

115TH CONGRESS
1ST SESSION

H. R. 4074

To strengthen and expand proven anti-poverty programs and initiatives.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2017

Ms. LEE (for herself, Ms. SLAUGHTER, Ms. MOORE, Ms. JACKSON LEE, Mrs. BEATTY, Mr. HASTINGS, Ms. NORTON, Mrs. TORRES, Mr. EVANS, Mr. PAYNE, Mr. TAKANO, Mr. BUTTERFIELD, Mr. ESPAILLAT, Ms. JAYAPAL, Mr. POCAN, Mrs. WATSON COLEMAN, Mr. CARSON of Indiana, Mr. CONYERS, Ms. SCHAKOWSKY, Ms. MCCOLLUM, Mr. GRIJALVA, Ms. SPEIER, Mr. MCNERNEY, Mr. SERRANO, and Mr. ELLISON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on House Administration, Oversight and Government Reform, Education and the Workforce, Financial Services, Agriculture, Transportation and Infrastructure, Rules, the Budget, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To strengthen and expand proven anti-poverty programs and initiatives.

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 “Pathways Out of Pov-
5 erty Act of 2017”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents for this Act is as follows:

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

DIVISION A—EDUCATION

TITLE I—STRONG START FOR AMERICA’S CHILDREN

Subtitle A—Access to Voluntary Prekindergarten for Low- and Moderate-Income Families

- Sec. 111. Purposes.
- Sec. 112. Definitions.
- Sec. 113. Program authorization.
- Sec. 114. Allotments and reservations of funds.
- Sec. 115. State eligibility criteria.
- Sec. 116. State applications.
- Sec. 117. State use of funds.
- Sec. 118. Additional prekindergarten services.
- Sec. 119. Performance measures and targets.
- Sec. 120. Matching requirements.
- Sec. 121. Eligible local entity applications.
- Sec. 122. Required subgrant activities.
- Sec. 123. Report and evaluation.
- Sec. 124. Prohibition of required participation or use of funds for assessments.
- Sec. 125. Coordination with Head Start programs.
- Sec. 126. Technical assistance in program administration.
- Sec. 127. Authorization of appropriations.

Subtitle B—Prekindergarten Development Grants

- Sec. 151. Prekindergarten development grants.

TITLE II—YOUTH PROMISE/FEDERAL COORDINATION OF LOCAL AND TRIBAL JUVENILE JUSTICE INFORMATION AND EFFORTS

- Sec. 201. PROMISE Advisory Panel.
- Sec. 202. Geographic assessment of resource allocation.

TITLE III—PROMISE GRANTS

- Sec. 301. Purposes.
- Sec. 302. Definitions.

Subtitle A—PROMISE Assessment and Planning Grants

- Sec. 310. PROMISE Assessment and Planning grants authorized.
- Sec. 311. PROMISE Coordinating Councils.
- Sec. 312. Needs and strengths assessment.
- Sec. 313. PROMISE Plan components.
- Sec. 314. Authorization of appropriations.

Subtitle B—PROMISE Implementation Grants

- Sec. 320. PROMISE Implementation grants authorized.

- Sec. 321. PROMISE Implementation grant application requirements.
- Sec. 322. Grant award guidelines.
- Sec. 323. Reports.
- Sec. 324. Authorization of appropriations.

Subtitle C—General PROMISE Grant Provisions

- Sec. 330. Nonsupplanting clause.
- Sec. 331. Grant application review panel.
- Sec. 332. Evaluation of PROMISE grant programs.

TITLE IV—PELL GRANT PRESERVATION AND EXPANSION ACT

- Sec. 401. Short title.
- Sec. 402. Findings.
- Sec. 403. References.
- Sec. 404. Funding Federal Pell Grants through mandatory funding.
- Sec. 405. Restoring Federal Pell Grant eligibility for borrower defense.
- Sec. 406. Federal Pell Grant eligibility for DREAMer students.
- Sec. 407. Repeal of suspension of eligibility under the Higher Education Act of 1965 for grants, loans, and work assistance for drug-related offenses.
- Sec. 408. Extending Federal Pell Grant eligibility of certain short-term programs.
- Sec. 409. Providing Federal Pell grants for Iraq and Afghanistan veteran's dependents.
- Sec. 410. Increasing support for working students by 35 percent.
- Sec. 411. Increasing the Federal Pell Grant auto-zero threshold.
- Sec. 412. Raising the total semesters of Federal Pell Grant eligibility.
- Sec. 413. Conforming amendments.
- Sec. 414. Effective date.

DIVISION B—HOUSING

TITLE V—COMMON SENSE HOUSING INVESTMENT

- Sec. 501. Congressional findings.
- Sec. 502. Replacement of mortgage interest deduction with mortgage interest credit.
- Sec. 503. Deduction allowed for interest and taxes relating to land for dwelling purposes owned or leased by cooperative housing corporations.
- Sec. 504. Use of mortgage interest savings to increase low-income housing tax credit.
- Sec. 505. Use of mortgage interest savings for affordable housing programs.

TITLE VI—LOW-INCOME HOUSING TAX CREDIT FOR HOMELESS YOUTH

- Sec. 601. Students who were homeless youths or homeless veterans permitted to occupy low-income housing units.
- Sec. 602. Renters tax credit.

DIVISION C—NUTRITION

TITLE VII—IMPROVING TEMPORARY ASSISTANCE TO NEEDY FAMILIES PROGRAM

- Sec. 701. References.

- Sec. 702. State plans required to address whether and how States will provide assistance to neediest geographic areas.
- Sec. 703. Funding of the TANF program.
- Sec. 704. Work requirements.
- Sec. 705. Work rules.
- Sec. 706. Prohibition on imposing limit of less than 60 months on duration of assistance.
- Sec. 707. Response of TANF program to economic recessions.
- Sec. 708. Requirement that States use merit-based system in administration of TANF programs.
- Sec. 709. Ban on using Federal TANF funds to replace State and local spending that does not meet the definition of qualified State expenditures.
- Sec. 710. TANF assistance to meet basic family economic needs.
- Sec. 711. State plans and reports on child poverty.
- Sec. 712. Requirement that States adopt standards and procedures to address domestic and sexual violence among TANF recipients.
- Sec. 713. Child care entitlement.
- Sec. 714. Child support enforcement.
- Sec. 715. State option to extend eligibility for assistance to children through age 21; prohibition on considering financial aid tied to education of child in determining eligibility for, or amount of assistance; prohibition on imposing additional requirements based on educational enrollment of child.
- Sec. 716. Elimination of certain other bars to TANF assistance.
- Sec. 717. Effective date.

TITLE VIII—EMPLOYMENT ADVANCEMENT, RETENTION, AND NAVIGATION ACT

- Sec. 811. Focus on employment.
- Sec. 812. Modification relating to the Contingency Fund.
- Sec. 813. Training for in-demand jobs.
- Sec. 814. Effective date.

TITLE IX—RESTORING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS FUNDING CUTS INSTITUTED IN FARM BILL (HEAT-AND-EAT)

- Sec. 901. Restoration of standard utility allowances based on the receipt of energy assistance payments.

TITLE X—HELPING HUNGRY STUDENTS LEARN

- Sec. 1001. Findings.
- Sec. 1002. School Lunch Program.
- Sec. 1003. School Breakfast Program.
- Sec. 1004. Summer Electronic Benefits Transfer for Children program.
- Sec. 1005. Weekends and holidays without hunger.

TITLE XI—FOOD ASSISTANCE TO IMPROVE REINTEGRATION ACT

- Sec. 1101. Repeal of denial of benefits.

DIVISION D—LABOR/JOB TRAINING

TITLE XII—ASSISTANCE FOR THE UNEMPLOYED AND PATHWAYS
BACK TO WORK

Subtitle A—Supporting Unemployed Workers

Sec. 1201. Short title.

PART I—EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION AND
CERTAIN EXTENDED BENEFITS PROVISIONS, AND ESTABLISHMENT OF
SELF-EMPLOYMENT ASSISTANCE PROGRAM

Sec. 1211. Extension of Emergency Unemployment Compensation program.

Sec. 1212. Temporary extension of extended benefit provisions.

Sec. 1213. Additional extended unemployment benefits under the Railroad Un-
employment Insurance Act.

PART II—REEMPLOYMENT NOW PROGRAM

Sec. 1221. Establishment of Reemployment NOW program.

Sec. 1222. Distribution of funds.

Sec. 1223. State plan.

Sec. 1224. Bridge to Work program.

Sec. 1225. Wage insurance.

Sec. 1226. Enhanced reemployment strategies.

Sec. 1227. Self-employment programs.

Sec. 1228. Additional innovative programs.

Sec. 1229. Guidance and additional requirements.

Sec. 1230. Report of information and evaluations to Congress and the public.

Sec. 1231. State.

PART III—SHORT-TIME COMPENSATION PROGRAM

Sec. 1241. Temporary financing of short-time compensation payments in States
with programs in law.

Sec. 1242. Temporary financing of short-time compensation agreements.

Sec. 1243. Grants for short-time compensation programs.

Sec. 1244. Assistance and guidance in implementing programs.

Sec. 1245. Reports.

Subtitle B—Long-Term Unemployed Hiring Preferences

Sec. 1251. Long-term unemployed workers work opportunity tax credits.

Subtitle C—Pathways Back to Work

Sec. 1261. Short title.

Sec. 1262. Authorization of appropriations.

Sec. 1263. Availability of funds.

Sec. 1264. Subsidized employment for unemployed, low-income adults.

Sec. 1265. Summer employment and year-round employment opportunities for
low-income youth.

Sec. 1266. Work-based employment strategies of demonstrated effectiveness.

Sec. 1267. General requirements.

Sec. 1268. Definitions.

Subtitle D—Prohibition of Discrimination in Employment on the Basis of an
Individual's Status as Unemployed

- Sec. 1271. Short title.
- Sec. 1272. Findings and purpose.
- Sec. 1273. Definitions.
- Sec. 1274. Prohibited acts.
- Sec. 1275. Enforcement.
- Sec. 1276. Federal and State immunity.
- Sec. 1277. Relationship to other laws.
- Sec. 1278. Severability.
- Sec. 1279. Effective date.

TITLE XIII—LIVING AMERICAN WAGE

- Sec. 1301. Short title.
- Sec. 1302. Minimum wage increases.
- Sec. 1303. Tipped employees.
- Sec. 1304. Newly hired employees who are less than 20 years old.
- Sec. 1305. Publication of notice.
- Sec. 1306. Promoting economic self-sufficiency for individuals with disabilities.
- Sec. 1307. General effective date.

DIVISION E—ANTI-POVERTY TAX PROVISIONS

TITLE XIV—CHILD TAX CREDIT PERMANENCY

- Sec. 1401. Inflation adjustment of the child tax credit.

TITLE XV—EARNED INCOME TAX CREDIT

- Sec. 1501. Expansion of Earned Income Credit.

TITLE XVI—CHILD CARE ACCESS AND REFUNDABILITY EXPANSION ACT

- Sec. 1601. Credit for dependent care expenses.
- Sec. 1602. Amendments to the Child Care and Development Block Grant Act of 1990.

DIVISION I—MISCELLANEOUS

TITLE I—POVERTY IMPACT TRIGGER

- Sec. 1701. Certain poverty impact legislation subject to point of order.
- Sec. 1702. Congressional Budget Office Poverty Impact Division.
- Sec. 1703. Exercise of rulemaking powers.
- Sec. 1704. Effective date.

TITLE II—HALF IN TEN ACT TO CREATE A NATIONAL STRATEGY TO REDUCE POVERTY

- Sec. 1801. Findings.
- Sec. 1802. Definitions.
- Sec. 1803. Establishment of the Federal Interagency Working Group on Reducing Poverty.
- Sec. 1804. Appointment and responsibilities of the Director.
- Sec. 1805. Consultation.
- Sec. 1806. Reports to Congress and the public.

1 **DIVISION A—EDUCATION**
2 **TITLE I—STRONG START FOR**
3 **AMERICA’S CHILDREN**
4 **Subtitle A—Access to Voluntary**
5 **Prekindergarten for Low- and**
6 **Moderate-Income Families**

7 **SEC. 111. PURPOSES.**

8 The purposes of this subtitle are to—

9 (1) establish a Federal-State partnership to
10 provide access to high-quality public prekindergarten
11 programs for all children from low-income and mod-
12 erate-income families to ensure that they enter kin-
13 dergarten prepared for success;

14 (2) broaden participation in such programs to
15 include children from additional middle-class fami-
16 lies; and

17 (3) promote access to high-quality kindergarten,
18 and high-quality early childhood education programs
19 and settings for children.

20 **SEC. 112. DEFINITIONS.**

21 In this subtitle:

22 (1) **CHILD WITH A DISABILITY.**—The term
23 “child with a disability” has the meaning given the
24 term in section 602 of the Individuals with Disabil-
25 ities Education Act (20 U.S.C. 1401).

1 (2) COMPREHENSIVE EARLY LEARNING ASSESS-
2 MENT SYSTEM.—The term “comprehensive early
3 learning assessment system”—

4 (A) means a coordinated and comprehen-
5 sive system of multiple assessments, each of
6 which is valid and reliable for its specified pur-
7 pose and for the population with which it will
8 be used, that—

9 (i) organizes information about the
10 process and context of young children’s
11 learning and development to help early
12 childhood educators make informed in-
13 structional and programmatic decisions;
14 and

15 (ii) conforms to the recommendations
16 of the National Research Council reports
17 on early childhood; and

18 (B) includes, at a minimum—

19 (i) child screening measures;
20 (ii) child formative assessments;
21 (iii) measures of environmental qual-
22 ity; and
23 (iv) measures of the quality of adult-
24 child interactions.

1 (3) DUAL LANGUAGE LEARNER.—The term
2 “dual language learner” means an individual who is
3 limited English proficient.

4 (4) EARLY CHILDHOOD EDUCATION PRO-
5 GRAM.—The term “early childhood education pro-
6 gram” has the meaning given the term under section
7 103 of the Higher Education Act of 1965 (20
8 U.S.C. 1003).

9 (5) ELEMENTARY SCHOOL.—The term “elemen-
10 tary school” has the meaning given the term in sec-
11 tion 8101 of the Elementary and Secondary Edu-
12 cation Act of 1965 (20 U.S.C. 7801).

13 (6) ELIGIBILITY DETERMINATION DATE.—The
14 term “eligibility determination date” means the date
15 used to determine eligibility for public elementary
16 school in the community in which the eligible local
17 entity involved is located.

18 (7) ELIGIBLE LOCAL ENTITY.—The term “eligi-
19 ble local entity” means—

20 (A) a local educational agency, including—

21 (i) a charter school or a charter man-
22 agement organization that acts as a local
23 educational agency; or

1 (ii) an educational service agency in
2 partnership with a local educational agen-
3 cy;

4 (B) an entity that carries out an early
5 childhood education program; or

6 (C) a consortium of entities described in
7 subparagraph (A) or (B).

8 (8) FULL-DAY.—The term “full-day” means a
9 day that is—

10 (A) equivalent to a full school day at the
11 public elementary schools in a State; and

12 (B) not less than 5 hours a day.

13 (9) HIGH-QUALITY PREKINDERGARTEN PRO-
14 GRAM.—The term “high-quality prekindergarten
15 program” means a prekindergarten program sup-
16 ported by an eligible local entity that includes, at a
17 minimum, the following elements based on nationally
18 recognized standards:

19 (A) Serves children who—

20 (i) are age 4 or children who are age
21 3 or 4, by the eligibility determination date
22 (including children who turn age 5 while
23 attending the program); or

24 (ii) have attained the legal age for
25 State-funded prekindergarten.

1 (B) Requires high qualifications for staff,
2 including that teachers meet the requirements
3 of one of the following clauses:

4 (i) The teacher has a bachelor's de-
5 gree in early childhood education or a re-
6 lated field with coursework that dem-
7 onstrates competence in early childhood
8 education.

9 (ii) The teacher—

10 (I) has a bachelor's degree in any
11 field;

12 (II) has demonstrated knowledge
13 of early childhood education by pass-
14 ing a State-approved assessment in
15 early childhood education;

16 (III) while employed as a teacher
17 in the prekindergarten program, is en-
18 gaged in ongoing professional develop-
19 ment in early childhood education for
20 not less than 2 years; and

21 (IV) not more than 3 years after
22 starting employment as a teacher in
23 the prekindergarten program, enrolls
24 in and completes a State-approved ed-
25 ucator preparation program in which

1 the teacher receives training and sup-
2 port in early childhood education.

3 (iii) The teacher has a bachelor's de-
4 gree with a credential, license, or endorse-
5 ment that demonstrates competence in
6 early childhood education.

7 (C) Maintains an evidence-based maximum
8 class size.

9 (D) Maintains an evidence-based child to
10 instructional staff ratio.

11 (E) Offers a full-day program.

12 (F) Provides developmentally appropriate,
13 evidence-based curricula and learning environ-
14 ments that are aligned with the State's early
15 learning and development standards described
16 in section 115(1).

17 (G) Offers instructional staff salaries com-
18 parable to kindergarten through grade 12
19 teaching staff.

20 (H) Provides for ongoing monitoring and
21 program evaluation to ensure continuous im-
22 provement.

23 (I) Offers accessible comprehensive services
24 for children that include, at a minimum—

1 (i) screenings for vision, dental, health
2 (including mental health), and development
3 and referrals, and assistance obtaining
4 services, when appropriate;

5 (ii) family engagement opportunities
6 that take into account home language,
7 such as parent conferences (including par-
8 ent input about their child's development)
9 and support services, such as parent edu-
10 cation;

11 (iii) nutrition services, including nutri-
12 tious meals and snack options aligned with
13 requirements set by the most recent Child
14 and Adult Care Food Program guidelines
15 promulgated by the Department of Agri-
16 culture as well as regular, age-appropriate,
17 nutrition education for children and their
18 families;

19 (iv) programs coordinated with local
20 educational agencies and entities providing
21 programs authorized under section 619
22 and part C of the Individuals with Disabil-
23 ities Education Act (20 U.S.C. 1419 and
24 1431 et seq.);

1 (v) physical activity programs aligned
2 with evidence-based guidelines, such as
3 those recommended by the Institute of
4 Medicine, and which take into account and
5 accommodate children with disabilities;

6 (vi) additional support services, as ap-
7 propriate, based on the findings of the
8 needs analysis as described in section 120;
9 and

10 (vii) on-site coordination, to the max-
11 imum extent feasible.

12 (J) Provides high-quality professional de-
13 velopment for all staff, including regular in-
14 classroom observation for teachers and teacher
15 assistants by individuals trained in such obser-
16 vation.

17 (K) Meets the education performance
18 standards in effect under section 641A(a)(1)(B)
19 of the Head Start Act (42 U.S.C.
20 9836a(a)(1)(B)).

21 (L) Maintains evidence-based health and
22 safety standards.

23 (10) GOVERNOR.—The term “Governor” means
24 the chief executive officer of a State.

1 (11) HOMELESS CHILD.—The term “homeless
2 child” means a child or youth described in section
3 725(2) of the McKinney-Vento Homeless Assistance
4 Act (42 U.S.C. 11434a(2)).

5 (12) INSTITUTION OF HIGHER EDUCATION.—
6 The term “institution of higher education” has the
7 meaning given the term in section 102 of the Higher
8 Education Act of 1965 (20 U.S.C. 1002).

9 (13) INDIAN TRIBE; TRIBAL ORGANIZATION.—
10 The terms “Indian tribe” and “tribal organization”
11 have the meanings given the terms in 658P of the
12 Child Care and Development Block Grant of 1990
13 (42 U.S.C. 9858n).

14 (14) LIMITED ENGLISH PROFICIENT.—The
15 term “limited English proficient” has the meaning
16 given the term in section 637 of the Head Start Act
17 (42 U.S.C. 9832).

18 (15) LOCAL EDUCATIONAL AGENCY; STATE
19 EDUCATIONAL AGENCY; EDUCATIONAL SERVICE
20 AGENCY.—The terms “local educational agency”,
21 “State educational agency”, and “educational service
22 agency” have the meanings given the terms in sec-
23 tion 8101 of the Elementary and Secondary Edu-
24 cation Act of 1965 (20 U.S.C. 7801).

1 (16) MIGRATORY CHILD.—The term “migratory
2 child” has the meaning given the term in section
3 1309 of the Elementary and Secondary Education
4 Act of 1965 (20 U.S.C. 6399).

5 (17) OUTLYING AREA.—The term “outlying
6 area” means each of the United States Virgin Is-
7 lands, Guam, American Samoa, the Commonwealth
8 of the Northern Mariana Islands, and the Republic
9 of Palau.

10 (18) POVERTY LINE.—The term “poverty line”
11 means the official poverty line (as defined by the Of-
12 fice of Management and Budget)—

13 (A) adjusted to reflect the percentage
14 change in the Consumer Price Index for All
15 Urban Consumers published by the Bureau of
16 Labor Statistics of the Department of Labor
17 for the most recent 12-month period or other
18 interval for which the data are available; and

19 (B) applicable to a family of the size in-
20 volved.

21 (19) SECONDARY SCHOOL.—The term “sec-
22 ondary school” has the meaning given the term in
23 section 8101 of the Elementary and Secondary Edu-
24 cation Act of 1965 (20 U.S.C. 7801).

1 (20) SECRETARY.—The term “Secretary”
2 means the Secretary of Education.

3 (21) STATE.—Except as otherwise provided in
4 this subtitle, the term “State” means each of the 50
5 States, the District of Columbia, the Commonwealth
6 of Puerto Rico, and each of the outlying areas.

7 (22) STATE ADVISORY COUNCIL ON EARLY
8 CHILDHOOD EDUCATION AND CARE.—The term
9 “State Advisory Council on Early Childhood Edu-
10 cation and Care” means the State Advisory Council
11 on Early Childhood Education and Care established
12 under section 642B(b) of the Head Start Act (42
13 U.S.C. 9837b(b)).

14 **SEC. 113. PROGRAM AUTHORIZATION.**

15 From amounts made available to carry out this sub-
16 title, the Secretary, in consultation with the Secretary of
17 Health and Human Services, shall award grants to States
18 to implement high-quality prekindergarten programs, con-
19 sistent with the purposes of this subtitle described in sec-
20 tion 111. For each fiscal year, the funds provided under
21 a grant by a State shall equal the allotment determined
22 for the State under section 114.

1 **SEC. 114. ALLOTMENTS AND RESERVATIONS OF FUNDS.**

2 (a) RESERVATION.—From the amount made avail-
3 able each fiscal year to carry out this subtitle, the Sec-
4 retary shall—

5 (1) reserve not less than 1 percent and not
6 more than 2 percent for payments to Indian tribes
7 and tribal organizations;

8 (2) reserve $\frac{1}{2}$ of 1 percent for the outlying
9 areas to be distributed among the outlying areas on
10 the basis of their relative need, as determined by the
11 Secretary in accordance with the purposes of this
12 subtitle;

13 (3) reserve $\frac{1}{2}$ of 1 percent for eligible local en-
14 tities that serve children in families who are engaged
15 in migrant or seasonal agricultural labor; and

16 (4) reserve not more than 1 percent or
17 \$30,000,000, whichever amount is less, for national
18 activities, including administration, technical assist-
19 ance, and evaluation.

20 (b) ALLOTMENTS.—

21 (1) IN GENERAL.—From the amount made
22 available each fiscal year to carry out this subtitle
23 and not reserved under subsection (a), the Secretary
24 shall make allotments to States in accordance with
25 paragraph (2) that have submitted an approved ap-
26 plication.

1 (2) ALLOTMENT AMOUNT.—

2 (A) IN GENERAL.—Subject to subpara-
3 graph (B), the Secretary shall allot the amount
4 made available under paragraph (1) for a fiscal
5 year among the States in proportion to the
6 number of children who are age 4 who reside
7 within the State and are from families with in-
8 comes at or below 200 percent of the poverty
9 line for the most recent year for which satisfac-
10 tory data are available, compared to the num-
11 ber of such children who reside in all such
12 States for that fiscal year.

13 (B) MINIMUM ALLOTMENT AMOUNT.—No
14 State receiving an allotment under subpara-
15 graph (A) may receive less than $\frac{1}{2}$ of 1 percent
16 of the total amount allotted under such sub-
17 paragraph.

18 (3) REALLOTMENT AND CARRY OVER.—

19 (A) IN GENERAL.—If one or more States
20 do not receive an allotment under this sub-
21 section for any fiscal year, the Secretary may
22 use the amount of the allotment for that State
23 or States, in such amounts as the Secretary de-
24 termines appropriate, for either or both of the
25 following:

1 (i) To increase the allotments of
2 States with approved applications for the
3 fiscal year, consistent with subparagraph
4 (B).

5 (ii) To carry over the funds to the
6 next fiscal year.

7 (B) REALLOTMENT.—In increasing allot-
8 ments under subparagraph (A)(i), the Secretary
9 shall allot to each State with an approved appli-
10 cation an amount that bears the same relation-
11 ship to the total amount to be allotted under
12 subparagraph (A)(i), as the amount the State
13 received under paragraph (2) for that fiscal
14 year bears to the amount that all States re-
15 ceived under paragraph (2) for that fiscal year.

16 (4) STATE.—For purposes of this subsection,
17 the term “State” means each of the 50 States, the
18 District of Columbia, and the Commonwealth of
19 Puerto Rico.

20 (c) FLEXIBILITY.—The Secretary may make minimal
21 adjustments to allotments under this subsection, which
22 shall neither lead to a significant increase or decrease in
23 a State’s allotment determined under subsection (b), based
24 on a set of factors, such as the level of program participa-

1 tion and the estimated cost of the activities specified in
2 the State plan under section 116(a)(2).

3 **SEC. 115. STATE ELIGIBILITY CRITERIA.**

4 A State is eligible to receive a grant under this sub-
5 title if the State demonstrates to the Secretary that the
6 State—

7 (1) has established or will establish early learn-
8 ing and development standards that describe what
9 children from birth to kindergarten entry should
10 know and be able to do, are universally designed and
11 developmentally, culturally, and linguistically appro-
12 priate, are aligned with the State’s challenging aca-
13 demic content standards and challenging student
14 academic achievement standards, as adopted under
15 section 1111(b)(1) of the Elementary and Secondary
16 Education Act of 1965 (20 U.S.C. 6311(b)(1)), and
17 cover the essential domains of school readiness,
18 which address—

19 (A) physical well-being and motor develop-
20 ment;

21 (B) social and emotional development;

22 (C) approaches to learning, including cre-
23 ative arts expression;

24 (D) developmentally appropriate oral and
25 written language and literacy development; and

1 (E) cognition and general knowledge, in-
2 cluding early mathematics and early scientific
3 development;

4 (2) has the ability or will develop the ability to
5 link prekindergarten data with its elementary school
6 and secondary school data for the purpose of col-
7 lecting longitudinal information for all children par-
8 ticipating in the State’s high-quality prekindergarten
9 program and any other federally funded early child-
10 hood program that will remain with the child
11 through the child’s public education through grade
12 12;

13 (3) offers State-funded kindergarten for chil-
14 dren who are eligible children for that service in the
15 State; and

16 (4) has established a State Advisory Council on
17 Early Childhood Education and Care.

18 **SEC. 116. STATE APPLICATIONS.**

19 (a) IN GENERAL.—To receive a grant under this sub-
20 title, the Governor of a State, in consultation with the In-
21 dian tribes and tribal organizations in the State, if any,
22 shall submit an application to the Secretary at such time,
23 in such manner, and containing such information as the
24 Secretary may reasonably require. At a minimum, each
25 such application shall include—

1 (1) an assurance that the State—

2 (A) will coordinate with and continue to
3 participate in the programs authorized under
4 section 619 and part C of the Individuals with
5 Disabilities Education Act (20 U.S.C. 1419 and
6 1431 et seq.), the Child Care and Development
7 Block Grant Act of 1990 (42 U.S.C. 9858 et
8 seq.), and the maternal, infant, and early child-
9 hood home visiting programs funded under sec-
10 tion 511 of the Social Security Act (42 U.S.C.
11 711) for the duration of the grant;

12 (B) will designate a State-level entity (such
13 as an agency or joint interagency office), se-
14 lected by the Governor, for the administration
15 of the grant, which shall coordinate and consult
16 with the State educational agency if the entity
17 is not the State educational agency; and

18 (C) will establish, or certify the existence
19 of, program standards for all State prekinderg-
20 garten programs consistent with the definition
21 of a high-quality prekindergarten program
22 under section 112;

23 (2) a description of the State’s plan to—

24 (A) use funds received under this subtitle
25 and the State’s matching funds to provide high-

1 quality prekindergarten programs, in accord-
2 ance with section 117(d), with open enrollment
3 for all children in the State who—

4 (i) are described in section 112(9)(A);

5 and

6 (ii) are from families with incomes at
7 or below 200 percent of the poverty line;

8 (B) develop or enhance a system for moni-
9 toring eligible local entities that are receiving
10 funds under this subtitle for compliance with
11 quality standards developed by the State and to
12 provide program improvement support, which
13 may be accomplished through the use of a
14 State-developed system for quality rating and
15 improvement;

16 (C) if applicable, expand participation in
17 the State's high-quality prekindergarten pro-
18 grams to children from families with incomes
19 above 200 percent of the poverty line;

20 (D) carry out the State's comprehensive
21 early learning assessment system, or how the
22 State plans to develop such a system, ensuring
23 that any assessments are culturally, develop-
24 mentally, and age-appropriate and consistent
25 with the recommendations from the study on

1 Developmental Outcomes and Assessments for
2 Young Children by the National Academy of
3 Sciences, consistent with section 649(j) of the
4 Head Start Act (42 U.S.C. 9844);

5 (E) develop, implement, and make publicly
6 available the performance measures and targets
7 described in section 119;

8 (F) increase the number of teachers with
9 bachelor's degrees in early childhood education,
10 or with bachelor's degrees in another closely re-
11 lated field and specialized training in early
12 childhood education, including how institutions
13 of higher education will support increasing the
14 number of teachers with such degrees and
15 training, including through the use of assess-
16 ments of prior learning, knowledge, and skills
17 to facilitate and expedite attainment of such de-
18 grees;

19 (G) coordinate and integrate the activities
20 funded under this subtitle with Federal, State,
21 and local services and programs that support
22 early childhood education and care, including
23 programs supported under this subtitle, the El-
24 ementary and Secondary Education Act of 1965
25 (20 U.S.C. 6301 et seq.), the Individuals with

1 Disabilities Education Act (20 U.S.C. 1400 et
2 seq.), the Head Start Act (42 U.S.C. 9831 et
3 seq.), the Community Services Block Grant Act
4 (42 U.S.C. 9901 et seq.), the Child Care and
5 Development Block Grant Act of 1990 (42
6 U.S.C. 9858 et seq.), the temporary assistance
7 for needy families program under part A of title
8 IV of the Social Security Act (42 U.S.C. 601 et
9 seq.), the State incentive grant program under
10 section 14006 of the American Recovery and
11 Reinvestment Act of 2009 (Public Law 111–5),
12 federally funded early literacy programs, the
13 maternal, infant, and early childhood home vis-
14 iting programs funded under section 511 of the
15 Social Security Act (42 U.S.C. 711), health im-
16 provements to child care funded under title
17 XIX of the Social Security Act (42 U.S.C. 1396
18 et seq.), the program under subtitle B of title
19 VII of the McKinney-Vento Homeless Assist-
20 ance Act (42 U.S.C. 11431 et seq.), the Invest-
21 ing In Innovation program under section 14007
22 of the American Recovery and Reinvestment
23 Act of 2009 (Public Law 111–5), programs au-
24 thorized under part E of title IV of the Social
25 Security Act (42 U.S.C. 670 et seq.), the Fos-

1 tering Connections to Success and Increasing
2 Adoptions Act of 2008 (Public Law 110–351),
3 and any other Federal, State, or local early
4 childhood education programs used in the
5 State;

6 (H) award subgrants to eligible local enti-
7 ties, and in awarding such subgrants, facilitate
8 a delivery system of high-quality prekind-
9 garten programs that includes diverse pro-
10 viders, such as providers in community-based,
11 public school, and private settings, and consider
12 the system’s impact on options for families;

13 (I) in the case of a State that does not
14 have a funding mechanism for subgranting
15 funds to implement high-quality prekind-
16 garten, use objective criteria in awarding sub-
17 grants to eligible local entities that will imple-
18 ment high-quality prekindergarten programs,
19 including actions the State will take to ensure
20 that eligible local entities will coordinate with
21 local educational agencies or other early learn-
22 ing providers, as appropriate, to carry out ac-
23 tivities to provide children served under this
24 subtitle with a successful transition from pre-

1 school into kindergarten, which activities shall
2 include—

3 (i) aligning curricular objectives and
4 instruction;

5 (ii) providing staff professional devel-
6 opment, including opportunities for joint-
7 professional development on early learning
8 and kindergarten through grade 3 stand-
9 ards, assessments, and curricula;

10 (iii) coordinating family engagement
11 and support services; and

12 (iv) encouraging the shared use of fa-
13 cilities and transportation, as appropriate;

14 (J) use the State early learning and devel-
15 opment standards described in section 115(1)
16 to address the needs of dual language learners,
17 including by incorporating benchmarks related
18 to English language development;

19 (K) identify barriers, and propose solutions
20 to overcome such barriers, which may include
21 seeking assistance under section 126, in the
22 State to effectively use and integrate Federal,
23 State, and local public funds and private funds
24 for early childhood education that are available

1 to the State on the date on which the applica-
2 tion is submitted;

3 (L) support articulation agreements (as
4 defined in section 486A of the Higher Edu-
5 cation Act of 1965 (20 U.S.C. 1093a)) between
6 public 2-year and public 4-year institutions of
7 higher education in the State for early child-
8 hood teacher preparation programs and related
9 fields;

10 (M) ensure that the higher education pro-
11 grams in the State have the capacity to prepare
12 a workforce to provide high-quality prekinderg-
13 arten programs;

14 (N) support workforce development, in-
15 cluding State and local policies that support
16 prekindergarten instructional staff's ability to
17 earn a degree, certification, or other specializa-
18 tions or qualifications, including policies on
19 leave, substitutes, and child care services, in-
20 cluding non-traditional hour child care;

21 (O) hold eligible local entities accountable
22 for use of funds;

23 (P) ensure that the State's early learning
24 and development standards are integrated into
25 the instructional and programmatic practices of

1 high-quality prekindergarten programs and re-
2 lated programs and services, such as those pro-
3 vided to children under section 619 and part C
4 of the Individuals with Disabilities Education
5 Act (20 U.S.C. 1419 and 1431 et seq.);

6 (Q) increase the number of children in the
7 State who are enrolled in high-quality kinder-
8 garten programs and carry out a strategy to
9 implement such a plan;

10 (R) coordinate the State's activities sup-
11 ported by grants under this subtitle with activi-
12 ties in State plans required under the Elemen-
13 tary and Secondary Education Act of 1965 (20
14 U.S.C. 6301 et seq.), the Individuals with Dis-
15 abilities Education Act (20 U.S.C. 1400 et
16 seq.), the Head Start Act (42 U.S.C. 9831 et
17 seq.), the Child Care and Development Block
18 Grant Act of 1990 (42 U.S.C. 9858 et seq.),
19 and the Adult Education and Family Literacy
20 Act (20 U.S.C. 9201 et seq.);

21 (S) encourage eligible local entities to co-
22 ordinate with community-based learning re-
23 sources, such as libraries, arts and arts edu-
24 cation programs, appropriate media programs,
25 family literacy programs, public parks and

1 recreation programs, museums, nutrition edu-
2 cation programs, and programs supported by
3 the Corporation for National and Community
4 Service;

5 (T) work with eligible local entities, in con-
6 sultation with elementary school principals, to
7 ensure that high-quality prekindergarten pro-
8 grams have sufficient facilities to meet the
9 needs of children eligible for prekindergarten;

10 (U) support local early childhood coordi-
11 nating entities, such as local early childhood
12 councils, if applicable, and help such entities to
13 coordinate early childhood education programs
14 with high-quality prekindergarten programs to
15 ensure effective and efficient delivery of early
16 childhood education program services;

17 (V) ensure that the provision of high-qual-
18 ity prekindergarten programs will not lead to a
19 diminution of services for infants and toddlers
20 or disrupt the care of infants and toddlers in
21 the geographic area served by the eligible local
22 entity, which may include demonstrating that
23 the State will direct funds to provide high-qual-
24 ity early childhood education and care to in-

1 fants and toddlers in accordance with section
2 117(d); and

3 (W) ensure that all high-quality prekindergarten
4 programs the State supports under this
5 Act will conduct criminal history background
6 checks that meet the requirements of subsection
7 (b) on employees and applicants for employment
8 with direct access to children; and

9 (3) an inventory of the State's higher education
10 programs that prepare individuals for work in a
11 high-quality prekindergarten program, including—

12 (A) certification programs;

13 (B) associate degree programs;

14 (C) baccalaureate degree programs;

15 (D) master's degree programs; and

16 (E) other programs that lead to a specialization
17 in early childhood education, or a related
18 field.

19 (b) CRIMINAL HISTORY BACKGROUND CHECKS.—

20 (1) IN GENERAL.—The criminal history background
21 checks required under subsection (a)(2)(W)
22 shall include—

23 (A) a search of the State criminal registry
24 or repository in the State in which the employee
25 resides and previously resided;

1 (B) a search of the State-based child abuse
2 and neglect registries and databases in the
3 State in which the employee resides and pre-
4 viously resided;

5 (C) a Federal Bureau of Investigation fin-
6 gerprint check using the Integrated Automated
7 Fingerprint Identification System; and

8 (D) a search of the National Sex Offender
9 Registry established under section 119 of the
10 Adam Walsh Child Protection and Safety Act of
11 2006 (42 U.S.C. 16919).

12 (2) PROHIBITION OF EMPLOYMENT.—To be eli-
13 gible to receive a grant under this subtitle, a State
14 shall prohibit an individual with direct access to chil-
15 dren from employment with a program supported
16 with grant funds under this subtitle if the individual
17 has been convicted of a violent felony or any violent
18 or sexual crime against a minor, as defined by the
19 State.

20 (3) UPDATED CHECKS.—To be eligible to re-
21 ceive a grant under this subtitle, each criminal his-
22 tory background check conducted on an employee as
23 required under subsection (a)(2)(W) shall be periodi-
24 cally repeated or updated in accordance with State
25 law.

1 (4) APPEAL PROCESS.—To be eligible to receive
2 a grant under this subtitle, a State shall provide an
3 individual with a timely process by which to—

4 (A) appeal the results of a criminal history
5 background check conducted under this section
6 to challenge the accuracy or completeness of the
7 information produced by such background
8 check; and

9 (B) seek appropriate relief for any final
10 employment decision based on materially inac-
11 curate or incomplete information produced by
12 such background check.

13 (c) DEVELOPMENT OF APPLICATION.—In developing
14 an application for a grant under this subtitle, a State shall
15 consult with the State Advisory Council on Early Child-
16 hood Education and Care and incorporate such Council's
17 recommendations, where applicable.

18 (d) CONSTRUCTION.—Nothing in this section shall be
19 construed to alter or otherwise affect the rights, remedies,
20 and procedures afforded school employees, local edu-
21 cational agency employees, and the employees of early
22 childhood education programs under Federal, State, or
23 local laws (including applicable regulations or court or-
24 ders) or under the terms of collective bargaining agree-

1 ments, memoranda of understanding, or other agreements
2 between such employees and their employers.

3 **SEC. 117. STATE USE OF FUNDS.**

4 (a) RESERVATION FOR QUALITY IMPROVEMENT AC-
5 TIVITIES.—

6 (1) IN GENERAL.—A State that receives a
7 grant under this subtitle may reserve for, not more
8 than the first 4 years such State receives such a
9 grant, not more than 20 percent of the grant funds
10 for quality improvement activities if such activities
11 support the elements of high-quality prekindergarten
12 programs. Such quality improvement activities may
13 include supporting teachers and principals in a
14 State’s high-quality prekindergarten program, li-
15 censed or regulated child care, or Head Start pro-
16 grams to enable such teachers to earn a bacca-
17 laureate degree in early childhood education, or
18 closely related field, through activities which may in-
19 clude—

20 (A) expanding or establishing scholarships,
21 counseling, and compensation initiatives to
22 cover the cost of tuition, fees, materials, trans-
23 portation, and release time for such teachers;
24 and

1 (B) providing ongoing professional develop-
2 ment opportunities, including regular in-class-
3 room observation by individuals trained in such
4 observation, for such teachers, principals, and
5 teachers assistants to enable such teachers,
6 principals, and teachers assistants to carry out
7 the elements of high-quality prekindergarten
8 programs, which may include activities that ad-
9 dress—

10 (i) promoting children’s development
11 across the essential domains of early learn-
12 ing and development;

13 (ii) developmentally appropriate teach-
14 er-child interaction;

15 (iii) effective family engagement;

16 (iv) providing culturally competent in-
17 struction;

18 (v) working with a diversity of chil-
19 dren and families, including children with
20 special needs and dual language learners;

21 (vi) childhood nutrition and physical
22 education programs; and

23 (vii) supporting the implementation of
24 evidence-based curricula.

