State to which a grant is
 8 made under this part shall not use the grant for di-
 9 rect spending on child care and other early childhood
 10 education programs, services, or activities.”.

11 (4) LIMITATION ON USE OF FUNDS FOR CHILD
 12 WELFARE SERVICES OR ACTIVITIES.—Section 404(k)
 13 (42 U.S.C. 604(k)), as amended by subsections (a)
 14 and (c) of this section, is amended—

15 (A) in the subsection heading, by inserting
 16 “; LIMITATION” after “PROHIBITIONS”; and

17 (B) by adding at the end the following:

18 “(3) LIMITATION ON USE OF FUNDS FOR CHILD
 19 WELFARE SERVICES OR ACTIVITIES.—A State may
 20 use not more than 10 percent of a grant made to
 21 the State under section 403(a)(1) for child welfare
 22 services or activities, taking into account any
 23 amount transferred under subsection (d)(2) of this
 24 section.”.

1 (5) EXPANSION OF AUTHORITY TO TRANSFER
2 FUNDS.—Section 404(d) (42 U.S.C. 604(d)) is
3 amended by striking paragraphs (1) through (3) and
4 inserting the following:

5 “(1) IN GENERAL.—A State may transfer not
6 more than 50 percent of the grant made to the State
7 under section 403(a)(1) to a State program pursu-
8 ant to any or all of the following provisions of law:

9 “(A) The Child Care and Development
10 Block Grant Act of 1990.

11 “(B) Title I of the Workforce Innovation
12 and Opportunity Act.

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

14 “(2) LIMITATION ON AMOUNT TRANSFERABLE
15 TO SUBPART 1 OF PART B.—A State may transfer
16 not more than 10 percent of a grant made to the
17 State under section 403(a)(1) to carry out State
18 programs operated pursuant to the State plan devel-
19 oped under subpart 1 of part B, taking into account
20 any amount used as described in subsection (k)(3)
21 of this section.

22 “(3) APPLICABLE RULES.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B) of this paragraph, any
25 amount paid to a State under this part that is

1 used to carry out a State program pursuant to
 2 a provision of law specified in paragraph (1)
 3 shall not be subject to the requirements of this
 4 part, but shall be subject to the requirements
 5 that apply to Federal funds provided directly
 6 under the provision of law to carry out the pro-
 7 gram, and the expenditure of any amount so
 8 used shall not be considered to be an expendi-
 9 ture under this part.

10 “(B) FUNDS TRANSFERRED TO THE
 11 WIOA.—In the case of funds transferred under
 12 paragraph (1)(B) of this subsection—

13 “(i) the State shall provide an assur-
 14 ance that the funds will be used to support
 15 individuals eligible for assistance or serv-
 16 ices under this part pursuant to subsection
 17 (k)(1); and

18 “(ii) not more than 15 percent of the
 19 funds will be reserved for statewide work-
 20 force investment activities referred to in
 21 section 128(a)(1) of the Workforce Innova-
 22 tion and Opportunity Act.

23 “(4) WIOA TRANSFER AUTHORITY NOT AVAIL-
 24 ABLE TO STATES EXCLUDING THE STATE JOBS PRO-
 25 GRAM AS A MANDATORY ONE-STOP PARTNER UNDER

1 THE WIOA.—The authority provided by paragraph
 2 (1)(B) of this subsection may not be exercised by a
 3 State that has provided the notification referred to
 4 in section 407(a)(2)(F).”.

5 (g) TARGETING FUNDS TO CORE PURPOSES.—

6 (1) REQUIREMENT THAT STATES RESERVE 25
 7 PERCENT OF JOBS GRANT FOR SPENDING ON CORE
 8 ACTIVITIES.—Section 408(a) (42 U.S.C. 608(a)) is
 9 amended by adding at the end the following:

10 “(13) REQUIREMENT THAT STATES RESERVE 25
 11 PERCENT OF JOBS GRANT FOR SPENDING ON CORE
 12 ACTIVITIES.—A State to which a grant is made
 13 under section 403(a)(1) for a fiscal year shall ex-
 14 pend not less than 25 percent of the grant on assist-
 15 ance, case management, work supports and sup-
 16 portive services, work, wage subsidies, work activities
 17 (as defined in section 407(d)), and non-recurring
 18 short-term benefits.”.

19 (2) REQUIREMENT THAT AT LEAST 25 PERCENT
 20 OF QUALIFIED STATE EXPENDITURES BE FOR CORE
 21 ACTIVITIES.—Section 408(a) (42 U.S.C. 608(a)), as
 22 amended by subsection (a) of this section, is amend-
 23 ed by adding at the end the following:

24 “(14) REQUIREMENT THAT AT LEAST 25 PER-
 25 CENT OF QUALIFIED STATE EXPENDITURES BE FOR

1 CORE ACTIVITIES.—Not less than 25 percent of the
 2 qualified State expenditures (as defined in section
 3 409(a)(7)(B)(ii)) of a State during the fiscal year
 4 shall be for assistance, case management, work sup-
 5 ports and supportive services, work, wage subsidies,
 6 work activities (as defined in section 407(d)), and
 7 non-recurring short-term benefits.”.

8 (3) PHASE-OUT OF COUNTING OF THIRD-PARTY
 9 CONTRIBUTIONS AS QUALIFIED STATE EXPENDI-
 10 TURES.—Section 408(a) (42 U.S.C. 608(a)), as
 11 amended by subsections (a) and (b) of this section,
 12 is amended by adding at the end the following:

13 “(15) PHASE-OUT OF COUNTING OF THIRD-
 14 PARTY CONTRIBUTIONS AS QUALIFIED STATE EX-
 15 PENDITURES.—

16 “(A) IN GENERAL.—The qualified State
 17 expenditures (as defined in section
 18 409(a)(7)(B)(i)) of a State for a fiscal year
 19 that are attributable to the value of goods and
 20 services provided by a source other than a State
 21 or local government shall not exceed the appli-
 22 cable percentage of the expenditures for the fis-
 23 cal year.

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

4 “(i) 75 percent, in the case of fiscal
 5 year 2020;

6 “(ii) 50 percent, in the case of fiscal
 7 year 2021;

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

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

12 (h) STRENGTHENING PROGRAM INTEGRITY BY
 13 MEASURING IMPROPER PAYMENTS.—Section 404 (42
 14 U.S.C. 604) is amended by adding at the end the fol-
 15 lowing:

16 “(l) APPLICABILITY OF IMPROPER PAYMENTS
 17 LAWS.—

18 “(1) IN GENERAL.—The Improper Payments
 19 Information Act of 2002 and the Improper Pay-
 20 ments Elimination and Recovery Act of 2010 shall
 21 apply to a State in respect of the State program
 22 funded under this part in the same manner in which
 23 such Acts apply to a Federal agency.

24 “(2) REGULATIONS.—Within 2 years after the
 25 date of the enactment of this subsection, the Sec-

1 retary shall prescribe regulations governing how a
 2 State reviews and reports improper payments under
 3 the State program funded under this part.”.

4 (i) PROHIBITION ON STATE DIVERSION OF FEDERAL
 5 FUNDS TO REPLACE STATE SPENDING.—

6 (1) IN GENERAL.—Section 408(a) (42 U.S.C.
 7 608(a)), as amended by section 9 of this Act, is
 8 amended by adding at the end the following:

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

14 (2) EFFECTIVE DATE.—The amendment made
 15 by paragraph (1) shall take effect on October 1,
 16 2020.

17 (j) INCLUSION OF POVERTY REDUCTION AS A PRO-
 18 GRAM PURPOSE.—Section 401(a) (42 U.S.C. 601(a)) is
 19 amended—

20 (1) by striking “and” at the end of paragraph
 21 (3);

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

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

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

4 (k) WELFARE FOR NEEDS NOT WEED.—

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

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

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

11 (C) 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 (2) EFFECTIVE DATE.—The amendments made
 17 by paragraph (1) shall take effect on the date that
 18 is 3 years after the date of the enactment of this
 19 Act.