1 (2) NOT SUBJECT TO MATCHING.—The amount
2 reserved under paragraph (1) shall not be subject to
3 the matching requirements under section 120.

4 (3) COORDINATION.—A State that reserves an
5 amount under paragraph (1) shall coordinate the
6 use of such amount with activities funded under sec-
7 tion 658G of the Child Care and Development Block
8 Grant Act of 1990 (42 U.S.C. 9858e) and the Head
9 Start Act (42 U.S.C. 9831 et seq.).

10 (4) CONSTRUCTION.—A State may not use
11 funds reserved under this subsection to meet the re-
12 quirement described in section 112(9)(G).

13 (b) SUBGRANTS FOR HIGH-QUALITY PREKINDER-
14 GARTEN PROGRAMS.—A State that receives a grant under
15 this subtitle shall award subgrants of sufficient size to eli-
16 gible local entities to enable such eligible local entities to
17 implement high-quality prekindergarten programs for chil-
18 dren who—

19 (1) are described in section 112(9)(A);

20 (2) reside within the State; and

21 (3) are from families with incomes at or below
22 200 percent of the poverty line.

23 (c) ADMINISTRATION.—A State that receives a grant
24 under this subtitle may reserve not more than 1 percent
25 of the grant funds for administration of the grant, and

1 may use part of that reservation for the maintenance of
2 the State Advisory Council on Early Childhood Education
3 and Care.

4 (d) EARLY CHILDHOOD EDUCATION AND CARE PRO-
5 GRAMS FOR INFANTS AND TODDLERS.—

6 (1) USE OF ALLOTMENT FOR INFANTS AND
7 TODDLERS.—An eligible State may apply to use, and
8 the appropriate Secretary may grant permission for
9 the State to use, not more than 15 percent of the
10 funds made available through a grant received under
11 this subtitle to award subgrants to early childhood
12 education programs to provide, consistent with the
13 State’s early learning and development guidelines for
14 infants and toddlers, high-quality early childhood
15 education and care to infants and toddlers who re-
16 side within the State and are from families with in-
17 comes at or below 200 percent of the poverty line.

18 (2) APPLICATION.—To be eligible to use the
19 grant funds as described in paragraph (1), the State
20 shall submit an application to the appropriate Sec-
21 retary at such time, in such manner, and containing
22 such information as the Secretary may require. Such
23 application shall, at a minimum, include a descrip-
24 tion of how the State will—

1 (A) designate a lead agency which shall ad-
2 minister such funds;

3 (B) ensure that such lead agency, in co-
4 ordination with the State's Advisory Council on
5 Early Childhood Education and Care, will col-
6 laborate with other agencies in administering
7 programs supported under this subsection for
8 infants and toddlers in order to obtain input
9 about the appropriate use of such funds and en-
10 sure coordination with programs for infants and
11 toddlers funded under the Child Care and De-
12 velopment Block Grant Act of 1990 (42 U.S.C.
13 9858 et seq.), the Head Start Act (42 U.S.C.
14 9831 et seq.) (including any Early Learning
15 Quality Partnerships established in the State
16 under section 645B of the Head Start Act, as
17 added by section 202), the Race to the Top and
18 Early Learning Challenge program under sec-
19 tion 14006 of Public Law 111-5 (123 Stat.
20 283), the maternal, infant, and early childhood
21 home visiting programs funded under section
22 511 of the Social Security Act (42 U.S.C. 711),
23 and part C of the Individuals with Disabilities
24 Education Act (20 U.S.C. 1431 et seq.);

1 (C) ensure that infants and toddlers who
2 benefit from amounts made available under this
3 subsection will transition to and have the oppor-
4 tunity to participate in a high-quality pre-
5 kindergarten program supported under this
6 subtitle;

7 (D) in awarding subgrants, give preference
8 to early childhood education programs that
9 have a plan to increase services to children with
10 special needs, including children with develop-
11 mental delays or disabilities, children who are
12 dual language learners, homeless children, chil-
13 dren who are in foster care, children of migrant
14 families, children eligible for free or reduced-
15 price lunch under the Richard B. Russell Na-
16 tional School Lunch Act (42 U.S.C. 1751 et
17 seq.), or children in the child welfare system;
18 and

19 (E) give priority to activities carried out
20 under this subsection that will increase access
21 to high-quality early childhood education pro-
22 grams for infants and toddlers in local areas
23 with significant concentrations of low-income
24 families that do not currently benefit from such
25 programs.

1 (3) ELIGIBLE PROVIDERS.—A State may use
2 the grant funds as described in paragraph (1) to
3 serve infants and toddlers only by working with
4 early childhood education program providers that—

5 (A) offer full-day, full-year care, or other-
6 wise meet the needs of working families; and

7 (B) meet high-quality standards, such as—

8 (i) Early Head Start program per-
9 formance standards under the Head Start
10 Act (42 U.S.C. 9831 et seq.); or

11 (ii) high-quality, demonstrated, valid,
12 and reliable program standards that have
13 been established through a national entity
14 that accredits early childhood education
15 programs.

16 (4) FEDERAL ADMINISTRATION.—

17 (A) IN GENERAL.—The Secretary of Edu-
18 cation shall bear responsibility for obligating
19 and disbursing funds to support activities under
20 this subsection and ensuring compliance with
21 applicable laws and administrative require-
22 ments, subject to paragraph (3).

23 (B) INTERAGENCY AGREEMENT.—The Sec-
24 retary of Education and the Secretary of
25 Health and Human Services shall jointly ad-

1 minister activities supported under this sub-
2 section on such terms as such Secretaries shall
3 set forth in an interagency agreement. The Sec-
4 retary of Health and Human Services shall be
5 responsible for any final approval of a State's
6 application under this subsection that addresses
7 the use of funds designated for services to in-
8 fants and toddlers.

9 (C) APPROPRIATE SECRETARY.—In this
10 subsection, the term “appropriate Secretary”
11 used with respect to a function, means the Sec-
12 retary designated for that function under the
13 interagency agreement.

14 **SEC. 118. ADDITIONAL PREKINDERGARTEN SERVICES.**

15 (a) PREKINDERGARTEN FOR 3-YEAR-OLDS.—Each
16 State that certifies to the Secretary that the State pro-
17 vides universally available, voluntary, high-quality pre-
18 kindergarten programs for 4-year-old children who reside
19 within the State and are from families with incomes at
20 or below 200 percent of the poverty line may use the
21 State's allocation under section 114(b) to provide high-
22 quality prekindergarten programs for 3-year-old children
23 who reside within the State and are from families with
24 incomes at or below 200 percent of the poverty line.

1 (b) SUBGRANTS.—In each State that has a city,
2 county, or local educational agency that provides univer-
3 sally available high-quality prekindergarten programs for
4 4-year-old children who reside within the State and are
5 from families with incomes at or below 200 percent of the
6 poverty line the State may use amounts from the State’s
7 allocation under section 114(b) to award subgrants to eli-
8 gible local entities to enable such eligible local entities to
9 provide high-quality prekindergarten programs for 3-year-
10 old children who are from families with incomes at or
11 below 200 percent of the poverty line and who reside in
12 such city, county or local educational agency.

13 **SEC. 119. PERFORMANCE MEASURES AND TARGETS.**

14 (a) IN GENERAL.—A State that receives a grant
15 under this subtitle shall develop, implement, and make
16 publicly available the performance measures and targets
17 for the activities carried out with grant funds. Such meas-
18 ures shall, at a minimum, track the State’s progress in—

19 (1) increasing school readiness across all do-
20 mains for all categories of children, as described in
21 section 123(b)(7), including children with disabilities
22 and dual language learners;

23 (2) narrowing school readiness gaps between
24 minority and nonminority children, and low-income

1 children and more advantaged children, in prepara-
2 tion for kindergarten entry;

3 (3) decreasing placement for children in ele-
4 mentary school in special education programs and
5 services as described in part B of the Individuals
6 with Disabilities Education Act (20 U.S.C. 1411 et
7 seq.);

8 (4) increasing the number of programs meeting
9 the criteria for high-quality prekindergarten pro-
10 grams, as defined by the State and in accordance
11 with section 112;

12 (5) decreasing the need for grade-to-grade re-
13 tention in elementary school;

14 (6) if applicable, ensuring that high-quality pre-
15 kindergarten programs do not experience instances
16 of chronic absence among the children who partici-
17 pate in such programs;

18 (7) increasing the number and percentage of
19 low-income children in high-quality early childhood
20 education programs that receive financial support
21 through funds provided under this subtitle; and

22 (8) providing high-quality nutrition services,
23 nutrition education, physical activity, and obesity
24 prevention programs.

1 (b) PROHIBITION OF MISDIAGNOSIS PRACTICES.—A
2 State shall not, in order to meet the performance meas-
3 ures and targets described in subsection (a), engage in
4 practices or policies that will lead to the misdiagnosis or
5 under-diagnosis of disabilities or developmental delays
6 among children who are served through programs sup-
7 ported under this subtitle.

8 **SEC. 120. MATCHING REQUIREMENTS.**

9 (a) MATCHING FUNDS.—

10 (1) IN GENERAL.—Except as provided in para-
11 graph (2), a State that receives a grant under this
12 subtitle shall provide matching funds from non-Fed-
13 eral sources, as described in subsection (c), in an
14 amount equal to—

15 (A) 10 percent of the Federal funds pro-
16 vided under the grant in the first year of grant
17 administration;

18 (B) 10 percent of the Federal funds pro-
19 vided under the grant in the second year of
20 grant administration;

21 (C) 20 percent of the Federal funds pro-
22 vided under the grant in the third year of grant
23 administration;

1 (D) 30 percent of the Federal funds pro-
2 vided under the grant in the fourth year of
3 grant administration;

4 (E) 40 percent of the Federal funds pro-
5 vided under the grant in the fifth year of grant
6 administration;

7 (F) 50 percent of the Federal funds pro-
8 vided under the grant in the sixth year of grant
9 administration;

10 (G) 75 percent of the Federal funds pro-
11 vided under the grant in the seventh year of
12 grant administration; and

13 (H) 100 percent of the Federal funds pro-
14 vided under the grant in the eighth and fol-
15 lowing years of grant administration.

16 (2) REDUCED MATCH RATE.—A State that
17 meets the requirements under subsection (b) may
18 provide matching funds from non-Federal sources at
19 a reduced rate. The full reduced matching funds
20 rate shall be in an amount equal to—

21 (A) 5 percent of the Federal funds pro-
22 vided under the grant in the first year of grant
23 administration;

1 (B) 5 percent of the Federal funds pro-
2 vided under the grant in the second year of
3 grant administration;

4 (C) 10 percent of the Federal funds pro-
5 vided under the grant in the third year of grant
6 administration;

7 (D) 20 percent of the Federal funds pro-
8 vided under the grant in the fourth year of
9 grant administration;

10 (E) 30 percent of the Federal funds pro-
11 vided under the grant in the fifth year of grant
12 administration;

13 (F) 40 percent of the Federal funds pro-
14 vided under the grant in the sixth year of grant
15 administration;

16 (G) 50 percent of the Federal funds pro-
17 vided under the grant in the seventh year of
18 grant administration;

19 (H) 75 percent of the Federal funds pro-
20 vided under the grant in the eighth year of
21 grant administration; and

22 (I) 100 percent of the Federal funds pro-
23 vided under the grant in the ninth and fol-
24 lowing years of the grant administration.

1 (b) REDUCED MATCH RATE ELIGIBILITY.—A State
2 that receives a grant under this subtitle may provide
3 matching funds from non-Federal sources at the full re-
4 duced rate under subsection (a)(2) if the State—

5 (1)(A) offers enrollment in high-quality pre-
6 kindergarten programs to not less than half of chil-
7 dren in the State who are—

8 (i) age 4 on the eligibility determination
9 date; and

10 (ii) from families with incomes at or below
11 200 percent of the poverty line; and

12 (B) has a plan for continuing to expand access
13 to high-quality prekindergarten programs for such
14 children in the State; and

15 (2) has a plan to expand access to high-quality
16 prekindergarten programs to children from moderate
17 income families whose income exceeds 200 percent of
18 the poverty line.

19 (c) NON-FEDERAL RESOURCES.—

20 (1) IN CASH.—A State shall provide the match-
21 ing funds under this section in cash.

22 (2) FUNDS TO BE CONSIDERED AS MATCHING
23 FUNDS.—A State may include, as part of the State’s
24 matching funds under this section, not more than 10
25 percent of the amount of State funds designated for

1 State prekindergarten programs or to supplement
2 Head Start programs under the Head Start Act (42
3 U.S.C. 9831 et seq.) as of the date of enactment of
4 this Act, but may not include any funds that are at-
5 tributed as matching funds, as part of a non-Federal
6 share, or as a maintenance of effort requirement, for
7 any other Federal program.

8 (d) MAINTENANCE OF EFFORT.—

9 (1) IN GENERAL.—If a State reduces its com-
10 bined fiscal effort per student or the aggregate ex-
11 penditures within the State to support early child-
12 hood education programs for any fiscal year that a
13 State receives a grant authorized under this subtitle
14 relative to the previous fiscal year, the Secretary
15 shall reduce support for such State under this sub-
16 title by the same amount as the decline in State and
17 local effort for such fiscal year.

18 (2) WAIVER.—The Secretary may waive the re-
19 quirements of paragraph (1) if—

20 (A) the Secretary determines that a waiver
21 would be appropriate due to a precipitous de-
22 cline in the financial resources of a State as a
23 result of unforeseen economic hardship or a
24 natural disaster that has necessitated across-

1 the-board reductions in State services, including
2 early childhood education programs; or

3 (B) due to the circumstances of a State re-
4 quiring reductions in specific programs, includ-
5 ing early childhood education, if the State pre-
6 sents to the Secretary a justification and dem-
7 onstration why other programs could not be re-
8 duced and how early childhood programs in the
9 State will not be disproportionately harmed by
10 such State action.

11 (e) SUPPLEMENT NOT SUPPLANT.—Grant funds re-
12 ceived under this title shall be used to supplement and
13 not supplant other Federal, State, and local public funds
14 expended on public prekindergarten programs in the
15 State.

16 **SEC. 121. ELIGIBLE LOCAL ENTITY APPLICATIONS.**

17 (a) IN GENERAL.—An eligible local entity desiring to
18 receive a subgrant under section 117(b) shall submit an
19 application to the State, at such time, in such manner,
20 and containing such information as the State may reason-
21 ably require.

22 (b) CONTENTS.—Each application submitted under
23 subsection (a) shall include the following:

24 (1) PARENT AND FAMILY ENGAGEMENT.—A de-
25 scription of how the eligible local entity plans to en-

1 gage the parents and families of the children such
2 entity serves and ensure that parents and families of
3 eligible children are aware of the services provided
4 by the eligible local entity, which shall include a plan
5 to—

6 (A) carry out meaningful parent and fam-
7 ily engagement, through the implementation
8 and replication of evidence-based or promising
9 practices and strategies, which shall be coordi-
10 nated with parent and family engagement strat-
11 egies supported under the Individuals with Dis-
12 abilities Education Act (20 U.S.C. 1400 et seq.)
13 and part A of title I and title V of the Elemen-
14 tary and Secondary Education Act of 1965 (20
15 U.S.C. 6311 et seq. and 7201 et seq.), if appli-
16 cable, to—

17 (i) provide parents and family mem-
18 bers with the skills and opportunities nec-
19 essary to become full partners in their chil-
20 dren’s education, particularly the families
21 of dual language learners and children
22 with disabilities;

23 (ii) improve child development; and

1 (iii) strengthen relationships among
2 prekindergarten staff and parents and
3 family members; and

4 (B) perform community outreach to en-
5 courage families with eligible children to partici-
6 pate in the eligible local entity's high-quality
7 prekindergarten program, including—

8 (i) homeless children;

9 (ii) dual language learners;

10 (iii) children in foster care;

11 (iv) children with disabilities; and

12 (v) migrant children.

13 (2) COORDINATION AND ALIGNMENT.—A de-
14 scription of how the eligible local entity will—

15 (A) coordinate, if applicable, the eligible
16 local entity's activities with—

17 (i) Head Start agencies (consistent
18 with section 642(e)(5) of the Head Start
19 Act (42 U.S.C. 9837(e)(5))), if the local
20 entity is not a Head Start agency;

21 (ii) local educational agencies, if the
22 eligible local entity is not a local edu-
23 cational agency;

1 (iii) providers of services under part C
2 of the Individuals with Disabilities Edu-
3 cation Act (20 U.S.C. 1431 et seq.);

4 (iv) programs carried out under sec-
5 tion 619 of the Individuals with Disabil-
6 ities Education Act (20 U.S.C. 1419); and

7 (v) if feasible, other entities carrying
8 out early childhood education programs
9 and services within the area served by the
10 local educational agency;

11 (B) if applicable, develop and implement a
12 systematic procedure for transferring, with pa-
13 rental consent, early childhood education pro-
14 gram records for each participating child to the
15 school in which such child will enroll in kinder-
16 garten;

17 (C) develop a plan to promote continuity of
18 developmentally appropriate instructional pro-
19 grams and shared expectations with local ele-
20 mentary schools for children's learning and de-
21 velopment as children transition to kinder-
22 garten;

23 (D) organize, if feasible, and participate in
24 joint training, when available, including transi-

1 tion-related training for school staff and early
2 childhood education program staff;

3 (E) establish comprehensive transition poli-
4 cies and procedures, with applicable elementary
5 schools and principals, for the children served
6 by the eligible local entity that support the
7 school readiness of children transitioning to kin-
8 dergarten;

9 (F) conduct outreach to parents, families,
10 and elementary school teachers and principals
11 to discuss the educational, developmental, and
12 other needs of children entering kindergarten;

13 (G) help parents, including parents of chil-
14 dren who are dual language learners, under-
15 stand and engage with the instructional and
16 other services provided by the kindergarten in
17 which such child will enroll after participation
18 in a high-quality prekindergarten program; and

19 (H) develop and implement a system to in-
20 crease program participation of underserved
21 populations of eligible children, especially home-
22 less children, children eligible for a free or re-
23 duced-price lunch under the Richard B. Russell
24 National School Lunch Act (42 U.S.C. 1751 et
25 seq.), parents of children who are dual language

1 learners, and parents of children with disabil-
2 ities.

3 (3) PROTECTIONS FOR SPECIAL POPU-
4 LATIONS.—A description of how the eligible local en-
5 tity will meet the diverse needs of children in the
6 community to be served, including children with dis-
7 abilities, children whose native language is not
8 English, children with other special needs, children
9 in the State foster care system, and homeless chil-
10 dren. Such description shall demonstrate, at a min-
11 imum, how the entity plans to—

12 (A) ensure the eligible local entity’s high-
13 quality prekindergarten program is accessible
14 and appropriate for children with disabilities
15 and dual language learners;

16 (B) establish effective procedures for pro-
17 viding necessary early intervening services to
18 children with disabilities prior to an eligibility
19 determination by the State or local agency re-
20 sponsible for providing services under section
21 619 or part C of the Individuals with Disabil-
22 ities Education Act (20 U.S.C. 1419 and 1431
23 et seq.);

24 (C) establish effective procedures for time-
25 ly referral of children with disabilities to the

1 State or local agency described in subparagraph
2 (B);

3 (D) ensure that the eligible local entity's
4 high-quality prekindergarten program works
5 with appropriate entities to address the elimi-
6 nation of barriers to immediate and continuous
7 enrollment for homeless children; and

8 (E) ensure access to and continuity of en-
9 rollment in high-quality prekindergarten pro-
10 grams for migratory children, if applicable, and
11 homeless children, including through policies
12 and procedures that require—

13 (i) outreach to identify migratory chil-
14 dren and homeless children;

15 (ii) immediate enrollment, including
16 enrollment during the period of time when
17 documents typically required for enroll-
18 ment, including health and immunization
19 records, proof of eligibility, and other docu-
20 ments, are obtained;

21 (iii) continuous enrollment and par-
22 ticipation in the same high-quality pre-
23 kindergarten program for a child, even if
24 the child moves out of the program's serv-
25 ice area, if that enrollment and participa-

1 tion are in the child’s best interest, includ-
2 ing by providing transportation when nec-
3 essary;

4 (iv) professional development for high-
5 quality prekindergarten program staff re-
6 garding migratory children and homeless-
7 ness among families with young children;
8 and

9 (v) in serving homeless children, col-
10 laboration with local educational agency li-
11 aisons designated under section
12 722(g)(1)(J)(ii) of the McKinney-Vento
13 Homeless Assistance Act (42 U.S.C.
14 11432(g)(1)(J)(ii)), and local homeless
15 service providers.

16 (4) ACCESSIBLE COMPREHENSIVE SERVICES.—

17 A description of how the eligible local entity plans to
18 provide accessible comprehensive services, described
19 in section 112(9)(I), to the children the eligible local
20 entity serves. Such description shall provide informa-
21 tion on how the entity will—

22 (A) conduct a data-driven community as-
23 sessment in coordination with members of the
24 community, including parents and community

1 organizations, or use a recently conducted data-
2 driven assessment, which—

3 (i) may involve an external partner
4 with expertise in conducting such needs
5 analysis, to determine the most appro-
6 priate social or other support services to
7 offer through the eligible local entity's on-
8 site comprehensive services to children who
9 participate in high-quality prekindergarten
10 programs; and

11 (ii) shall consider the resources avail-
12 able at the school, local educational agen-
13 cy, and community levels to address the
14 needs of the community and improve child
15 outcomes; and

16 (B) have a coordinated system to facilitate
17 the screening, referral, and provision of services
18 related to health, nutrition, mental health, dis-
19 ability, and family support for children served
20 by the eligible local entity.

21 (5) WORKFORCE.—A description of how the eli-
22 gible local entity plans to support the instructional
23 staff of such entity's high-quality prekindergarten
24 program, which shall, at a minimum, include a plan
25 to provide high-quality professional development, or

1 facilitate the provision of high-quality professional
2 development through an external partner with exper-
3 tise and a demonstrated track record of success,
4 based on scientifically valid research, that will im-
5 prove the knowledge and skills of high-quality pre-
6 kindergarten teachers and staff through activities,
7 which may include—

8 (A) acquiring content knowledge and learn-
9 ing teaching strategies needed to provide effec-
10 tive instruction that addresses the State’s early
11 learning and development standards described
12 under section 115(1);

13 (B) enabling high-quality prekindergarten
14 teachers and staff to pursue specialized training
15 in early childhood development;

16 (C) enabling high-quality prekindergarten
17 teachers and staff to acquire the knowledge and
18 skills to provide instruction and appropriate
19 language and support services to increase the
20 English language skills of dual language learn-
21 ers;

22 (D) enabling high-quality prekindergarten
23 teachers and staff to acquire the knowledge and
24 skills to provide developmentally appropriate in-
25 struction for children with disabilities;

1 (E) promoting classroom management;

2 (F) providing high-quality induction and
3 support for incoming high-quality prekindergarten
4 teachers and staff in high-quality pre-
5 kindergarten programs, including through the
6 use of mentoring programs that have a dem-
7 onstrated track record of success;

8 (G) promoting the acquisition of relevant
9 credentials, including in ways that support ca-
10 reer advancement through career ladders; and

11 (H) enabling high-quality prekindergarten
12 teachers and staff to acquire the knowledge and
13 skills to provide culturally competent instruc-
14 tion for children from diverse backgrounds.

15 **SEC. 122. REQUIRED SUBGRANT ACTIVITIES.**

16 (a) IN GENERAL.—An eligible local entity that re-
17 ceives a subgrant under section 117(b) shall use subgrant
18 funds to implement the elements of a high-quality pre-
19 kindergarten program for the children described in section
20 117(b).

21 (b) COORDINATION.—

22 (1) LOCAL EDUCATIONAL AGENCY PARTNER-
23 SHIPS WITH LOCAL EARLY CHILDHOOD EDUCATION
24 PROGRAMS.—A local educational agency that re-
25 ceives a subgrant under this subtitle shall provide an

1 assurance that the local educational agency will
2 enter into strong partnerships with local early child-
3 hood education programs, including programs sup-
4 ported through the Head Start Act (42 U.S.C. 9831
5 et seq.).

6 (2) ELIGIBLE LOCAL ENTITIES THAT ARE NOT
7 LOCAL EDUCATIONAL AGENCIES.—An eligible local
8 entity that is not a local educational agency that re-
9 ceives a subgrant under this subtitle shall provide an
10 assurance that such entity will enter into strong
11 partnerships with local educational agencies.

12 **SEC. 123. REPORT AND EVALUATION.**

13 (a) IN GENERAL.—Each State that receives a grant
14 under this subtitle shall prepare an annual report, in such
15 manner and containing such information as the Secretary
16 may reasonably require.

17 (b) CONTENTS.—A report prepared under subsection
18 (a) shall contain, at a minimum—

19 (1) a description of the manner in which the
20 State has used the funds made available through the
21 grant and a report of the expenditures made with
22 the funds;

23 (2) a summary of the State's progress toward
24 providing access to high-quality prekindergarten pro-
25 grams for children eligible for such services, as de-

1 terminated by the State, from families with incomes at
2 or below 200 percent of the poverty line, including
3 the percentage of funds spent on children from fami-
4 lies with incomes—

5 (A) at or below 100 percent of the poverty
6 line;

7 (B) at or below between 101 and 150 per-
8 cent of the poverty line; and

9 (C) at or below between 151 and 200 per-
10 cent of the poverty line;

11 (3) an evaluation of the State’s progress toward
12 achieving the State’s performance targets, described
13 in section 119;

14 (4) data on the number of high-quality pre-
15 kindergarten program teachers and staff in the
16 State (including teacher turnover rates and teacher
17 compensation levels compared to teachers in elemen-
18 tary schools and secondary schools), according to the
19 setting in which such teachers and staff work (which
20 settings shall include, at a minimum, Head Start
21 programs, public prekindergarten, and child care
22 programs) who received training or education during
23 the period of the grant and remained in the early
24 childhood education program field;

1 (5) data on the kindergarten readiness of chil-
2 dren in the State;

3 (6) a description of the State's progress in over-
4 coming barriers to the effective use of Federal,
5 State, and local public funds and private funds, for
6 early childhood education;

7 (7) the number and percentage of children in
8 the State participating in high-quality prekind-
9 ergarten programs, disaggregated by race, ethnicity,
10 family income, child age, disability, whether the chil-
11 dren are homeless children, and whether the children
12 are dual language learners;

13 (8) data on the availability, affordability, and
14 quality of infant and toddler care in the State;

15 (9) the number of operational minutes per week
16 and per year for each eligible local entity that re-
17 ceives a subgrant;

18 (10) the local educational agency and ZIP code
19 in which each eligible local entity that receives a
20 subgrant operates;

21 (11) information, for each of the local edu-
22 cational agencies described in paragraph (10), on
23 the percentage of the costs of the public early child-
24 hood education programs that is funded from Fed-

1 eral, from State, and from local sources, including
2 the percentages from specific funding programs;

3 (12) data on the number and percentage of
4 children in the State participating in public kinder-
5 garten programs, disaggregated by race, family in-
6 come, child age, disability, whether the children are
7 homeless children, and whether the children are dual
8 language learners, with information on whether such
9 programs are offered—

10 (A) for a full-day; and

11 (B) at no cost to families; and

12 (13) data on the number of individuals in the
13 State who are supported with scholarships, if appli-
14 cable, to meet the baccalaureate degree requirement
15 for high-quality prekindergarten programs, as de-
16 fined in section 112.

17 (c) SUBMISSION.—A State shall submit the annual
18 report prepared under subsection (a), at the end of each
19 fiscal year, to the Secretary, the Secretary of Health and
20 Human Services, and the State Advisory Council on Early
21 Childhood Education and Care.

22 (d) COOPERATION.—An eligible local entity that re-
23 ceives a subgrant under this subtitle shall cooperate with
24 all Federal and State efforts to evaluate the effectiveness
25 of the program the entity implements with subgrant funds.

1 (e) NATIONAL REPORT.—The Secretary shall compile
2 and summarize the annual State reports described under
3 subsection (c) and shall prepare and submit an annual re-
4 port to Congress that includes a summary of such State
5 reports.

6 **SEC. 124. PROHIBITION OF REQUIRED PARTICIPATION OR**
7 **USE OF FUNDS FOR ASSESSMENTS.**

8 (a) PROHIBITION ON REQUIRED PARTICIPATION.—A
9 State receiving a grant under this subtitle shall not re-
10 quire any child to participate in any Federal, State, local,
11 or private early childhood education program, including a
12 high-quality prekindergarten program.

13 (b) PROHIBITION ON USE OF FUNDS FOR ASSESS-
14 MENT.—A State receiving a grant under this subtitle and
15 an eligible local entity receiving a subgrant under this sub-
16 title shall not use any grant or subgrant funds to carry
17 out any of the following activities:

18 (1) An assessment that provides rewards or
19 sanctions for individual children, teachers, or prin-
20 cipals.

21 (2) An assessment that is used as the primary
22 or sole method for assessing program effectiveness.

23 (3) Evaluating children, other than for the pur-
24 poses of—

- 1 (A) improving instruction or the classroom
2 environment;
- 3 (B) targeting professional development;
- 4 (C) determining the need for health, men-
5 tal health, disability, or family support services;
- 6 (D) program evaluation for the purposes of
7 program improvement and parent information;
8 and
- 9 (E) improving parent and family engage-
10 ment.

11 **SEC. 125. COORDINATION WITH HEAD START PROGRAMS.**

12 (a) INCREASED ACCESS FOR YOUNGER CHILDREN.—
13 Not later than 1 year after the date of enactment of this
14 Act, the Secretary and the Secretary of Health and
15 Human Services shall develop a process—

16 (1) for use in the event that Head Start pro-
17 grams funded under the Head Start Act (42 U.S.C.
18 9831 et seq.) operate in States or regions that have
19 achieved sustained universal, voluntary access to 4-
20 year-old children who reside within the State and
21 who are from families with incomes at or below 200
22 percent of the poverty line to high-quality prekindergarten programs; and

23
24 (2) for how such Head Start programs will
25 begin converting slots for children who are age 4 on

1 the eligibility determination date to children who are
2 age 3 on the eligibility determination date, or, when
3 appropriate, converting Head Start programs into
4 Early Head Start programs to serve infants and tod-
5 dlers.

6 (b) **COMMUNITY NEED AND RESOURCES.**—The proc-
7 ess described in subsection (a) shall—

8 (1) be carried out on a case-by-case basis and
9 shall ensure that sufficient resources and time are
10 allocated for the development of such a process so
11 that no child or cohort is excluded from currently
12 available services; and

13 (2) ensure that any conversion shall be based
14 on community need and not on the aggregate num-
15 ber of children served in a State or region that has
16 achieved sustained, universal, voluntary access to
17 high-quality prekindergarten programs.

18 (c) **PUBLIC COMMENT AND NOTICE.**—Not fewer than
19 90 days after the development of the proposed process de-
20 scribed in subsection (a), the Secretary and the Secretary
21 of Health and Human Services shall publish a notice de-
22 scribing such proposed process for conversion in the Fed-
23 eral Register providing at least 90 days for public com-
24 ment. The Secretaries shall review and consider public

1 comments prior to finalizing the process for conversion of
2 Head Start slots and programs.

3 (d) REPORTS TO CONGRESS.—Concurrently with
4 publishing a notice in the Federal Register as described
5 in subsection (c), the Secretaries shall provide a report
6 to the Committee on Education and the Workforce of the
7 House of Representatives and the Committee on Health,
8 Education, Labor, and Pensions of the Senate that pro-
9 vides a detailed description of the proposed process de-
10 scribed in subsection (a), including a description of the
11 degree to which Head Start programs are providing State-
12 funded high-quality prekindergarten programs as a result
13 of the grant opportunity provided under this subtitle in
14 States where Head Start programs are eligible for conver-
15 sion described in subsection (a).

16 **SEC. 126. TECHNICAL ASSISTANCE IN PROGRAM ADMINIS-**
17 **TRATION.**

18 In providing technical assistance to carry out activi-
19 ties under this title, the Secretary shall coordinate that
20 technical assistance, in appropriate cases, with technical
21 assistance provided by the Secretary of Health and
22 Human Services to carry out the programs authorized
23 under the Head Start Act (42 U.S.C. 9831 et seq.), the
24 Child Care and Development Block Grant Act of 1990 (42
25 U.S.C. 9858 et seq.), and the maternal, infant and early

1 childhood home visiting programs assisted under section
2 511 of the Social Security Act (42 U.S.C. 711).

3 **SEC. 127. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated to carry out
5 this subtitle—

6 (1) \$1,300,000,000 for fiscal year 2018;

7 (2) \$3,250,000,000 for fiscal year 2019;

8 (3) \$5,780,000,000 for fiscal year 2020;

9 (4) \$7,580,000,000 for fiscal year 2021;

10 (5) \$8,960,000,000 for fiscal year 2022; and

11 (6) such sums as may be necessary for each of
12 fiscal years 2023 through 2027.

13 **Subtitle B—Prekindergarten**
14 **Development Grants**

15 **SEC. 151. PREKINDERGARTEN DEVELOPMENT GRANTS.**

16 (a) IN GENERAL.—From the amounts appropriated
17 under subsection (f), the Secretary of Education, in con-
18 sultation with the Secretary of Health and Human Serv-
19 ices, shall award competitive grants to States that wish
20 to increase the capacity and build the infrastructure with-
21 in the State to offer high-quality prekindergarten pro-
22 grams.

23 (b) ELIGIBILITY.—A State that is not receiving funds
24 under section 115 may compete for grant funds under this
25 subtitle if the State provides an assurance that the State

1 will, through the support of grant funds awarded under
2 this subtitle, meet the eligibility requirements of section
3 115 not later than 3 years after the date the State first
4 receives grant funds under this subtitle.

5 (c) GRANTS.—

6 (1) DURATION.—The Secretary shall award
7 grants to States under this subtitle for a period of
8 not more than 3 years and such grants shall not be
9 renewed.

10 (2) AUTHORITY TO SUBGRANT.—

11 (A) IN GENERAL.—A State receiving a
12 grant under this subtitle may use the grant
13 funds to make subgrants to eligible local enti-
14 ties (defined in section 112(7)) to carry out ac-
15 tivities under the grant.

16 (B) ELIGIBLE LOCAL ENTITIES.—An eligi-
17 ble local entity receiving a subgrant under sub-
18 paragraph (A) shall comply with the require-
19 ments for States receiving a grant under this
20 subtitle, as appropriate.

21 (d) APPLICATION.—

22 (1) IN GENERAL.—A Governor of a State that
23 desires to receive a grant under this subtitle shall
24 submit an application to the Secretary of Education
25 at such time, in such manner, and accompanied by

1 such information as the Secretary may reasonably
2 require, including a description of how the State
3 plans to become eligible for grants under section 115
4 by not later than 3 years after the date the State
5 first receives grant funds under this subtitle.

6 (2) DEVELOPMENT OF APPLICATION.—In devel-
7 oping an application for a grant under this subtitle,
8 a Governor of a State shall consult with the State
9 Advisory Council on Early Childhood Education and
10 Care, and incorporate their recommendations, where
11 applicable.

12 (e) MATCHING REQUIREMENT.—

13 (1) IN GENERAL.—To be eligible to receive a
14 grant under this subtitle, a State shall contribute for
15 the activities for which the grant was awarded non-
16 Federal matching funds in an amount equal to not
17 less than 20 percent of the amount of the grant.

18 (2) NON-FEDERAL FUNDS.—To satisfy the re-
19 quirement of paragraph (1), a State may use—

20 (A) cash; or

21 (B) an in-kind contribution.

22 (3) FINANCIAL HARDSHIP WAIVER.—The Sec-
23 retary may waive paragraph (1) or reduce the
24 amount of matching funds required under that para-
25 graph for a State that has submitted an application

1 for a grant under this subtitle if the State dem-
2 onstrates, in the application, a need for such a waiv-
3 er or reduction due to extreme financial hardship, as
4 determined by the Secretary of Education.

5 (f) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to carry out this sub-
7 title—

8 (1) \$750,000,000 for fiscal year 2018; and

9 (2) such sums as may be necessary for each of
10 fiscal years 2019 through 2027.

11 **TITLE II—YOUTH PROMISE/FED-**
12 **ERAL COORDINATION OF**
13 **LOCAL AND TRIBAL JUVE-**
14 **NILE JUSTICE INFORMATION**
15 **AND EFFORTS**

16 **SEC. 201. PROMISE ADVISORY PANEL.**

17 (a) ORGANIZATION OF STATE ADVISORY GROUP
18 MEMBER REPRESENTATIVES.—Section 223(f) of the Ju-
19 venile Justice and Delinquency Prevention Act of 1974
20 (42 U.S.C. 5633(f)) is amended—

21 (1) in paragraph (1), by striking “an eligible
22 organization composed of member representatives of
23 the State advisory groups appointed under sub-
24 section (a)(3)” and inserting “a nonpartisan, non-
25 profit organization that is described in section

1 501(c)(3) of the Internal Revenue Code of 1986,”;
2 and

3 (2) by amending paragraph (2) to read as fol-
4 lows:

5 “(2) ASSISTANCE.—To be eligible to receive
6 such assistance, such organization shall—

7 “(A) be governed by individuals who—

8 “(i) have been appointed by a chief
9 executive of a State to serve as a State ad-
10 visory group member under subsection
11 (a)(3); and

12 “(ii) are elected to serve as a gov-
13 erning officer of such organization by a
14 majority of the Chairs (or Chair-designees)
15 of all such State advisory groups;

16 “(B) include member representatives from
17 a majority of such State advisory groups, who
18 shall be representative of regionally and demo-
19 graphically diverse States and jurisdictions;

20 “(C) annually seek appointments by the
21 chief executive of each State of one State advi-
22 sory group member and one alternate State ad-
23 visory group member from each such State to
24 implement the advisory functions specified in
25 clauses (iv) and (v) of subparagraph (D), in-

1 including serving on the PROMISE Advisory
2 Panel, and make a record of any such appoint-
3 ments available to the public; and

4 “(D) agree to carry out activities that in-
5 clude—

6 “(i) conducting an annual conference
7 of such member representatives for pur-
8 poses relating to the activities of such
9 State advisory groups;

10 “(ii) disseminating information, data,
11 standards, advanced techniques, and pro-
12 gram models;

13 “(iii) reviewing Federal policies re-
14 garding juvenile justice and delinquency
15 prevention;

16 “(iv) advising the Administrator with
17 respect to particular functions or aspects
18 of the work of the Office, and appointing
19 a representative, diverse group of members
20 of such organization under subparagraph
21 (C) to serve as an advisory panel of State
22 juvenile justice advisors (referred to as the
23 ‘PROMISE Advisory Panel’) to carry out
24 the functions specified in subsection (g);
25 and

1 “(v) advising the President and Con-
2 gress with regard to State perspectives on
3 the operation of the Office and Federal
4 legislation pertaining to juvenile justice
5 and delinquency prevention.”.