20 (l) STRENGTHENING ACCOUNTABILITY THROUGH
 21 HHS APPROVAL OF STATE PLANS.—

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

24 (A) in subsection (a)—

1 (i) in the matter preceding paragraph

2 (1)—

3 (I) by striking “27-month” and

4 inserting “24-month”; and

5 (II) by striking “found” and in-

6 serting “approved that”; and

7 (ii) in paragraph (1)—

8 (I) in subparagraph (A)—

9 (aa) by striking clauses (ii)

10 and (iii) and inserting the fol-

11 lowing:

12 “(ii) Require work-eligible individuals

13 (as defined in the regulations promulgated

14 pursuant to section 407(i)(1)(A)(i)) to en-

15 gage in work activities consistent with sec-

16 tion 407(c). The document shall describe

17 any in-home parenting program participa-

18 tion in which will be considered by the

19 State as a work activity pursuant to sec-

20 tion 407(d)(13).”;

21 (bb) by redesignating

22 clauses (iv) through (viii) as

23 clauses (iii) through (vii), respec-

24 tively; and

1 (cc) by adding at the end
2 the following:

3 “(viii) Describe the case management
4 practices of the State with respect to the
5 requirements of section 408(b), provide a
6 copy of the form or forms that will be used
7 to assess a work-eligible individual (as so
8 defined) and prepare an individual oppor-
9 tunity plan for the individual, describe how
10 the State will ensure that such a plan is
11 reviewed in accordance with section
12 408(b)(6), and describe how the State will
13 measure progress under the plan.

14 “(ix) Propose the requisite levels of
15 performance for the State for purposes of
16 section 407(a) for each year in the 2-year
17 period referred to in subsection (d) of this
18 section, and provide an explanation with
19 supporting data of why each such level is
20 appropriate.

21 “(x) Describe how the State will en-
22 gage low-income noncustodial parents who
23 owe child support and how such a parent
24 will be provided with access to work sup-
25 port and other services under the program

1 to which the parent is referred to support
2 their employment and advancement.

3 “(xi) Describe how the State will com-
4 ply with improper payments provisions in
5 section 404(l).

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

24 “(xiii) Describe how the State will
25 promote marriage, such as through tem-

porary disregard of the income of a new spouse when an individual receiving assistance under the State program marries so that the couple doesn't automatically lose benefits due to marriage.

“(xiv) Describe how the State will allow for a transitional period of benefits, such as through temporary earned income disregards or a gradual reduction in the monthly benefit amount, for an individual receiving assistance who obtains employment and becomes ineligible due to an increase in income obtained through employment or through an increase in wages.”; and

(II) in subparagraph (B), by striking clauses (iv) and (v);

(B) by striking subsection (c) and inserting the following:

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

(C) by adding at the end the following:

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

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

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

12 (2) DUTIES OF THE SECRETARY.—

13 (A) COORDINATION OF ACTIVITIES; DIS-
14 SEMINATION OF INFORMATION.—Section 416
15 (42 U.S.C. 616) is amended—

16 (i) by inserting “(a) IN GENERAL.—”
17 before “The programs”; and

18 (ii) by adding at the end the fol-
19 lowing:

20 “(b) COORDINATION OF ACTIVITIES.—The Secretary
21 shall coordinate all activities of the Department of Health
22 and Human Services relating to work activities (as defined
23 in section 407(d)) and requirements and measurement of
24 employment outcomes, and, to the maximum extent prac-

1 ticable, coordinate the activities of the Department in this
 2 regard with similar activities of other Federal entities.

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

8 (3) TECHNICAL ASSISTANCE.—

9 (A) IN GENERAL.—Section 406 (42 U.S.C.
 10 606) is amended to read as follows:

11 **“SEC. 406. TECHNICAL ASSISTANCE.**

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

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

24 (B) CONFORMING AMENDMENT.—Section
 25 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is

1 amended by striking “percentage specified in
 2 section 413(h)(1)” and inserting “the sum of
 3 the percentages specified in sections 406(b) and
 4 413(h)”.