6 (b) PROMISE ADVISORY PANEL.—Section 223 of
7 the Juvenile Justice and Delinquency Prevention Act of
8 1974 (42 U.S.C. 5633) is further amended by adding at
9 the end the following new subsection:

10 “(g) PROMISE ADVISORY PANEL.—

11 “(1) FUNCTIONS.—The PROMISE Advisory
12 Panel required under subsection (f)(2)(D) shall—

13 “(A) assess successful evidence-based and
14 promising practices related to juvenile delin-
15 quency and criminal street gang activity preven-
16 tion and intervention carried out by PROMISE
17 Coordinating Councils under section 511 of title
18 V of division A of the Pathways Out of Poverty
19 Act of 2017;

20 “(B) provide the Administrator with a list
21 of individuals and organizations with experience
22 in administering or evaluating practices that
23 serve youth involved in, or at risk of involve-
24 ment in, juvenile delinquency and criminal

1 street gang activity, from which the Adminis-
2 trator shall select individuals who shall—

3 “(i) provide to the Administrator peer
4 reviews of applications submitted by units
5 of local government and Indian tribes pur-
6 suant to title V of division A of the Path-
7 ways Out of Poverty Act of 2017, to en-
8 sure that such applications demonstrate a
9 clear plan to—

10 “(I) serve youth as part of an en-
11 tire family unit; and

12 “(II) coordinate the delivery of
13 service to youth among agencies; and

14 “(ii) advise the Administrator with re-
15 spect to the award and allocation of
16 PROMISE Planning grants to local and
17 tribal governments that develop PROMISE
18 Coordinating Councils, and of PROMISE
19 Implementation grants to such PROMISE
20 Coordinating Councils, pursuant to title V
21 of division A of the Pathways Out of Pov-
22 erty Act of 2017; and

23 “(C) develop performance standards to be
24 used to evaluate programs and activities carried
25 out with grants under title V of division A of

1 the Pathways Out of Poverty Act of 2017, in-
2 cluding the evaluation of changes achieved as a
3 result of such programs and activities related to
4 decreases in juvenile delinquency and criminal
5 street gang activity, including—

6 “(i) prevention of involvement by at-
7 risk youth in juvenile delinquency or crimi-
8 nal street gang activity;

9 “(ii) diversion of youth with a high
10 risk of continuing involvement in juvenile
11 delinquency or criminal street gang activ-
12 ity; and

13 “(iii) financial savings from deferred
14 or eliminated costs, or other benefits, as a
15 result of such programs and activities, and
16 the reinvestment by the unit or tribe of
17 any such savings.

18 “(2) ANNUAL REPORT.—Not later than 18
19 months after the date of the effective date of this
20 subsection, and annually thereafter, the PROMISE
21 Advisory Panel shall prepare a report containing the
22 findings and determinations under paragraph (1)(A)
23 and shall submit such report to Congress, the Presi-
24 dent, the Attorney General, and the chief executive

1 and chief law enforcement officer of each State, unit
2 of local government, and Indian tribe.”.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
4 299(a)(1) of the Juvenile Justice and Delinquency Preven-
5 tion Act of 1974 (42 U.S.C. 5671(a)(1)) is amended to
6 read as follows:

7 “(1) There are authorized to be appropriated
8 such sums as may be necessary to carry out this
9 title for each of the fiscal years 2015 through
10 2017.”.

11 **SEC. 202. GEOGRAPHIC ASSESSMENT OF RESOURCE ALLO-**
12 **CATION.**

13 (a) GRANT FOR COLLECTION OF DATA TO DETER-
14 MINE NEED.—Subject to the availability of appropria-
15 tions, the Administrator of the Office of Juvenile Justice
16 and Delinquency Prevention shall award a grant, on a
17 competitive basis, to an organization to—

18 (1) collect and analyze data related to the exist-
19 ing juvenile delinquency and criminal street gang ac-
20 tivity prevention and intervention needs and re-
21 sources in each designated geographic area;

22 (2) use the data collected and analyzed under
23 paragraph (1) to compile a list of designated geo-
24 graphic areas that have the most need of resources,
25 based on such data, to carry out juvenile delin-

1 quency and criminal street gang activity prevention
2 and intervention;

3 (3) use the data collected and analyzed under
4 paragraph (1) to rank the areas listed under para-
5 graph (2) in descending order by the amount of need
6 for resources to carry out juvenile delinquency and
7 criminal street gang activity prevention and inter-
8 vention, ranking the area with the greatest need for
9 such resources highest; and

10 (4) periodically update the list and rankings
11 under paragraph (3) as the Administrator deter-
12 mines to be appropriate.

13 (b) DATA SOURCES.—In compiling such list and de-
14 termining such rankings, the organization shall collect and
15 analyze data relating to juvenile delinquency and criminal
16 street gang activity prevention and intervention—

17 (1) using the geographic information system
18 and Web-based mapping application known as the
19 Socioeconomic Mapping and Resource Topography
20 (SMART) system;

21 (2) from the Department of Health and Human
22 Services, the Department of Labor, the Department
23 of Housing and Urban Development, and the De-
24 partment of Education; and

1 (3) from the annual KIDS Count Data Book
2 and other data made available by the KIDS Count
3 initiative of the Annie E. Casey Foundation.

4 (c) USE OF DATA BY THE ADMINISTRATOR.—The list
5 and rankings required by this section shall be provided
6 to the Administrator to be used to provide funds under
7 this section in the most strategic and effective manner to
8 ensure that resources and services are provided to youth
9 in the communities with the greatest need for such re-
10 sources and services.

11 (d) LIMITATION ON USE OF COLLECTED DATA.—
12 The information collected and analyzed under this section
13 may not be used for any purpose other than to carry out
14 the purposes of this section. Such information may not
15 be used for any purpose related to the investigation or
16 prosecution of any person, or for profiling of individuals
17 based on race, ethnicity, socio-economic status, or any
18 other characteristic.

19 (e) AUTHORIZATION AND LIMITATION OF APPRO-
20 PRIATIONS.—Of the amount appropriated for fiscal year
21 2018 to carry out this section and subtitle A of title V
22 of this Act, not more than 1 percent of such amount, or
23 \$1,000,000, whichever is less, shall be available to carry
24 out this section.

1 **TITLE III—PROMISE GRANTS**

2 **SEC. 301. PURPOSES.**

3 The purposes of the grant programs established
4 under this title are to—

5 (1) enable local and tribal communities to as-
6 sess the unmet needs of youth who are involved in,
7 or are at risk of involvement in, juvenile delinquency
8 or criminal street gangs;

9 (2) develop plans appropriate for a community
10 to address those unmet needs with juvenile delin-
11 quency and gang prevention and intervention prac-
12 tices; and

13 (3) implement and evaluate such plans in a
14 manner consistent with this title.

15 **SEC. 302. DEFINITIONS.**

16 In this title:

17 (1) ADMINISTRATOR.—The term “Adminis-
18 trator” means the Administrator of the Office of Ju-
19 venile Justice and Delinquency Prevention.

20 (2) COMMUNITY.—The term “community”
21 means a unit of local government or an Indian tribe,
22 or part of such a unit or tribe, as determined by
23 such a unit or tribe for the purpose of applying for
24 a grant under this title.

1 (3) DESIGNATED GEOGRAPHIC AREA.—The
2 term “designated geographic area” means a 5-digit
3 postal ZIP Code assigned to a geographic area by
4 the United States Postal Service.

5 (4) EVIDENCE-BASED.—

6 (A) IN GENERAL.—The term “evidence-
7 based”, when used with respect to a practice re-
8 lating to juvenile delinquency and criminal
9 street gang activity prevention and intervention,
10 means a practice (including a service, program,
11 activity, intervention, technology, or strategy)
12 for which the Administrator has determined—

13 (i) causal evidence documents a rela-
14 tionship between the practice and its in-
15 tended outcome, based on measures of the
16 direction and size of a change, and the ex-
17 tent to which a change may be attributed
18 to the practice; and

19 (ii) the use of scientific methods rules
20 out, to the extent possible, alternative ex-
21 planations for the documented change.

22 (B) SCIENTIFIC METHODS.—For the pur-
23 poses of subparagraph (A), the term “scientific
24 methods” means—

1 (i) evaluation by an experimental trial,
2 in which participants are randomly as-
3 signed to participate in the practice that is
4 subject to such trial; or

5 (ii) evaluation by a quasi-experimental
6 trial, in which the outcomes for partici-
7 pants are compared with outcomes for a
8 control group that is made up of individ-
9 uals who are similar to such participants.

10 (5) INTERVENTION.—The term “intervention”
11 means the provision of programs and services that
12 are supported by research, are evidence-based or
13 promising practices, and are provided to youth who
14 are involved in, or who are identified by evidence-
15 based risk assessment methods as being at high risk
16 of continued involvement in, juvenile delinquency or
17 criminal street gangs, as a result of indications that
18 demonstrate involvement with problems such as tru-
19 ancy, substance abuse, mental health treatment
20 needs, or siblings who have had involvement with ju-
21 venile or criminal justice systems.

22 (6) JUVENILE DELINQUENCY AND CRIMINAL
23 STREET GANG ACTIVITY PREVENTION.—The term
24 “juvenile delinquency and criminal street gang activ-
25 ity prevention” means the provision of programs and

1 resources to children and families who have not yet
2 had substantial contact with criminal justice or juve-
3 nile justice systems, that—

4 (A) are designed to reduce potential juve-
5 nile delinquency and criminal street gang activ-
6 ity risks; and

7 (B) are evidence-based or promising edu-
8 cational, health, mental health, school-based,
9 community-based, faith-based, parenting, job
10 training, social opportunities and experiences,
11 or other programs, for youth and their families,
12 that have been demonstrated to be effective in
13 reducing juvenile delinquency and criminal
14 street gang activity risks.

15 (7) PROMISING.—The term “promising”, when
16 used with respect to a practice relating to juvenile
17 delinquency and criminal street gang activity preven-
18 tion and intervention, means a practice (including a
19 service, program, activity, intervention, technology,
20 or strategy) that, based on statistical analyses or a
21 theory of change, the Administrator has deter-
22 mined—

23 (A) has outcomes from an evaluation that
24 demonstrate such practice reduces juvenile de-
25 linquency and criminal street gang activity; and

1 (B) is part of a study being conducted to
2 determine if such a practice is evidence-based.

3 (8) STATE.—The term “State” means each of
4 the several States, the District of Columbia, the
5 Commonwealth of Puerto Rico, the United States
6 Virgin Islands, American Samoa, Guam, the North-
7 ern Mariana Islands, and any other territories or
8 possessions of the United States.

9 (9) THEORY OF CHANGE.—The term “theory of
10 change” means a program planning strategy ap-
11 proved by the Administrator that outlines the types
12 of interventions and outcomes essential to achieving
13 a set of program goals.

14 (10) YOUTH.—The term “youth” means—

15 (A) an individual who is 18 years of age or
16 younger; or

17 (B) in any State in which the maximum
18 age at which the juvenile justice system of such
19 State has jurisdiction over individuals exceeds
20 18 years of age, an individual who is such max-
21 imum age or younger.

1 **Subtitle A—PROMISE Assessment**
2 **and Planning Grants**

3 **SEC. 310. PROMISE ASSESSMENT AND PLANNING GRANTS**

4 **AUTHORIZED.**

5 (a) GRANTS AUTHORIZED.—The Administrator is
6 authorized to award grants to units of local government
7 and Indian tribes to assist PROMISE Coordinating Coun-
8 cils with planning and assessing evidence-based and prom-
9 ising practices relating to juvenile delinquency and crimi-
10 nal street gang activity prevention and intervention, espe-
11 cially for youth who are involved in, or who are at risk
12 of involvement in, juvenile delinquency and criminal street
13 gang activity. Such PROMISE Coordinating Councils
14 shall—

15 (1) conduct an objective needs and strengths
16 assessment in accordance with section 512; and

17 (2) develop a PROMISE Plan in accordance
18 with section 513, based on the assessment conducted
19 in accordance with section 512.

20 (b) GRANT DURATION, AMOUNT, AND ALLOCA-
21 TION.—

22 (1) DURATION.—A grant awarded under this
23 section shall be for a period not to exceed one year.

1 (2) MAXIMUM GRANT AMOUNT.—A grant
2 awarded under this section shall not exceed
3 \$300,000.

4 (c) ALLOCATION.—

5 (1) MINIMUM ALLOCATION.—Subject to the
6 availability of appropriations, the Administrator
7 shall ensure that the total funds allocated under this
8 section to units of local governments and Indian
9 tribes in a State shall not be less than \$1,000,000.

10 (2) RATABLE REDUCTION.—If the amount
11 made available for grants under this section for any
12 fiscal year is less than the amount required to pro-
13 vide the minimum allocation of funds under para-
14 graph (1) to units of local government and Indian
15 tribes in each State, then the amount of such min-
16 imum allocation shall be ratably reduced.

17 **SEC. 311. PROMISE COORDINATING COUNCILS.**

18 To be eligible to receive a grant under this subtitle,
19 a unit of local government or an Indian tribe shall estab-
20 lish a PROMISE Coordinating Council for each commu-
21 nity of such unit or tribe, respectively, for which such unit
22 or tribe is applying for a grant under this subtitle. Each
23 such community shall include one or more designated geo-
24 graphic areas identified on the list required under section
25 402(a)(2). The members of such a PROMISE Coordi-

1 nating Council shall be representatives of public and pri-
2 vate sector entities and individuals that—

3 (1) shall include, to the extent possible, at least
4 one representative from each of the following:

5 (A) the local chief executive's office;

6 (B) a local educational agency;

7 (C) a local health agency or provider;

8 (D) a local mental health agency or pro-
9 vider, unless the representative under subpara-
10 graph (C) also meets the requirements of this
11 subparagraph;

12 (E) a local public housing agency;

13 (F) a local law enforcement agency;

14 (G) a local child welfare agency;

15 (H) a local juvenile court;

16 (I) a local juvenile prosecutor's office;

17 (J) a private juvenile residential care enti-
18 ty;

19 (K) a local juvenile public defender's office;

20 (L) a State juvenile correctional entity;

21 (M) a local business community represent-
22 ative; and

23 (N) a local faith-based community rep-
24 resentative;

1 (2) shall include two representatives from each
2 of the following:

3 (A) parents who have minor children, and
4 who have an interest in the local juvenile or
5 criminal justice systems;

6 (B) youth between the ages of 15 and 24
7 who reside in the jurisdiction of the unit or
8 tribe; and

9 (C) members from nonprofit community-
10 based organizations that provide effective delin-
11 quency prevention and intervention to youth in
12 the jurisdiction of the unit or tribe; and

13 (3) may include other members, as the unit or
14 tribe determines to be appropriate.

15 **SEC. 312. NEEDS AND STRENGTHS ASSESSMENT.**

16 (a) **ASSESSMENT.**—Each PROMISE Coordinating
17 Council receiving funds from a unit of local government
18 or Indian tribe under this subtitle shall conduct an objec-
19 tive strengths and needs assessment of the resources of
20 the community for which such PROMISE Coordinating
21 Council was established, to identify the unmet needs of
22 youth in the community with respect to evidence-based
23 and promising practices related to juvenile delinquency
24 and criminal street gang activity prevention and interven-
25 tion. Such assessment shall include, with respect to the

1 community for which such PROMISE Coordinating Coun-
2 cil was established—

3 (1) the number of youth who are at risk of in-
4 volvement in juvenile delinquency or street gang ac-
5 tivity;

6 (2) the number of youth who are involved in ju-
7 venile delinquency or criminal street gang activity,
8 including the number of such youth who are at high
9 risk of continued involvement;

10 (3) youth unemployment rates during the sum-
11 mer;

12 (4) the number of individuals on public finan-
13 cial assistance (including a breakdown of the num-
14 bers of men, women, and children on such assist-
15 ance);

16 (5) the estimated number of youth who are
17 chronically truant;

18 (6) the number of youth who have dropped out
19 of school in the previous year;

20 (7) for the year before such assessment, the es-
21 timated total amount expended (by the community
22 and other entities) for the incarceration of offenders
23 who were convicted or adjudicated delinquent for an
24 offense that was committed in such community, in-
25 cluding amounts expended for the incarceration of

1 offenders in prisons, jails, and juvenile facilities that
2 are located in the United States but are not located
3 in such community;

4 (8) a comparison of the amount under para-
5 graph (7) with an estimation of the amount that
6 would be expended for the incarceration of offenders
7 described in such paragraph if the number of offend-
8 ers described in such paragraph was equal to the na-
9 tional average incarceration rate per 100,000 popu-
10 lation;

11 (9) a description of evidence-based and prom-
12 ising practices related to juvenile delinquency and
13 criminal street gang activity prevention available for
14 youth in the community, including school-based pro-
15 grams, after school programs (particularly programs
16 that have activities available for youth between 3
17 p.m. and 6 p.m. in the afternoon), weekend activities
18 and programs, youth mentoring programs, faith and
19 community-based programs, summer activities, and
20 summer jobs, if any; and

21 (10) a description of evidence-based and prom-
22 ising intervention practices available for youth in the
23 community.

24 (b) LIMITATION ON USE OF ASSESSMENT INFORMA-
25 TION.—Information gathered pursuant to this section may

1 be used for the sole purpose of developing a PROMISE
2 Plan in accordance with this subtitle.

3 **SEC. 313. PROMISE PLAN COMPONENTS.**

4 (a) IN GENERAL.—Each PROMISE Coordinating
5 Council receiving funds from a unit of local government
6 or Indian tribe under this subtitle shall develop a PROM-
7 ISE Plan to provide for the coordination of, and, as appro-
8 priate, to support the delivery of, evidence-based and
9 promising practices related to juvenile delinquency and
10 criminal street gang activity prevention and intervention
11 to youth and families who reside in the community for
12 which such PROMISE Coordinating Council was estab-
13 lished. Such a PROMISE Plan shall—

14 (1) include the strategy by which the PROM-
15 ISE Coordinating Council plans to prioritize and al-
16 locate resources and services toward the unmet
17 needs of youth in the community, consistent with the
18 needs and available resources of communities with
19 the greatest need for assistance, as determined pur-
20 suant to section 402;

21 (2) include a combination of evidence-based and
22 promising prevention and intervention practices that
23 are responsive to the needs of the community; and

24 (3) ensure that cultural and linguistic needs of
25 the community are met.

1 (b) MANDATORY COMPONENTS.—Each PROMISE
2 Plan shall—

3 (1) include a plan to connect youth identified in
4 paragraphs (1) and (2) of section 512(a) to evi-
5 dence-based and promising practices related to juve-
6 nile delinquency and criminal street gang activity
7 prevention and intervention;

8 (2) identify the amount or percentage of local
9 funds that are available to the PROMISE Coordi-
10 nating Council to carry out the PROMISE Plan;

11 (3) provide strategies to improve indigent de-
12 fense delivery systems, with particular attention
13 given to groups of children who are disproportion-
14 ately represented in the State delinquency system
15 and Federal criminal justice system, as compared to
16 the representation of such groups in the general
17 population of the State;

18 (4) provide for training (which complies with
19 the American Bar Association Juvenile Justice
20 Standards for the representation and care of youth
21 in the juvenile justice system) of prosecutors, de-
22 fenders, probation officers, judges and other court
23 personnel related to issues concerning the develop-
24 mental needs, challenges, and potential of youth in
25 the juvenile justice system (including training re-

1 lated to adolescent development and mental health
2 issues, and the expected impact of evidence-based
3 practices and cost reduction strategies);

4 (5) ensure that the number of youth involved in
5 the juvenile delinquency and criminal justice systems
6 does not increase as a result of the activities under-
7 taken with the funds provided under this subtitle;

8 (6) describe the coordinated strategy that will
9 be used by the PROMISE Coordinating Council to
10 provide at-risk youth with evidence-based and prom-
11 ising practices related to juvenile delinquency and
12 criminal street gang activity prevention and inter-
13 vention;

14 (7) propose the performance evaluation process
15 to be used to carry out section 530(d), which shall
16 include performance measures to assess efforts to
17 address the unmet needs of youth in the community
18 with evidence-based and promising practices related
19 to juvenile delinquency and criminal street gang ac-
20 tivity prevention and intervention; and

21 (8) identify the research partner the PROMISE
22 Coordinating Council will use to obtain information
23 on evidence-based and promising practices related to
24 juvenile delinquency and criminal street gang activ-
25 ity prevention and intervention, and for the evalua-

1 tion under section 530(d) of the results of the activi-
2 ties carried out with funds under this subtitle.

3 (c) VOLUNTARY COMPONENTS.—In addition to the
4 components under subsection (b), a PROMISE Plan may
5 include evidence-based or promising practices related to
6 juvenile delinquency and criminal street gang activity pre-
7 vention and intervention in the following categories:

8 (1) Early childhood development services (such
9 as pre-natal and neo-natal health services), early
10 childhood prevention, voluntary home visiting pro-
11 grams, nurse-family partnership programs, par-
12 enting and healthy relationship skills training, child
13 abuse prevention programs, Early Head Start, and
14 Head Start.

15 (2) Child protection and safety services (such as
16 foster care and adoption assistance programs), fam-
17 ily stabilization programs, child welfare services, and
18 family violence intervention programs.

19 (3) Youth and adolescent development services,
20 including job training and apprenticeship programs,
21 job placement and retention training, education and
22 after school programs (such as school programs with
23 shared governance by students, teachers, and par-
24 ents, and activities for youth between the hours of
25 3 p.m. and 6 p.m. in the afternoon), mentoring pro-

1 grams, conflict resolution skills training, sports,
2 arts, life skills, employment and recreation pro-
3 grams, summer jobs, and summer recreation pro-
4 grams, and alternative school resources for youth
5 who have dropped out of school or demonstrate
6 chronic truancy.

7 (4) Health and mental health services, includ-
8 ing cognitive behavioral therapy, play therapy, and
9 peer mentoring and counseling.

10 (5) Substance abuse counseling and treatment
11 services, including harm-reduction strategies.

12 (6) Emergency, transitional, and permanent
13 housing assistance (such as safe shelter and housing
14 for runaway and homeless youth).

15 (7) Targeted gang prevention, intervention, and
16 exit services such as tattoo removal, successful mod-
17 els of anti-gang crime outreach programs (such as
18 “street worker” programs), and other criminal street
19 gang truce or peacemaking activities.

20 (8) Training and education programs for preg-
21 nant teens and teen parents.

22 (9) Alternatives to detention and confinement
23 programs (such as mandated participation in com-
24 munity service, restitution, counseling, and intensive
25 individual and family therapeutic approaches).

1 (10) Pre-release, post-release, and reentry serv-
 2 ices to assist detained and incarcerated youth with
 3 transitioning back into and reentering the commu-
 4 nity.

5 **SEC. 314. AUTHORIZATION OF APPROPRIATIONS.**

6 Subject to the limitation under section 402(e), there
 7 are authorized to be appropriated for fiscal year 2018,
 8 such sums as may be necessary to carry out this subtitle
 9 and section 402.

10 **Subtitle B—PROMISE**
 11 **Implementation Grants**

12 **SEC. 320. PROMISE IMPLEMENTATION GRANTS AUTHOR-**
 13 **IZED.**

14 (a) PROMISE IMPLEMENTATION GRANTS AUTHOR-
 15 IZED.—The Administrator of the Office of Juvenile Jus-
 16 tice and Delinquency Prevention is authorized to award
 17 grants to units of local government and Indian tribes to
 18 assist PROMISE Coordinating Councils with imple-
 19 menting PROMISE Plans developed pursuant to subtitle
 20 A.

21 (b) GRANT DURATION AND AMOUNT.—

22 (1) DURATION.—A grant awarded under this
 23 subtitle shall be for a three-year period.

24 (2) MAXIMUM GRANT AMOUNT.—A grant
 25 awarded under this subtitle shall not be for more

1 than \$10,000,000 per year for each year of the
2 grant period.

3 (c) NON-FEDERAL FUNDS REQUIRED.—For each fis-
4 cal year during the three-year grant period for a grant
5 under this subtitle, each unit of local government or In-
6 dian tribe receiving such a grant for a PROMISE Coordi-
7 nating Council shall provide, from non-Federal funds, in
8 cash or in-kind, 25 percent of the costs of the activities
9 carried out with such grant.

10 (d) EVALUATION.—Of any funds provided to a unit
11 of local government or an Indian tribe for a grant under
12 this subtitle, not more than \$100,000 shall be used to pro-
13 vide a contract to a competitively selected organization to
14 assess the progress of the unit or tribe in addressing the
15 unmet needs of youth in the community, in accordance
16 with the performance measures under section 513(b)(7).

17 **SEC. 321. PROMISE IMPLEMENTATION GRANT APPLICA-**
18 **TION REQUIREMENTS.**

19 (a) APPLICATION REQUIRED.—To be eligible to re-
20 ceive a PROMISE Implementation grant under this sub-
21 title, a unit of local government or Indian tribe that re-
22 ceived a PROMISE Assessment and Planning grant under
23 subtitle A shall submit an application to the Administrator
24 of the Office of Juvenile Justice and Delinquency Preven-
25 tion not later than one year after the date such unit of

1 local government or Indian tribe was awarded such grant
2 under subtitle A, in such manner, and accompanied by
3 such information, as the Administrator, after consultation
4 with the organization under section 223(f)(1) of the Juve-
5 nile Justice and Delinquency Prevention Act of 1974 (42
6 U.S.C. 5633(f)(1)), may require.

7 (b) CONTENTS OF APPLICATION.—Each application
8 submitted under subsection (a) shall—

9 (1) identify potential savings from criminal jus-
10 tice costs, public assistance costs, and other costs
11 avoided by utilizing evidence-based and promising
12 practices related to juvenile delinquency and crimi-
13 nal street gang activity prevention and intervention;

14 (2) document—

15 (A) investment in evidence-based and
16 promising practices related to juvenile delin-
17 quency and criminal street gang activity preven-
18 tion and intervention to be provided by the unit
19 of local government or Indian tribe;

20 (B) the activities to be undertaken with
21 the grants funds;

22 (C) any expected efficiencies in the juvenile
23 justice or other local systems to be attained as
24 a result of implementation of the programs
25 funded by the grant; and

1 (D) outcomes from such activities, in
2 terms of the expected numbers related to re-
3 duced criminal activity;

4 (3) describe how savings sustained from invest-
5 ment in prevention and intervention practices will be
6 reinvested in the continuing implementation of the
7 PROMISE Plan; and

8 (4) provide an assurance that the local fiscal
9 contribution with respect to evidence-based and
10 promising practices related to juvenile delinquency
11 and criminal street gang activity prevention and
12 intervention in the community for which the PROM-
13 ISE Coordinating Council was established for each
14 year of the grant period will not be less than the
15 local fiscal contribution with respect to such prac-
16 tices in the community for the year preceding the
17 first year of the grant period.

18 **SEC. 322. GRANT AWARD GUIDELINES.**

19 (a) SELECTION AND DISTRIBUTION.—Grants award-
20 ed under this subtitle shall be awarded on a competitive
21 basis. The Administrator shall—

22 (1) take such steps as may be necessary to en-
23 sure that grants are awarded to units of local gov-
24 ernments and Indian tribes in areas with the highest
25 concentrations of youth who are—

1 (A) at risk of involvement in juvenile delin-
2 quency or criminal street gang activity; and

3 (B) involved in juvenile delinquency or
4 street gang activity and who are at high risk of
5 continued involvement; and

6 (2) give consideration to the need for grants to
7 be awarded to units of local governments and Indian
8 tribes in each region of the United States, and
9 among urban, suburban, and rural areas.

10 (b) EXTENSION OF GRANT AWARD.—The Adminis-
11 trator may extend the grant period under section
12 530(b)(1) for a PROMISE Implementation grant to a unit
13 of local government or an Indian tribe, in accordance with
14 regulations issued by the Administrator.

15 (c) RENEWAL OF GRANT AWARD.—Subject to the
16 availability of appropriations, the Administrator may
17 renew a PROMISE Implementation grant to a unit of
18 local government or an Indian tribe to provide such unit
19 or tribe with additional funds to continue implementation
20 of a PROMISE Plan. Such a renewal—

21 (1) shall be initiated by an application for re-
22 newal from a unit of local government or an Indian
23 tribe;

24 (2) shall be carried out in accordance with reg-
25 ulations issued by the Administrator; and

1 (3) shall not be granted unless the Adminis-
2 trator determines such a renewal to be appropriate
3 based on the results of the evaluation conducted
4 under section 523(a) with respect to the community
5 of such unit or tribe for which a PROMISE Coordi-
6 nating Council was established, and for which such
7 unit or tribe is applying for renewal.

8 **SEC. 323. REPORTS.**

9 Not later than one year after the end of the grant
10 period for which a unit of local government or an Indian
11 tribe receives a PROMISE Implementation grant, and an-
12 nually thereafter for as long as such unit or tribe con-
13 tinues to receive Federal funding for a PROMISE Coordi-
14 nating Council, such unit or tribe shall report to the Ad-
15 ministrators regarding the use of Federal funds to imple-
16 ment the PROMISE Plan developed under subtitle A.

17 **SEC. 324. AUTHORIZATION OF APPROPRIATIONS.**

18 There are authorized to be appropriated to carry out
19 this subtitle such sums as may be necessary for each of
20 the fiscal years 2018 through 2020.

21 **Subtitle C—General PROMISE**
22 **Grant Provisions**

23 **SEC. 330. NONSUPPLANTING CLAUSE.**

24 A unit of local government or Indian tribe receiving
25 a grant under this title shall use such grant only to supple-

1 ment, and not supplant, the amount of funds that, in the
2 absence of such grant, would be available to address the
3 needs of youth in the community with respect to evidence-
4 based and promising practices related to juvenile delin-
5 quency and criminal street gang activity prevention and
6 intervention.

7 **SEC. 331. GRANT APPLICATION REVIEW PANEL.**

8 The Administrator of the Office of Juvenile Justice
9 and Delinquency Prevention, in conjunction with the
10 PROMISE Advisory Panel, shall establish and utilize a
11 transparent, reliable, and valid system for evaluating ap-
12 plications for PROMISE Assessment and Planning grants
13 and for PROMISE Implementation grants, and shall de-
14 termine which applicants meet the criteria for funding,
15 based primarily on a determination of greatest need (in
16 accordance with section 402), with due consideration to
17 other enumerated factors and the indicated ability of the
18 applicant to successfully implement the program described
19 in the application.

20 **SEC. 332. EVALUATION OF PROMISE GRANT PROGRAMS.**

21 Subject to the availability of appropriations under
22 this title, the Administrator shall, in consultation with the
23 organization provided assistance under section 223(f)(1)
24 of the Juvenile Justice and Delinquency Prevention Act
25 of 1974 (42 U.S.C. 5633(f)(1)), provide for an evaluation

1 of the programs and activities carried out with grants
2 under this title. In carrying out this section, the Adminis-
3 trator shall—

4 (1) award grants to institutions of higher edu-
5 cation (including institutions that are eligible to re-
6 ceive funds under part F of title III of the Higher
7 Education Act of 1965 (20 U.S.C. 1067q et seq.)),
8 to facilitate the evaluation process and measurement
9 of achieved outcomes;

10 (2) identify evidence-based and promising prac-
11 tices used by PROMISE Coordinating Councils
12 under PROMISE Implementation grants that have
13 proven to be effective in preventing involvement in,
14 or diverting further involvement in, juvenile delin-
15 quency or criminal street gang activity; and

16 (3) ensure—

17 (A) that such evaluation is based on the
18 performance standards that are developed by
19 the PROMISE Advisory Panel in accordance
20 with section 223(g) of the Juvenile Justice and
21 Delinquency Prevention Act of 1974 (as added
22 by section 401(b) of title IV of this division);

23 (B) the development of longitudinal and
24 clinical trial evaluation and performance meas-

1 urements with regard to the evidence-based and
2 promising practices funded under this title; and
3 (C) the dissemination of the practices iden-
4 tified in paragraph (2) to units of local govern-
5 ment and Indian tribes to promote the use of
6 such practices by such units and tribes to pre-
7 vent involvement in, or to divert further involve-
8 ment in, juvenile delinquency or criminal street
9 gang activity.

10 **TITLE IV—PELL GRANT PRESER-** 11 **VATION AND EXPANSION ACT**

12 **SEC. 401. SHORT TITLE.**

13 This title may be cited as the “Pell Grant Preserva-
14 tion and Expansion Act”.

15 **SEC. 402. FINDINGS.**

16 Congress finds the following:

17 (1) The United States needs individuals with
18 the knowledge, skills, and abilities that enable them
19 to thrive as educated citizens in society and success-
20 fully participate in an interconnected economy.

21 (2) Investments in higher education through
22 student aid such as the Federal Pell Grant program
23 under section 401 of the Higher Education Act of
24 1965 (20 U.S.C. 1070a) help students and families

1 reach, afford, and complete education and training
2 opportunities beyond high school.

3 (3) The Federal Pell Grant program is the larg-
4 est source of federally funded grant aid for postsec-
5 ondary education.

6 (4) The Federal Pell Grant program allows mil-
7 lions of people of the United States to attend college
8 and is especially vital to students of color. Three in
9 five African-American undergraduate students, and
10 one-half of all Latino undergraduate students, rely
11 on the Federal Pell Grant program.

12 (5) The Federal Pell Grant program should
13 continue to be a reliable source of funding for aspir-
14 ing students, their families, and future generations
15 that they can count on to be there for them when
16 they seek higher education.

17 (6) To stabilize Federal Pell Grant funding and
18 ensure the grant will continue to serve millions of
19 students now and in the future, the program should
20 become a fully mandatory program that grows with
21 inflation.

22 (7) Protecting surplus funds, restoring prior eli-
23 gibility cuts, and expanding access to underserved
24 students will give millions of students and families

1 the critical student aid support they need and de-
2 serve.

3 **SEC. 403. REFERENCES.**

4 Except as otherwise expressly provided, whenever in
5 this title an amendment or repeal is expressed in terms
6 of an amendment to, or repeal of, a section or other provi-
7 sion, the reference shall be considered to be made to a
8 section or other provision of the Higher Education Act of
9 1965 (20 U.S.C. 1001 et seq.).

10 **SEC. 404. FUNDING FEDERAL PELL GRANTS THROUGH**
11 **MANDATORY FUNDING.**

12 (a) MANDATORY FUNDING; REINSTATING ELIGI-
13 BILITY FOR INCARCERATED INDIVIDUALS.—Section 401
14 (20 U.S.C. 1070a) is amended—

15 (1) in subsection (a)(1), by striking “through
16 fiscal year 2017”;

17 (2) in subsection (b)—

18 (A) by striking paragraphs (1), (6), and
19 (7);

20 (B) by redesignating paragraph (8) as
21 paragraph (7);

22 (C) by striking subparagraph (A) of para-
23 graph (2);

24 (D) by redesignating subparagraph (B) of
25 paragraph (2) as paragraph (2);

1 (E) by inserting before paragraph (2) (as
2 redesignated by subparagraph (D)) the fol-
3 lowing:

4 “(1) AMOUNT.—The amount of the Federal Pell
5 Grant for a student eligible under this subpart shall be—

6 “(A) the maximum Federal Pell Grant de-
7 scribed in paragraph (6); less

8 “(B) the amount equal to the amount deter-
9 mined to be the expected family contribution with
10 respect to such student for such year.”;

11 (F) in paragraph (4), by striking “max-
12 imum amount of a Federal Pell Grant award
13 determined under paragraph (2)(A)” and in-
14 serting “maximum Federal Pell Grant described
15 in paragraph (6)”;

16 (G) in paragraph (5), by striking “max-
17 imum amount of a Federal Pell Grant award
18 determined under paragraph (2)(A)” and in-
19 serting “maximum amount of a Federal Pell
20 Grant award described in paragraph (6)”;

21 (H) by inserting after paragraph (5) the
22 following:

23 “(6) MAXIMUM FEDERAL PELL GRANT.—

1 “(A) AWARD YEAR 2018–2019.—For award
2 year 2018–2019, the maximum Federal Pell
3 Grant shall be \$6,420.

4 “(B) SUBSEQUENT AWARD YEARS.—For
5 award year 2019–2020 and each subsequent
6 award year, the maximum Federal Pell Grant
7 shall be equal to the total maximum Federal
8 Pell Grant for the preceding award year under
9 this paragraph—

10 “(i) increased by the annual adjust-
11 ment percentage for the award year for
12 which the amount under this subparagraph
13 is being determined; and

14 “(ii) rounded to the nearest \$5.

15 “(C) DEFINITION OF ANNUAL ADJUST-
16 MENT PERCENTAGE.—In this paragraph, the
17 term ‘annual adjustment percentage’, as applied
18 to an award year, is equal to the estimated per-
19 centage increase in the Consumer Price Index
20 (as determined by the Secretary, using the defi-
21 nition in section 478(f)) for the most recent cal-
22 endar year ending prior to the beginning of that
23 award year.”; and

24 (I) in paragraph (7), as redesignated by
25 subparagraph (B), by striking “may exceed”

1 and all that follows through the period and in-
2 serting “may exceed the maximum Federal Pell
3 Grant available for an award year.”;

4 (3) in subsection (f)—

5 (A) in paragraph (1), by striking the mat-
6 ter preceding subparagraph (A) and inserting
7 the following: “After receiving an application
8 for a Federal Pell Grant under this subpart, the
9 Secretary (including any contractor of the Sec-
10 retary processing applications for Federal Pell
11 Grants under this subpart) shall, in a timely
12 manner, furnish to the student financial aid ad-
13 ministrator at each institution of higher edu-
14 cation that a student awarded a Federal Pell
15 Grant under this subpart is attending, the ex-
16 pected family contribution for each such stu-
17 dent. Each such student financial administrator
18 shall—”; and

19 (B) in paragraph (3)—

20 (i) by striking “after academic year
21 1986–1987”; and

22 (ii) in paragraph (3), by striking “the
23 Committee on Appropriations of the Sen-
24 ate, the Committee on Appropriations of
25 the House of Representatives, and”;

1 (4) by striking subsections (g) and (h);

2 (5) by redesignating subsections (i) and (j) as
3 subsections (g) and (h), respectively; and

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

5 “(k) APPROPRIATION OF FUNDS.—There are author-
6 ized to be appropriated, and there are appropriated, out
7 of any money in the Treasury not otherwise appropriated,
8 such sums as may be necessary for fiscal year 2017 and
9 each subsequent fiscal year to provide the maximum Fed-
10 eral Pell Grant for which a student shall be eligible under
11 this section during an award year.”.

12 (b) REPEAL OF SCORING REQUIREMENT.—Section
13 406 of H. Con. Res. 95 (109th Congress) is amended—

14 (1) by striking subsection (b); and

15 (2) by striking “(a) IN GENERAL.—Upon” and
16 inserting the following: “Upon”.

17 **SEC. 405. RESTORING FEDERAL PELL GRANT ELIGIBILITY**
18 **FOR BORROWER DEFENSE.**

19 Section 401(c)(5) (20 U.S.C. 1070a(c)(5)) is amend-
20 ed—

21 (1) by striking “(5) The period” and inserting
22 the following: “(5) MAXIMUM PERIOD.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), the period”; and

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

1 “(B) EXCEPTION.—

2 “(i) IN GENERAL.—Any Federal Pell
3 Grant that a student received during a pe-
4 riod described in subclause (I) or (II) of
5 clause (ii) shall not count towards the stu-
6 dent’s duration limits under this para-
7 graph.

8 “(ii) APPLICABLE PERIODS.—Clause
9 (i) shall apply with respect to any Federal
10 Pell Grant awarded to a student to attend
11 an institution—

12 “(I) during a period—

13 “(aa) for which the student
14 received a loan under this title;
15 and

16 “(bb) for which the loan de-
17 scribed in item (aa) is forgiven
18 under—

19 “(AA) section 437(c)(1)
20 or 464(g)(1) due to the clos-
21 ing of the institution;

22 “(BB) section 455(h)
23 due to the student’s success-
24 ful assertion of a defense to
25 repayment of the loan; or

1 “(CC) section
 2 432(a)(6), section 685.215
 3 of title 34, Code of Federal
 4 Regulations (or a successor
 5 regulation), or any other
 6 loan forgiveness provision or
 7 regulation under this Act, as
 8 a result of a determination
 9 by the Secretary or a court
 10 that the institution com-
 11 mitted fraud or other mis-
 12 conduct; or

13 “(II) during a period for which
 14 the student did not receive a loan
 15 under this title but for which, if the
 16 student had received such a loan, the
 17 student would have qualified for loan
 18 forgiveness under subclause (I)(bb).”.

19 **SEC. 406. FEDERAL PELL GRANT ELIGIBILITY FOR DREAM-**
 20 **ER STUDENTS.**

21 Section 484 (20 U.S.C. 1091) is amended—

22 (1) in subsection (a)(5), by inserting “, or be a
 23 Dreamer student, as defined in subsection (u)” after
 24 “becoming a citizen or permanent resident”; and

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

1 “(u) DREAMER STUDENTS.—

2 “(1) IN GENERAL.—In this section, the term
3 ‘Dreamer student’ means an individual who—

4 “(A) was younger than 16 years of age on
5 the date on which the individual initially en-
6 tered the United States;

7 “(B) has provided a list of each secondary
8 school that the student attended in the United
9 States; and

10 “(C)(i) has earned a high school diploma,
11 the recognized equivalent of such diploma from
12 a secondary school, or a high school equivalency
13 diploma in the United States or is scheduled to
14 complete the requirements for such a diploma
15 or equivalent before the next academic year be-
16 gins;

17 “(ii) has acquired a degree from an institu-
18 tion of higher education or has completed not
19 less than 2 years in a program for a bacca-
20 laurate degree or higher degree at an institu-
21 tion of higher education in the United States
22 and has made satisfactory academic progress,
23 as defined in subsection (e), during such time
24 period;

1 “(iii) at any time was eligible for a grant
2 of deferred action under—

3 “(I) the June 15, 2012, memorandum
4 from the Secretary of Homeland Security
5 entitled ‘Exercising Prosecutorial Discre-
6 tion with Respect to Individuals Who
7 Came to the United States as Children’; or

8 “(II) the November 20, 2014, memo-
9 randum from the Secretary of Homeland
10 Security entitled ‘Exercising Prosecutorial
11 Discretion with Respect to Individuals
12 Who Came to the United States as Chil-
13 dren and with Respect to Certain Individ-
14 uals Who Are the Parents of U.S. Citizens
15 or Permanent Residents’; or

16 “(iv) has served in the uniformed services,
17 as defined in section 101 of title 10, United
18 States Code, for not less than 4 years and, if
19 discharged, received an honorable discharge.