5 (m) ALIGNING AND IMPROVING DATA REPORTING.—

6 (1) REQUIREMENT THAT STATES REPORT
 7 FULL-POPULATION DATA.—Section 411(a)(1) (42
 8 U.S.C. 611(a)(1)) is amended—

9 (A) by striking subparagraph (B);

10 (B) by striking “(1) GENERAL REPORTING
 11 REQUIREMENT.—”; and

12 (C) by—

13 (i) redesignating—

14 (I) subparagraph (A) as para-
 15 graph (1);

16 (II) clauses (i) through (xvii) of
 17 subparagraph (A) as subparagraphs
 18 (A) through (Q), respectively;

19 (III) subclauses (I) through (V)
 20 of clause (ii) as clauses (i) through
 21 (v), respectively;

22 (IV) subclauses (I) through (VII)
 23 of clause (xi) as clauses (i) through
 24 (vii), respectively; and

1 (V) subclauses (I) through (V) of
 2 clause (xvi) as clauses (i) through (v),
 3 respectively; and
 4 (ii) moving each such redesignated
 5 provision 2 ems to the left.

6 (2) REPORT ON PARTICIPATION IN WORK AC-
 7 TIVITIES.—Section 411(a)(1) (42 U.S.C. 611(a)(1)),
 8 as amended by subsection (a)(3) of this section, is
 9 amended by striking subparagraphs (K) and (L) and
 10 inserting the following:

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

13 “(i) in the case of each work-eligible
 14 individual (as defined in the regulations
 15 promulgated pursuant to section
 16 407(i)(1)(A)(i)) in the family—

17 “(I) the number of hours (includ-
 18 ing zero hours) per month of partici-
 19 pation in—

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

22 “(bb) any other activity re-
 23 quired by the State to remove a
 24 barrier to employment; and

1 “(ii) in the case of each individual in
 2 the family who is not a work-eligible indi-
 3 vidual (as so defined), the reason for that
 4 status.

5 “(L) For each work-eligible individual (as
 6 so defined) and each adult in the family who
 7 did not participate in work activities (as so de-
 8 fined) during a month, the reason for the lack
 9 of participation.”.

10 (3) REPORTING OF INFORMATION ON EMPLOY-
 11 MENT AND EARNINGS OUTCOMES.—Section 411(c)
 12 (42 U.S.C. 611(c)) is amended to read as follows:

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

21 (n) TECHNICAL CORRECTIONS TO DATA EXCHANGE
 22 STANDARDS TO IMPROVE PROGRAM COORDINATION.—

23 (1) IN GENERAL.—Section 411(d) (42 U.S.C.
 24 611(d)) is amended to read as follows:

1 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED
2 INTEROPERABILITY.—

3 “(1) DESIGNATION.—The Secretary shall, in
4 consultation with an interagency work group estab-
5 lished by the Office of Management and Budget and
6 considering State government perspectives, by rule,
7 designate data exchange standards to govern, under
8 this part—

9 “(A) necessary categories of information
10 that State agencies operating programs under
11 State plans approved under this part are re-
12 quired under applicable Federal law to elec-
13 tronically exchange with another State agency;
14 and

15 “(B) Federal reporting and data exchange
16 required under applicable Federal law.

17 “(2) REQUIREMENTS.—The data exchange
18 standards required by paragraph (1) shall, to the ex-
19 tent practicable—

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

23 “(B) contain interoperable standards devel-
24 oped and maintained by intergovernmental

1 partnerships, such as the National Information
2 Exchange Model;

3 “(C) incorporate interoperable standards
4 developed and maintained by Federal entities
5 with authority over contracting and financial
6 assistance;

7 “(D) be consistent with and implement ap-
8 plicable accounting principles;

9 “(E) be implemented in a manner that is
10 cost-effective and improves program efficiency
11 and effectiveness; and

12 “(F) be capable of being continually up-
13 graded as necessary.

14 “(3) RULE OF CONSTRUCTION.—Nothing in
15 this subsection shall be construed to require a
16 change to existing data exchange standards found to
17 be effective and efficient.”.

18 (2) EFFECTIVE DATE.—Not later than the date
19 that is 24 months after the date of the enactment
20 of this subsection, the Secretary of Health and
21 Human Services shall issue a proposed rule that—

22 (A) identifies federally required data ex-
23 changes, include specification and timing of ex-
24 changes to be standardized, and address the

1 factors used in determining whether and when
 2 to standardize data exchanges; and

3 (B) specifies State implementation options
 4 and describes future milestones.