20 “(2) HARDSHIP EXCEPTION.—The Secretary
21 shall issue regulations that direct when the Depart-
22 ment shall waive the requirement of subparagraph
23 (A) or (B), or both, of paragraph (1) for an indi-
24 vidual to qualify as a Dreamer student under such
25 paragraph, if the individual—

1 “(A) demonstrates compelling cir-
2 cumstances for the inability to satisfy the re-
3 quirement of such subparagraph (A) or (B), or
4 both; and

5 “(B) satisfies the requirement of para-
6 graph (1)(C).”.

7 **SEC. 407. REPEAL OF SUSPENSION OF ELIGIBILITY UNDER**
8 **THE HIGHER EDUCATION ACT OF 1965 FOR**
9 **GRANTS, LOANS, AND WORK ASSISTANCE FOR**
10 **DRUG-RELATED OFFENSES.**

11 (a) REPEAL.—Subsection (r) of section 484 (20
12 U.S.C. 1091(r)) is repealed.

13 (b) REVISION OF FAFSA FORM.—Section 483 of the
14 Higher Education Act of 1965 (20 U.S.C. 1090) is
15 amended by adding at the end the following:

16 “(i) CONVICTIONS.—The Secretary shall not include
17 any question about the conviction of an applicant for the
18 possession or sale of illegal drugs on the FAFSA (or any
19 other form developed under subsection (a)).”.

20 (c) CONFORMING AMENDMENTS.—The Act (20
21 U.S.C. 1001 et seq.) is amended—

22 (1) in section 428(b)(3) (20 U.S.C.
23 1078(b)(3))—

24 (A) in subparagraph (C), by striking
25 “485(l)” and inserting “485(k)”; and

1 (B) in subparagraph (D), by striking
2 “485(l)” and inserting “485(k)”;

3 (2) in section 435(d)(5) (20 U.S.C.
4 1085(d)(5))—

5 (A) in subparagraph (E), by striking
6 “485(l)” and inserting “485(k)”;

7 (B) in subparagraph (F), by striking
8 “485(l)” and inserting “485(k)”;

9 (3) in section 484 (20 U.S.C. 1091), as amend-
10 ed by section 6, by redesignating subsections (s), (t),
11 and (u) as subsections (r), (s), and (t), respectively;

12 (4) in section 485 (20 U.S.C. 1092)—

13 (A) by striking subsection (k); and

14 (B) by redesignating subsections (l) and
15 (m) as subsections (k) and (l), respectively; and

16 (5) in section 487(e)(2)(B)(ii)(IV) (20 U.S.C.
17 1094(e)(2)(B)(ii)(IV)), by striking “(l) of section
18 485” and inserting “(k) of section 485”.

19 **SEC. 408. EXTENDING FEDERAL PELL GRANT ELIGIBILITY**
20 **OF CERTAIN SHORT-TERM PROGRAMS.**

21 (a) IN GENERAL.—Section 401 (20 U.S.C. 1070a),
22 as amended by section 404, is further amended by insert-
23 ing after subsection (h) the following:

24 “(i) JOB TRAINING FEDERAL PELL GRANT PRO-
25 GRAM.—

1 “(1) DEFINITIONS.—In this subsection:

2 “(A) ELIGIBLE CAREER PATHWAY PRO-
3 GRAM.—The term ‘eligible career pathway pro-
4 gram’ means a program that—

5 “(i) meets the requirements of section
6 484(d)(2);

7 “(ii) is a program of training services
8 listed under section 122(d) of the Work-
9 force Innovation and Opportunity Act (29
10 U.S.C. 3152(d)); and

11 “(iii) is part of a career pathway, as
12 defined in section 3 of such Act (29 U.S.C.
13 3102).

14 “(B) JOB TRAINING PROGRAM.—The term
15 ‘job training program’ means a career and tech-
16 nical education program at an institution of
17 higher education that—

18 “(i) provides not less than 150, and
19 not more than 600, clock hours of instruc-
20 tional time over a period of not less than
21 8, and not more than 15, weeks;

22 “(ii) provides training aligned with
23 the requirements of employers in the State
24 or local area, which may include in-demand
25 industry sectors or occupations, as defined

1 in section 3 of the Workforce Innovation
2 and Opportunity Act (29 U.S.C. 3102), in
3 the State or local area (as defined in such
4 section);

5 “(iii) is a program of training serv-
6 ices, and provided through an eligible pro-
7 vider of training services, listed under sec-
8 tion 122(d) of such Act (29 U.S.C.
9 3152(d));

10 “(iv) provides a student, upon comple-
11 tion of the program, with a recognized
12 postsecondary credential, as defined in sec-
13 tion 3 of such Act, that is recognized by
14 employers in the relevant industry, includ-
15 ing credentials recognized by industry or
16 sector partnerships in the State or local
17 area where the industry is located;

18 “(v) has been determined, by the in-
19 stitution of higher education, to provide
20 academic content, an amount of instruc-
21 tional time, and a recognized postsec-
22 ondary credential that are sufficient to—

23 “(I) meet the hiring requirements
24 of potential employers; and

1 “(II) satisfy any applicable edu-
2 cational prerequisite requirement for
3 professional licensure or certification,
4 so that the student who completes the
5 program and seeks employment quali-
6 fies to take any licensure or certifi-
7 cation examination needed to practice
8 or find employment in an occupation
9 that the program prepares students to
10 enter;

11 “(vi) may include integrated or basic
12 skills courses; and

13 “(vii) may be offered as part of an eli-
14 gible career pathway program.

15 “(2) IN GENERAL.—For the award year begin-
16 ning on July 1, 2018, and each subsequent award
17 year, the Secretary shall carry out a program
18 through which the Secretary shall award job training
19 Federal Pell Grants to students in job training pro-
20 grams. Each job training Federal Pell Grant award-
21 ed under this subsection shall have the same terms
22 and conditions, and be awarded in the same manner,
23 as a Federal Pell Grant awarded under subsection
24 (a), except as follows:

1 “(A) A student who is eligible to receive a
2 job training Federal Pell Grant under this sub-
3 section is a student who—

4 “(i) has not yet attained a bacca-
5 laurate degree or postbaccalaureate de-
6 gree;

7 “(ii) attends an institution of higher
8 education;

9 “(iii) is enrolled, or accepted for en-
10 rollment, in a job training program at such
11 institution of higher education; and

12 “(iv) meets all other eligibility re-
13 quirements for a Federal Pell Grant (ex-
14 cept with respect to the type of program of
15 study, as provided in clause (iii)).

16 “(B) The amount of a job training Federal
17 Pell Grant for an eligible student shall be deter-
18 mined under subsection (b)(1), except that—

19 “(i) the maximum Federal Pell Grant
20 awarded under this subsection for an
21 award year shall be 50 percent of the max-
22 imum Federal Pell Grant awarded under
23 subsection (b)(5) applicable to that award
24 year; and

25 “(ii) subsection (b)(4) shall not apply.

1 “(3) INCLUSION IN TOTAL ELIGIBILITY PE-
2 RIOD.—Any period during which a student receives
3 a job training Federal Pell Grant under this sub-
4 section shall be included in calculating the student’s
5 period of eligibility for Federal Pell Grants under
6 subsection (c), and any regulations under such sub-
7 section regarding students who are enrolled in an
8 undergraduate program on less than a full-time
9 basis shall similarly apply to students who are en-
10 rolled in a job training program at an eligible insti-
11 tution on less than a full-time basis.”.

12 (b) ADDITIONAL SAFEGUARDS.—Section 496(a)(4)
13 (20 U.S.C. 1099b(a)(4)) is amended—

14 (1) in subparagraph (A), by striking “and”
15 after the semicolon;

16 (2) in subparagraph (B)(ii), by inserting “and”
17 after the semicolon; and

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

19 “(C) if such agency or association has or
20 seeks to include within its scope of recognition
21 the evaluation of the quality of institutions of
22 higher education participating in the job train-
23 ing Federal Pell Grant program under section
24 401(i), such agency or association shall, in ad-
25 dition to meeting the other requirements of this

1 subpart, demonstrate to the Secretary that,
2 with respect to such job training programs—

3 “(i) the agency or association’s stand-
4 ards include a process for determining
5 whether the program provides training
6 aligned with the requirements of employers
7 in the State or local area served by the
8 program; and

9 “(ii) the agency or association re-
10 quires a demonstration that the program—

11 “(I) has identified each recog-
12 nized postsecondary credential offered
13 and the corresponding industry or sec-
14 tor partnership that actively recog-
15 nizes each credential in the relevant
16 industry in the State or local area
17 where the industry is located; and

18 “(II) provides the academic con-
19 tent and amount of instructional time
20 that is sufficient to—

21 “(aa) meet the hiring re-
22 quirements of potential employ-
23 ers; and

24 “(bb) satisfy any applicable
25 educational prerequisites for pro-

1 professional licensure or certification
2 requirements so that the student
3 who completes the program and
4 seeks employment qualifies to
5 take any licensure or certification
6 examination that is needed to
7 practice or find employment in
8 an occupation that the program
9 prepares students to enter;”.

10 **SEC. 409. PROVIDING FEDERAL PELL GRANTS FOR IRAQ**
11 **AND AFGHANISTAN VETERAN’S DEPENDENTS.**

12 (a) AMENDMENTS.—Part A of title IV (20 U.S.C.
13 1070a et seq.) is amended—

14 (1) in section 401, as amended by section 408,
15 by inserting after subsection (i) the following:

16 “(j) SCHOLARSHIPS FOR VETERAN’S DEPEND-
17 ENTS.—

18 “(1) DEFINITION OF ELIGIBLE VETERAN’S DE-
19 PENDENT.—In this subsection, the term ‘eligible vet-
20 eran’s dependent’ means a dependent or an inde-
21 pendent student—

22 “(A) whose parent or guardian was a
23 member of the Armed Forces of the United
24 States and died as a result of performing mili-

1 tary service in Iraq or Afghanistan after Sep-
2 tember 11, 2001; and

3 “(B) who, at the time of the parent or
4 guardian’s death, was—

5 “(i) less than 24 years of age; or

6 “(ii) enrolled at an institution of high-
7 er education on a part-time or full-time
8 basis.

9 “(2) GRANTS.—

10 “(A) IN GENERAL.—The Secretary shall
11 award a Federal Pell Grant, as modified in ac-
12 cordance with the requirements of this sub-
13 section, to each eligible veteran’s dependent to
14 assist in paying the eligible veteran’s depend-
15 ent’s cost of attendance at an institution of
16 higher education.

17 “(B) DESIGNATION.—Federal Pell Grants
18 made under this subsection may be known as
19 ‘Iraq and Afghanistan Service Grants’.

20 “(3) PREVENTION OF DOUBLE BENEFITS.—No
21 eligible veteran’s dependent may receive a grant
22 under both this subsection and subsection (a).

23 “(4) TERMS AND CONDITIONS.—The Secretary
24 shall award Iraq and Afghanistan Service Grants
25 under this subsection in the same manner and with

1 the same terms and conditions, including the length
2 of the period of eligibility, as the Secretary awards
3 Federal Pell Grants under subsection (a), except
4 that—

5 “(A) the award rules and determination of
6 need applicable to the calculation of Federal
7 Pell Grants under subsection (a) shall not apply
8 to Iraq and Afghanistan Service Grants;

9 “(B) the provisions of paragraphs (1)(B)
10 and (3) of subsection (b), and subsection (f),
11 shall not apply;

12 “(C) the maximum period determined
13 under subsection (c)(5) shall be determined by
14 including all Iraq and Afghanistan Service
15 Grants received by the eligible veteran’s de-
16 pendent, including such Grants received under
17 subpart 10 before the effective date of this sub-
18 section; and

19 “(D) an Iraq and Afghanistan Service
20 Grant to an eligible veteran’s dependent for any
21 award year shall equal the maximum Federal
22 Pell Grant available under subsection (b)(5) for
23 that award year, except that an Iraq and Af-
24 ghanistan Service Grant—

1 “(i) shall not exceed the cost of at-
2 tendance of the eligible veteran’s depend-
3 ent for that award year; and

4 “(ii) shall be adjusted to reflect the
5 attendance by the eligible veteran’s de-
6 pendent on a less than full-time basis in
7 the same manner as such adjustments are
8 made for a Federal Pell Grant under sub-
9 section (a).

10 “(5) ESTIMATED FINANCIAL ASSISTANCE.—For
11 purposes of determinations of need under part F, an
12 Iraq and Afghanistan Service Grant shall not be
13 treated as estimated financial assistance as de-
14 scribed in sections 471(3) and 480(j).”; and

15 (2) by striking subpart 10 of part A (20 U.S.C.
16 1070h).

17 (b) EFFECTIVE DATE; TRANSITION.—

18 (1) EFFECTIVE DATE.—The amendments made
19 by this section shall take effect with respect to the
20 award year immediately following the date of enact-
21 ment of this Act.

22 (2) TRANSITION.—The Secretary shall take
23 such steps as are necessary to transition from the
24 Iraq and Afghanistan Service Grants program under
25 subpart 10 of part A of title IV of the Higher Edu-

1 cation Act of 1965 (20 U.S.C. 1070h), as in effect
2 on the day before the effective date of this section,
3 and the Iraq and Afghanistan Service Grants pro-
4 gram under section 401(j) of the Higher Education
5 Act of 1965 (20 U.S.C. 1070a(j)), as amended by
6 this section.

7 **SEC. 410. INCREASING SUPPORT FOR WORKING STUDENTS**
8 **BY 35 PERCENT.**

9 (a) **DEPENDENT STUDENTS.**—Section 475(g)(2)(D)
10 (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as fol-
11 lows:

12 “(D) an income protection allowance (or a
13 successor amount prescribed by the Secretary
14 under section 478) of \$9,010 for academic year
15 2018–2019;”.

16 (b) **INDEPENDENT STUDENTS WITHOUT DEPEND-**
17 **ENTS OTHER THAN A SPOUSE.**—Section 476(b)(1)(A)(iv)
18 (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as
19 follows:

20 “(iv) an income protection allowance
21 (or a successor amount prescribed by the
22 Secretary under section 478)—

23 “(I) for single or separated stu-
24 dents, or married students where both
25 are enrolled pursuant to subsection

1 (a)(2), of \$14,010 for academic year
 2 2018–2019; and

3 “(II) for married students where
 4 one is enrolled pursuant to subsection
 5 (a)(2), of \$22,460 for academic year
 6 2018–2019;”.

7 (c) INDEPENDENT STUDENTS WITH DEPENDENTS
 8 OTHER THAN A SPOUSE.—Section 477(b)(4) (20 U.S.C.
 9 1087qq(b)(4)) is amended to read as follows:

10 “(4) INCOME PROTECTION ALLOWANCE.—The
 11 income protection allowance is determined by the fol-
 12 lowing table (or a successor table prescribed by the
 13 Secretary under section 478), for academic year
 14 2018–2019:

“Income Protection Allowance

Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$35,470	\$29,410				\$6,030
3	44,170	38,130	\$32,070			
4	54,540	45,490	42,450	\$36,370		
5	64,360	58,280	52,240	46,190	\$40,160	
6	75,260	69,210	63,190	57,090	51,070	
For each additional add:	8,500					”.

15 (d) UPDATED TABLES AND AMOUNTS.—Section
 16 478(b) (20 U.S.C. 1087rr(b)) is amended—

17 (1) in paragraph (1), by striking subparagraphs
 18 (A) and (B) and inserting the following:

1 “(A) IN GENERAL.—For each academic
2 year after academic year 2018–2019, the Sec-
3 retary shall publish in the Federal Register a
4 revised table of income protection allowances
5 for the purpose of sections 475(c)(4) and
6 477(b)(4), subject to subparagraphs (B) and
7 (C).

8 “(B) TABLE FOR INDEPENDENT STU-
9 DENTS.—For each academic year after aca-
10 demic year 2018–2019, the Secretary shall de-
11 velop the revised table of income protection al-
12 lowances by increasing each of the dollar
13 amounts contained in the table of income pro-
14 tection allowances under section 477(b)(4) by a
15 percentage equal to the estimated percentage
16 increase in the Consumer Price Index (as deter-
17 mined by the Secretary for the most recent cal-
18 endar year ending prior to the beginning of the
19 academic year for which the determination is
20 being made), and rounding the result to the
21 nearest \$10.”; and

22 (2) in paragraph (2), by striking “shall be de-
23 veloped” and all that follows through the period at
24 the end and inserting “shall be developed for each
25 academic year after academic year 2018–2019, by

1 increasing each of the dollar amounts contained in
2 such section for academic year 2018–2019 by a per-
3 centage equal to the estimated percentage increase
4 in the Consumer Price Index (as determined by the
5 Secretary for the most recent calendar year ending
6 prior to the beginning of the academic year for
7 which the determination is being made), and round-
8 ing the result to the nearest \$10.”.

9 **SEC. 411. INCREASING THE FEDERAL PELL GRANT AUTO-**
10 **ZERO THRESHOLD.**

11 Section 479(c) (20 U.S.C. 1087ss(c)) is amended—

12 (1) in paragraph (1)(B), by striking “\$23,000”
13 and inserting “\$34,000”;

14 (2) in paragraph (2)(B), by striking “\$23,000”
15 and inserting “\$34,000”; and

16 (3) in the matter following paragraph (2)(B),
17 by striking “adjusted according to increases in the
18 Consumer Price Index, as defined in section 478(f)”
19 and inserting “annually increased by the estimated
20 percentage change in the Consumer Price Index, as
21 defined in section 478(f), for the most recent cal-
22 endar year ending prior to the beginning of an
23 award year, and rounded to the nearest \$1,000”.

1 **SEC. 412. RAISING THE TOTAL SEMESTERS OF FEDERAL**
2 **PELL GRANT ELIGIBILITY.**

3 Section 401(c)(5)(A) (20 U.S.C. 1070a(c)(5)(A)), as
4 amended by section 405, is further amended by striking
5 “12” each place the term appears and inserting “14”.

6 **SEC. 413. CONFORMING AMENDMENTS.**

7 The Act (20 U.S.C. 1001 et seq.) is amended—

8 (1) in section 401A(d)(1)(B)(i) (20 U.S.C.
9 1070a–1(d)(1)(B)(i)), by striking “section
10 401(b)(2)(B)” and inserting “section 401(b)(2)”;

11 (2) in section 402D(d)(1) (20 U.S.C. 1070a–
12 14(d)(1)), by striking “section 401(b)(2)(A)” and
13 inserting “section 401(b)(1)”;

14 (3) in section 420R(d)(2) (20 U.S.C.
15 1070h(d)(2)), by striking “subsection (b)(1), the
16 matter following subsection (b)(2)(A)(v),”;

17 (4) in section 435(a)(5)(A)(i)(I) (20 U.S.C.
18 1085(a)(5)(A)(i)(I)), by striking “under section
19 401(b)(2)(A)” and inserting “, as appropriate,
20 under section 401(b)(2)(A) (as in effect on the day
21 before the effective date of the Pell Grant Preserva-
22 tion and Expansion Act) or section 401(b)(1)”;

23 (5) in section 483(e)(3)(A)(ii) (20 U.S.C.
24 1090(e)(3)(A)(ii)), by striking “section
25 401(b)(2)(A)” and inserting “section 401(b)(1)”;

1 (6) in section 485E(b)(1)(A) (20 U.S.C.
2 1092f(b)(1)(A)), by striking “section 401(b)(2)(A)”
3 and inserting “section 401(b)(1)”; and

4 (7) in section 894(f)(2)(C)(ii)(I) (20 U.S.C.
5 1161y(f)(2)(C)(ii)(I)), by striking “section
6 401(b)(2)(A)” and inserting “section 401(b)(1)”.

7 **SEC. 414. EFFECTIVE DATE.**

8 Except as otherwise provided, this title, and the
9 amendments made by this title, shall take effect beginning
10 on July 1, 2018, and shall apply to grant and award deter-
11 minations made under title IV of the Higher Education
12 Act of 1965 (20 U.S.C. 1001 et seq.) beginning with the
13 2018–2019 award year.

14 **DIVISION B—HOUSING**
15 **TITLE V—COMMON SENSE**
16 **HOUSING INVESTMENT**

17 **SEC. 501. CONGRESSIONAL FINDINGS.**

18 The Congress finds the following:

19 (1) Two principal Federal housing goals are to
20 increase the rate of home ownership and make rent-
21 al housing affordable for low-income families and in-
22 dividuals.

23 (2) Much more progress has been achieved on
24 the first goal than on the second goal.

1 (3) The Federal Government devotes more than
2 three times the amount of budgetary resources to
3 supporting home ownership than it devotes to mak-
4 ing affordable rental housing available.

5 (4) The burden of housing costs is more pro-
6 nounced among renters than among owners.

7 (5) There is a shortage of more than 7 million
8 homes affordable to families in the bottom 20 per-
9 cent of income, meaning that there are only 30 af-
10 fordable units for every 100 families.

11 (6) Only one in four families that qualify for
12 rental housing assistance receives benefits.

13 (7) Housing assistance waiting lists can be 10
14 years long and in many communities are closed.

15 (8) The shortage of rental homes that are af-
16 fordable for extremely low-income households to be
17 the principal cause of homelessness in the United
18 States.

19 (9) Public housing facilities in the United
20 States have more than \$26 billion in deferred main-
21 tenance after decades of neglect which results in a
22 loss of 10,000 units each year.

23 (10) The low-income housing tax credit success-
24 fully provides 100,000 units of affordable housing
25 every year.

1 (11) Every tax reform commission has rec-
2 ommended capping the mortgage interest deduction
3 and converting it to a fairer and simpler credit.

4 (12) More than 75 percent of the value of the
5 mortgage interest deduction inures to the benefit of
6 the top 20 percent of earners.

7 (13) Fewer than half of tax filers with a home
8 mortgage claim the mortgage interest deduction.

9 (14) Only 9 percent of rural tax filers claim the
10 mortgage interest deduction.

11 (15) Ninety-six percent of homes sold between
12 2005 and 2011 sold for less than \$500,000.

13 (16) A better approach that provides equitable
14 benefits for families who buy homes, enables more
15 low- and moderate-income homeowners to receive a
16 benefit, and invests in affordable rental housing to
17 assist those who used to be homeless or who have
18 extremely or very low incomes is needed to strength-
19 en families and communities.

20 **SEC. 502. REPLACEMENT OF MORTGAGE INTEREST DEDUC-**
21 **TION WITH MORTGAGE INTEREST CREDIT.**

22 (a) NONREFUNDABLE CREDIT.—Subpart A of part
23 IV of subchapter A of chapter 1 of the Internal Revenue
24 Code of 1986 (relating to nonrefundable personal credits)

1 is amended by inserting after section 25D the following
2 new section:

3 **“SEC. 25E. INTEREST ON INDEBTEDNESS SECURED BY**
4 **QUALIFIED RESIDENCE.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual, there shall be allowed as a credit against the tax
7 imposed by this chapter for the taxable year an amount
8 equal to 15 percent of the qualified residence interest paid
9 or accrued during the taxable year.

10 “(b) QUALIFIED RESIDENCE INTEREST.—For pur-
11 poses of this section—

12 “(1) IN GENERAL.—The term ‘qualified resi-
13 dence interest’ means interest which is paid or ac-
14 crued during the taxable year on—

15 “(A) acquisition indebtedness with respect
16 to any qualified residence of the taxpayer, or

17 “(B) home equity indebtedness with re-
18 spect to any qualified residence of the taxpayer.

19 For purposes of the preceding sentence, the deter-
20 mination of whether any property is a qualified resi-
21 dence of the taxpayer shall be made as of the time
22 the interest is accrued.

23 “(2) OVERALL LIMITATION.—The aggregate
24 amount of indebtedness taken into account for any
25 period for purposes of this section shall not exceed

1 \$500,000 (\$250,000 in the case of a married indi-
2 vidual filing a separate return).

3 “(3) ACQUISITION INDEBTEDNESS.—The term
4 ‘acquisition indebtedness’ means any indebtedness
5 which—

6 “(A) is incurred in acquiring, constructing,
7 or substantially improving any qualified resi-
8 dence of the taxpayer, and

9 “(B) is secured by such residence.

10 Such term also includes any indebtedness secured by
11 such residence resulting from the refinancing of in-
12 debtedness meeting the requirements of the pre-
13 ceding sentence (or this sentence), but only to the
14 extent the amount of the indebtedness resulting
15 from such refinancing does not exceed the amount of
16 the refinanced indebtedness.

17 “(4) HOME EQUITY INDEBTEDNESS.—

18 “(A) IN GENERAL.—The term ‘home eq-
19 uity indebtedness’ means any indebtedness
20 (other than acquisition indebtedness) secured
21 by a qualified residence to the extent the aggre-
22 gate amount of such indebtedness does not ex-
23 ceed—

24 “(i) the fair market value of such
25 qualified residence, reduced by

1 “(ii) the amount of acquisition indebt-
2 edness with respect to such residence.

3 “(B) LIMITATION.—The aggregate amount
4 treated as home equity indebtedness for any pe-
5 riod shall not exceed \$100,000 (\$50,000 in the
6 case of a married individual filing a separate re-
7 turn).

8 “(c) SPECIAL RULES.—For purposes of this sec-
9 tion—

10 “(1) QUALIFIED RESIDENCE.—The term ‘quali-
11 fied residence’ means—

12 “(A) the principal residence (within the
13 meaning of section 121) of the taxpayer, and

14 “(B) 1 other residence of the taxpayer
15 which is selected by the taxpayer for purposes
16 of this subsection for the taxable year and
17 which is used by the taxpayer as a residence
18 (within the meaning of section 280A(d)(1)).

19 “(2) MARRIED INDIVIDUALS FILING SEPARATE
20 RETURNS.—If a married couple does not file a joint
21 return for the taxable year—

22 “(A) such couple shall be treated as 1 tax-
23 payer for purposes of paragraph (1), and

24 “(B) each individual shall be entitled to
25 take into account 1 residence unless both indi-

1 viduals consent in writing to 1 individual taking
2 into account the principal residence and 1 other
3 residence.

4 “(3) RESIDENCE NOT RENTED.—For purposes
5 of paragraph (1)(B), notwithstanding section
6 280A(d)(1), if the taxpayer does not rent a dwelling
7 unit at any time during a taxable year, such unit
8 may be treated as a residence for such taxable year.

9 “(4) UNENFORCEABLE SECURITY INTERESTS.—
10 Indebtedness shall not fail to be treated as secured
11 by any property solely because, under any applicable
12 State or local homestead or other debtor protection
13 law in effect on August 16, 1986, the security inter-
14 est is ineffective or the enforceability of the security
15 interest is restricted.

16 “(5) SPECIAL RULES FOR ESTATES AND
17 TRUSTS.—For purposes of determining whether any
18 interest paid or accrued by an estate or trust is
19 qualified residence interest, any residence held by
20 such estate or trust shall be treated as a qualified
21 residence of such estate or trust if such estate or
22 trust establishes that such residence is a qualified
23 residence of a beneficiary who has a present interest
24 in such estate or trust or an interest in the resid-
25 uary of such estate or trust.

1 “(d) COORDINATION WITH DEDUCTION.—In the case
 2 of any taxable year beginning in calendar years 2018
 3 through 2022, the taxpayer may elect to apply this section
 4 in lieu of the deduction under section 163 for qualified
 5 residence interest.”.

6 (b) PHASEOUT OF DEDUCTION.—Section 163(h) of
 7 such Code is amended by adding at the end the following
 8 new paragraph:

9 “(5) PHASEOUT.—

10 “(A) IN GENERAL.—In the case of any
 11 taxable year beginning in a calendar year after
 12 2017, the amount otherwise allowable as a de-
 13 duction by reason of paragraph (2)(D) shall be
 14 the applicable percentage of such amount.

15 “(B) APPLICABLE PERCENTAGE.—For
 16 purposes of subparagraph (A), the applicable
 17 percentage shall be determined in accordance
 18 with the following table:

“For taxable years beginning in calendar year:	The applicable percentage is:
2018	100%
2019	80%
2020	60%
2021	40%
2022	20%
2023 and thereafter	0%.”.

1 (c) PHASEDOWN OF MORTGAGE LIMIT.—Subpara-
 2 graph (B) of section 163(h)(3) of such Code is amended
 3 by adding at the end the following:

4 “(iii) PHASEDOWN.—

5 “(I) IN GENERAL.—In the case
 6 of any taxable year beginning in cal-
 7 endar years 2018 through 2022,
 8 clause (ii) shall be applied by sub-
 9 stituting the amounts specified in the
 10 table in subclause (II) of this clause
 11 for ‘\$1,000,000’ and ‘\$500,000’, re-
 12 spectively.

13 “(II) PHASEDOWN AMOUNTS.—

14 For purposes of subclause (I), the
 15 amounts specified in this subclause
 16 for a taxable year shall be the
 17 amounts specified in the following
 18 table:

“For taxable years beginning in calendar year:	Amount substituted for \$1,000,000:	Amount substituted for \$500,000:
2018	\$1,000,000	\$500,000
2019	\$900,000	\$450,000
2020	\$800,000	\$400,000
2021	\$700,000	\$350,000
2022	\$600,000	\$300,000.”.

19 (d) CLERICAL AMENDMENT.—The table of sections
 20 for subpart A of part IV of subchapter A of chapter 1

1 of such Code is amended by inserting after section 25D
2 the following new item:

“Sec. 25E. Interest on indebtedness secured by qualified residence.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to interest paid or
5 accrued after December 31, 2017.

6 **SEC. 503. DEDUCTION ALLOWED FOR INTEREST AND TAXES**
7 **RELATING TO LAND FOR DWELLING PUR-**
8 **POSES OWNED OR LEASED BY COOPERATIVE**
9 **HOUSING CORPORATIONS.**

10 (a) IN GENERAL.—Subparagraph (B) of section
11 216(b)(1) of the Internal Revenue Code of 1986 is amend-
12 ed by inserting “or land,” after “building,”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall apply to amounts paid or accrued after
15 December 31, 2016.

16 **SEC. 504. USE OF MORTGAGE INTEREST SAVINGS TO IN-**
17 **CREASE LOW-INCOME HOUSING TAX CREDIT.**

18 (a) IN GENERAL.—Subclause (I) of section
19 42(h)(3)(C)(ii) of the Internal Revenue Code of 1986 is
20 amended by striking “\$1.75” and inserting “\$2.70”.

21 (b) INFLATION ADJUSTMENT.—Subparagraph (H) of
22 section 42(h)(3) of such Code is amended to read as fol-
23 lows:

24 “(H) COST-OF-LIVING ADJUSTMENT.—

1 “(i) IN GENERAL.—In the case of a
2 calendar year after 2016, the \$2,000,000
3 amount in subparagraph (C) shall be in-
4 creased by an amount equal to—

5 “(I) such dollar amount, multi-
6 plied by

7 “(II) the cost-of-living adjust-
8 ment determined under section 1(f)(3)
9 for such calendar year by substituting
10 ‘calendar year 2001’ for ‘calendar
11 year 1992’ in subparagraph (B) there-
12 of.

13 “(ii) PER CAPITA AMOUNT.—In the
14 case of a calendar year after 2017, the
15 \$2.70 amount in subparagraph (C) shall
16 be increased by an amount equal to—

17 “(I) such dollar amount, multi-
18 plied by

19 “(II) the cost-of-living adjust-
20 ment determined under section 1(f)(3)
21 for such calendar year by substituting
22 ‘calendar year 2016’ for ‘calendar
23 year 1992’ in subparagraph (B) there-
24 of.

25 “(iii) ROUNDING.—

1 “(I) In the case of the
2 \$2,000,000 amount, any increase
3 under clause (i) which is not a mul-
4 tiple of \$5,000 shall be rounded to the
5 next lowest multiple of \$5,000.

6 “(II) In the case of the \$2.70
7 amount, any increase under clause (ii)
8 which is not a multiple of 5 cents
9 shall be rounded to the next lowest
10 multiple of 5 cents.”.

11 (c) ELIGIBLE BASIS.—Clause (i) of section
12 42(d)(5)(B) of such Code is amended by striking “and”
13 at the end of subclause (I), by striking the period at the
14 end of subclause (II) and inserting “, and”, and by adding
15 at the end the following:

16 “(III) in the case of a building
17 containing units which are designated
18 to serve extremely low-income house-
19 holds by the State housing credit
20 agency and require the increase in
21 credit under this subparagraph in
22 order for such building to be finan-
23 cially feasible as part of a qualified
24 low-income housing project, the eligi-
25 ble basis of such building determined

1 by the portion of such units shall be
2 150 percent of such basis determined
3 without regard to this subpara-
4 graph.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to allocations made in calendar
7 years beginning after December 31, 2016.

8 **SEC. 505. USE OF MORTGAGE INTEREST SAVINGS FOR AF-**
9 **FORDABLE HOUSING PROGRAMS.**

10 (a) USE OF SAVINGS.—For each year, the Secretary
11 of the Treasury shall determine the amount of revenues
12 accruing to the general fund of the Treasury by reason
13 of the enactment of section 602 that remain after use of
14 such revenues in accordance with section 604 and shall
15 credit an amount equal to such remaining revenues as fol-
16 lows:

17 (1) HOUSING TRUST FUND.—The Secretary
18 shall credit the Housing Trust Fund established
19 under section 1338 of the Federal Housing Enter-
20 prises Financial Safety and Soundness Act of 1992
21 (12 U.S.C. 4568) with an amount equal to 60 per-
22 cent of the amount of such remaining revenues.

23 (2) SECTION 8 RENTAL ASSISTANCE.—The Sec-
24 retary shall credit an amount equal to 30 percent of
25 the amount of such remaining revenues to the Sec-

1 retary of Housing and Urban Development for use
2 only for providing tenant- and project-based rental
3 assistance under section 8 of the United States
4 Housing Act of 1937 (42 U.S.C. 1437f).

5 (3) PUBLIC HOUSING CAPITAL FUND.—The
6 Secretary shall credit an amount equal to 10 percent
7 of the amount of such remaining revenues to the
8 Public Housing Capital Fund under section 9(d) of
9 the United States Housing Act of 1937 (42 U.S.C.
10 1437g(d)).

11 (b) CHANGES TO HOUSING TRUST FUND.—Not later
12 than the expiration of the 6-month period beginning on
13 the date of the enactment of this Act, the Secretary of
14 Housing and Urban Development shall revise the regula-
15 tions relating to the Housing Trust Fund established
16 under section 1338 of the Federal Housing Enterprises
17 Financial Safety and Soundness Act of 1992 (12 U.S.C.
18 4568) to provide that such section is carried out with the
19 maximum amount of flexibility possible while complying
20 with such section, which shall include revising such regula-
21 tions—

22 (1) to increase the limitation on amounts from
23 the Fund that are available for use for operating as-
24 sistance for housing;

1 (2) to allow public housing agencies and tribally
2 designated housing entities to be recipient of grants
3 amounts from the Fund that are allocated to a State
4 or State designated entity; and

5 (3) eliminate the applicability of rules for the
6 Fund that are based on the HOME Investment
7 Partnerships Act (42 U.S.C. 1721 et seq.).

8 **TITLE VI—LOW-INCOME HOUS-**
9 **ING TAX CREDIT FOR HOME-**
10 **LESS YOUTH**

11 **SEC. 601. STUDENTS WHO WERE HOMELESS YOUTHS OR**
12 **HOMELESS VETERANS PERMITTED TO OC-**
13 **CUPY LOW-INCOME HOUSING UNITS.**

14 (a) IN GENERAL.—Section 42(i)(3)(D)(i) of the In-
15 ternal Revenue Code of 1986 is amended by redesignating
16 subclauses (II) and (III) as subclauses (IV) and (V) and
17 inserting after subclause (I) the following new subclauses:

18 “(II) a student who was (prior to
19 occupying such unit) a homeless child
20 or youth (as defined in section 725 of
21 the McKinney-Vento Homeless Assist-
22 ance Act),

23 “(III) a student who was (prior
24 to occupying such unit) a homeless

1 veteran (as defined in section 2002 of
2 title 38, United States Code),”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to determinations made on or after
5 the date of the enactment of this Act.

6 **SEC. 602. RENTERS TAX CREDIT.**

7 (a) **IN GENERAL.**—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 section:

11 **“SEC. 45S. RENTERS CREDIT.**

12 “(a) **IN GENERAL.**—For purposes of section 38, in
13 the case of a qualified credit recipient, the renters credit
14 for any taxable year is an amount equal to the sum of
15 the renters credit amounts allocated to such qualified
16 credit recipient under this section for months ending dur-
17 ing the taxable year.

18 “(b) **RENTERS CREDIT AMOUNT.**—

19 “(1) **IN GENERAL.**—For purposes of this sec-
20 tion, the term ‘renters credit amount’ means the
21 rent reduction amount with respect to each rental
22 unit which is occupied by a qualified renter.

23 “(2) **QUALIFIED RENTER.**—For purposes of
24 this section, the term ‘qualified renter’ means a fam-
25 ily unit with income not greater than the higher of—

1 “(A) 60 percent of local median income, or

2 “(B) 150 percent of the Federal poverty

3 line,

4 in each case as determined by the Secretary of
5 Housing and Urban Development for a family of the
6 size involved.

7 “(3) RENT REDUCTION AMOUNT.—For pur-
8 poses of this section—

9 “(A) IN GENERAL.—The term ‘rent reduc-
10 tion amount’ is the amount by which the fair
11 market rent for the unit involved exceeds the
12 rent charged to the qualified renter.

13 “(B) LIMITATION.—The rent reduction
14 amount taken into account under this section
15 shall not exceed the excess of—

16 “(i) the rent charged to the qualified
17 renter (or, if lower, specified modest rent),
18 over

19 “(ii) 30 percent of the qualified rent-
20 ers income (prorated monthly) as deter-
21 mined by the renters credit agency of the
22 State.

23 “(C) SPECIFIED MODEST RENT.—The
24 term ‘specified modest rent’ means—

1 “(i) the Fair Market Rent determined
2 by the Secretary of Housing and Urban
3 Development for the ZIP code (if the unit
4 is located in a metropolitan area) or non-
5 metropolitan county, or

6 “(ii) such amount as may be deter-
7 mined by the State with respect to the
8 area in which the unit is located if such
9 amount is within 25 percent of the amount
10 determined under clause (i) with respect to
11 such unit.

12 “(D) UTILITIES.—The renters credit agen-
13 cy of the State may determine whether and how
14 to take into account the cost of utilities in de-
15 termining the rent reduction amount.

16 “(E) CREDIT ADJUSTMENT.—The renters
17 credit agency of the State may elect to increase
18 the rent reduction amount such that such
19 amount does not exceed 110 percent of such
20 amount as determined without regard to this
21 subparagraph.

22 “(c) QUALIFIED CREDIT RECIPIENT.—For purposes
23 of this section, the term ‘qualified credit recipient’ means,
24 with respect to any rental unit occupied by a qualified
25 renter, the owner of such unit but only to the extent of

1 the renters credit amounts which have been allocated to
2 such person by the renters credit agency. In lieu of the
3 owner of the unit, the renters credit agency may treat the
4 lender of any loan to such owner as the qualified credit
5 recipient if such unit secures such loan.

6 “(d) ALLOCATIONS BY RENTERS CREDIT AGENCY TO
7 CREDIT RECIPIENTS.—

8 “(1) IN GENERAL.—The renters credit agency
9 may make allocations of renters credit amounts to
10 qualified credit recipients under this section on the
11 basis of—

12 “(A) the identity of the qualified renter,
13 such that the renters credit amount is allowed
14 to the owner of any rental unit which such
15 qualified renter occupies (or the lender referred
16 to in subsection (c)) for any month, or

17 “(B) one or more rental units, such that
18 the renters credit amount is allowed to the
19 owner of such units (or the lender referred to
20 in subsection (c)) for such months as such units
21 are occupied by a qualified renter.