5 (o) SET-ASIDE FOR ECONOMIC DOWNTURNS.—Sec-
 6 tion 404(e) (42 U.S.C. 604(e)) is amended to read as fol-
 7 lows:

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

10 “(1) IN GENERAL.—Except as provided in para-
 11 graph (2), a State to which a grant is made under
 12 section 403(a)(1) shall obligate the funds within 2
 13 years after the date the funds are made available,
 14 and shall expend the funds within 3 years after such
 15 date.

16 “(2) EXCEPTION FOR LIMITED AMOUNT OF
 17 FUNDS SET ASIDE FOR FUTURE USE.—

18 “(A) IN GENERAL.—A State to which
 19 funds are paid under section 403(a)(1) may re-
 20 serve not more than 15 percent of the funds for
 21 use in the State program funded under this
 22 part without fiscal year limitation.

23 “(B) NOTICE OF INTENT TO RESERVE
 24 FUNDS.—A State that intends to reserve funds
 25 paid to the State under section 402(a)(1) shall

1 notify the Secretary of the intention not later
 2 than the end of the period in which the funds
 3 are available for obligation without regard to
 4 subparagraph (A) of this paragraph.”.

5 (p) DEFINITIONS RELATED TO USE OF FUNDS.—
 6 Section 419 (42 U.S.C. 619) is amended by adding at the
 7 end the following:

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

14 “(7) WORK SUPPORTS.—The term ‘work sup-
 15 ports’ means assistance and non-assistance transpor-
 16 tation benefits (such as the value of allowances, bus
 17 tokens, car payments, auto repair, auto insurance
 18 reimbursement, and van services) provided in order
 19 to help families obtain, retain, or advance in employ-
 20 ment, participate in work activities (as defined in
 21 section 407(d)), or as a non-recurrent, short-term
 22 benefit, including goods provided to individuals in
 23 order to help them obtain or maintain employment
 24 (such as tools, uniforms, fees to obtain special li-

1 censes, bonuses, incentives, and work support allow-
 2 ances and expenditures for job access).

3 “(8) SUPPORTIVE SERVICES.—The term ‘sup-
 4 portive services’ means services such as domestic vio-
 5 lence services, and mental health, substance abuse
 6 and disability services, housing counseling services,
 7 and other family supports, except to the extent that
 8 the provision of the service would violate section
 9 408(a)(6).

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

12 “(A) assistance; or

13 “(B) wage subsidies that are paid, with
 14 funds provided under section 403(a) or with
 15 qualified State expenditures, with respect to a
 16 person who—

17 “(i) was a work-eligible individual (as
 18 defined in the regulations promulgated
 19 pursuant to section 407(i)(1)(A)(i)) at the
 20 time of entry into subsidized employment,
 21 such as on-the-job training or apprentice-
 22 ship; and

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

24 (q) ELIMINATION OF OBSOLETE PROVISIONS.—

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

4 (2) ELIMINATION OF BONUS TO REWARD HIGH
5 PERFORMANCE STATES.—

6 (A) IN GENERAL.—Section 403(a) (42
7 U.S.C. 603(a)) is amended by striking para-
8 graph (4).

9 (B) CONFORMING AMENDMENT.—Section
10 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended
11 by striking “403(a)(4),”.

12 (3) ELIMINATION OF WELFARE-TO-WORK
13 GRANTS.—

14 (A) IN GENERAL.—Section 403(a) (42
15 U.S.C. 603(a)) is amended by striking para-
16 graph (5).

17 (B) CONFORMING AMENDMENTS.—

18 (i) ELIMINATION OF EXCLUSION
19 FROM TIME LIMIT.—Section 408(a)(7) (42
20 U.S.C. 608(a)(7)) is amended by striking
21 subparagraph (G).

22 (ii) ELIMINATION OF PENALTY FOR
23 MISUSE OF COMPETITIVE WELFARE-TO-
24 WORK FUNDS.—Section 409(a)(1) (42

U.S.C. 609(a)(1)) is amended by striking subparagraph (C).

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

(I) by adding “or” at the end of subclause (II); and

(II) by striking subclause (III) and redesignating subclause (IV) as subclause (III).