22 “(2) RESTRICTIONS ON UNIT BASED ALLOCA-
23 TIONS.—A renters credit agency may make alloca-
24 tions of renters credit as described in paragraph
25 (1)(B) only if—

1 “(A) such units are part of a project or
2 building in which not more than 40 percent of
3 the units receive allocations under this section
4 (the Secretary may provide such exceptions to
5 the requirement of this subparagraph as the
6 Secretary determines appropriate for small
7 buildings or buildings with respect to which
8 more than 40 percent of the units were pre-
9 viously subsidized under other Federal pro-
10 grams), and

11 “(B) the Secretary has approved a mobility
12 plan submitted by such renters credit agency
13 which provides for an adequate method to en-
14 sure that qualified renters have the ability to
15 move from a unit which is eligible for credit
16 under this section without losing the rent sub-
17 sidy provided by this section.

18 “(e) ALLOCATIONS OF CREDIT AUTHORITY TO
19 STATE AGENCIES.—

20 “(1) RENTERS CREDIT DOLLAR AMOUNT FOR
21 AGENCIES.—

22 “(A) STATE LIMITATION.—The aggregate
23 credit amounts which a renters credit agency
24 may allocate for any calendar year is the por-
25 tion of the State renters credit ceiling allocated

1 under this paragraph for such calendar year to
2 such agency.

3 “(B) STATE CEILING INITIALLY ALLO-
4 CATED TO STATE HOUSING CREDIT AGEN-
5 CIES.—Except as provided in subparagraphs
6 (D) and (E), the State renters credit ceiling for
7 each calendar year shall be allocated to the
8 renters credit agency of such State. If there is
9 more than 1 renters credit agency of a State,
10 all such agencies shall be treated as a single
11 agency.

12 “(C) STATE RENTERS CREDIT CEILING.—
13 The State renters credit ceiling applicable to
14 any State and any calendar year shall be an
15 amount equal to the sum of—

16 “(i) the unused State renters credit
17 ceiling (if any) of such State for the pre-
18 ceding calendar year,

19 “(ii) the greater of—

20 “(I) \$17.50 multiplied by the
21 State population, or

22 “(II) \$20,000,000,

23 “(iii) the amount of State renters
24 credit ceiling returned in the calendar year,
25 plus

1 “(iv) the amount (if any) allocated
2 under subparagraph (D) to such State by
3 the Secretary.

4 For purposes of clause (i), the unused State
5 renters credit ceiling for any calendar year is
6 the excess (if any) of the sum of the amounts
7 described in clauses (ii) through (iv) over the
8 aggregate renters credit dollar amount allocated
9 for such year.

10 “(D) UNUSED RENTERS CREDIT
11 CARRYOVERS ALLOCATED AMONG CERTAIN
12 STATES.—

13 “(i) IN GENERAL.—The unused rent-
14 ers credit carryover of a State for any cal-
15 endar year shall be assigned to the Sec-
16 retary for allocation among qualified
17 States for the succeeding calendar year.

18 “(ii) UNUSED RENTERS CREDIT CAR-
19 RYOVER.—For purposes of this subpara-
20 graph, the unused renters credit carryover
21 of a State for any calendar year is the ex-
22 cess (if any) of—

23 “(I) the unused State renters
24 credit ceiling for the year preceding
25 such year, over

1 “(II) the aggregate renters credit
2 dollar amount allocated for such year.

3 “(iii) FORMULA FOR ALLOCATION OF
4 UNUSED HOUSING CREDIT CARRYOVERS
5 AMONG QUALIFIED STATES.—The amount
6 allocated under this subparagraph to a
7 qualified State for any calendar year shall
8 be the amount determined by the Secretary
9 to bear the same ratio to the aggregate un-
10 used renters credit carryovers of all States
11 for the preceding calendar year as such
12 State’s population for the calendar year
13 bears to the population of all qualified
14 States for the calendar year. For purposes
15 of the preceding sentence, population shall
16 be determined in accordance with section
17 146(j).

18 “(iv) QUALIFIED STATE.—For pur-
19 poses of this subparagraph, the term
20 ‘qualified State’ means, with respect to a
21 calendar year, any State—

22 “(I) which allocated its entire
23 State renters credit ceiling for the
24 preceding calendar year, and

1 “(II) for which a request is made
2 (not later than May 1 of the calendar
3 year) to receive an allocation under
4 clause (iii).

5 “(E) APPLICATION OF CERTAIN RULES.—
6 For purposes of this paragraph, rules similar to
7 the rules of subparagraphs (E), (F), and (G) of
8 section 42(h)(3) shall apply.

9 “(F) INFLATION ADJUSTMENT.—

10 “(i) IN GENERAL.—In the case of a
11 calendar year after 2017, the \$20,000,000
12 and \$17.50 amounts in subparagraph (C)
13 shall each be increased by an amount equal
14 to—

15 “(I) such dollar amount, multi-
16 plied by

17 “(II) the cost-of-living adjust-
18 ment determined under section 1(f)(3)
19 for such calendar year by substituting
20 ‘calendar year 2001’ for ‘calendar
21 year 1992’ in subparagraph (B) there-
22 of.

23 “(ii) ROUNDING.—

24 “(I) In the case of the
25 \$20,000,000 amount, any increase

1 under clause (i) which is not a mul-
2 tiple of \$50,000 shall be rounded to
3 the next lowest multiple of \$50,000.

4 “(II) In the case of the \$17.50
5 amount, any increase under clause (i)
6 which is not a multiple of 50 cents
7 shall be rounded to the next lowest
8 multiple of 50 cents.

9 “(f) OTHER DEFINITIONS.—For purposes of this sec-
10 tion—

11 “(1) RENTERS CREDIT AGENCY.—The term
12 ‘renters credit agency’ means, with respect to any
13 State, the housing credit agency of such State (as
14 defined in section 42(h)(8)(A)) or such other agency
15 as is authorized to carry out the activities of the
16 renters credit agency under this section.

17 “(2) POSSESSIONS TREATED AS STATES.—The
18 term ‘State’ includes a possession of the United
19 States.

20 “(g) REGULATIONS.—The Secretary shall prescribe
21 such regulations as may be necessary or appropriate to
22 carry out the purposes of this section.”.

23 (b) CREDIT TO BE PART OF GENERAL BUSINESS
24 CREDIT.—

1 (1) IN GENERAL.—Subsection (b) of section 38
2 of such Code is amended by striking “plus” at the
3 end of paragraph (35), by striking the period at the
4 end of paragraph (36) and inserting “, plus”, and
5 by adding at the end the following new paragraph:

6 “(37) the renters credit determined under sec-
7 tion 45S(a).”.

8 (2) CREDIT ALLOWABLE AGAINST ALTERNATIVE
9 MINIMUM TAX.—Subparagraph (B) of section
10 38(c)(4) of such Code is amended by redesignating
11 clauses (vii) through (ix) as clauses (viii) through
12 (x), respectively, and by inserting after clause (vi)
13 the following new clause:

14 “(vii) the credit determined under sec-
15 tion 45S,”.

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for subpart D of part IV of subchapter A of chapter 1
18 of such Code is amended by adding at the end the fol-
19 lowing new item:

 “Sec. 45S. Renters credit.”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to allocations made for calendar
22 years after 2016 and to taxable years ending after Decem-
23 ber 31, 2016.

1 **DIVISION C—NUTRITION**
2 **TITLE VII—IMPROVING TEM-**
3 **PORARY ASSISTANCE TO**
4 **NEEDY FAMILIES PROGRAM**

5 **SEC. 701. REFERENCES.**

6 Except as otherwise expressly provided in this title,
7 wherever in this title an amendment or repeal is expressed
8 in terms of an amendment to, or repeal of, a section or
9 other provision, the amendment or repeal shall be consid-
10 ered to be made to a section or other provision of the So-
11 cial Security Act.

12 **SEC. 702. STATE PLANS REQUIRED TO ADDRESS WHETHER**
13 **AND HOW STATES WILL PROVIDE ASSIST-**
14 **ANCE TO NEEDIEST GEOGRAPHIC AREAS.**

15 Section 402(a)(1)(A)(i) (42 U.S.C. 602(a)(1)(A)(i))
16 is amended by inserting “, including whether and how the
17 State will give priority to providing benefits and services
18 in areas of the State with the greatest need (such as areas
19 with the greatest unemployment rates, the greatest pov-
20 erty rates, and the least job opportunity to population ra-
21 tios)” before the period.

22 **SEC. 703. FUNDING OF THE TANF PROGRAM.**

23 (a) STATE FAMILY ASSISTANCE GRANT.—

24 (1) IN GENERAL.—Section 403(a)(1) (42
25 U.S.C. 603(a)(1)) is amended—

1 (A) in subparagraph (A), by striking “fis-
2 cal year 2012” and inserting “fiscal year 2013
3 and each succeeding fiscal year”; and

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

6 “(B) STATE FAMILY ASSISTANCE
7 GRANT.—

8 “(i) IN GENERAL.—The State family
9 assistance grant payable to a State for a
10 fiscal year shall be the greater of—

11 “(I) the adjusted basic block
12 grant, plus the amount required to be
13 paid to the State under paragraph (3)
14 (as in effect on September 30, 2010)
15 for fiscal year 2010; or

16 “(II) the amount required to be
17 paid to the State under this para-
18 graph for the preceding fiscal year.

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

23 “(I) the amount required to be
24 paid to the State under this para-
25 graph for fiscal year 2010 (deter-

1 mined without regard to any reduction
2 pursuant to section 409 or 412(a)(1));

3 “(II) 1.00, plus the percentage
4 (if any) by which the average of the
5 CPI for the 12-month period ending
6 with June of the preceding fiscal year
7 exceeds the average of the CPI for the
8 12-month period ending with June
9 1996, expressed as a decimal; and

10 “(III) 1.00, plus the percentage
11 (if any) by which the most recent esti-
12 mate by the Bureau of the Census of
13 the population of the State that has
14 not attained 18 years of age exceeds
15 the most recent estimate by the Bu-
16 reau of the Census of that population
17 as of July 1, 1996, expressed as a
18 decimal.

19 “(iii) CPI DEFINED.—In clause (ii),
20 the term ‘CPI’ means the last Consumer
21 Price Index for All Urban Consumers pub-
22 lished by the Department of Labor for the
23 period involved.

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

1 wise appropriated, there are appropriated such
2 sums as are necessary for grants under this
3 paragraph for each fiscal year.”.

4 (2) CONFORMING AMENDMENT TO ELIMINATE
5 SUPPLEMENTAL GRANTS FOR POPULATION IN-
6 CREASES IN CERTAIN STATES.—Section 403(a) (42
7 U.S.C. 603(a)) is amended by striking paragraph
8 (3).

9 (b) PENALTY FOR FAILURE TO MAINTAIN EFFORT
10 ADJUSTED FOR INFLATION.—Section 409(a)(7) (42
11 U.S.C. 609(a)(7)) is amended—

12 (1) in subparagraph (A), by inserting “the in-
13 flation-adjusted” before “historic State expendi-
14 tures”; and

15 (2) in subparagraph (B), by redesignating
16 clauses (iii) through (v) as clauses (iv) through (vi),
17 respectively, and inserting after clause (ii) the fol-
18 lowing:

19 “(iii) INFLATION-ADJUSTED HISTORIC
20 STATE EXPENDITURES.—The term ‘infla-
21 tion-adjusted historic State expenditures’
22 means, with respect to a fiscal year—

23 “(I) historic State expenditures;
24 multiplied by

1 “(II) 1.00, plus (in the case of
2 fiscal year 2018 or any succeeding fis-
3 cal year) the percentage (if any) by
4 which the average of the CPI (as de-
5 fined in section 403(a)(1)(B)(iii)) for
6 the 12-month period ending with June
7 of the preceding fiscal year exceeds
8 the average of the CPI (as so defined)
9 for the 12-month period ending with
10 June 2016, expressed as a decimal.”.

11 (c) MODIFICATION OF CONTINGENCY FUND.—

12 (1) IN GENERAL.—Section 403(b) (42 U.S.C.
13 603(b)) is amended by striking all that follows para-
14 graph (1) and inserting the following:

15 “(2) GRANTS.—

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

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

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

7 “(ii) if the entity is an Indian tribe,
8 under section 412(a)(1) for the fiscal year.

9 “(3) DEFINITIONS.—In paragraph (2):

10 “(A) ECONOMICALLY NEEDY ENTITY.—
11 The term ‘economically needy entity’ means an
12 entity with respect to a calendar quarter—

13 “(i) if the seasonally adjusted average
14 unemployment rate with respect to the en-
15 tity for the quarter or any of the preceding
16 4 calendar quarters exceeds 6.5 percent; or

17 “(ii) in the case that the unemploy-
18 ment rate information described in clause
19 (i) is not available with respect to the enti-
20 ty, if the entity meets such qualifications
21 as the Secretary, in consultation with the
22 Secretary of Labor, shall, by regulation,
23 prescribe.

1 “(B) BASE YEAR.—The term ‘base year’
2 means, with respect to an entity, and a cal-
3 endar quarter in a fiscal year—

4 “(i) except as provided in clause (ii),
5 whichever of the 2 fiscal years most re-
6 cently preceding the first fiscal year of the
7 most recent contingency fund eligibility pe-
8 riod for the entity, is the fiscal year in
9 which the relevant expenditures of the enti-
10 ty were the lesser; or

11 “(ii) if the first year of the period re-
12 ferred to in clause (i) is fiscal year 2018,
13 whichever of fiscal year 2007 or 2008 is
14 the fiscal year in which the relevant ex-
15 penditures of the entity were the lesser.

16 “(C) CONTINGENCY FUND ELIGIBILITY PE-
17 RIOD.—The term ‘contingency fund eligibility
18 period’ means, with respect to an entity, a pe-
19 riod of 1 or more consecutive calendar quarters
20 for which the entity is an economically needy
21 entity.

22 “(D) RELEVANT EXPENDITURES.—

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

1 “(I) for assistance under the pro-
2 gram funded under this part of the
3 entity (including, in the case of a
4 State, any qualified State expendi-
5 tures (as defined in section
6 409(a)(7)(B)(i)) and any expenditures
7 under any other State program fund-
8 ed by such expenditures);

9 “(II) for child care;

10 “(III) for subsidized employment
11 under the program funded under this
12 part of the entity (including, in the
13 case of a State, such expenditures
14 under any other State program fund-
15 ed by qualified State expenditures (as
16 defined in section 409(a)(7)(B)(i))),
17 other than expenditures made using
18 Federal funds or with respect to
19 which the entity received a grant
20 made under paragraph (3) of this
21 subsection; and

22 “(IV) for administrative costs as-
23 sociated with making the expenditures
24 referred to in the preceding sub-
25 clauses of this clause.

1 “(ii) CHILD CARE EXPENDITURES.—
2 For purposes of clause (i), expenditures for
3 child care consist of the following:

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

6 “(II) Expenditures for child care
7 assistance from Federal funds pro-
8 vided under this part.

9 “(III) In the case of an entity
10 that is a State, expenditures for child
11 care assistance that are qualified
12 State expenditures (as defined in sec-
13 tion 409(a)(7)(B)(i)), but only to the
14 extent exceeding the total expendi-
15 tures of the State (other than from
16 Federal funds) for child care in fiscal
17 year 1994 or 1995 (whichever is the
18 greater).

19 “(iii) AUTHORITY TO COLLECT AND
20 ADJUST DATA.—In determining the
21 amount of the expenditures of a State for
22 basic assistance, child care, and subsidized
23 employment, during any period for which
24 the State requests funds under this sub-
25 section, and during the base year of the

1 State, the Secretary may make appropriate
2 adjustments to the data, on a State-by-
3 State basis, to ensure that the data are
4 comparable with respect to the groups of
5 families served and the types of aid pro-
6 vided. The Secretary may develop a mecha-
7 nism for collecting expenditure data, in-
8 cluding procedures which allow States to
9 make reasonable estimates, and may set
10 deadlines for making revisions to the data.

11 “(4) USE OF GRANT.—Each State to which a
12 grant is made under this subsection shall use the
13 grant to serve areas of the State with the greatest
14 need (as referred to in section 402(a)(1)(A)).

15 “(5) APPROPRIATION.—

16 “(A) IN GENERAL.—Out of any funds in
17 the Treasury of the United States not otherwise
18 appropriated, there are appropriated for pay-
19 ment to the Fund—

20 “(i) \$2,500,000,000 for fiscal year
21 2018; and

22 “(ii) for each succeeding fiscal year,
23 the amount appropriated under this para-
24 graph for the then preceding fiscal year,
25 increased by the percentage (if any) by

1 which the amount appropriated under sec-
2 tion 403(a)(1) for the fiscal year involved
3 exceeds the amount appropriated under
4 such section for the then preceding fiscal
5 year.

6 “(B) AVAILABILITY.—Amounts made
7 available under this paragraph for a fiscal year
8 shall remain available until expended.

9 “(6) ACTIONS TO BE TAKEN IN ANTICIPATION
10 OF EXHAUSTION OF FUND.—The Secretary shall
11 monitor the amount in, and the rate at which
12 amounts are paid from, the Fund, and if the Sec-
13 retary determines that the Fund will be exhausted
14 within 6 months, the Secretary shall—

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

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

22 (2) ELIMINATION OF PENALTY FOR FAILURE
23 OF STATE RECEIVING AMOUNTS FROM CONTINGENCY
24 FUND TO MAINTAIN 100 PERCENT OF HISTORIC EF-
25 FORT.—

1 (A) IN GENERAL.—Section 409(a) (42
2 U.S.C. 609(a)) is amended by striking para-
3 graph (10) and redesignating paragraphs (11)
4 through (16) as paragraphs (10) through (15),
5 respectively.

6 (B) CONFORMING AMENDMENTS.—Section
7 409 (42 U.S.C. 609) is amended in each of sub-
8 sections (b)(2) and (c)(4), by striking “(10),
9 (12), or (13)” and inserting “(11), or (12)”.

10 (3) CONFORMING AMENDMENT.—Section
11 409(a)(3)(C) (42 U.S.C. 609(a)(3)(C)) is amended
12 by striking “needy State (as defined in section
13 403(b)(6))” and inserting “economically needy enti-
14 ty (as defined in section 403(b)(3)(A))”.

15 (4) AMOUNTS PROVIDED TO TERRITORIES
16 FROM THE CONTINGENCY FUND TO BE DIS-
17 REGARDED FOR PURPOSES OF LIMITATION ON PAY-
18 MENTS TO THE TERRITORIES.—Section 1108(a)(2)
19 (42 U.S.C. 1308(a)(2)) is amended by inserting
20 “403(b),” before “406,”.

21 (d) MATCHING GRANTS FOR SUBSIDIZED EMPLOY-
22 MENT.—

23 (1) IN GENERAL.—Section 403(a) (42 U.S.C.
24 603(a)), as amended by subsection (a)(2) of this sec-

1 tion, is further amended by inserting after para-
2 graph (2) the following:

3 “(3) MATCHING GRANTS FOR SUBSIDIZED EM-
4 PLOYMENT.—

5 “(A) IN GENERAL.—The Secretary shall
6 make a grant—

7 “(i) to each eligible State that is 1 of
8 the 50 States or the District of Columbia,
9 for each fiscal year for which the State is
10 an MOE State; and

11 “(ii) to each State that is not 1 of the
12 50 States or the District of Columbia, and
13 to each Indian tribe, for each fiscal year
14 for which the State or tribe, as the case
15 may be, meets such terms and conditions
16 as the Secretary shall, by regulation, estab-
17 lish, which shall be comparable to the
18 terms and conditions under which grants
19 are made under clause (i).

20 “(B) MOE STATE.—In subparagraph (A),
21 the term ‘MOE State’ means a State if the
22 qualified expenditures of the State (as defined
23 in section 409(a)(7)(B)(i)) for the fiscal year
24 exceeds the applicable percentage (as defined in
25 clause (ii) of such section) of inflation-adjusted

1 historic State expenditures (as defined in clause
2 (iii) of such section) of the State with respect
3 to the fiscal year.

4 “(C) AMOUNT OF GRANT.—

5 “(i) STATES.—

6 “(I) IN GENERAL.—The grant to
7 be made to a State under subpara-
8 graph (A)(i) for a fiscal year shall be
9 in an amount equal to 50 percent of
10 the excess expenditures of the State
11 for subsidized employment during the
12 fiscal year.

13 “(II) EXCESS EXPENDITURES OF
14 THE STATE FOR SUBSIDIZED EMPLOY-
15 MENT.—The term ‘excess expendi-
16 tures of the State for subsidized em-
17 ployment’ means, with respect to a
18 fiscal year, the lesser of—

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

22 “(bb) an amount equal to
23 the total expenditures of the
24 State for subsidized employment
25 funded under this part or under

1 any other State program funded
2 by qualified State expenditures
3 (as defined in section
4 409(a)(7)(B)(i)), excluding those
5 with respect to which a grant is
6 made to the State under sub-
7 section (b) of this section, during
8 the fiscal year.

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

13 “(D) USE OF GRANT.—Notwithstanding
14 section 404, a State or Indian tribe to which a
15 grant is made under this paragraph shall use
16 the grant solely to finance subsidized employ-
17 ment activities, and to serve areas of the State
18 with the greatest need (as referred to in section
19 402(a)(1)(A)).

20 “(E) APPROPRIATION.—Out of any funds
21 in the Treasury of the United States not other-
22 wise appropriated, there are appropriated such
23 sums as are necessary for grants under this
24 paragraph for each fiscal year.”.

1 (2) AMOUNTS PROVIDED TO TERRITORIES
2 FROM THE MATCHING GRANT TO BE DISREGARDED
3 FOR PURPOSES OF LIMITATION ON PAYMENTS TO
4 THE TERRITORIES.—Section 1108(a)(2) (42 U.S.C.
5 1308(a)(2)) is amended by inserting “403(a)(3),”
6 after “403(a)(2),”.

7 (3) DATA REPORTS REQUIRED WITH RESPECT
8 TO FAMILIES THAT INCLUDE AN INDIVIDUAL PAR-
9 TICIPATING IN SUBSIDIZED EMPLOYMENT PRO-
10 GRAMS.—Section 411(a)(1)(A) (42 U.S.C.
11 611(a)(1)(A)) is amended, in the matter before
12 clause (i), by inserting “, and families that include
13 an individual participating in subsidized employment
14 funded with Federal funds or qualified State expend-
15 itures (as so defined)” before the colon.

16 (e) TRIBAL FAMILY ASSISTANCE GRANTS.—Section
17 412(a)(1) (42 U.S.C. 612(a)(1)) is amended—

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

20 (2) in subparagraph (B)—

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

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

1 “(i) IN GENERAL.—The amount de-
2 termined under this subparagraph for a
3 fiscal year is an amount equal to the sum
4 of the adjusted historic expenditures for
5 the fiscal year with respect to each State
6 in which a service area of the Indian tribe
7 is located.

8 “(ii) ADJUSTED HISTORIC EXPENDI-
9 TURES DEFINED.—In clause (i), the term
10 ‘adjusted historic expenditures’ means,
11 with respect to a fiscal year, a State, and
12 an Indian tribe, the total amount of the
13 Federal payments to the State under sec-
14 tion 403 (as then in effect) for fiscal year
15 1994 attributable to expenditures (other
16 than child care expenditures) by the State
17 under parts A and F (as so in effect) for
18 fiscal year 1994 for Indian families resid-
19 ing in the service areas identified by the
20 tribe pursuant to subsection (b)(1)(C) of
21 this section that are in the State, increased
22 by the percentage (if any) by which the
23 amount of the grant payable under section
24 403(a)(1) for the fiscal year to the State

1 exceeds the amount of the grant so payable
2 to the State for fiscal year 2010.”.

3 (f) CENSUS BUREAU STUDY.—Section 414 (42
4 U.S.C. 614) is amended—

5 (1) by striking subsection (a) and inserting the
6 following:

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

20 (2) in subsection (b), by striking “fiscal year
21 2012” and inserting “each fiscal year”.

22 (g) FUNDING OF STUDIES AND EVALUATIONS.—Sec-
23 tion 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by strik-
24 ing “fiscal year 2012” and inserting “each fiscal year”.

1 (h) MATCHING GRANTS TO CERTAIN TERRI-
2 TORIES.—Section 1108 (42 U.S.C. 1308) is amended—

3 (1) in subsection (a)(2), by inserting “section
4 403(a)(1) (to the extent exceeding the amount re-
5 quired to be so paid to the territory for fiscal year
6 2011),” before “403(a)(2)”; and

7 (2) in subsection (b)(2), by striking “fiscal year
8 2012” and inserting “each fiscal year”.

9 **SEC. 704. WORK REQUIREMENTS.**

10 (a) PARTICIPATION RATE REQUIREMENT.—Section
11 407 (42 U.S.C. 607) is amended by striking subsections
12 (a) and (b) and inserting the following:

13 “(a) PARTICIPATION RATE REQUIREMENT.—

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

19 “(2) WORK-ELIGIBLE INDIVIDUAL DEFINED.—

20 “(A) IN GENERAL.—In subsection (a), the
21 term ‘work-eligible individual’, subject to sub-
22 paragraphs (B) and (C), means—

23 “(i) an adult recipient of assistance
24 under the State program funded under this
25 part or under any other State program

1 funded by qualified State expenditures (as
2 defined in section 409(a)(7)(B)(i));

3 “(ii) a former recipient of such assist-
4 ance who is—

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

7 “(II) no longer eligible for assist-
8 ance under the State program funded
9 under this part by reason of section
10 408(a)(7); and

11 “(iii) a participant in a subsidized em-
12 ployment program funded under this part
13 or under any other State program funded
14 by qualified State expenditures (as defined
15 in section 409(a)(7)(B)(i)).

16 “(B) EXCLUSION OF INDIVIDUALS SANC-
17 TIONED OR UNDERGOING PRE-SANCTION RE-
18 VIEW.—The term ‘work-eligible individual’ does
19 not include any individual with respect to
20 whom—

21 “(i) there is in effect a penalty im-
22 posed by the State under subsection (e) of
23 this section; or

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

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

8 “(i) a single parent caring for a child
9 who has not attained 1 year of age;

10 “(ii) a recipient of supplemental secu-
11 rity income benefits under title XVI, dis-
12 ability insurance benefits under title II, or
13 other Federal or State benefits based on
14 disability;

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

17 “(iv) an individual who is needed in
18 the home of the individual to care for a
19 disabled member of the family of the indi-
20 vidual; or

21 “(v) an individual who (but for the ex-
22 ercise of the State option under this
23 clause) would be a work-eligible individual
24 under a tribal family assistance plan ap-
25 proved under section 412 or under a tribal

1 work program to which funds are provided
2 under this part.

3 “(b) CALCULATION OF PARTICIPATION RATES.—

4 “(1) AVERAGE MONTHLY RATE.—For purposes
5 of subsection (a), the participation rate of a State
6 for a fiscal year is the average of the participation
7 rates of the State for each month in the fiscal year.

8 “(2) MONTHLY PARTICIPATION RATE.—For
9 purposes of paragraph (1), the participation rate of
10 a State for a month, expressed as a percentage, is—

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

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

16 (b) PARTICIPATION REQUIREMENTS.—Section
17 407(c) (42 U.S.C. 607(c)) is amended to read as follows:

18 “(c) ENGAGED IN WORK.—For purposes of sub-
19 section (b):

20 “(1) GENERAL RULE.—An individual is en-
21 gaged in work for a month in a fiscal year if the re-
22 cipient is participating in work activities for an aver-
23 age of at least 20 hours per week during the month.

24 “(2) INDIVIDUALS COMPLYING WITH A MODI-
25 FIED EMPLOYABILITY PLAN DEEMED TO BE EN-

1 GAGED IN WORK.—An individual is deemed to be en-
2 gaged in work for a month if the State determines
3 that the individual is in substantial compliance with
4 the activities and hourly participation requirements
5 of a modified employability plan developed for the
6 individual in accordance with section 408(h).

7 “(3) SINGLE TEEN HEAD OF HOUSEHOLD OR
8 MARRIED TEEN WHO MAINTAINS SATISFACTORY
9 SCHOOL ATTENDANCE DEEMED TO BE ENGAGED IN
10 WORK.—An individual who is married or a head of
11 household and has not attained 20 years of age is
12 deemed to be engaged in work for a month if the re-
13 cipient maintains satisfactory attendance at sec-
14 ondary school or the equivalent during the month.”.

15 (c) ELIMINATION OF 12-MONTH LIMIT ON COUNTING
16 VOCATIONAL EDUCATIONAL TRAINING AS A WORK ACTIV-
17 ITY.—Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amend-
18 ed by striking “(not to exceed 12 months with respect to
19 any individual)”.

20 **SEC. 705. WORK RULES.**

21 (a) OPTION OF RECIPIENT TO HAVE TRAINED PER-
22 SONNEL ASSESS CERTAIN BARRIERS TO EMPLOYMENT;
23 ADDITIONAL MATTERS REQUIRED TO BE ASSESSED.—
24 Section 408(b)(1) (42 U.S.C. 608(b)(1)) is amended—

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

5 (2) by striking “and employability” and insert-
6 ing “employability, physical and mental impair-
7 ments, English proficiency, child care needs, and
8 whether the recipient is a victim of domestic or sex-
9 ual violence,”.

10 (b) INDIVIDUAL RESPONSIBILITY PLANS.—

11 (1) PLANS REQUIRED; PLANS TO INCLUDE
12 WELL-BEING PLANS FOR CHILDREN.—Section
13 408(b)(2)(A) (42 U.S.C. 608(b)(2)(A)) is amend-
14 ed—

15 (A) in the matter preceding clause (i), by
16 striking “may” and inserting “shall”;

17 (B) in clause (iv)—

18 (i) by inserting “, supports,” after
19 “counseling”; and

20 (ii) by striking “and” at the end;

21 (C) in clause (v), by striking the period
22 and inserting “; and”; and

23 (D) by adding at the end the following:

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

1 (2) DEADLINE FOR COMPLETION OF PLAN.—
2 Section 408(b)(2)(B) (42 U.S.C. 608(b)(2)(B)) is
3 amended by striking “individual—” and all that fol-
4 lows and inserting “individual within 90 days after
5 the individual is determined eligible for the assist-
6 ance.”.

7 (3) SANCTION FOR FAILURE OF STATE TO DE-
8 VELOP PLAN.—Section 409(a) (42 U.S.C. 609(a)),
9 as amended by section 903(c)(2)(A) of this title, is
10 amended by adding at the end the following:

11 “(16) PENALTY FOR FAILURE OF STATE TO DE-
12 VELOP REQUIRED INDIVIDUAL RESPONSIBILITY
13 PLAN.—

14 “(A) IN GENERAL.—If the Secretary deter-
15 mines that a State to which a grant is made
16 under section 403 in a fiscal year has violated
17 section 408(b)(2) during the fiscal year, the
18 Secretary shall reduce the grant payable to the
19 State under section 403(a)(1) for the imme-
20 diately succeeding fiscal year by an amount
21 equal to not more than 5 percent of the State
22 family assistance grant.

23 “(B) PENALTY BASED ON SEVERITY OF
24 FAILURE.—The Secretary shall impose reduc-
25 tions under subparagraph (A) with respect to a

1 fiscal year based on the degree of noncompli-
2 ance.”.

3 (4) CONFORMING AMENDMENT.—Section
4 408(b) (42 U.S.C. 608(b)) is amended by striking
5 paragraph (4).

6 (c) MODIFIED EMPLOYABILITY PLANS FOR CERTAIN
7 INDIVIDUALS WITH DISABILITIES.—Section 408 (42
8 U.S.C. 608) is amended by adding at the end the fol-
9 lowing:

10 “(h) AUTHORITY TO DEVELOP MODIFIED EMPLOY-
11 ABILITY PLAN FOR A RECIPIENT OF ASSISTANCE WITH,
12 OR CARING FOR A FAMILY MEMBER WITH, A DIS-
13 ABILITY.—

14 “(1) IN GENERAL.—A State may develop a
15 modified employability plan for a recipient of assist-
16 ance under the State program funded under this
17 part—

18 “(A) who—

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

21 “(ii) has been determined by a quali-
22 fied medical, mental health, addiction, or
23 social services professional (as determined
24 by the State) to have a disability; or

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

3 “(2) CONTENTS OF PLAN.—The modified em-
4 ployability plan shall—

5 “(A) include a determination that, because
6 of the disability of the recipient or the indi-
7 vidual for whom the recipient is caring, reason-
8 able modification of work activities, hourly par-
9 ticipation requirements, or both, is needed in
10 order for the recipient to participate in the ac-
11 tivities;

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

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

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

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

24 “(F) be reviewed not less often than every
25 6 months.

1 “(3) DEFINITIONS.—In this subsection:

2 “(A) DISABILITY.—The term ‘disability’
3 means a mental or physical impairment, includ-
4 ing substance abuse or addiction, that—

5 “(i) constitutes or results in a sub-
6 stantial impediment to employment; or

7 “(ii) substantially limits 1 or more
8 major life activities.

9 “(B) MODIFIED WORK ACTIVITIES.—The
10 term ‘modified work activities’ means activities
11 which the State has determined will help the re-
12 cipient become employable.”.

13 (d) SANCTIONS.—

14 (1) GENERAL SANCTION PROVISIONS.—

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

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

20 “(13) PROHIBITION ON IMPOSING LIFETIME OR
21 FULL FAMILY SANCTION.—A State to which a grant
22 is made under section 403 shall not impose a life-
23 time prohibition on the provision of assistance to
24 any individual or family under the State program
25 funded under this part or under a program funded

1 with qualified State expenditures (as defined in sec-
2 tion 409(a)(7)(B)(i)) on the basis of the failure of
3 a member of the family to comply with a program
4 requirement.”.

5 (ii) PENALTY.—Section 409(a) (42
6 U.S.C. 609), as amended by section
7 903(c)(2)(A) of this title and subsection
8 (b)(3) of this section, is amended by add-
9 ing at the end the following:

10 “(17) PENALTY FOR IMPOSING LIFETIME OR
11 FULL FAMILY SANCTION.—If the Secretary deter-
12 mines that a State to which a grant is made under
13 section 403 in a fiscal year has violated section
14 408(a)(13) during the fiscal year, the Secretary
15 shall reduce the grant payable to the State under
16 section 403(a)(1) for the immediately succeeding fis-
17 cal year by an amount equal to 5 percent of the
18 State family assistance grant.”.

19 (B) DUE PROCESS PROTECTIONS.—

20 (i) IN GENERAL.—Section 408(a) (42
21 U.S.C. 608(a)), as amended by subpara-
22 graph (A)(i) of this paragraph, is amended
23 by adding at the end the following:

24 “(14) SANCTION PROCEDURES.—

1 “(A) PRE-SANCTION REVIEW PROCESS.—
2 Before imposing a sanction against an indi-
3 vidual or family receiving assistance under the
4 State program funded under this part or under
5 a program funded with qualified State expendi-
6 tures (as defined in section 409(a)(7)(B)(i)) for
7 failure to comply with program requirements,
8 the State shall take the following steps:

9 “(i) Provide or send notice to the indi-
10 vidual or family, and, if the recipient’s na-
11 tive language is not English, through a
12 culturally competent written or verbal
13 translation, of the following information:

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

16 “(II) The amount of the pro-
17 posed sanction.

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

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

24 “(V) That the agency will provide
25 assistance to help the individual dem-

1 onstrate good cause for noncompli-
2 ance, or come into compliance with
3 program requirements.

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

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

11 “(aa) an individual, other than
12 the individual who determined that a
13 sanction be imposed, will review the
14 determination and have the authority
15 to take the actions described in sub-
16 clause (II); and

17 “(bb) the individual or family
18 against whom the sanction is to be
19 imposed shall be afforded the oppor-
20 tunity to meet with the individual who
21 is reviewing the determination to im-
22 pose the sanction.

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

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

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

5 “(cc) Recommend modifications
6 to the individual responsibility or em-
7 ployment plan of an individual.

8 “(dd) Make such other deter-
9 minations and take such other actions
10 as may be appropriate.

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

14 “(I) To the extent applicable,
15 whether barriers to compliance exist,
16 such as a physical or mental impair-
17 ment (including mental illness, sub-
18 stance abuse, mental retardation, or a
19 learning disability), domestic or sexual
20 violence, limited proficiency in
21 English, limited literacy, homeless-
22 ness, or the need to care for a child
23 with a disability or health condition,
24 that contributed to the noncompli-
25 ance.

1 “(II) Whether the noncompliance
2 resulted from failure to receive or
3 have access to services identified as
4 necessary in an individual responsi-
5 bility or employment plan.

6 “(III) Whether changes to the in-
7 dividual responsibility or employment
8 plan of an individual should be made
9 in order for the individual to come
10 into compliance.

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

13 “(V) Whether the sanction poli-
14 cies of the State have been applied
15 properly.

16 “(B) SANCTION FOLLOW-UP REQUIRE-
17 MENTS.—If a State imposes a sanction on a
18 family or individual for failing to comply with
19 program requirements, the State shall—

20 “(i) provide or send notice to the indi-
21 vidual or family, in language calculated to
22 be understood by the individual or family,
23 and, if the individual’s or family’s native
24 language is not English, through a cul-
25 turally competent translation, of the reason

1 for the sanction and the steps the indi-
2 vidual or family must take to end the sanc-
3 tion;

4 “(ii) resume full assistance, services,
5 or benefits to the individual or family
6 under the program (if the individual or
7 family is otherwise eligible for the assist-
8 ance, services, or benefits) once the indi-
9 vidual who was not in compliance with pro-
10 gram requirements that led to the sanction
11 complies with the requirements for a rea-
12 sonable period of time, as determined by
13 the State and subject to State discretion to
14 reduce the period; and

15 “(iii) if the State has not resumed
16 providing the assistance, services, or bene-
17 fits as of the end of the 120-day period
18 that begins on the date that is 60 days
19 after the date on which the sanction was
20 imposed, provide notice to the individual or
21 family, in language calculated to be under-
22 stood by the individual or family, of the
23 steps the individual or family must take to
24 end the sanction, and of the availability of

1 assistance to come into compliance or dem-
2 onstrate good cause for noncompliance.

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

10 (ii) PENALTY.—Section 409(a) (42
11 U.S.C. 609(a)), as amended by section
12 903(e)(2)(A) of this title, subsection (b)(3)
13 of this section, and subparagraph (A)(ii) of
14 this paragraph, is amended by adding at
15 the end the following:

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

18 “(A) IN GENERAL.—If the Secretary deter-
19 mines that a State to which a grant is made
20 under section 403 in a fiscal year has violated
21 section 408(a)(14) during the fiscal year, the
22 Secretary shall reduce the grant payable to the
23 State under section 403(a)(1) for the imme-
24 diately succeeding fiscal year by an amount

1 equal to not more than 5 percent of the State
2 family assistance grant.

3 “(B) PENALTY BASED ON SEVERITY OF
4 FAILURE.—The Secretary shall impose reduc-
5 tions under subparagraph (A) with respect to a
6 fiscal year based on the degree of noncompli-
7 ance.”.

8 (iii) STATE PLAN REQUIREMENT TO
9 DESCRIBE HOW STATES WILL NOTIFY AP-
10 PPLICANTS AND RECIPIENTS OF THEIR
11 RIGHTS UNDER THE PROGRAM AND OF PO-
12 TENTIAL BENEFITS AND SERVICES AVAIL-
13 ABLE UNDER THE PROGRAM.—Section
14 402(a)(1)(B)(iii) (42 U.S.C.
15 602(a)(1)(B)(iii)) is amended by inserting
16 “, and will notify applicants and recipients
17 of assistance under the program of the
18 rights of individuals under all laws applica-
19 ble to program activities and of all poten-
20 tial benefits and services available under
21 the program” before the period.