(iv) ELIMINATION OF PENALTY FOR FAILURE OF STATE TO MAINTAIN HISTORIC EFFORT DURING YEAR IN WHICH WELFARE-TO-WORK GRANT IS RECEIVED.—Section 409(a) (42 U.S.C. 609(a)) is amended by striking paragraph (13).

(v) ELIMINATION OF REQUIREMENTS RELATING TO WELFARE-TO-WORK GRANTS IN QUARTERLY STATE REPORTS.—Section 411(a) (42 U.S.C. 611(a)), as amended by section 15(a) of this Act, is amended—

1 (I) in paragraph (1), by striking
 2 “(except for information relating to
 3 activities carried out under section
 4 403(a)(5))”; and

5 (II) in each of paragraphs (2)
 6 through (4), by striking the comma
 7 and all that follows and inserting a
 8 period.

9 (vi) INDIAN TRIBAL PROGRAMS.—Sec-
 10 tion 412(a) (42 U.S.C. 612(a)) is amended
 11 by striking paragraph (3).

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

18 (viii) GRANTS TO TERRITORIES.—Sec-
 19 tion 1108(a)(2) (42 U.S.C. 1308(a)(2)) is
 20 amended by striking “403(a)(5),”.

21 (4) ELIMINATION OF CONTINGENCY FUND.—

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

25 (B) CONFORMING AMENDMENTS.—

(i) TRANSFER OF NEEDY STATE DEFINITION.—

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

(aa) amended—

(AA) in the matter preceding subparagraph (A), by striking “paragraph (4)” and inserting “subparagraph (C)”;

(BB) in each of subparagraphs (A) and (B), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(CC) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(DD) by redesignating such paragraph as subparagraph (D); and

1 (EE) by moving each
 2 provision 2 ems to the right;
 3 and
 4 (bb) as so amended, hereby
 5 transferred into section 409(a)(3)
 6 (42 U.S.C. 609(a)(3)) and added
 7 to the end of such section.

8 (II) CONFORMING AMEND-
 9 MENT.—Section 409(a)(3)(C) (42
 10 U.S.C. 609(a)(3)(C)) is amended by
 11 striking “(as defined in section
 12 403(b)(5))”.

13 (ii) ELIMINATION OF PENALTY FOR
 14 FAILURE OF STATE RECEIVING AMOUNTS
 15 FROM CONTINGENCY FUND TO MAINTAIN
 16 100 PERCENT OF HISTORIC EFFORT.—Sec-
 17 tion 409(a) (42 U.S.C. 609(a)) is amended
 18 by striking paragraph (10).

19 (5) CONFORMING AMENDMENTS RELATED TO
 20 ELIMINATION OF FEDERAL LOANS FOR STATE WEL-
 21 FARE PROGRAMS.—

22 (A) ELIMINATION OF ASSOCIATED PEN-
 23 ALTY PROVISION.—

1 (i) IN GENERAL.—Section 409(a) (42
 2 U.S.C. 609(a)) is amended by striking
 3 paragraph (6).

4 (ii) CONFORMING AMENDMENTS.—
 5 Section 412(g)(1) (42 U.S.C. 612(g)(1)) is
 6 amended by striking “(a)(6),”.

7 (B) ELIMINATION OF PROVISION PRO-
 8 VIDING FOR TRIBAL ELIGIBILITY.—Section 412
 9 (42 U.S.C. 612) is amended by striking sub-
 10 section (f).

11 (C) ELIMINATION OF DISREGARD OF LOAN
 12 IN APPLYING LIMIT ON PAYMENTS TO THE TER-
 13 RITORIES.—Section 1108(a)(2) (42 U.S.C.
 14 1308(a)(2)) is amended by striking “406,”.

15 (6) ELIMINATION OF LIMITATIONS ON OTHER
 16 STATE PROGRAMS FUNDED WITH QUALIFIED STATE
 17 EXPENDITURES.—

18 (A) The following provisions are each
 19 amended by striking “or any other State pro-
 20 gram funded with qualified State expenditures
 21 (as defined in section 409(a)(7)(B)(i))”:

22 (i) Paragraphs (1) and (2) of section
 23 407(e) (42 U.S.C. 607(e)(1) and (2)).

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

4 (iii) Subsections (d) and (e)(1) of sec-
5 tion 413 (42 U.S.C. 613(d) and (e)(1)).