22 (2) MODIFICATIONS TO WORK SANCTION.—

23 (A) ELIMINATION OF FULL FAMILY SANC-
24 TION; STATE REQUIRED TO ESTABLISH CER-

1 TAIN GOOD CAUSE EXCEPTIONS.—Section
2 407(e)(1) (42 U.S.C. 607(e)(1)) is amended—

3 (i) by striking “shall—” and all that
4 follows through subparagraph (B) and in-
5 serting “shall reduce the amount of assist-
6 ance otherwise payable to the family pro
7 rata with respect to any period during a
8 month in which the individual so refuses,”;
9 and

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

23 (B) PROHIBITION ON SANCTIONING INDI-
24 VIDUAL FOR FAILURE TO ENGAGE IN WORK IF
25 INDIVIDUAL HAS A CHILD UNDER AGE 6

1 MONTHS OR IF FAILURE RESULTS FROM IN-
2 ABILITY TO SECURE CHILD CARE OR AFTER-
3 SCHOOL ARRANGEMENTS FOR A CHILD UNDER
4 AGE 13.—Section 407(e)(2) (42 U.S.C.
5 607(e)(2)) is amended by striking “refusal”
6 and all that follows and inserting “failure of an
7 individual to engage in work required in accord-
8 ance with this section if—

9 “(A) the individual is a single custodial
10 parent caring for a child who has not attained
11 6 months of age; or

12 “(B) the individual is the single custodial
13 parent caring for a child who has not attained
14 13 years of age, and the failure resulted from
15 the inability of the individual to secure child
16 care or after-school arrangements for the
17 child”.

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

1 (e) RELATED STATE PLAN REQUIREMENT.—Section
2 402(a) (42 U.S.C. 602(a)) is amended by adding at the
3 end the following:

4 “(8) CERTIFICATION THAT EMPLOYMENT AS-
5 SESSMENTS AND SANCTION REVIEWS WILL BE CON-
6 DUCTED BY COMPETENT PERSONNEL.—A certifi-
7 cation by the chief executive officer of the State that
8 the employment assessments conducted pursuant to
9 section 408(b)(1) and the sanction reviews con-
10 ducted pursuant to section 408(a)(14)(A) will be
11 conducted by personnel who have sufficient edu-
12 cation, training, and professional competence to do
13 so, which shall include information on the education,
14 training, and professional competence that State will
15 require of the personnel.”.

16 **SEC. 706. PROHIBITION ON IMPOSING LIMIT OF LESS THAN**
17 **60 MONTHS ON DURATION OF ASSISTANCE.**

18 (a) PROHIBITION.—

19 (1) IN GENERAL.—Section 408(a)(7) (42
20 U.S.C. 608(a)(7)) is amended—

21 (A) in the paragraph heading, by striking
22 “NO ASSISTANCE FOR MORE THAN 5 YEARS”
23 and inserting “DURATIONAL LIMITS ON ASSIST-
24 ANCE”;

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

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

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

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

19 (b) REQUIREMENT TO CONDUCT OUTREACH TO IN-
20 FORM POTENTIALLY ELIGIBLE FAMILIES OF ELIMI-
21 NATION OF DURATIONAL LIMIT ON ASSISTANCE OF LESS
22 THAN 60 MONTHS.—

23 (1) IN GENERAL.—Section 408(a) (42 U.S.C.
24 608(a)), as amended by section 905(d)(1) of this
25 title, is amended by adding at the end the following:

1 “(15) REQUIREMENT TO CONDUCT OUTREACH
2 TO INFORM POTENTIALLY ELIGIBLE RECIPIENTS OF
3 ASSISTANCE OF ELIMINATION OF DURATIONAL LIMIT
4 ON ASSISTANCE OF LESS THAN 60 MONTHS.—A
5 State to which a grant is made under section 403
6 for a fiscal year that, before the effective date of this
7 paragraph, denied assistance under the State pro-
8 gram funded under this part or any other State pro-
9 gram funded by qualified State expenditures (as de-
10 fined in section 409(a)(7)(B)(i)) to an individual or
11 family on the basis of a durational limit on the as-
12 sistance that was imposed other than under section
13 408(a)(7) shall conduct outreach to inform individ-
14 uals and families who were so denied that they may
15 be eligible for additional months of the assistance.”.

16 (2) PENALTY.—Section 409(a) (42 U.S.C.
17 609(a)), as amended by sections 903(e)(2)(A) and
18 905(d)(1) of this title, is amended by adding at the
19 end the following:

20 “(19) FAILURE TO CONDUCT OUTREACH TO IN-
21 FORM POTENTIALLY ELIGIBLE RECIPIENTS OF AS-
22 SISTANCE OF ELIMINATION OF DURATIONAL LIMIT
23 ON ASSISTANCE OF LESS THAN 60 MONTHS.—If the
24 Secretary determines that a State to which a grant
25 is made under section 403 in a fiscal year has vio-

1 lated section 408(a)(15) during the fiscal year, the
2 Secretary shall reduce the grant payable to the State
3 under section 403(a)(1) for the immediately suc-
4 ceeding fiscal year by an amount equal to 5 percent
5 of the State family assistance grant.”.

6 (c) STATE PLAN REQUIRED TO INCLUDE DESCRIP-
7 TION OF HOW POTENTIALLY ELIGIBLE RECIPIENTS WILL
8 BE INFORMED OF ELIMINATION OF DURATIONAL LIMIT
9 ON ASSISTANCE OF LESS THAN 60 MONTHS.—Section
10 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by
11 adding at the end the following:

12 “(vi) In the case of a State that, be-
13 fore the date this clause takes effect, de-
14 nied assistance under the program to an
15 individual or family on the basis of a
16 durational limit on the assistance that was
17 imposed other than under section
18 408(a)(7), the document shall describe how
19 the State intends to inform the individuals
20 and families who were so denied that they
21 may be eligible for additional months of
22 the assistance.”.

1 **SEC. 707. RESPONSE OF TANF PROGRAM TO ECONOMIC RE-**
2 **CESSIONS.**

3 (a) INAPPLICABILITY OF DURATIONAL LIMIT ON AS-
4 SISTANCE.—Section 408(a)(7) (42 U.S.C. 608(a)(7)), as
5 amended by section 906(a)(1)(C) of this title, is amended
6 by adding at the end the following:

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

12 “(J) DISREGARD OF ASSISTANCE PRO-
13 VIDED DURING RECESSION.—In determining
14 the number of months for which an adult has
15 received assistance under a State or tribal pro-
16 gram funded under this part or any other State
17 program funded by qualified State expenditures
18 (as defined in section 409(a)(7)(B)(i)), the
19 State or tribe shall disregard any month which
20 is in a high unemployment period with respect
21 to the State.

22 “(K) 6-MONTH GRACE PERIOD REQUIRED
23 AFTER RECESSION.—Subparagraph (A) shall
24 not apply to a recipient of assistance under the
25 State program funded under this part or any
26 other State program funded by qualified State

1 expenditures (as defined in section
2 409(a)(7)(B)(i)) during the 6-month period
3 that begins with the month immediately fol-
4 lowing a high unemployment period with re-
5 spect to the State if the recipient received the
6 assistance for the last month of the period.”.

7 (b) REQUIREMENT TO CONDUCT OUTREACH TO IN-
8 FORM POTENTIALLY ELIGIBLE FAMILIES OF SUSPENSION
9 OF DURATIONAL LIMIT ON ASSISTANCE.—

10 (1) IN GENERAL.—Section 408(a) (42 U.S.C.
11 608(a)), as amended by sections 905(d)(1) and
12 906(b)(1) of this title, is amended by adding at the
13 end the following:

14 “(16) REQUIREMENT TO CONDUCT OUTREACH
15 TO INFORM POTENTIALLY ELIGIBLE RECIPIENTS OF
16 ASSISTANCE OF SUSPENSION OF DURATIONAL LIMIT
17 ON ASSISTANCE.—In each month which is a high un-
18 employment period with respect to a State to which
19 a grant is made under section 403 for a fiscal year,
20 the State shall conduct outreach to inform individ-
21 uals and families who are potentially eligible for as-
22 sistance under the State program funded under this
23 part or any other State program funded by qualified
24 State expenditures (as defined in section

1 409(a)(7)(B)(i)) of the suspension of any durational
2 limit on assistance under the program.”.

3 (2) PENALTY.—Section 409(a) (42 U.S.C.
4 609(a)), as amended by sections 903(c)(2)(A),
5 905(d)(1), and 906(b)(2), is amended by adding at
6 the end the following:

7 “(20) FAILURE TO CONDUCT OUTREACH TO IN-
8 FORM POTENTIALLY ELIGIBLE RECIPIENTS OF AS-
9 SISTANCE OF SUSPENSION OF DURATIONAL LIMIT
10 ON ASSISTANCE.—If the Secretary determines that a
11 State to which a grant is made under section 403
12 in a fiscal year has violated section 408(a)(16) dur-
13 ing the fiscal year, the Secretary shall reduce the
14 grant payable to the State under section 403(a)(1)
15 for the immediately succeeding fiscal year by an
16 amount equal to 5 percent of the State family assist-
17 ance grant.”.

18 (c) STATE PLAN REQUIRED TO INCLUDE DESCRIP-
19 TION OF HOW POTENTIALLY ELIGIBLE RECIPIENTS WILL
20 BE INFORMED OF SUSPENSION OF TIME LIMITS DURING
21 RECESSION.—Section 402(a)(1)(B) (42 U.S.C.
22 602(a)(1)(B)), as amended by section 906(c) of this title,
23 is amended by adding at the end the following:

24 “(vii) The document shall describe
25 how the State intends to inform potentially

1 eligible recipients of assistance under the
2 program of the suspension of durational
3 limits on the assistance during a high un-
4 employment period with respect to the
5 State.”.

6 (d) HIGH UNEMPLOYMENT PERIOD DEFINED.—Sec-
7 tion 419 (42 U.S.C. 619) is amended by adding at the
8 end the following:

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

17 **SEC. 708. REQUIREMENT THAT STATES USE MERIT-BASED**
18 **SYSTEM IN ADMINISTRATION OF TANF PRO-**
19 **GRAMS.**

20 (a) PROGRAM REQUIREMENT.—Section 408(a) (42
21 U.S.C. 608(a)), as amended by sections 905(d)(1),
22 906(b)(1), and 907(b)(1) of this title, is amended by add-
23 ing at the end the following:

24 “(17) REQUIREMENT TO USE MERIT-BASED
25 SYSTEM IN ADMINISTERING PROGRAM.—A State to

1 which a grant is made under section 403 shall estab-
2 lish and maintain personnel standards through a
3 merit-based system, in administering the State pro-
4 gram funded under this part and any other State
5 program funded by qualified State expenditures (as
6 defined in section 409(a)(7)(B)(i)).”.

7 (b) PENALTY.—Section 409(a) (42 U.S.C. 609), as
8 amended by sections 903(c)(2)(A), 905(d)(1), 906(b)(2),
9 and 907(b)(2) of this title, is amended by adding at the
10 end the following:

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

20 **SEC. 709. BAN ON USING FEDERAL TANF FUNDS TO RE-**
21 **PLACE STATE AND LOCAL SPENDING THAT**
22 **DOES NOT MEET THE DEFINITION OF QUALI-**
23 **FIED STATE EXPENDITURES.**

24 (a) PROHIBITION.—Section 408(a) (42 U.S.C.
25 608(a)), as amended by sections 905(d)(1), 906(b)(1),

1 907(b)(1), and 908(a) of this title, is amended by adding
2 at the end the following:

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

12 (b) PENALTY.—Section 409(a) (42 U.S.C. 609), as
13 amended by sections 903(c)(2)(A), 905(d)(1), 906(b)(2),
14 907(b)(2), and 908(b) of this title, is amended by adding
15 at the end the following:

16 “(22) USE OF FEDERAL TANF FUNDS TO RE-
17 PLACE STATE OR LOCAL SPENDING THAT IS NOT A
18 QUALIFIED STATE EXPENDITURE.—If the Secretary
19 determines that a State to which a grant is made
20 under section 403 in a fiscal year has violated sec-
21 tion 408(a)(18) during the fiscal year, the Secretary
22 shall reduce the grant payable to the State under
23 section 403(a)(1) for the immediately succeeding fis-
24 cal year by an amount equal to 5 percent of the
25 State family assistance grant.”.

1 **SEC. 710. TANF ASSISTANCE TO MEET BASIC FAMILY ECO-**
2 **NOMIC NEEDS.**

3 (a) STATE PLAN REQUIREMENT.—Section
4 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended by
5 sections 906(c) and 907(d) of this title, is amended by
6 adding at the end the following:

7 “(viii) FAMILY BUDGET PROVI-
8 SIONS.—The document shall set forth a
9 family budget of a dollar amount sufficient
10 to meet the basic economic needs (includ-
11 ing food, clothing, shelter, utilities, house-
12 hold goods, personal care items, and gen-
13 eral incidental expenses) of a family, how
14 the family budget is adjusted for family
15 size, the method used to estimate the fam-
16 ily budget (including a statement of the re-
17 lationship between shelter and utility costs
18 and the fair market rents in localities in
19 the State), and the relationship between
20 the amount of assistance provided to each
21 family under the program and the amount
22 of the family budget for the family.”.

23 (b) PROGRAM REQUIREMENT.—Section 408(a) (42
24 U.S.C. 608(a)), as amended by sections 905(d)(1),
25 906(b)(1), 907(b)(1), 908(a), and 909(a) of this title, is
26 amended by adding at the end the following:

1 “(19) REQUIREMENT THAT AMOUNT OF ASSIST-
2 ANCE MEET BASIC ECONOMIC NEEDS.—A State to
3 which a grant is made under section 403 shall en-
4 sure that the total amount of assistance provided to
5 a family under the State program funded under this
6 part and all programs funded with qualified State
7 expenditures (as defined in section 409(a)(7)(B)(i))
8 for which the family is eligible is sufficient to meet
9 the basic economic needs of the family, taking into
10 account all earned and unearned income of the fam-
11 ily and an amount not to exceed the value of the
12 supplemental nutrition assistance benefits provided
13 to the family under the Food and Nutrition Act of
14 2008.”.

15 (c) PENALTY.—Section 409(a) (42 U.S.C. 609), as
16 amended by sections 903(c)(2)(A), 905(d)(1), 906(b)(2),
17 907(b)(2), 908(b), and 909(b) of this title, is amended by
18 adding at the end the following:

19 “(23) PENALTY FOR FAILURE OF STATE TANF
20 ASSISTANCE TO MEET BASIC ECONOMIC NEEDS OF A
21 RECIPIENT FAMILY.—If the Secretary determines
22 that a State to which a grant is made under section
23 403 in a fiscal year has violated section 408(a)(19)
24 during the fiscal year, the Secretary shall reduce the
25 grant payable to the State under section 403(a)(1)

1 for the immediately succeeding fiscal year by an
2 amount equal to 5 percent of the State family assist-
3 ance grant.”.

4 **SEC. 711. STATE PLANS AND REPORTS ON CHILD POVERTY.**

5 (a) CHILD POVERTY REDUCTION AS A PURPOSE OF
6 THE TANF PROGRAM.—Section 401(a)(1) (42 U.S.C.
7 601(a)(1)) is amended by redesignating paragraphs (1)
8 through (4) as paragraphs (2) through (5), respectively,
9 and by inserting before paragraph (2) (as so redesignated)
10 the following:

11 “(1) reduce poverty among children;”.

12 (b) STATE PLAN PROVISIONS.—

13 (1) MATTERS REQUIRED TO BE ADDRESSED.—
14 Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is
15 amended by adding at the end the following:

16 “(ix) GOALS AND METHODS FOR RE-
17 DUCING CHILD POVERTY.—Reduce child
18 poverty using Federal funds provided
19 under this part and State funds, including
20 establishing numerical goals for reducing
21 child poverty.

22 “(x) GOALS AND TRACKING OF WORK
23 OUTCOMES.—Track work-related outcomes
24 for recipients of assistance under the pro-
25 gram, such as employment entries, wages,

1 and job retention, including establishing
2 numerical goals for work-related outcomes
3 for recipients.

4 “(xi) PROVIDE PREVENTATIVE SERV-
5 ICES TO FAMILIES AT RISK OF ABUSE OR
6 NEGLECT.—Provide benefits and services
7 to families at risk of having their children
8 removed from the home because of abuse
9 and neglect, using Federal funds provided
10 under this part and State funds.

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

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

17 “(c) PUBLIC AVAILABILITY.—

18 “(1) IN GENERAL.—The State shall make avail-
19 able to the public, including by posting on a public
20 website of the State or another appropriate
21 website—

22 “(A) each draft of any plan or plan
23 amendment to be submitted by the State under
24 this section, for at least 45 days before the sub-
25 mission; and

1 “(B) any such plan or amendment certified
2 by the Secretary to be complete.

3 “(2) PROCEDURES.—The State shall establish
4 procedures to receive and respond to comments from
5 the public, private sector organizations, and local
6 governments on any draft referred to in paragraph
7 (1).”.

8 (c) ANNUAL PERFORMANCE REPORT.—Section 411
9 (42 U.S.C. 611) is amended by adding at the end the fol-
10 lowing:

11 “(e) ANNUAL PERFORMANCE REPORT BY STATES.—
12 Not later than December 31 of each year, each eligible
13 State shall submit to the Secretary (in accordance with
14 such form and content rules as the Secretary, in consulta-
15 tion with the National Governor’s Association, National
16 Association of State Legislatures, and the American Pub-
17 lic Human Services Association, develops) a report on the
18 following aspects of the State program funded under this
19 part in the preceding fiscal year:

20 “(1) Whether the State met the child poverty
21 reduction goals set forth in the State plan. This part
22 of the report shall include a discussion of the fac-
23 tors, including benefits, services, and activities fund-
24 ed with Federal funds provided under this part or

1 State funds, which contributed to the meeting of, or
2 the failure to meet, the goals.

3 “(2) Whether the work programs of the State
4 were effective in meeting the objectives and numer-
5 ical goals of the State plan. This part of the report
6 shall include a discussion of data derived from the
7 tracking of recipients, including—

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

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

12 “(C) the wage rates of those who left the
13 program, including the percentage of leavers
14 who, in each calendar quarter, earned an
15 amount equal to at least 50 percent of the aver-
16 age wage then paid in the State; and

17 “(D) the employment outcomes of those
18 who left the program because of a durational
19 limit on assistance, reported at 6 months, 12
20 months, 24 months, and 36 months after leav-
21 ing the program.

22 The Secretary shall provide States with technical as-
23 sistance in preparing this part of the report, includ-
24 ing by providing States with data from the National
25 Directory of New Hires.

1 “(3) Whether the State has been effective in
2 providing benefits and services under the program to
3 persons with disabilities. This part of the report
4 shall include a report on recipients of assistance
5 under the State program funded under this part who
6 participated in work activities (as defined in section
7 407(d)) pursuant to a modified employability plan
8 due to disability, including the following:

9 “(A) The aggregate number of recipients
10 with modified employability plans due to a dis-
11 ability.

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

16 “(C) Information regarding the most prev-
17 alent types of physical and mental impairments
18 that provided the basis for the disability deter-
19 minations.

20 “(D) The percentage of cases with a modi-
21 fied employability plan in which the recipient
22 had a disability, was caring for a child with a
23 disability, or was caring for another family
24 member with a disability.

1 “(E) A description of the most prevalent
2 types of modification in work activities or hours
3 of participation that were included in the modi-
4 fied employability plans.

5 “(F) A description of the qualifications of
6 the staff who determined whether individuals
7 had a disability, of the staff who determined
8 that individuals needed modifications to their
9 work requirements, and of the staff who devel-
10 oped the modified employability plans.

11 “(4) The effectiveness of the benefits and serv-
12 ices provided under the State program in reducing
13 the number of children removed from their homes
14 because of abuse and neglect. This part of the report
15 shall include an analysis which includes the fol-
16 lowing:

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

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

23 “(5) An analysis of the extent to which the ben-
24 efits and services under the State program were pro-
25 vided to noncustodial parents.

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

8 (d) ANNUAL REPORT TO CONGRESS ON THE EF-
9 FORTS OF STATE PROGRAMS TO PROMOTE AND SUPPORT
10 EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES.—
11 Section 411 (42 U.S.C. 611), as amended by subsection
12 (c) of this section, is amended by adding at the end the
13 following:

14 “(f) REPORT BY SECRETARY.—Not later than July
15 31 of each fiscal year, the Secretary shall submit to the
16 Congress a report, entitled ‘Efforts in State TANF Pro-
17 grams to Promote and Support Employment for Individ-
18 uals with Disabilities’, that includes information on State
19 efforts to engage individuals with disabilities in work ac-
20 tivities during the preceding fiscal year. The report shall
21 include the following information:

22 “(1) For each State, the number of individuals
23 for whom the State has developed a modified em-
24 ployability plan.

1 “(2) The types of physical and mental impair-
2 ments that provided the basis for the disability de-
3 termination, and whether the individual with the dis-
4 ability was an adult recipient or minor child head of
5 household, a child, or a non-recipient family mem-
6 ber.

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

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

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

17 (e) REPORT TO CONGRESS ON LEGISLATIVE OPTIONS
18 TO REWARD STATES WITH HIGH EMPLOYMENT RATES
19 AND HIGH RATES OF EMPLOYMENT AT GOOD WAGES.—
20 Within 4 years after the effective date of this section, the
21 Secretary of Health and Human Services shall submit to
22 the Congress a report that sets forth options for the enact-
23 ment of legislation to provide financial or other rewards
24 to States that have high rates of employment and high
25 rates of employment at good wages.

1 **SEC. 712. REQUIREMENT THAT STATES ADOPT STANDARDS**
2 **AND PROCEDURES TO ADDRESS DOMESTIC**
3 **AND SEXUAL VIOLENCE AMONG TANF RE-**
4 **CIPIENTS.**

5 (a) IN GENERAL.—Section 402(a)(7) (42 U.S.C.
6 602(a)(7)) is amended—

7 (1) by striking the paragraph heading and in-
8 sserting “CERTIFICATION OF STANDARDS AND PRO-
9 CEDURES REGARDING DOMESTIC AND SEXUAL VIO-
10 LENCE”;

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

13 “(A) IN GENERAL.—A certification by the
14 chief executive officer of the State that the
15 State has established and is enforcing stand-
16 ards and procedures to ensure the right and en-
17 titlement of victims of domestic or sexual vio-
18 lence (notwithstanding section 401(b)) seeking
19 or receiving assistance under the State program
20 funded under this part or any other State pro-
21 gram funded by qualified State expenditures (as
22 defined in section 409(a)(7)(B)(i))—

23 “(i) to be screened and identified
24 while maintaining the confidentiality of the
25 victims;

1 “(ii) to be referred to counseling and
2 supportive services;

3 “(iii) to be granted a waiver, pursuant
4 to a determination of good cause, of pro-
5 gram requirements such as time limits (for
6 so long as necessary), residency require-
7 ments, child support cooperation require-
8 ments, and family cap provisions, in cases
9 where compliance with the requirements
10 would make it more difficult for the vic-
11 tims to escape domestic or sexual violence
12 or unfairly penalize the victims or other in-
13 dividuals who are at risk of further domes-
14 tic or sexual violence;

15 “(iv) to apply to participate in the
16 program on the same day the victim ap-
17 pears in person in a program office during
18 office hours;

19 “(v) to have an application that con-
20 tains the name, address, and signature of
21 the victim considered to be filed on the
22 date the application is submitted;

23 “(vi) to receive at the time of applica-
24 tion a clear, written statement explaining
25 what the victim must do to cooperate in

1 obtaining verification and otherwise com-
2 pleting the application process; and

3 “(vii) if the victim has completed the
4 application process, to have the eligibility
5 of the victim for assistance determined
6 promptly, and to be provided assistance
7 retroactive to the application date if deter-
8 mined eligible within 30 days after the ap-
9 plication date.”; and

10 (3) in subparagraph (B)—

11 (A) in the subparagraph heading, by in-
12 serting “OR SEXUAL” after “DOMESTIC”; and

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

15 (b) REPORT TO THE CONGRESS ON BEST PRACTICES
16 OF STATES.—Section 413 (42 U.S.C. 613) is amended by
17 adding at the end the following:

18 “(k) REPORT TO CONGRESS ON BEST PRACTICES OF
19 STATES IN ADDRESSING DOMESTIC AND SEXUAL VIO-
20 LENCE SUFFERED BY TANF RECIPIENTS.—Every 4
21 years, the Secretary shall prepare and submit to the Con-
22 gress a report which examines the practices of States in
23 implementing section 402(a)(7), and identifies the best
24 practices used to do so.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 2017.

3 **SEC. 713. CHILD CARE ENTITLEMENT.**

4 (a) REPLACEMENT OF REQUIREMENT THAT POR-
5 TION OF FUNDS BE USED FOR CERTAIN POPULATIONS
6 WITH CHILD CARE GUARANTEE.—Section 418(b)(2) (42
7 U.S.C. 618(b)(2)) is amended to read as follows:

8 “(2) CHILD CARE TO BE GUARANTEED FOR
9 CERTAIN POPULATIONS.—As a condition of receiving
10 funds under this section, a State shall guarantee the
11 provision of child care services to—

12 “(A) each recipient of assistance under the
13 State program funded under this part or under
14 a State program funded with qualified State ex-
15 penditures (as defined in section
16 409(a)(7)(B)(i)) of this Act, and to each work-
17 eligible individual (as defined in section
18 407(a)(2) of this Act), for any period in which
19 the recipient or individual is—

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

22 “(ii) employed, and in a family the
23 total income of which does not exceed 250
24 percent of the poverty line (within the
25 meaning of section 673(2) of the Omnibus

1 Budget Reconciliation Act of 1981, includ-
2 ing any revision required by such section
3 applicable to a family of the size involved);
4 or

5 “(iii) engaged in employment sub-
6 sidized by the State; or

7 “(B) each individual who is a former re-
8 cipient of assistance under such a program or
9 a former work-eligible individual, for any por-
10 tion of the 24-month period, beginning with the
11 date the individual left the program involved, in
12 which the individual is employed and in a fam-
13 ily that meets the income requirement of sub-
14 paragraph (A)(ii).”.

15 (b) ELIMINATION OF STATE CAPS.—Section 418(a)
16 (42 U.S.C. 618(a)) is amended—

17 (1) in paragraph (2)—

18 (A) by striking subparagraphs (B) and (D)
19 and redesignating subparagraph (C) as sub-
20 paragraph (B); and

21 (B) in subparagraph (B) (as so redesi-
22 gnated), by striking “the lesser of the State’s al-
23 lotment under subparagraph (B) or”; and

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

1 (c) OPEN-ENDED ENTITLEMENT.—Section 418(a)
2 (42 U.S.C. 618(a)) is amended—

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

6 (2) in paragraph (3), by striking “appro-
7 priated—” and all that follows and inserting “appro-
8 priated such sums as are necessary to carry out this
9 section for each fiscal year.”.

10 (d) USE OF FUNDS IN ACCORDANCE WITH CHILD
11 CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990
12 EXCEPT AS REQUIRED BY CHILD CARE GUARANTEE.—
13 Section 418(c) (42 U.S.C. 618(c)) is amended by inserting
14 “except to the extent that such a requirement or limitation
15 would interfere with the provision of child care services
16 required by subsection (b)(2)” before the period.

17 **SEC. 714. CHILD SUPPORT ENFORCEMENT.**

18 (a) ELIMINATION OF BAN ON PROVIDING ASSIST-
19 ANCE TO FAMILIES NOT ASSIGNING CERTAIN SUPPORT
20 RIGHTS TO THE STATE.—

21 (1) IN GENERAL.—Section 408(a) (42 U.S.C.
22 608(a)) is amended by striking paragraph (3).

23 (2) CONFORMING AMENDMENTS.—The fol-
24 lowing provisions are each amended by inserting
25 after “section 408(a)(3)” the following: “(as in ef-

1 fect before the effective date of the amendments
2 made by title IX of the Pathways Out of Poverty
3 Act of 2017 took effect)”:

4 (A) Section 452(a)(10)(C) (42 U.S.C.
5 652(a)(10)(C)).

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

7 (C) Section 454(5)(A) (42 U.S.C.
8 654(5)(A)).

9 (D) Section 456(a)(1) (42 U.S.C.
10 656(a)(1)).

11 (E) Section 457(a)(2)(B)(i) (42 U.S.C.
12 657(a)(2)(B)(i)).

13 (F) Section 457(a)(3)(A) (42 U.S.C.
14 657(a)(3)(A)).

15 (G) Section 457(a)(3)(B) (42 U.S.C.
16 657(a)(3)(B)).

17 (H) Section 464(a)(1) (42 U.S.C.
18 664(a)(1)).

19 (I) Section 466(a)(3)(B) (42 U.S.C.
20 666(a)(3)(B)).

21 (b) REQUIREMENT THAT ALL CHILD SUPPORT COL-
22 LECTED ON BEHALF OF A CHILD IN A FAMILY RECEIVING
23 TANF BE DISTRIBUTED TO THE FAMILY.—

24 (1) IN GENERAL.—Section 457 (42 U.S.C. 657)
25 is amended—

1 (A) in subsection (c)(1), by striking
2 “means—” and all that follows through “(B)
3 foster” and inserting “means foster”; and

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

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

13 (2) CONFORMING AMENDMENTS.—Section
14 458(b)(5)(C)(i)(I) (42 U.S.C. 658(b)(5)(C)(i)(I)) is
15 amended—

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

19 (B) by striking “A or”.

1 **SEC. 715. STATE OPTION TO EXTEND ELIGIBILITY FOR AS-**
2 **SISTANCE TO CHILDREN THROUGH AGE 21;**
3 **PROHIBITION ON CONSIDERING FINANCIAL**
4 **AID TIED TO EDUCATION OF CHILD IN DE-**
5 **TERMINING ELIGIBILITY FOR, OR AMOUNT**
6 **OF ASSISTANCE; PROHIBITION ON IMPOSING**
7 **ADDITIONAL REQUIREMENTS BASED ON EDU-**
8 **CATIONAL ENROLLMENT OF CHILD.**

9 (a) STATE OPTION TO EXTEND TANF TO CHIL-
10 DREN UNDER AGE 22.—Section 419(2) (42 U.S.C.
11 619(2)) is amended—

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

13 (A);

14 (2) by striking the period at the end of sub-
15 paragraph (B) and inserting “; or”; and

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

17 “(C) at the option of the State, has not at-
18 tained 22 years of age.”.

19 (b) BAN ON CONSIDERING FINANCIAL AID TIED TO
20 EDUCATION OF CHILD IN DETERMINING ELIGIBILITY
21 FOR, OR AMOUNT OF ASSISTANCE; BAN ON IMPOSING AD-
22 DITIONAL REQUIREMENTS BASED ON EDUCATIONAL EN-
23 ROLLMENT OF CHILD.—

24 (1) PROHIBITIONS.—Section 408(a) (42 U.S.C.
25 608(a)), as amended by sections 903(c)(2)(A),
26 905(d)(1), 906(b)(1), 907(b)(1), 908(a), 909(a), and

1 910(b) of this title, is amended by adding at the end
2 the following:

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

10 “(A) consider financial aid tied to the
11 training, school attendance, or postsecondary
12 school attendance of a minor child in deter-
13 mining that the eligibility of the family of the
14 child for, or the amount of assistance to be pro-
15 vided to the family, under the State program
16 funded under this part or any other State pro-
17 gram funded by qualified State expenditures (as
18 defined in section 409(a)(7)(B)(i)); or

19 “(B) impose additional requirements on a
20 family solely because the family includes a
21 minor child who is enrolled in a training pro-
22 gram, school, or post-secondary educational in-
23 stitution.”.

24 (2) PENALTY.—Section 409(a) (42 U.S.C.
25 609), as amended by sections 903(c)(2)(A),

1 905(d)(1), 906(b)(2), 907(b)(2), 908(b), 909(b),
2 and 910(c) of this title, is amended by adding at the
3 end the following:

4 “(24) CONSIDERING EDUCATIONAL ENROLL-
5 MENT OF CHILD OR OF FINANCIAL AID TIED TO
6 EDUCATION OF CHILD.—If the Secretary determines
7 that a State to which a grant is made under section
8 403 in a fiscal year has violated section 408(a)(20)
9 during the fiscal year, the Secretary shall reduce the
10 grant payable to the State under section 403(a)(1)
11 for the immediately succeeding fiscal year by an
12 amount equal to 5 percent of the State family assist-
13 ance grant.”.

14 **SEC. 716. ELIMINATION OF CERTAIN OTHER BARS TO TANF**
15 **ASSISTANCE.**

16 (a) BAR ON ASSISTANCE FOR PERSONS CONVICTED
17 OF DRUG FELONIES.—Section 115 of the Personal Re-
18 sponsibility and Work Opportunity Reconciliation Act of
19 1996 (21 U.S.C. 862a) is amended—

20 (1) in the section heading by striking “**ASSIST-**
21 **ANCE AND**” and inserting “**SUPPLEMENTAL NU-**
22 **TRITION ASSISTANCE**”;

23 (2) in subsection (a), by striking “for—” and
24 all that follows through “(2) benefits” and inserting
25 “for benefits”;

1 (3) in subsection (b), by striking all through
2 “The amount of benefits” and inserting the fol-
3 lowing:

4 “(b) EFFECTS ON BENEFITS FOR OTHERS.—The
5 amount of benefits”;

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

8 (5) in subsection (e), by striking “it—” and all
9 that follows through “in section 3(s)” and inserting
10 “it in section 3(s)”.

11 (b) BAR ON ASSISTANCE FOR UNWED TEEN PAR-
12 ENTS NOT IN SCHOOL.—Section 408(a) (42 U.S.C.
13 608(a)) is amended by striking paragraph (4).

14 (c) BAR ON ASSISTANCE FOR TEENS NOT IN AN
15 ADULT-SUPERVISED LIVING ARRANGEMENT.—Section
16 408(a) (42 U.S.C. 608(a)) is amended by striking para-
17 graph (5).

18 (d) REDESIGNATION OF PROVISIONS.—

19 (1) IN GENERAL.—Section 408(a) (42 U.S.C.
20 608(a)), as amended by the preceding provisions of
21 this title, is amended by redesignating paragraphs
22 (6) through (20) as paragraphs (3) through (17), re-
23 spectively.

24 (2) CONFORMING AMENDMENTS.—

1 (A) Section 402(a)(7)(B) (42 U.S.C.
2 602(a)(7)(B)) is amended by striking
3 “408(a)(7)(C)(iii)” and inserting
4 “408(a)(4)(C)(iii)”.

5 (B) Section 403(a)(5)(C)(ii)(II) (42 U.S.C.
6 603(a)(5)(C)(ii)(II)) is amended by striking
7 “408(a)(7)(C)” and inserting “408(a)(4)(C)”.

8 (C) Section 403(a)(5)(C)(v) (42 U.S.C.
9 603(a)(5)(C)(v)) is amended by striking
10 “408(a)(7)” and inserting “408(a)(4)”.

11 (D) Section 409(a)(7)(B)(i)(IV) (42
12 U.S.C. 609(a)(7)(B)(i)(IV)) is amended by
13 striking “408(a)(7)” and inserting “408(a)(4)”.

14 (E) Section 409(a)(9) (42 U.S.C.
15 609(a)(9)) is amended by striking “408(a)(7)”
16 and inserting “408(a)(4)”.

17 (F) Section 409(a)(17), as added by sec-
18 tion 905(d)(1)(A)(ii) of this title, is amended by
19 striking “408(a)(13)” and inserting
20 “408(a)(10)”.

21 (G) Section 409(a)(18), as added by sec-
22 tion 905(d)(1)(A)(ii) of this title, is amended by
23 striking “408(a)(14)” and inserting
24 “408(a)(11)”.

1 (H) Section 409(a)(19), as added by sec-
2 tion 906(b)(2) of this title, is amended by strik-
3 ing “408(a)(15)” and inserting “408(a)(12)”.

4 (I) Section 409(a)(20), as added by section
5 907(b)(2) of this title, is amended by striking
6 “408(a)(16)” and inserting “408(a)(13)”.

7 (J) Section 409(a)(21), as added by sec-
8 tion 908(b) of this title, is amended by striking
9 “408(a)(17)” and inserting “408(a)(14)”.

10 (K) Section 409(a)(22), as added by sec-
11 tion 909(b) of this title, is amended by striking
12 “408(a)(18)” and inserting “408(a)(15)”.

13 (L) Section 409(a)(23), as added by sec-
14 tion 910(e) of this title, is amended by striking
15 “408(a)(19)” and inserting “408(a)(16)”.

16 (M) Section 409(a)(24), as added by sec-
17 tion 915(b)(2) of this title, is amended by strik-
18 ing “408(a)(20)” and inserting “408(a)(17)”.

19 (N) Section 411(a)(1)(A)(xvi) (42 U.S.C.
20 611(a)(1)(A)(xvi)) is amended by striking
21 “408(a)(7)” and inserting “408(a)(7)(A)”.

22 **SEC. 717. EFFECTIVE DATE.**

23 (a) IN GENERAL.—Except as otherwise provided in
24 this title, this title and the amendments made by this title
25 shall take effect on October 1, 2017, and shall apply to

1 payments under title IV of the Social Security Act for cal-
2 endar quarters beginning on or after such date, without
3 regard to whether regulations to implement the amend-
4 ments are promulgated by such date.

5 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
6 QUIRED.—If the Secretary of Health and Human Services
7 determines that State legislation (other than legislation
8 appropriating funds) is required in order for a State plan
9 under part A or E of title IV of the Social Security Act
10 to meet the additional requirements imposed by the
11 amendments made by this title, the plan shall not be re-
12 garded as failing to meet any of the additional require-
13 ments before the first day of the first calendar quarter
14 beginning after the close of the first regular session of the
15 State legislature that begins after the date of the enact-
16 ment of this Act. If the State has a 2-year legislative ses-
17 sion, each year of the session is deemed to be a separate
18 regular session of the State legislature.

19 **TITLE VIII—EMPLOYMENT AD-**
20 **VANCEMENT, RETENTION,**
21 **AND NAVIGATION ACT**

22 **SEC. 811. FOCUS ON EMPLOYMENT.**

23 (a) PURPOSE.—Section 401(a) of the Social Security
24 Act (42 U.S.C. 601(a)) is amended—

1 (1) in paragraph (3), by striking “and” at the
2 end;

3 (2) in paragraph (4), by striking the period at
4 the end and inserting “; and”; and

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

6 “(5) promote employment advancement among
7 needy families.”.

8 (b) STATE PLAN REQUIREMENT.—Section
9 402(a)(1)(A) of such Act (42 U.S.C. 602(a)(1)(A)) is
10 amended—

11 (1) by redesignating clauses (vii) and (viii) as
12 clauses (viii) and (ix), respectively; and

13 (2) by inserting after clause (vi) the following:

14 “(vii) Establish numeric goals for in-
15 creasing job entry, employment retention,
16 and earnings gains for current and recent
17 recipients of assistance under the program,
18 and provide the Secretary with a narrative
19 description of the activities and programs
20 the State will implement to attain these
21 goals.”.

22 **SEC. 812. MODIFICATION RELATING TO THE CONTINGENCY**
23 **FUND.**

24 (a) LIMITATION ON USE OF CONTINGENCY FUND
25 GRANTS.—Section 403(b)(3) of the Social Security Act

1 (42 U.S.C. 603(b)(3)) is amended by inserting at the end
2 the following:

3 “(D) LIMITATION ON USE OF FUNDS.—
4 Funds received by a State under this paragraph
5 shall be used solely to support training pro-
6 grams leading to a credential that is directly
7 linked to the employment opportunities in the
8 local area or region involved in order to pro-
9 mote the employment of current or recent re-
10 cipients of assistance under the State program
11 funded under this Part (including non-custodial
12 parents of such recipients).”.

13 (b) ELIMINATION OF MAINTENANCE OF EFFORT RE-
14 QUIREMENT FOR CONTINGENCY FUND.—Section 409(a)
15 of such Act (42 U.S.C. 609(a)) is amended by striking
16 paragraph (10).

17 (c) MODIFICATION OF ANNUAL RECONCILIATION RE-
18 QUIREMENT FOR CONTINGENCY FUND.—Section
19 403(b)(6)(B)(i)(II) of such Act (42 U.S.C.
20 603(b)(6)(B)(i)(II)) is amended by inserting before “his-
21 toric” the following: “the applicable percentage (as defined
22 in section 409(a)(7)(B)(ii)) of”.

23 **SEC. 813. TRAINING FOR IN-DEMAND JOBS.**

24 (a) VOCATIONAL EDUCATIONAL TRAINING FOR EM-
25 PLOYMENT IN AN IN-DEMAND OCCUPATION.—Section

1 407(d)(8) of the Social Security Act (42 U.S.C.
2 607(d)(8)) is amended to read as follows:

3 “(8) vocational educational training not to ex-
4 ceed 12 months for any individual, or not to exceed
5 24 months for any individual participating in a
6 training program leading to a credential that is di-
7 rectly linked to the employment opportunities in the
8 individual’s local area or region;”.

9 (b) TREATMENT OF STUDENTS UNDER 20 YEARS OF
10 AGE AS ENGAGED IN WORK.—Section 407(c)(2)(D) of
11 such Act (42 U.S.C. 607(c)(2)(D)) is amended by striking
12 “, or (if the month is in fiscal year 2000 or thereafter)
13 deemed to be engaged in work for the month by reason
14 of subparagraph (C) of this paragraph”.

15 **SEC. 814. EFFECTIVE DATE.**

16 The amendments made by this title shall take effect
17 on the date of the enactment of this title.

1 **TITLE IX—RESTORING SUPPLE-**
2 **MENTAL NUTRITION ASSIST-**
3 **ANCE PROGRAMS FUNDING**
4 **CUTS INSTITUTED IN FARM**
5 **BILL (HEAT-AND-EAT)**

6 **SEC. 901. RESTORATION OF STANDARD UTILITY ALLOW-**
7 **ANCES BASED ON THE RECEIPT OF ENERGY**
8 **ASSISTANCE PAYMENTS.**

9 (a) STANDARD UTILITY ALLOWANCES IN THE SUP-
10 PLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section
11 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7
12 U.S.C. 2014(e)(6)(C)) is amended—

13 (1) in clause (i) by striking “, subject to clause
14 (iv)”, and

15 (2) in clause (iv) by striking subclause (I) and
16 inserting the following:

17 “(I) IN GENERAL.—Subject to
18 subclause (II), if a State agency elects
19 to use a standard utility allowance
20 that reflects heating or cooling costs,
21 the standard utility allowance shall be
22 made available to households receiving
23 a payment, or on behalf of which a
24 payment is made, under the Low-In-
25 come Home Energy Assistance Act of

1 1981 (42 U.S.C. 8621 et seq.) or
2 other similar energy assistance pro-
3 gram, if the household still incurs out-
4 of-pocket heating or cooling expenses
5 in excess of any assistance paid on be-
6 half of the household to an energy
7 provider.”.

8 (b) CONFORMING AMENDMENT.—Section
9 2605(f)(2)(A) of the Low-Income Home Energy Assist-
10 ance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended
11 by striking “, except that, for purposes of the supple-
12 mental nutrition assistance program established under the
13 Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.),
14 such payments or allowances were greater than \$20 annu-
15 ally, consistent with section 5(e)(6)(C)(iv)(I) of that Act
16 (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the Sec-
17 retary of Agriculture”.

18 **TITLE X—HELPING HUNGRY**
19 **STUDENTS LEARN**

20 **SEC. 1001. FINDINGS.**

21 Congress makes the following findings:

22 (1) In 2012, nearly one in five children in
23 America lived in a household that lacked access to
24 nutritious food on a regular basis. That is 15.9 mil-

1 lion American children who struggled with hunger at
2 some time during the year.

3 (2) Children who experience hunger are more
4 likely to get sick and are more likely to be obese
5 than those who do not. Children facing chronic hun-
6 ger also find it more difficult to concentrate in
7 school and tend to exhibit higher levels of behavioral,
8 emotional, and academic problems.

9 (3) Federal programs play an important role in
10 addressing childhood hunger. In 2013, 21 million
11 students participated in the free or reduced-price
12 lunch program. Eleven million students participated
13 in the free or reduced-price breakfast program.
14 Three million low-income children received free
15 meals during the summer months. Forty-seven per-
16 cent of participants in the supplemental nutrition as-
17 sistance program are under the age of 18.

18 (4) On average, students who eat school break-
19 fast achieve 17.5 percent higher scores on standard-
20 ized math tests, and attend 1.5 more days of school
21 each year than those who do not. Students who at-
22 tend class more regularly are 20 percent more likely
23 to graduate from high school. Participation in the
24 school breakfast program is associated with children
25 having a lower Body Mass Index.

1 **SEC. 1002. SCHOOL LUNCH PROGRAM.**

2 Section 9(b) of the Richard B. Russell National
3 School Lunch Act is amended—

4 (1) in paragraph (1)(A), by inserting after the
5 third sentence the following: “Notwithstanding any
6 other provision of this Act and the Child Nutrition
7 Act of 1966, for each school year beginning on or
8 after the July 1 of the year following the year of en-
9 actment of the Pathways Out of Poverty Act of
10 2017, the income guidelines for determining eligi-
11 bility for free lunches shall be 185 percent of the ap-
12 plicable family size income levels contained in the
13 nonfarm income poverty guidelines prescribed by the
14 Office of Management and Budget, as adjusted an-
15 nually in accordance with subparagraph (B)”;

16 (2) in paragraph (9)(B), by inserting at the end
17 the following:

18 “(iii) **TERMINATION OF REDUCED-**
19 **PRICE CATEGORY.**—Beginning with the
20 school year beginning July 1 of the year
21 following the year of enactment of the
22 Pathways Out of Poverty Act of 2017, no
23 child shall be determined eligible for a re-
24 duced price lunch.”.

1 **SEC. 1003. SCHOOL BREAKFAST PROGRAM.**

2 (a) UNIVERSAL SCHOOL BREAKFAST PROGRAM.—
3 Section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C.
4 1773(a)) is amended—

5 (1) by striking “(a) There” and inserting:
6 “(a)(1) There”; and

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

8 “(2) UNIVERSAL SCHOOL BREAKFAST PRO-
9 GRAM.—For each school year beginning on or after
10 the July 1 of the year following the year of enact-
11 ment of the Pathways Out of Poverty Act of 2017,
12 each school participating in the school breakfast pro-
13 gram under this section shall provide breakfast
14 under the program to each student that desires such
15 a breakfast at no cost to the student.”.

16 (b) NATIONAL AVERAGE PAYMENT RATE.—Section
17 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C.
18 1773(b)(1)(B)) is amended by adding at the end the fol-
19 lowing: “Notwithstanding any other provision of this Act
20 or the Richard B. Russell National School Lunch Act, for
21 each school year beginning on or after the July 1 of the
22 year following the year of enactment of the Pathways Out
23 of Poverty Act of 2017, the national average payment for
24 each breakfast served to any child shall be equal to the
25 national average payment for each free breakfast served
26 during the school year beginning July 1 of the year of

1 enactment of the Pathways Out of Poverty Act of 2017
2 (which shall be adjusted pursuant to section 11(a) of the
3 Richard B. Russell National School Lunch Act).”.

4 (c) SEVERE NEED ASSISTANCE.—Section 4(d)(1) of
5 the Child Nutrition Act of 1966 (42 U.S.C. 1773(d)(1))
6 is amended—

7 (1) by striking “(A) during” and inserting:
8 “(A)(i) during”;

9 (2) by striking “(B) in” and inserting “(ii) in”;

10 (3) by striking “subparagraph (A)” and insert-
11 ing “clause (i)”;

12 (4) by striking “met.” and inserting “met;
13 and”;

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

15 “(B) for each school year beginning on or
16 after the July 1 of the year following the year
17 of enactment of the Pathways Out of Poverty
18 Act of 2017, there is an alternative breakfast
19 serving model to increase participation in the
20 school breakfast program, such as by serving
21 breakfast in the classroom or having a school
22 breakfast cart.”.

1 **SEC. 1004. SUMMER ELECTRONIC BENEFITS TRANSFER**
2 **FOR CHILDREN PROGRAM.**

3 The Richard B. Russell National School Lunch Act
4 (42 U.S.C. 1751 et seq.) is amended by adding at the end
5 the following:

6 **“SEC. 30. SUMMER ELECTRONIC BENEFITS TRANSFER FOR**
7 **CHILDREN PROGRAM.**

8 “(a) IN GENERAL.—From the amount appropriated
9 to carry out this section, the Secretary shall carry out a
10 summer electronic benefits transfer for children program
11 by awarding grants to States that desire to participate in
12 such program to assist such States with the initial admin-
13 istrative costs of such participation.

14 “(b) PROGRAM REQUIREMENTS.—The summer elec-
15 tronic benefits transfer for children program carried out
16 under this section shall have the same terms and condi-
17 tions as the summer electronic benefits transfer for chil-
18 dren demonstration project carried out under section
19 749(g) of the Agriculture, Rural Development, and Food
20 and Drug Administration, and Related Agencies Appro-
21 priations Act, 2010 (Public Law 111–80; 123 Stat. 2131),
22 except that the Secretary shall prescribe an annual adjust-
23 ment for the monthly benefit of \$60 per child that is ad-
24 justed at the time that the annual adjustments are made
25 for the national average payment rates for breakfasts and
26 lunches (pursuant to section 11(a) of this Act).”.

1 **SEC. 1005. WEEKENDS AND HOLIDAYS WITHOUT HUNGER.**

2 Section 18 of the Richard B. Russell National School
3 Lunch Act (42 U.S.C. 1769) is amended by adding at the
4 end the following:

5 “(1) WEEKENDS AND HOLIDAYS WITHOUT HUN-
6 GER.—

7 “(1) DEFINITIONS.—In this subsection:

8 “(A) AT-RISK SCHOOL CHILD.—The term
9 ‘at-risk school child’ has the meaning given the
10 term in section 17(r)(1).

11 “(B) ELIGIBLE INSTITUTION.—

12 “(i) IN GENERAL.—The term ‘eligible
13 institution’ means a public or private non-
14 profit institution that is determined by the
15 Secretary to be able to meet safe food stor-
16 age, handling, and delivery standards es-
17 tablished by the Secretary.

18 “(ii) INCLUSIONS.—The term ‘eligible
19 institution’ includes—

20 “(I) an elementary or secondary
21 school or school food service authority;

22 “(II) a food bank or food pantry;

23 “(III) a homeless shelter; and

24 “(IV) such other type of emer-
25 gency feeding agency as is approved
26 by the Secretary.

1 “(2) ESTABLISHMENT.—Subject to the avail-
2 ability of appropriations provided in advance in an
3 appropriations Act specifically for the purpose of
4 carrying out this subsection, the Secretary shall es-
5 tablish a program under which the Secretary shall
6 provide commodities, on a competitive basis, to State
7 agencies for the purposes of enabling eligible institu-
8 tions to carry out projects to provide nutritious food
9 to at-risk children on weekends and during extended
10 school holidays during the school year.

11 “(3) APPLICATIONS.—To participate in the pro-
12 gram under this subsection, a State agency shall
13 submit an application to the Secretary at such time,
14 in such manner, and containing such information as
15 the Secretary may require.

16 “(4) ELIGIBILITY.—

17 “(A) IN GENERAL.—To be eligible to re-
18 ceive commodities under this subsection, an eli-
19 gible institution shall submit an application to
20 the State agency involved at such time, in such
21 manner, and containing such information as the
22 State agency may require.

23 “(B) PLAN.—An application under sub-
24 paragraph (A) shall include the plan of the eli-
25 gible institution for the distribution of nutri-

1 tious foods to at-risk school children under the
2 project to be carried out under this subsection,
3 including—

4 “(i) methods of food service delivery
5 to at-risk school children;

6 “(ii) assurances that children receiv-
7 ing foods under the project will not be pub-
8 licly separated or overtly identified;

9 “(iii) lists of the types of food to be
10 provided under the project and provisions
11 to ensure food quality and safety;

12 “(iv) information on the number of
13 at-risk school children to be served and the
14 per-child cost of providing the children
15 with food; and

16 “(v) such other information as the
17 Secretary determines to be necessary to as-
18 sist the Secretary in evaluating projects
19 that receive commodities under this sub-
20 section.

21 “(5) PRIORITY.—In selecting applications under
22 this subsection, a State agency shall give priority to
23 eligible institutions that—

1 “(A) have ongoing programs and experi-
2 ence serving populations with significant pro-
3 portions of at-risk school children;

4 “(B) have a good record of experience in
5 food delivery and food safety systems;

6 “(C) maintain high-quality control, ac-
7 countability, and recordkeeping standards;

8 “(D) provide children with readily
9 consumable food of high nutrient content and
10 quality;

11 “(E) demonstrate cost efficiencies and the
12 potential for obtaining supplemental funding
13 from non-Federal sources to carry out projects;
14 and

15 “(F) demonstrate the ability to continue
16 projects for the full approved term of the pilot
17 project period.

18 “(6) GUIDELINES.—

19 “(A) IN GENERAL.—The Secretary shall
20 issue guidelines containing the criteria for eligi-
21 ble institutions to receive commodities under
22 this section from State agencies.

23 “(B) INCLUSIONS.—The guidelines shall,
24 to the maximum extent practicable within the

1 funds available and applications submitted, take
2 into account—

3 “(i) geographical variations in project
4 locations that will be carried out by eligible
5 institutions to include qualifying projects
6 in rural, urban, and suburban areas with
7 high proportions of families with at-risk
8 school children;

9 “(ii) different types of projects that
10 offer nutritious foods on weekends and
11 during school holidays to at-risk school
12 children; and

13 “(iii) institutional capacity to collect,
14 maintain, and provide statistically valid in-
15 formation necessary for the Secretary—

16 “(I) to analyze and evaluate the
17 results of the pilot project; and

18 “(II) to make recommendations
19 to Congress.

20 “(7) EVALUATION.—

21 “(A) INTERIM EVALUATION.—Not later
22 than November 30, 2018, the Secretary shall
23 complete an interim evaluation of the pilot pro-
24 gram carried out under this subsection.

1 “(B) FINAL REPORT.—Not later than De-
2 cember 31, 2020, the Secretary shall submit to
3 Congress a final report that contains—

4 “(i) an evaluation of the pilot pro-
5 gram carried out under this subsection;
6 and

7 “(ii) any recommendations of the Sec-
8 retary for legislative action.

9 “(8) FUNDING.—

10 “(A) AUTHORIZATION OF APPROPRIA-
11 TIONS.—There is authorized to be appropriated
12 to carry out this subsection such sums as are
13 necessary, to remain available until expended.

14 “(B) AVAILABILITY OF FUNDS.—Not more
15 than 3 percent of the funds made available
16 under subparagraph (A) may be used by the
17 Secretary for expenses associated with review of
18 the operations and evaluation of the projects
19 carried out under this subsection.”.

20 **TITLE XI—FOOD ASSISTANCE TO**
21 **IMPROVE REINTEGRATION ACT**

22 **SEC. 1101. REPEAL OF DENIAL OF BENEFITS.**

23 Section 115 of the Personal Responsibility and Work
24 Opportunity Reconciliation Act of 1996 (21 U.S.C. 862a)
25 is amended—

1 (1) in subsection (a) by striking paragraph (2);
 2 (2) in subsection (b) by striking paragraph (2);
 3 and
 4 (3) in subsection (e) by striking paragraph (2).

5 **DIVISION D—LABOR/JOB**
 6 **TRAINING**
 7 **TITLE XII—ASSISTANCE FOR**
 8 **THE UNEMPLOYED AND**
 9 **PATHWAYS BACK TO WORK**
 10 **Subtitle A—Supporting**
 11 **Unemployed Workers**

12 **SEC. 1201. SHORT TITLE.**

13 This subtitle may be cited as the “Supporting Unem-
 14 ployed Workers Act of 2017”.

15 **PART I—EXTENSION OF EMERGENCY UNEMPLOY-**
 16 **MENT COMPENSATION AND CERTAIN EX-**
 17 **TENDED BENEFITS PROVISIONS, AND ESTAB-**
 18 **LISHMENT OF SELF-EMPLOYMENT ASSIST-**
 19 **ANCE PROGRAM**

20 **SEC. 1211. EXTENSION OF EMERGENCY UNEMPLOYMENT**
 21 **COMPENSATION PROGRAM.**

22 (a) IN GENERAL.—Section 4007 of the Supplemental
 23 Appropriations Act, 2008 (Public Law 110–252; 26
 24 U.S.C. 3304 note) is amended by striking “January 1,
 25 2014” and inserting “January 1, 2018”.

1 (b) FUNDING.—Section 4004(e)(1) of the Supple-
2 mental Appropriations Act, 2008 (Public Law 110–252;
3 26 U.S.C. 3304 note) is amended—

4 (1) in subparagraph (I), by striking “and” at
5 the end;

6 (2) in subparagraph (J), by inserting “and” at
7 the end; and

8 (3) by inserting after subparagraph (J) the fol-
9 lowing:

10 “(K) the amendments made by section
11 1411(a) of the Supporting Unemployed Work-
12 ers Act of 2017; and”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect as if included in the enact-
15 ment of the American Taxpayer Relief Act of 2012 (Public
16 Law 112–240; 26 U.S.C. 3304 note).

17 **SEC. 1212. TEMPORARY EXTENSION OF EXTENDED BENEFIT**
18 **PROVISIONS.**

19 (a) IN GENERAL.—Section 2005 of the Assistance for
20 Unemployed Workers and Struggling Families Act, as
21 contained in Public Law 111–5 (26 U.S.C. 3304 note),
22 is amended—

23 (1) by striking “December 31, 2013” each
24 place it appears and inserting “December 31,
25 2017”; and

1 (2) in subsection (c), by striking “June 30,
2 2014” and inserting “June 30, 2018”.

3 (b) EXTENSION OF MATCHING FOR STATES WITH
4 NO WAITING WEEK.—Section 5 of the Unemployment
5 Compensation Extension Act of 2008 (Public Law 110–
6 449; 26 U.S.C. 3304 note) is amended by striking “June
7 30, 2014” and inserting “June 30, 2018”.

8 (c) EXTENSION OF MODIFICATION OF INDICATORS
9 UNDER THE EXTENDED BENEFIT PROGRAM.—Section
10 203 of the Federal-State Extended Unemployment Com-
11 pensation Act of 1970 (26 U.S.C. 3304 note) is amend-
12 ed—

13 (1) in subsection (d), by striking “December
14 31, 2013” and inserting “December 31, 2017”; and

15 (2) in subsection (f)(2), by striking “December
16 31, 2013” and inserting “December 31, 2017”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect as if included in the enact-
19 ment of the American Taxpayer Relief Act of 2012 (Public
20 Law 112–240; 26 U.S.C. 3304 note).

1 **SEC. 1213. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**
2 **FITS UNDER THE RAILROAD UNEMPLOY-**
3 **MENT INSURANCE ACT.**

4 (a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Rail-
5 road Unemployment Insurance Act (45 U.S.C.
6 352(c)(2)(D)(iii)) is amended—

7 (1) by striking “June 30, 2013” and inserting
8 “June 30, 2017”; and

9 (2) by striking “December 31, 2013” and in-
10 sserting “December 31, 2017”.

11 (b) CLARIFICATION ON AUTHORITY TO USE
12 FUNDS.—Funds appropriated under either the first or
13 second sentence of clause (iv) of section 2(c)(2)(D) of the
14 Railroad Unemployment Insurance Act (45 U.S.C.
15 352(c)(2)(D)) shall be available to cover the cost of addi-
16 tional extended unemployment benefits provided under
17 such section 2(c)(2)(D) by reason of the amendments
18 made by subsection (a) as well as to cover the cost of such
19 benefits provided under such section 2(c)(2)(D), as in ef-
20 fect on the day before the date of the enactment of this
21 Act.

22 **PART II—REEMPLOYMENT NOW PROGRAM**

23 **SEC. 1221. ESTABLISHMENT OF REEMPLOYMENT NOW PRO-**
24 **GRAM.**

25 (a) IN GENERAL.—There is established the Reem-
26 ployment NOW program to be carried out by the Sec-

1 retary of Labor in accordance with this part in order to
2 facilitate the reemployment of individuals who are receiv-
3 ing emergency unemployment compensation under title IV
4 of the Supplemental Appropriations Act, 2008 (Public
5 Law 110–252; 26 U.S.C. 3304 note) (hereafter in this
6 part referred to as “EUC claimants”).

7 (b) **AUTHORIZATION AND APPROPRIATION.**—There
8 are authorized to be appropriated \$4,000,000,000 for fis-
9 cal year 2017 to carry out the Reemployment NOW pro-
10 gram under this part.

11 **SEC. 1222. DISTRIBUTION OF FUNDS.**

12 (a) **IN GENERAL.**—Of the amount made available
13 under section 1321(b) to carry out this part, the Secretary
14 of Labor shall—

15 (1) reserve up to 1 percent for the costs of Fed-
16 eral administration and for carrying out rigorous
17 evaluations of the activities conducted under this
18 part; and

19 (2) allot the remainder of the funds not re-
20 served under paragraph (1) in accordance with the
21 requirements of subsections (b) and (c) to States
22 that have approved plans under section 1223.

23 (b) **ALLOTMENT FORMULA.**—

1 (1) FORMULA FACTORS.—The Secretary of
2 Labor shall allot the funds available under sub-
3 section (a)(2) as follows—

4 (A) two-thirds of such funds shall be allot-
5 ted on the basis of the relative number of un-
6 employed individuals in each State, compared to
7 the total number of unemployed individuals in
8 all States; and

9 (B) one-third of such funds shall be allot-
10 ted on the basis of the relative number of indi-
11 viduals in each State who have been unem-
12 ployed for 27 weeks or more, compared to the
13 total number of individuals in all States who
14 have been unemployed for 27 weeks or more.

15 (2) CALCULATION.—For purposes of paragraph
16 (1), the number of unemployed individuals and the
17 number of individuals unemployed for 27 weeks or
18 more shall be based on the data for the most recent
19 12-month period, as determined by the Secretary.

20 (c) REALLOTMENT.—

21 (1) FAILURE TO SUBMIT STATE PLAN.—If a
22 State does not submit a State plan by the time spec-
23 ified in section 1223(b), or a State does not receive
24 approval of a State plan, the amount the State
25 would have been eligible to receive pursuant to the

1 formula under subsection (b) shall be allotted to
2 States that receive approval of the State plan under
3 section 1223 in accordance with the relative allot-
4 ments of such States as determined by the Secretary
5 under subsection (b).

6 (2) FAILURE TO IMPLEMENT ACTIVITIES ON A
7 TIMELY BASIS.—The Secretary of Labor may, in ac-
8 cordance with procedures and criteria established by
9 the Secretary, recapture the portion of the State al-
10 lotment under this part that remains unobligated if
11 the Secretary determines such funds are not being
12 obligated at a rate sufficient to meet the purposes
13 of this part. The Secretary shall reallocate such recap-
14 tured funds to other States that are not subject to
15 recapture in accordance with the relative share of
16 the allotments of such States as determined by the
17 Secretary under subsection (b).

18 (3) RECAPTURE OF FUNDS.—Funds recaptured
19 under paragraph (2) shall be available for reobliga-
20 tion not later than December 31, 2017.

21 **SEC. 1223. STATE PLAN.**

22 (a) IN GENERAL.—For a State to be eligible to re-
23 ceive an allotment under section 1222, a State shall sub-
24 mit to the Secretary of Labor a State plan in such form

1 and containing such information as the Secretary may re-
2 quire, which at a minimum shall include—

3 (1) a description of the activities to be carried
4 out by the State to assist in the reemployment of eli-
5 gible individuals to be served in accordance with this
6 part, including which of the activities authorized in
7 sections 1224 through 1328 the State intends to
8 carry out and an estimate of the amounts the State
9 intends to allocate to the activities, respectively;

10 (2) a description of the performance outcomes
11 to be achieved by the State through the activities
12 carried out under this part, including the employ-
13 ment outcomes to be achieved by participants and
14 the processes the State will use to track perform-
15 ance, consistent with guidance provided by the Sec-
16 retary of Labor regarding such outcomes and proc-
17 esses;

18 (3) a description of coordination of activities to
19 be carried out under this part with activities under
20 title I of the Workforce Innovation and Opportunity
21 Act (as in effect on the day before the date of enact-
22 ment of the Workforce Innovation and Opportunity
23 Act), the Wagner-Peyser Act, and other appropriate
24 Federal programs;

1 (4) the timelines for implementation of the ac-
2 tivities described in the plan and the number of
3 EUC claimants expected to be enrolled in such ac-
4 tivities by quarter;

5 (5) assurances that the State will participate in
6 the evaluation activities carried out by the Secretary
7 of Labor under this section;

8 (6) assurances that the State will provide ap-
9 propriate reemployment services, including coun-
10 seling, to any EUC claimant who participates in any
11 of the programs authorized under this part; and

12 (7) assurances that the State will report such
13 information as the Secretary may require relating to
14 fiscal, performance and other matters, including em-
15 ployment outcomes and effects, which the Secretary
16 determines are necessary to effectively monitor the
17 activities carried out under this part.

18 (b) PLAN SUBMISSION AND APPROVAL.—A State
19 plan under this section shall be submitted to the Secretary
20 of Labor for approval not later than 30 days after the
21 Secretary issues guidance relating to submission of such
22 plan. The Secretary shall approve such plans if the Sec-
23 retary determines that the plans meet the requirements
24 of this part and are appropriate and adequate to carry
25 out the purposes of this part.

1 (c) PLAN MODIFICATIONS.—A State may submit
2 modifications to a State plan that has been approved
3 under this part, and the Secretary of Labor may approve
4 such modifications, if the plan as modified would meet the
5 requirements of this part and are appropriate and ade-
6 quate to carry out the purposes of this part.

7 **SEC. 1224. BRIDGE TO WORK PROGRAM.**

8 (a) IN GENERAL.—A State may use funds allotted
9 to the State under this part to establish and administer
10 a Bridge to Work program described in this section.

11 (b) DESCRIPTION OF PROGRAM.—In order to in-
12 crease individuals' opportunities to move to permanent
13 employment, a State may establish a Bridge to Work pro-
14 gram to provide an EUC claimant with short-term work
15 experience placements with an eligible employer, during
16 which time such individual—

17 (1) shall be paid emergency unemployment
18 compensation payable under title IV of the Supple-
19 mental Appropriations Act, 2008 (Public Law 110-
20 252; 26 U.S.C. 3304 note), as wages for work per-
21 formed, and as specified in subsection (c);

22 (2) shall be paid the additional amount de-
23 scribed in subsection (e) as augmented wages for
24 work performed; and

1 (3) may be paid compensation in addition to
2 the amounts described in paragraphs (1) and (2) by
3 a State or by a participating employer as wages for
4 work performed.

5 (c) PROGRAM ELIGIBILITY AND OTHER REQUIRE-
6 MENTS.—For purposes of this program—

7 (1) individuals who, except for the requirements
8 described in paragraph (3), are eligible to receive
9 emergency unemployment compensation payments
10 under title IV of the Supplemental Appropriations
11 Act, 2008 (Public Law 110–252; 26 U.S.C. 3304
12 note), and who choose to participate in the program
13 described in subsection (b), shall receive such pay-
14 ments as wages for work performed during their vol-
15 untary participation in the program described under
16 subsection (b);

17 (2) the wages payable to individuals described
18 in paragraph (1) shall be paid from the emergency
19 unemployment compensation account for such indi-
20 vidual as described in section 4002 of the Supple-
21 mental Appropriations Act, 2008 (Public Law 110–
22 252; 26 U.S.C. 3304 note), and the amount in such
23 individual’s account shall be reduced accordingly;

24 (3) the wages payable to an individual described
25 in paragraph (1) shall be payable in the same

1 amount, at the same interval, on the same terms,
2 and subject to the same conditions under title IV of
3 the Supplemental Appropriations Act, 2008 (Public
4 Law 110–252; 26 U.S.C. 3304 note), except that—

5 (A) State requirements applied under such
6 Act relating to availability for work and active
7 search for work are not applicable to such indi-
8 viduals who participate for at least 25 hours
9 per week in the program described in subsection
10 (b) for the duration of such individual’s partici-
11 pation in the program;

12 (B) State requirements applied under such
13 Act relating to disqualifying income regarding
14 wages earned shall not apply to such individuals
15 who participate for at least 25 hours per week
16 in the program described in subsection (b), and
17 shall not apply with respect to—

18 (i) the wages described under sub-
19 section (b); and

20 (ii) any wages, in addition to those de-
21 scribed under subsection (b), whether paid
22 by a State or a participating employer for
23 the same work activities;

24 (C) State prohibitions or limitations ap-
25 plied under such Act relating to employment

1 status shall not apply to such individuals who
2 participate in the program described in sub-
3 section (b); and

4 (D) State requirements applied under such
5 Act relating to an individual's acceptance of an
6 offer of employment shall not apply with regard
7 to an offer of long-term employment from a
8 participating employer made to such individual
9 who is participating in the program described in
10 subsection (b) in a work experience provided by
11 such employer, where such long-term employ-
12 ment is expected to commence or commences at
13 the conclusion of the duration specified in para-
14 graph (4)(A);

15 (4) the program shall be structured so that in-
16 dividuals described in paragraph (1) may participate
17 in the program for up to—

18 (A) 8 weeks, and

19 (B) 38 hours for each such week;

20 (5) a State shall ensure that all individuals par-
21 ticipating in the program are covered by a workers'
22 compensation insurance program; and

23 (6) the program meets such other requirements
24 as the Secretary of Labor determines to be appro-
25 priate in guidance issued by the Secretary.

1 (d) STATE REQUIREMENTS.—

2 (1) CERTIFICATION OF ELIGIBLE EMPLOYER.—

3 A State may certify as eligible for participation in
4 the program under this section any employer that
5 meets the eligibility criteria as established in guid-
6 ance by the Secretary of Labor, except that an em-
7 ployer shall not be certified as eligible for participa-
8 tion in the program described under subsection
9 (b)—

10 (A) if such employer—

11 (i) is a Federal, State, or local govern-
12 ment entity;

13 (ii) would engage an eligible individual
14 in work activities under any employer's
15 grant, contract, or subcontract with a Fed-
16 eral, State, or local government entity, ex-
17 cept with regard to work activities under
18 any employer's supply contract or sub-
19 contract;

20 (iii) is delinquent with respect to any
21 taxes or employer contributions described
22 under sections 3301 and 3302(a)(1) of the
23 Internal Revenue Code of 1986 or with re-
24 spect to any related reporting require-
25 ments;

1 (iv) is engaged in the business of sup-
2 plying workers to other employers and
3 would participate in the program for the
4 purpose of supplying individuals partici-
5 pating in the program to other employers;
6 or

7 (v) has previously participated in the
8 program and the State has determined
9 that such employer has failed to abide by
10 any of the requirements specified in sub-
11 section (h), (i), or (j), or by any other re-
12 quirements that the Secretary may estab-
13 lish for employers under subsection (c)(6);
14 and

15 (B) unless such employer provides assur-
16 ances that it has not displaced existing workers
17 pursuant to the requirements of subsection (h).

18 (2) AUTHORIZED ACTIVITIES.—Funds allotted
19 to a State under this part for the program—

20 (A) shall be used to—

21 (i) recruit employers for participation
22 in the program;

23 (ii) review and certify employers iden-
24 tified by eligible individuals seeking to par-
25 ticipate in the program;

1 (iii) ensure that reemployment and
2 counseling services are available for pro-
3 gram participants, including services de-
4 scribing the program under subsection (b),
5 prior to an individual's participation in
6 such program;

7 (iv) establish and implement processes
8 to monitor the progress and performance
9 of individual participants for the duration
10 of the program;

11 (v) prevent misuse of the program;
12 and

13 (vi) pay augmented wages to eligible
14 individuals, if necessary, as described in
15 subsection (e); and

16 (B) may be used—

17 (i) to pay workers' compensation in-
18 surance premiums to cover all individuals
19 participating in the program, except that,
20 if a State opts not to make such payments
21 directly to a State administered workers'
22 compensation program, the State involved
23 shall describe in the approved State plan
24 the means by which such State shall en-
25 sure workers' compensation or equivalent

1 coverage for all individuals who participate
2 in the program;

3 (ii) to pay compensation to a partici-
4 pating individual that is in addition to the
5 amounts described in subsections (c)(1)
6 and (e) as wages for work performed;

7 (iii) to provide supportive services,
8 such as transportation, child care, and de-
9 pendent care, that would enable individuals
10 to participate in the program;

11 (iv) for the administration and over-
12 sight of the program; and

13 (v) to fulfill additional program re-
14 quirements included in the approved State
15 plan.

16 (e) PAYMENT OF AUGMENTED WAGES IF NEC-
17 ESSARY.—In the event that the wages described in sub-
18 section (c)(1) are not sufficient to equal or exceed the min-
19 imum wages that are required to be paid by an employer
20 under section 6(a)(1) of the Fair Labor Standards Act
21 of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or
22 local minimum wage law, whichever is higher, a State shall
23 pay augmented wages to a program participant in any
24 amount necessary to cover the difference between—

25 (1) such minimum wages amount; and

1 (2) the wages payable under subsection (c)(1).

2 (f) EFFECT OF WAGES ON ELIGIBILITY FOR OTHER
3 PROGRAMS.—None of the wages paid under this section
4 shall be considered as income for the purposes of deter-
5 mining eligibility for and the amount of income transfer
6 and in-kind aid furnished under any Federal or federally
7 assisted program based on need.

8 (g) EFFECT OF WAGES, WORK ACTIVITIES, AND
9 PROGRAM PARTICIPATION ON CONTINUING ELIGIBILITY
10 FOR EMERGENCY UNEMPLOYMENT COMPENSATION.—
11 Any wages paid under this section and any additional
12 wages paid by an employer to an individual described in
13 subsection (c)(1), and any work activities performed by
14 such individual as a participant in the program, shall not
15 be construed so as to render such individual ineligible to
16 receive emergency unemployment compensation under title
17 IV of the Supplemental Appropriations Act, 2008 (Public
18 Law 110–252; 26 U.S.C. 3304 note).

19 (h) NONDISPLACEMENT OF EMPLOYEES.—

20 (1) PROHIBITION.—An employer shall not use a
21 program participant to displace (including a partial
22 displacement, such as a reduction in the hours of
23 non-overtime work, wages, or employment benefits)
24 any current employee (as of the date of the partici-
25 pation).

1 (2) OTHER PROHIBITIONS.—An employer shall
2 not permit a program participant to perform work
3 activities related to any job for which—

4 (A) any other individual is on layoff from
5 the same or any substantially equivalent posi-
6 tion;

7 (B) the employer has terminated the em-
8 ployment of any employee or otherwise reduced
9 the workforce of the employer with the inten-
10 tion of filling or partially filling the vacancy so
11 created with the work activities to be performed
12 by a program participant;

13 (C) there is a strike or lock out at the
14 worksite that is the participant's place of em-
15 ployment; or

16 (D) the job is created in a manner that
17 will infringe in any way upon the promotional
18 opportunities of currently employed individuals
19 (as of the date of the participation).

20 (i) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—
21 An employer shall not, by means of assigning work activi-
22 ties under this section, impair an existing contract for
23 services or a collective bargaining agreement, and no such
24 activity that would be inconsistent with the terms of a col-
25 lective bargaining agreement shall be undertaken without

1 the written concurrence of the labor organization that is
2 signatory to the collective bargaining agreement.

3 (j) LIMITATION ON EMPLOYER PARTICIPATION.—If,
4 after 24 weeks of participation in the program, an em-
5 ployer has not made an offer of suitable long-term employ-
6 ment to any individual described under subsection (c)(1)
7 who was placed with such employer and has completed the
8 program, a State shall bar such employer from further
9 participation in the program. States may impose addi-
10 tional conditions on participating employers to ensure that
11 an appropriate number of participants receive offers of
12 suitable long-term employment.

13 (k) FAILURE TO MEET PROGRAM REQUIREMENTS.—
14 If a State makes a determination based on information
15 provided to the State, or acquired by the State by means
16 of its administration and oversight functions, that a par-
17 ticipating employer under this section has violated a re-
18 quirement of this section, the State shall bar such em-
19 ployer from further participation in the program. The
20 State shall establish a process whereby an individual de-
21 scribed in subsection (c)(1), or any other affected indi-
22 vidual or entity, may file a complaint with the State relat-
23 ing to a violation of any requirement or prohibition under
24 this section.

1 (l) PARTICIPANT OPTION TO TERMINATE PARTICIPA-
2 TION IN BRIDGE TO WORK PROGRAM.—

3 (1) TERMINATION.—An individual who is par-
4 ticipating in a program described in subsection (b)
5 may opt to discontinue participation in such pro-
6 gram.

7 (2) CONTINUED ELIGIBILITY FOR EMERGENCY
8 UNEMPLOYMENT COMPENSATION.—An individual
9 who opts to discontinue participation in such pro-
10 gram, is terminated from such program by a partici-
11 pating employer, or who has completed participation
12 in such program, and who continues to meet the eli-
13 gibility requirements for emergency unemployment
14 compensation under title IV of the Supplemental
15 Appropriations Act, 2008 (Public Law 110–252; 26
16 U.S.C. 3304 note), shall receive emergency unem-
17 ployment compensation payments with respect to
18 subsequent weeks of unemployment, to the extent
19 that amounts remain in the account established for
20 such individual under section 4002(b) of such Act or
21 to the extent that such individual commences receiv-
22 ing the amounts described in subsection (c), (d), or
23 (e) of such section, respectively.

24 (m) EFFECT OF OTHER LAWS.—Unless otherwise
25 provided in this section, nothing in this section shall be

1 construed to alter or affect the rights or obligations under
2 any Federal, State, or local laws with respect to any indi-
3 vidual described in subsection (c)(1) and with respect to
4 any participating employer under this section.

5 (n) TREATMENT OF PAYMENTS.—All wages or other
6 payments to an individual under this section shall be treat-
7 ed as payments of unemployment compensation for pur-
8 poses of section 209 of the Social Security Act (42 U.S.C.
9 409) and for purposes of subtitle A and sections 3101,
10 3111, and 3301 of the Internal Revenue Code of 1986.

11 **SEC. 1225. WAGE INSURANCE.**

12 (a) IN GENERAL.—A State may use the funds allot-
13 ted to the State under this part to provide a wage insur-
14 ance program for EUC claimants.

15 (b) BENEFITS.—The wage insurance program pro-
16 vided under this section may use funds allotted to the
17 State under this part to pay, for a period not to exceed
18 2 years, to a worker described in subsection (c), up to 50
19 percent of the difference between—

20 (1) the wages received by the worker at the
21 time of separation; and

22 (2) the wages received by the worker for reem-
23 ployment.

24 (c) INDIVIDUAL ELIGIBILITY.—The benefits de-
25 scribed in subsection (b) may be paid to an individual who

1 is an EUC claimant at the time such individual obtains
2 reemployment and who—

3 (1) is at least 50 years of age;

4 (2) earns not more than \$50,000 per year in
5 wages from reemployment;

6 (3) is employed on a full-time basis as defined
7 by the law of the State; and

8 (4) is not employed by the employer from which
9 the individual was last separated.

10 (d) **TOTAL AMOUNT OF PAYMENTS.**—A State shall
11 establish a maximum amount of payments per individual
12 for purposes of payments described in subsection (b) dur-
13 ing the eligibility period described in such subsection.

14 (e) **NON-DISCRIMINATION REGARDING WAGES.**—An
15 employer shall not pay a worker described in subsection
16 (c) less than such employer pays to a regular worker in
17 the same or substantially equivalent position.

18 **SEC. 1226. ENHANCED REEMPLOYMENT STRATEGIES.**

19 (a) **IN GENERAL.**—A State may use funds allotted
20 under this part to provide a program of enhanced reem-
21 ployment services to EUC claimants. In addition to the
22 provision of services to such claimants, the program may
23 include the provision of reemployment services to individ-
24 uals who are unemployed and have exhausted their rights
25 to emergency unemployment compensation under title IV

1 of the Supplemental Appropriations Act, 2008 (Public
2 Law 110–252; 26 U.S.C. 3304 note). The program shall
3 provide reemployment services that are more intensive
4 than the reemployment services provided by the State
5 prior to the receipt of the allotment under this part.

6 (b) TYPES OF SERVICES.—The enhanced reemploy-
7 ment services described in subsection (a) may include serv-
8 ices such as—

9 (1) assessments, counseling, and other intensive
10 services that are provided by staff on a one-to-one
11 basis and may be customized to meet the reemploy-
12 ment needs of EUC claimants and individuals de-
13 scribed in subsection (a);

14 (2) comprehensive assessments designed to
15 identify alternative career paths;

16 (3) case management;

17 (4) reemployment services that are provided
18 more frequently and more intensively than such re-
19 employment services have previously been provided
20 by the State; and

21 (5) services that are designed to enhance com-
22 munication skills, interviewing skills, and other skills
23 that would assist in obtaining reemployment.

1 **SEC. 1227. SELF-EMPLOYMENT PROGRAMS.**

2 A State may use funds allotted to the State under
3 this part, in an amount specified under an approved State
4 plan, for the administrative costs associated with starting
5 up the self-employment assistance program described in
6 section 4001(i) of the Supplemental Appropriations Act,
7 2008 (Public Law 110–252; 26 U.S.C. 3304 note).