6 (B) Section 413(a) (42 U.S.C. 613(a)) is
7 amended by striking “and any other State pro-
8 gram funded with qualified State expenditures
9 (as defined in section 409(a)(7)(B)(i))”.

10 (7) CONFORMING AMENDMENTS RELATED TO
11 ELIMINATION OF REPORT.—

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

14 (i) in the paragraph heading, by in-
15 serting “QUARTERLY” before “REPORT”;

16 (ii) in subparagraph (A)(ii), by strik-
17 ing “clause (i)” and inserting “subpara-
18 graph (A)”;

19 (iii) by striking “(A) QUARTERLY RE-
20 PORTS.—”;

21 (iv) by striking subparagraph (B);
22 and

23 (v) by redesignating clauses (i) and
24 (ii) of subparagraph (A) as subparagraphs

1 (A) and (B), respectively (and adjusting
2 the margins accordingly).

3 (B) CONFORMING AMENDMENTS.—

4 (i) Section 409(b)(2) (42 U.S.C.
5 609(b)(2)) is amended by striking “and,”
6 and all that follows and inserting a period.

7 (ii) Section 409(c)(4) (42 U.S.C.
8 609(c)(4)) is amended by striking
9 “(2)(B),”.

10 (8) ANNUAL REPORTS TO CONGRESS.—Section
11 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended
12 by striking “participation rates” and inserting “out-
13 come measures”.

14 (9) REDUCTION IN FORCE PROVISIONS.—Sec-
15 tion 416(a) (42 U.S.C. 616(a)), as so designated by
16 section 14(b)(1)(A) of this Act, is amended by strik-
17 ing “, and the Secretary” and all that follows and
18 inserting a period.

19 (10) CONFORMING CROSS-REFERENCES.—

20 (A) Section 409 (42 U.S.C. 609) is amend-
21 ed—

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

24 (ii) in subsection (a) (as amended by
25 subsections (c)(2)(D), (d)(2)(B), and

1 (e)(1)(A) of this section), by redesignating
 2 paragraphs (7), (8), (9), (11), (12), (14),
 3 (15), and (16) as paragraphs (6) through
 4 (13), respectively;

5 (iii) in subsection (b)(2), by striking
 6 “(8), (10), (12), or (13)” and inserting “or
 7 (10)”; and

8 (iv) in subsection (c)(4), by striking
 9 “(8), (10), (12), (13), or (16)” and insert-
 10 ing “(10), or (13)”.

11 (B) Section 452 (42 U.S.C. 652) is
 12 amended in each of subsections (d)(3)(A)(i) and
 13 (g)(1) by striking “409(a)(8)” and inserting
 14 “409(a)(7)”.

15 (11) MODIFICATIONS TO MAINTENANCE-OF-EF-
 16 FORT REQUIREMENT.—Section 409(a)(6)(B)(i) (42
 17 U.S.C. 609(a)(6)(B)(i)), as redesignated by sub-
 18 section (j)(1)(B) of this section, is amended—

19 (A) in subclause (I)—

20 (i) in the matter preceding item (aa),
 21 by striking “all State programs” and in-
 22 serting “the State program funded under
 23 this part”;

1 (ii) by redesignating items (dd) and
 2 (ee) as items (ee) and (ff), respectively,
 3 and inserting after item (cc) the following:

4 “(dd) Expenditures for a
 5 purpose described in paragraph
 6 (3), (4), or (5) of section
 7 401(a).”; and

8 (iii) in item (ee) (as so redesignated),
 9 by striking “and (ee)” and inserting “(dd),
 10 and (ff)”;

11 (B) by striking subclause (V); and

12 (C) in subclause (IV), by inserting “, ex-
 13 cept any of such families whose monthly income
 14 exceeds twice the poverty line (as defined by the
 15 Office of Management and Budget, and revised
 16 annually in accordance with section 673(2) of
 17 the Omnibus Budget Reconciliation Act of 1981
 18 (42 U.S.C. 9902(2)))” before the period.

19 (r) EFFECTIVE DATE.—Except as provided in sub-
 20 sections (c)(7), (i)(2), and (k)(2), the amendments made
 21 by this section shall take effect on October 1, 2020.

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