8 **SEC. 1228. ADDITIONAL INNOVATIVE PROGRAMS.**

9 (a) IN GENERAL.—A State may use funds allotted
10 under this part to provide a program for innovative activi-
11 ties, which use a strategy that is different from the reem-
12 ployment strategies described in sections 1224 through
13 1227 and which are designed to facilitate the reemploy-
14 ment of EUC claimants. In addition to the provision of
15 activities to such claimants, the program may include the
16 provision of activities to individuals who are unemployed
17 and have exhausted their rights to emergency unemploy-
18 ment compensation under title IV of the Supplemental Ap-
19 propriations Act, 2008 (Public Law 110–252; 26 U.S.C.
20 3304 note).

21 (b) CONDITIONS.—The innovative activities approved
22 in accordance with subsection (a)—

23 (1) shall directly benefit EUC claimants and, if
24 applicable, individuals described in subsection (a), ei-
25 ther as a benefit paid to such claimant or individual

1 or as a service provided to such claimant or indi-
2 vidual;

3 (2) shall not result in a reduction in the dura-
4 tion or amount of, emergency unemployment com-
5 pensation for which EUC claimants would otherwise
6 be eligible;

7 (3) shall not include a reduction in the dura-
8 tion, amount of or eligibility for regular compensa-
9 tion or extended benefits;

10 (4) shall not be used to displace (including a
11 partial displacement, such as a reduction in the
12 hours of non-overtime work, wages, or employment
13 benefits) any currently employed employee (as of the
14 date of the participation) or allow a program partici-
15 pant to perform work activities related to any job for
16 which—

17 (A) any other individual is on layoff from
18 the same or any substantially equivalent job;

19 (B) the employer has terminated the em-
20 ployment of any regular employee or otherwise
21 reduced the workforce of the employer with the
22 intention of filling or partially filling the va-
23 cancy so created with the work activities to be
24 performed by a program participant;

1 (C) there is a strike or lock out at the
2 worksite that is the participant's place of em-
3 ployment; or

4 (D) the job is created in a manner that
5 will infringe in any way upon the promotional
6 opportunities of currently employed individuals
7 (as of the date of the participation); and

8 (5) shall not be in violation of any Federal,
9 State, or local law.

10 **SEC. 1229. GUIDANCE AND ADDITIONAL REQUIREMENTS.**

11 The Secretary of Labor may establish through guid-
12 ance, without regard to the requirements of section 553
13 of title 5, United States Code, such additional require-
14 ments, including requirements regarding the allotment, re-
15 capture, and reallocation of funds, and reporting require-
16 ments, as the Secretary determines to be necessary to en-
17 sure fiscal integrity, effective monitoring, and appropriate
18 and prompt implementation of the activities under this
19 Act.

20 **SEC. 1230. REPORT OF INFORMATION AND EVALUATIONS**
21 **TO CONGRESS AND THE PUBLIC.**

22 The Secretary of Labor shall provide to the appro-
23 priate Committees of the Congress and make available to
24 the public the information reported pursuant to section

1 1229 and the evaluations of activities carried out pursuant
2 to the funds reserved under section 1222(a)(1).

3 **SEC. 1231. STATE.**

4 For purposes of this part, the term “State” has the
5 meaning given that term in section 205 of the Federal-
6 State Extended Unemployment Compensation Act of 1970
7 (26 U.S.C. 3304 note).

8 **PART III—SHORT-TIME COMPENSATION**

9 **PROGRAM**

10 **SEC. 1241. TEMPORARY FINANCING OF SHORT-TIME COM-**

11 **PENSATION PAYMENTS IN STATES WITH PRO-**

12 **GRAMS IN LAW.**

13 (a) PAYMENTS TO STATES.—

14 (1) IN GENERAL.—Subject to paragraph (3),
15 there shall be paid to a State an amount equal to
16 100 percent of the amount of short-time compensa-
17 tion paid under a short-time compensation program
18 (as defined in section 3306(v) of the Internal Rev-
19 enue Code of 1986) under the provisions of the
20 State law.

21 (2) TERMS OF PAYMENTS.—Payments made to
22 a State under paragraph (1) shall be payable by way
23 of reimbursement in such amounts as the Secretary
24 estimates the State will be entitled to receive under
25 this section for each calendar month, reduced or in-

1 creased, as the case may be, by any amount by
2 which the Secretary finds that the Secretary's esti-
3 mates for any prior calendar month were greater or
4 less than the amounts which should have been paid
5 to the State. Such estimates may be made on the
6 basis of such statistical, sampling, or other method
7 as may be agreed upon by the Secretary and the
8 State agency of the State involved.

9 (3) LIMITATIONS ON PAYMENTS.—

10 (A) GENERAL PAYMENT LIMITATIONS.—

11 No payments shall be made to a State under
12 this section for short-time compensation paid to
13 an individual by the State during a benefit year
14 in excess of 26 times the amount of regular
15 compensation (including dependents' allow-
16 ances) under the State law payable to such in-
17 dividual for a week of total unemployment.

18 (B) EMPLOYER LIMITATIONS.—No pay-

19 ments shall be made to a State under this sec-
20 tion for benefits paid to an individual by the
21 State under a short-time compensation program
22 if such individual is employed by the partici-
23 pating employer on a seasonal, temporary, or
24 intermittent basis.

25 (b) APPLICABILITY.—

1 (1) IN GENERAL.—Payments to a State under
2 subsection (a) shall be available for weeks of unem-
3 ployment—

4 (A) beginning on or after the date of the
5 enactment of this Act; and

6 (B) ending on or before the date that is 3
7 years and 6 months after the date of the enact-
8 ment of this Act.

9 (2) THREE-YEAR FUNDING LIMITATION FOR
10 COMBINED PAYMENTS UNDER THIS SECTION AND
11 SECTION 1243.—States may receive payments under
12 this section and section 1243 with respect to a total
13 of not more than 156 weeks.

14 (c) TWO-YEAR TRANSITION PERIOD FOR EXISTING
15 PROGRAMS.—During any period that the transition provi-
16 sion under section 1241(a)(3) is applicable to a State with
17 respect to a short-time compensation program, such State
18 shall be eligible for payments under this section. Subject
19 to paragraphs (1)(B) and (2) of subsection (b), if at any
20 point after the date of the enactment of this Act the State
21 enacts a State law providing for the payment of short-
22 time compensation under a short-time compensation pro-
23 gram that meets the definition of such a program under
24 section 3306(v) of the Internal Revenue Code of 1986, the

1 State shall be eligible for payments under this section
2 after the effective date of such enactment.

3 (d) FUNDING AND CERTIFICATIONS.—

4 (1) FUNDING.—There are appropriated, out of
5 moneys in the Treasury not otherwise appropriated,
6 such sums as may be necessary for purposes of car-
7 rying out this section.

8 (2) CERTIFICATIONS.—The Secretary shall
9 from time to time certify to the Secretary of the
10 Treasury for payment to each State the sums pay-
11 able to such State under this section.

12 (e) DEFINITIONS.—In this section:

13 (1) SECRETARY.—The term “Secretary” means
14 the Secretary of Labor.

15 (2) STATE; STATE AGENCY; STATE LAW.—The
16 terms “State”, “State agency”, and “State law”
17 have the meanings given those terms in section 205
18 of the Federal-State Extended Unemployment Com-
19 pensation Act of 1970 (26 U.S.C. 3304 note).

20 **SEC. 1242. TEMPORARY FINANCING OF SHORT-TIME COM-**
21 **PENSATION AGREEMENTS.**

22 (a) FEDERAL-STATE AGREEMENTS.—

23 (1) IN GENERAL.—Any State which desires to
24 do so may enter into, and participate in, an agree-
25 ment under this section with the Secretary provided

1 that such State's law does not provide for the pay-
2 ment of short-time compensation under a short-time
3 compensation program (as defined in section
4 3306(v) of the Internal Revenue Code of 1986).

5 (2) ABILITY TO TERMINATE.—Any State which
6 is a party to an agreement under this section may,
7 upon providing 30 days' written notice to the Sec-
8 retary, terminate such agreement.

9 (b) PROVISIONS OF FEDERAL-STATE AGREEMENT.—

10 (1) IN GENERAL.—Any agreement under this
11 section shall provide that the State agency of the
12 State will make payments of short-time compensa-
13 tion under a plan approved by the State. Such plan
14 shall provide that payments are made in accordance
15 with the requirements under section 3306(v) of the
16 Internal Revenue Code of 1986.

17 (2) LIMITATIONS ON PLANS.—

18 (A) GENERAL PAYMENT LIMITATIONS.—A
19 short-time compensation plan approved by a
20 State shall not permit the payment of short-
21 time compensation to an individual by the State
22 during a benefit year in excess of 26 times the
23 amount of regular compensation (including de-
24 pendents' allowances) under the State law pay-

1 able to such individual for a week of total un-
2 employment.

3 (B) EMPLOYER LIMITATIONS.—A short-
4 time compensation plan approved by a State
5 shall not provide payments to an individual if
6 such individual is employed by the participating
7 employer on a seasonal, temporary, or intermit-
8 tent basis.

9 (3) EMPLOYER PAYMENT OF COSTS.—Any
10 short-time compensation plan entered into by an em-
11 ployer must provide that the employer will pay the
12 State an amount equal to one-half of the amount of
13 short-time compensation paid under such plan. Such
14 amount shall be deposited in the State's unemploy-
15 ment fund and shall not be used for purposes of cal-
16 culating an employer's contribution rate under sec-
17 tion 3303(a)(1) of the Internal Revenue Code of
18 1986.

19 (c) PAYMENTS TO STATES.—

20 (1) IN GENERAL.—There shall be paid to each
21 State with an agreement under this section an
22 amount equal to—

23 (A) one-half of the amount of short-time
24 compensation paid to individuals by the State
25 pursuant to such agreement; and

1 (B) any additional administrative expenses
2 incurred by the State by reason of such agree-
3 ment (as determined by the Secretary).

4 (2) TERMS OF PAYMENTS.—Payments made to
5 a State under paragraph (1) shall be payable by way
6 of reimbursement in such amounts as the Secretary
7 estimates the State will be entitled to receive under
8 this section for each calendar month, reduced or in-
9 creased, as the case may be, by any amount by
10 which the Secretary finds that the Secretary's esti-
11 mates for any prior calendar month were greater or
12 less than the amounts which should have been paid
13 to the State. Such estimates may be made on the
14 basis of such statistical, sampling, or other method
15 as may be agreed upon by the Secretary and the
16 State agency of the State involved.

17 (3) FUNDING.—There are appropriated, out of
18 moneys in the Treasury not otherwise appropriated,
19 such sums as may be necessary for purposes of car-
20 rying out this section.

21 (4) CERTIFICATIONS.—The Secretary shall
22 from time to time certify to the Secretary of the
23 Treasury for payment to each State the sums pay-
24 able to such State under this section.

25 (d) APPLICABILITY.—

1 (1) IN GENERAL.—An agreement entered into
2 under this section shall apply to weeks of unemploy-
3 ment—

4 (A) beginning on or after the date on
5 which such agreement is entered into; and

6 (B) ending on or before the date that is 2
7 years and 13 weeks after the date of the enact-
8 ment of this Act.

9 (2) TWO-YEAR FUNDING LIMITATION.—States
10 may receive payments under this section with re-
11 spect to a total of not more than 104 weeks.

12 (e) SPECIAL RULE.—If a State has entered into an
13 agreement under this section and subsequently enacts a
14 State law providing for the payment of short-time com-
15 pensation under a short-time compensation program that
16 meets the definition of such a program under section
17 3306(v) of the Internal Revenue Code of 1986, the
18 State—

19 (1) shall not be eligible for payments under this
20 section for weeks of unemployment beginning after
21 the effective date of such State law; and

22 (2) subject to paragraphs (1)(B) and (2) of sec-
23 tion 1442(b), shall be eligible to receive payments
24 under section 1242 after the effective date of such
25 State law.

1 (f) DEFINITIONS.—In this section:

2 (1) SECRETARY.—The term “Secretary” means
3 the Secretary of Labor.

4 (2) STATE; STATE AGENCY; STATE LAW.—The
5 terms “State”, “State agency”, and “State law”
6 have the meanings given those terms in section 205
7 of the Federal-State Extended Unemployment Com-
8 pensation Act of 1970 (26 U.S.C. 3304 note).

9 **SEC. 1243. GRANTS FOR SHORT-TIME COMPENSATION PRO-**
10 **GRAMS.**

11 (a) GRANTS.—

12 (1) FOR IMPLEMENTATION OR IMPROVED AD-
13 MINISTRATION.—The Secretary shall award grants
14 to States that enact short-time compensation pro-
15 grams (as defined in subsection (i)(2)) for the pur-
16 pose of implementation or improved administration
17 of such programs.

18 (2) FOR PROMOTION AND ENROLLMENT.—The
19 Secretary shall award grants to States that are eligi-
20 ble and submit plans for a grant under paragraph
21 (1) for such States to promote and enroll employers
22 in short-time compensation programs (as so de-
23 fined).

24 (3) ELIGIBILITY.—

1 (A) IN GENERAL.—The Secretary shall de-
2 termine eligibility criteria for the grants under
3 paragraphs (1) and (2).

4 (B) CLARIFICATION.—A State admin-
5 istering a short-time compensation program, in-
6 cluding a program being administered by a
7 State that is participating in the transition
8 under the provisions of sections 1241(a)(3) and
9 1442(c), that does not meet the definition of a
10 short-time compensation program under section
11 3306(v) of the Internal Revenue Code of 1986,
12 and a State with an agreement under section
13 1243, shall not be eligible to receive a grant
14 under this section until such time as the State
15 law of the State provides for payments under a
16 short-time compensation program that meets
17 such definition and such law.

18 (b) AMOUNT OF GRANTS.—

19 (1) IN GENERAL.—The maximum amount avail-
20 able for making grants to a State under paragraphs
21 (1) and (2) shall be equal to the amount obtained
22 by multiplying \$700,000,000 (less the amount used
23 by the Secretary under subsection (e)) by the same
24 ratio as would apply under subsection (a)(2)(B) of
25 section 903 of the Social Security Act (42 U.S.C.

1 1103) for purposes of determining such State's
2 share of any excess amount (as described in sub-
3 section (a)(1) of such section) that would have been
4 subject to transfer to State accounts, as of October
5 1, 2013, under the provisions of subsection (a) of
6 such section.

7 (2) AMOUNT AVAILABLE FOR DIFFERENT
8 GRANTS.—Of the maximum incentive payment deter-
9 mined under paragraph (1) with respect to a
10 State—

11 (A) one-third shall be available for a grant
12 under subsection (a)(1); and

13 (B) two-thirds shall be available for a
14 grant under subsection (a)(2).

15 (c) GRANT APPLICATION AND DISBURSAL.—

16 (1) APPLICATION.—Any State seeking a grant
17 under paragraph (1) or (2) of subsection (a) shall
18 submit an application to the Secretary at such time,
19 in such manner, and complete with such information
20 as the Secretary may require. In no case may the
21 Secretary award a grant under this section with re-
22 spect to an application that is submitted after De-
23 cember 31, 2018.

24 (2) NOTICE.—The Secretary shall, within 30
25 days after receiving a complete application, notify

1 the State agency of the State of the Secretary's find-
2 ings with respect to the requirements for a grant
3 under paragraph (1) or (2) (or both) of subsection
4 (a).

5 (3) CERTIFICATION.—If the Secretary finds
6 that the State law provisions meet the requirements
7 for a grant under subsection (a), the Secretary shall
8 thereupon make a certification to that effect to the
9 Secretary of the Treasury, together with a certifi-
10 cation as to the amount of the grant payment to be
11 transferred to the State account in the Unemploy-
12 ment Trust Fund (as established in section 904(a)
13 of the Social Security Act (42 U.S.C. 1104(a))) pur-
14 suant to that finding. The Secretary of the Treasury
15 shall make the appropriate transfer to the State ac-
16 count within 7 days after receiving such certifi-
17 cation.

18 (4) REQUIREMENT.—No certification of compli-
19 ance with the requirements for a grant under para-
20 graph (1) or (2) of subsection (a) may be made with
21 respect to any State whose—

22 (A) State law is not otherwise eligible for
23 certification under section 303 of the Social Se-
24 curity Act (42 U.S.C. 503) or approvable under

1 section 3304 of the Internal Revenue Code of
2 1986; or

3 (B) short-time compensation program is
4 subject to discontinuation or is not scheduled to
5 take effect within 12 months of the certifi-
6 cation.

7 (d) USE OF FUNDS.—The amount of any grant
8 awarded under this section shall be used for the implemen-
9 tation of short-time compensation programs and the over-
10 all administration of such programs and the promotion
11 and enrollment efforts associated with such programs,
12 such as through—

13 (1) the creation or support of rapid response
14 teams to advise employers about alternatives to lay-
15 offs;

16 (2) the provision of education or assistance to
17 employers to enable them to assess the feasibility of
18 participating in short-time compensation programs;
19 and

20 (3) the development or enhancement of systems
21 to automate—

22 (A) the submission and approval of plans;
23 and

24 (B) the filing and approval of new and on-
25 going short-time compensation claims.

1 (e) ADMINISTRATION.—The Secretary is authorized
2 to use 0.25 percent of the funds available under subsection
3 (g) to provide for outreach and to share best practices with
4 respect to this section and short-time compensation pro-
5 grams.

6 (f) RECOUPMENT.—The Secretary shall establish a
7 process under which the Secretary shall recoup the
8 amount of any grant awarded under paragraph (1) or (2)
9 of subsection (a) if the Secretary determines that, during
10 the 5-year period beginning on the first date that any such
11 grant is awarded to the State, the State—

12 (1) terminated the State’s short-time compensa-
13 tion program; or

14 (2) failed to meet appropriate requirements
15 with respect to such program (as established by the
16 Secretary).

17 (g) FUNDING.—There are appropriated, out of mon-
18 eys in the Treasury not otherwise appropriated, to the
19 Secretary, \$700,000,000 to carry out this section, to re-
20 main available without fiscal year limitation.

21 (h) REPORTING.—The Secretary may establish re-
22 porting requirements for States receiving a grant under
23 this section in order to provide oversight of grant funds.

24 (i) DEFINITIONS.—In this section:

1 (1) SECRETARY.—The term “Secretary” means
2 the Secretary of Labor.

3 (2) SHORT-TIME COMPENSATION PROGRAM.—
4 The term “short-time compensation program” has
5 the meaning given such term in section 3306(v) of
6 the Internal Revenue Code of 1986.

7 (3) STATE; STATE AGENCY; STATE LAW.—The
8 terms “State”, “State agency”, and “State law”
9 have the meanings given those terms in section 205
10 of the Federal-State Extended Unemployment Com-
11 pensation Act of 1970 (26 U.S.C. 3304 note).

12 **SEC. 1244. ASSISTANCE AND GUIDANCE IN IMPLEMENTING**
13 **PROGRAMS.**

14 (a) IN GENERAL.—In order to assist States in estab-
15 lishing, qualifying, and implementing short-time com-
16 pensation programs (as defined in section 3306(v) of the
17 Internal Revenue Code of 1986), the Secretary of Labor
18 (in this section referred to as the “Secretary”) shall—

19 (1) develop model legislative language which
20 may be used by States in developing and enacting
21 such programs and periodically review and revise
22 such model legislative language;

23 (2) provide technical assistance and guidance in
24 developing, enacting, and implementing such pro-
25 grams; and

1 (3) establish reporting requirements for States,
2 including reporting on—

3 (A) the number of estimated averted lay-
4 offs;

5 (B) the number of participating employers
6 and workers; and

7 (C) such other items as the Secretary of
8 Labor determines are appropriate.

9 (b) MODEL LANGUAGE AND GUIDANCE.—The model
10 language and guidance developed under subsection (a)
11 shall allow sufficient flexibility by States and participating
12 employers while ensuring accountability and program in-
13 tegrity.

14 (c) CONSULTATION.—In developing the model legisla-
15 tive language and guidance under subsection (a), and in
16 order to meet the requirements of subsection (b), the Sec-
17 retary shall consult with employers, labor organizations,
18 State workforce agencies, and other program experts.

19 **SEC. 1245. REPORTS.**

20 (a) REPORTS.—

21 (1) IN GENERAL.—Not later than 4 years after
22 the date of the enactment of this Act, the Secretary
23 of Labor shall submit to Congress and to the Presi-
24 dent a report or reports on the implementation of
25 the provisions of this Act.

1 (2) REQUIREMENTS.—Any report under para-
2 graph (1) shall at a minimum include the following:

3 (A) A description of best practices by
4 States and employers in the administration,
5 promotion, and use of short-time compensation
6 programs (as defined in section 3306(v) of the
7 Internal Revenue Code of 1986).

8 (B) An analysis of the significant chal-
9 lenges to State enactment and implementation
10 of short-time compensation programs.

11 (C) A survey of employers in States that
12 have not enacted a short-time compensation
13 program or entered into an agreement with the
14 Secretary on a short-time compensation plan to
15 determine the level of interest among such em-
16 ployers in participating in short-time compensa-
17 tion programs.

18 (b) FUNDING.—There are appropriated, out of any
19 moneys in the Treasury not otherwise appropriated, to the
20 Secretary of Labor, \$1,500,000 to carry out this section,
21 to remain available without fiscal year limitation.

1 **Subtitle B—Long-Term**
2 **Unemployed Hiring Preferences**

3 **SEC. 1251. LONG-TERM UNEMPLOYED WORKERS WORK OP-**
4 **PORTUNITY TAX CREDITS.**

5 (a) IN GENERAL.—Paragraph (3) of section 51(b) of
6 the Internal Revenue Code is amended by inserting
7 “\$10,000 per year in the case of any individual who is
8 a qualified long-term unemployed individual by reason of
9 subsection (d)(11), and” before “\$12,000 per year”.

10 (b) LONG-TERM UNEMPLOYED INDIVIDUALS TAX
11 CREDITS.—Subsection (d) of section 51 of the Internal
12 Revenue Code is amended—

13 (1) in paragraph (1), by striking “or” at the
14 end of subparagraph (H), by striking the period at
15 the end of subparagraph (I) and inserting “, or”,
16 and by inserting after subparagraph (I) the fol-
17 lowing:

18 “(J) a qualified long-term unemployed in-
19 dividual.”; and

20 (2) by redesignating paragraphs (11) through
21 (14) as paragraphs (12) through (15), respectively,
22 and by inserting after paragraph (10) the following
23 new paragraph:

24 “(11) QUALIFIED LONG-TERM UNEMPLOYED
25 INDIVIDUAL.—

1 “(A) IN GENERAL.—The term ‘qualified
2 long-term unemployed individual’ means any in-
3 dividual who was not a student for at least 6
4 months during the 1-year period ending on the
5 hiring date and is certified by the designated
6 local agency as having aggregate periods of un-
7 employment during the 1-year period ending on
8 the hiring date which equal or exceed 6 months.

9 “(B) STUDENT.—For purposes of this sub-
10 section, a student is an individual enrolled at
11 least half-time in a program that leads to a de-
12 gree, certificate, or other recognized educational
13 credential for at least 6 months whether or not
14 consecutive during the 1-year period ending on
15 the hiring date.”.

16 (c) SIMPLIFIED CERTIFICATION.—Section 51(d) of
17 the Internal Revenue Code, as amended by subsection (b),
18 is amended by adding at the end the following new para-
19 graph:

20 “(16) CREDIT ALLOWED FOR QUALIFIED LONG-
21 TERM UNEMPLOYED INDIVIDUALS.—

22 “(A) IN GENERAL.—Any qualified long-
23 term unemployed individual under paragraph
24 (11) will be treated as certified by the des-
25 ignated local agency as having aggregate peri-

1 ods of unemployment if the individual is cer-
2 tified by the designated local agency as being in
3 receipt of unemployment compensation under
4 State or Federal law for not less than 6 months
5 during the 1-year period ending on the hiring
6 date.

7 “(B) REGULATORY AUTHORITY.—The Sec-
8 retary in his discretion may provide alternative
9 methods for certification.”.

10 (d) CREDIT MADE AVAILABLE TO TAX-EXEMPT EM-
11 PLOYERS IN CERTAIN CIRCUMSTANCES.—Section 3111(e)
12 of the Internal Revenue Code is amended—

13 (1) in the heading for the subsection is amend-
14 ed by inserting “AND QUALIFIED LONG-TERM UN-
15 EMPLOYED INDIVIDUALS” after “QUALIFIED VET-
16 ERANS”;

17 (2) in paragraph (1) by inserting “or qualified
18 long-term unemployed individual” after “qualified
19 veteran”;

20 (3) in paragraph (2) by inserting “and qualified
21 long-term unemployed individuals” after “qualified
22 veterans”;

23 (4) in paragraph (3)(C) by inserting “and
24 qualified long-term unemployed individual, as the
25 case may be,” after “qualified veteran”;

1 (1) allot \$2,000,000,000 in accordance with
2 section 1264 to provide subsidized employment to
3 unemployed, low-income adults;

4 (2) allot \$1,500,000,000 in accordance with
5 section 1265 to provide summer and year-round em-
6 ployment opportunities to low-income youth; and

7 (3) award \$1,500,000,000 in competitive grants
8 in accordance with section 1266 to local entities to
9 carry out work-based training and other work-re-
10 lated and educational strategies and activities of
11 demonstrated effectiveness to unemployed, low-in-
12 come adults and low-income youth to provide the
13 skills and assistance needed to obtain employment.

14 (b) RESERVATION.—The Secretary of Labor may re-
15 serve not more than 1 percent of amounts available under
16 each of paragraphs (1) through (3) of subsection (a) for
17 the costs of technical assistance, evaluations and Federal
18 administration of this Act.

19 (c) PERIOD OF AVAILABILITY.—The amounts appro-
20 priated under this Act shall be available for obligation by
21 the Secretary of Labor until December 31, 2018, and shall
22 be available for expenditure by grantees and subgrantees
23 until September 30, 2019.

1 **SEC. 1264. SUBSIDIZED EMPLOYMENT FOR UNEMPLOYED,**
2 **LOW-INCOME ADULTS.**

3 (a) IN GENERAL.—

4 (1) ALLOTMENTS.—From the funds available
5 under section 1263(a)(1), the Secretary of Labor
6 shall make an allotment under subsection (b) to each
7 State that has a State plan approved under sub-
8 section (c) and to each outlying area and Native
9 American grantee under section 166 of the Work-
10 force Innovation and Opportunity Act that meets the
11 requirements of this section, for the purpose of pro-
12 viding subsidized employment opportunities to unem-
13 ployed, low-income adults.

14 (2) GUIDANCE.—Not later than 30 days after
15 the date of enactment of this Act, the Secretary of
16 Labor, in coordination with the Secretary of Health
17 and Human Services, shall issue guidance regarding
18 the implementation of this section. Such guidance
19 shall, consistent with this section, include procedures
20 for the submission and approval of State and local
21 plans and the allotment and allocation of funds, in-
22 cluding reallocation and reallocation of such funds,
23 that promote the expeditious and effective implemen-
24 tation of the activities authorized under this section.

25 (b) STATE ALLOTMENTS.—

1 (1) RESERVATIONS FOR OUTLYING AREAS AND
2 TRIBES.—Of the funds described subsection (a)(1),
3 the Secretary shall reserve—

4 (A) not more than one-quarter of 1 percent
5 to provide assistance to outlying areas to pro-
6 vide subsidized employment to low-income
7 adults who are unemployed; and

8 (B) 1.5 percent to provide assistance to
9 grantees of the Native American programs
10 under section 166 of the Workforce Investment
11 and Opportunity Act to provide subsidized em-
12 ployment to low-income adults who are unem-
13 ployed.

14 (2) STATES.—After determining the amounts to
15 be reserved under paragraph (1), the Secretary of
16 Labor shall allot the remainder of the amounts de-
17 scribed in subsection (a)(1) among the States as fol-
18 lows—

19 (A) one-third shall be allotted on the basis
20 of the relative number of unemployed individ-
21 uals in areas of substantial unemployment in
22 each State, compared to the total number of
23 unemployed individuals in areas of substantial
24 unemployment in all States;

1 (B) one-third shall be allotted on the basis
2 of the relative excess number of unemployed in-
3 dividuals in each State, compared to the total
4 excess number of unemployed individuals in all
5 States; and

6 (C) one-third shall be allotted on the basis
7 of the relative number of disadvantaged adults
8 and youth in each State, compared to the total
9 number of disadvantaged adults and youth in
10 all States.

11 (3) DEFINITIONS.—For purposes of the for-
12 mula described in paragraph (2)—

13 (A) AREA OF SUBSTANTIAL UNEMPLOY-
14 MENT.—The term “area of substantial unem-
15 ployment” means any contiguous area with a
16 population of at least 10,000 and that has an
17 average rate of unemployment of at least 6.5
18 percent for the most recent 12 months, as de-
19 termined by the Secretary.

20 (B) DISADVANTAGED ADULTS AND
21 YOUTH.—The term “disadvantaged adults and
22 youth” means an individual who is age 16 and
23 older who received an income, or is a member
24 of a family that received a total family income,

1 that, in relation to family size, does not exceed
2 the higher of—

3 (i) the poverty line; or

4 (ii) 70 percent of the lower living
5 standard income level.

6 (C) EXCESS NUMBER.—The term “excess
7 number” means, used with respect to the excess
8 number of unemployed individuals within a
9 State, the higher of—

10 (i) the number that represents the
11 number of unemployed individuals in ex-
12 cess of 4.5 percent of the civilian labor
13 force in the State; or

14 (ii) the number that represents the
15 number of unemployed individuals in ex-
16 cess of 4.5 percent of the civilian labor
17 force in areas of substantial unemployment
18 in such State.

19 (4) REALLOTMENT.—If the Governor of a State
20 does not submit a State plan by the time specified
21 in subsection (c), or a State does not receive ap-
22 proval of a State plan, the amount the State would
23 have been eligible to receive pursuant to the formula
24 under paragraph (2) shall be added to the amounts

1 available for the competitive grants under section
2 1263(a)(3).

3 (c) STATE PLAN.—

4 (1) IN GENERAL.—For a State to be eligible to
5 receive an allotment of the funds under subsection
6 (b), the Governor of the State shall submit to the
7 Secretary of Labor a State plan in such form and
8 containing such information as the Secretary may
9 require. At a minimum, such plan shall include—

10 (A) a description of the strategies and ac-
11 tivities to be carried out by the State, in coordi-
12 nation with employers in the State, to provide
13 subsidized employment opportunities to unem-
14 ployed, low-income adults, including strategies
15 relating to the level and duration of subsidies
16 consistent with subsection (e)(2);

17 (B) a description of the requirements the
18 State will apply relating to the eligibility of un-
19 employed, low-income adults, consistent with
20 section 1268(6), for subsidized employment op-
21 portunities, which may include criteria to target
22 assistance to particular categories of such
23 adults, such as individuals with disabilities or
24 individuals who have exhausted all rights to un-
25 employment compensation;

1 (C) a description of how the funds allotted
2 to provide subsidized employment opportunities
3 will be administered in the State and local
4 areas, in accordance with subsection (d);

5 (D) a description of the performance out-
6 comes to be achieved by the State through the
7 activities carried out under this section and the
8 processes the State will use to track perform-
9 ance, consistent with guidance provided by the
10 Secretary of Labor regarding such outcomes
11 and processes and with section 1267(b);

12 (E) a description of the coordination of ac-
13 tivities to be carried out with the funds pro-
14 vided under this section with activities under
15 title I of the Workforce Innovation and Oppor-
16 tunity Act, the TANF program under part A of
17 title IV of the Social Security Act, and other
18 appropriate Federal and State programs that
19 may assist unemployed, low-income adults in
20 obtaining and retaining employment;

21 (F) a description of the timelines for im-
22 plementation of the activities described in sub-
23 paragraph (A), and the number of unemployed,
24 low-income adults expected to be placed in sub-
25 sidized employment by quarter;

1 (G) assurances that the State will report
2 such information as the Secretary of Labor may
3 require relating to fiscal, performance and other
4 matters that the Secretary determines is nec-
5 essary to effectively monitor the activities car-
6 ried out under this section; and

7 (H) assurances that the State will ensure
8 compliance with the labor standards and protec-
9 tions described in section 1267(a) of this Act.

10 (2) SUBMISSION AND APPROVAL OF STATE
11 PLAN.—

12 (A) SUBMISSION WITH OTHER PLANS.—

13 The State plan described in this subsection may
14 be submitted in conjunction with the State plan
15 modification or request for funds required
16 under section 1265, and may be submitted as
17 a modification to a State plan that has been ap-
18 proved under section 102 of the Workforce In-
19 novation and Opportunity Act.

20 (B) SUBMISSION AND APPROVAL.—

21 (i) SUBMISSION.—The Governor shall
22 submit a plan to the Secretary of Labor
23 not later than 75 days after the enactment
24 of this Act and the Secretary of Labor
25 shall make a determination regarding the

1 approval or disapproval of such plans not
2 later than 45 days after the submission of
3 such plan. If the plan is disapproved, the
4 Secretary of Labor may provide a reason-
5 able period of time in which a disapproved
6 plan may be amended and resubmitted for
7 approval.

8 (ii) APPROVAL.—The Secretary of
9 Labor shall approve a State plan that the
10 Secretary determines is consistent with re-
11 quirements of this section and reasonably
12 appropriate and adequate to carry out the
13 purposes of this section. If the plan is ap-
14 proved, the Secretary shall allot funds to
15 States within 30 days after such approval.

16 (3) MODIFICATIONS TO STATE PLAN.—The
17 Governor may submit a modification to a State plan
18 under this subsection consistent with the require-
19 ments of this section.

20 (d) ADMINISTRATION WITHIN THE STATE.—

21 (1) OPTION.—The State may administer the
22 funds for activities under this section through—

23 (A) the State and local entities responsible
24 for the administration of the adult formula pro-

1 gram under title I of the Workforce Innovation
2 and Opportunity Act;

3 (B) the entities responsible for the admin-
4 istration of the TANF program under part A of
5 title IV of the Social Security Act; or

6 (C) a combination of the entities described
7 in subparagraphs (A) and (B).

8 (2) WITHIN-STATE ALLOCATIONS.—

9 (A) ALLOCATION OF FUNDS.—The Gov-
10 ernor may reserve up to 5 percent of the allot-
11 ment under subsection (b)(2) for administration
12 and technical assistance, and shall allocate the
13 remainder, in accordance with the option elect-
14 ed under paragraph (1)—

15 (i) among local workforce investment
16 areas within the State in accordance with
17 the factors identified in subsection (b)(2),
18 except that for purposes of such allocation
19 references to a State in such paragraph
20 shall be deemed to be references to a local
21 workforce investment area and references
22 to all States shall be deemed to be ref-
23 erences to all local areas in the State in-
24 volved, of which not more than 10 percent
25 of the funds allocated to a local workforce

1 investment area may be used for the costs
2 of administration of this section; or

3 (ii) through entities responsible for
4 the administration of the TANF program
5 under part A of title IV of the Social Secu-
6 rity Act in local areas in such manner as
7 the State may determine appropriate.

8 (B) LOCAL PLANS.—

9 (i) IN GENERAL.—In the case where
10 the responsibility for the administration of
11 activities is to be carried out by the enti-
12 ties described under paragraph (1)(A), in
13 order to receive an allocation under sub-
14 paragraph (A)(i), a local workforce invest-
15 ment board, in partnership with the chief
16 elected official of the local workforce in-
17 vestment area involved, shall submit to the
18 Governor a local plan for the use of such
19 funds under this section not later than 30
20 days after the submission of the State
21 plan. Such local plan may be submitted as
22 a modification to a local plan approved
23 under section 108 of the Workforce Inno-
24 vation and Opportunity Act.

1 (ii) CONTENTS.—The local plan de-
2 scribed in clause (i) shall contain the ele-
3 ments described in subparagraphs (A)
4 through (H) of subsection (c)(1), as ap-
5 plied to the local workforce investment
6 area.

7 (iii) APPROVAL.—The Governor shall
8 approve or disapprove the local plan sub-
9 mitted under clause (i) within 30 days
10 after submission, or if later, 30 days after
11 the approval of the State plan. The Gov-
12 ernor shall approve the plan unless the
13 Governor determines that the plan is in-
14 consistent with requirements of this section
15 or is not reasonably appropriate and ade-
16 quate to carry out the purposes of this sec-
17 tion. If the Governor has not made a de-
18 termination within the period specified
19 under the first sentence of this clause, the
20 plan shall be considered approved. If the
21 plan is disapproved, the Governor may pro-
22 vide a reasonable period of time in which
23 a disapproved plan may be amended and
24 resubmitted for approval. The Governor
25 shall allocate funds to local workforce in-

1 investment areas with approved plans within
2 30 days after such approval.

3 (C) REALLOCATION OF FUNDS TO LOCAL
4 AREAS.—If a local workforce investment board
5 does not submit a local plan by the time speci-
6 fied in subparagraph (B) or the Governor does
7 not approve a local plan, the amount the local
8 workforce investment area would have been eli-
9 gible to receive pursuant to the formula under
10 subparagraph (A)(i) shall be allocated to local
11 workforce investment areas that receive ap-
12 proval of the local plan under subparagraph
13 (B). Such reallocations shall be made in accord-
14 ance with the relative share of the allocations to
15 such local workforce investment areas applying
16 the formula factors described under subpara-
17 graph (A)(i).

18 (e) USE OF FUNDS.—

19 (1) IN GENERAL.—The funds under this section
20 shall be used to provide subsidized employment for
21 unemployed, low-income adults. The State and local
22 entities described in subsection (d)(1) may use a va-
23 riety of strategies in recruiting employers and identi-
24 fying appropriate employment opportunities, with a
25 priority to be provided to employment opportunities

1 likely to lead to unsubsidized employment in emerg-
2 ing or in-demand occupations in the local area.
3 Funds under this section may be used to provide
4 support services, such as transportation and child
5 care, that are necessary to enable the participation
6 of individuals in subsidized employment opportuni-
7 ties.

8 (2) LEVEL OF SUBSIDY AND DURATION.—The
9 States or local entities described in subsection (d)(1)
10 may determine the percentage of the wages and
11 costs of employing a participant for which an em-
12 ployer may receive a subsidy with the funds provided
13 under this section, and the duration of such subsidy,
14 in accordance with guidance issued by the Secretary.
15 The State or local entities may establish criteria for
16 determining such percentage or duration using ap-
17 propriate factors such as the size of the employer
18 and types of employment.

19 (f) COORDINATION OF FEDERAL ADMINISTRATION.—
20 The Secretary of Labor shall administer this section in
21 coordination with the Secretary of Health and Human
22 Services to ensure the effective implementation of this sec-
23 tion.

1 guidance, and the allotment and allocation of funds,
2 including reallocation and reallocation of such funds,
3 that promote the expeditious and effective implemen-
4 tation of the activities authorized under this section.

5 (2) REQUIREMENTS.—Except as otherwise pro-
6 vided in the guidance described in paragraph (1)
7 and in this section and other provisions of this Act,
8 the funds provided for activities under this section
9 shall be administered in accordance with subtitles B
10 and E of title I of the Workforce Innovation and
11 Opportunity Act relating to youth activities.

12 (c) STATE ALLOTMENTS.—

13 (1) RESERVATIONS FOR OUTLYING AREAS AND
14 TRIBES.—Of the funds described in subsection (a),
15 the Secretary shall reserve—

16 (A) not more than one-quarter of 1 percent
17 to provide assistance to outlying areas to pro-
18 vide summer and year-round employment op-
19 portunities to low-income youth; and

20 (B) 1.5 percent to provide assistance to
21 grantees of the Native American programs
22 under section 166 of the Workforce Innovation
23 and Opportunity Act to provide summer and
24 year-round employment opportunities to low-in-
25 come youth.

1 (2) STATES.—After determining the amounts to
2 be reserved under paragraph (1), the Secretary of
3 Labor shall allot the remainder of the amounts de-
4 scribed in subsection (a) among the States in ac-
5 cordance with the factors described in section
6 1264(b)(2) of this Act.

7 (3) REALLOTMENT.—If the Governor of a State
8 does not submit a State plan modification or other
9 request for funds specified in guidance under sub-
10 section (b) by the time specified in subsection
11 (d)(2)(B), or a State does not receive approval of
12 such State plan modification or request, the amount
13 the State would have been eligible to receive pursu-
14 ant to the formula under paragraph (2) shall be
15 added to the amounts available for the competitive
16 grants under section 1263(a)(3).

17 (d) STATE PLAN MODIFICATION.—

18 (1) IN GENERAL.—For a State to be eligible to
19 receive an allotment of the funds under subsection
20 (e), the Governor of the State shall submit to the
21 Secretary of Labor a modification to a State plan
22 approved under section 102 of the Workforce Inno-
23 vation and Opportunity Act, or other request for
24 funds described in guidance in subsection (b), in
25 such form and containing such information as the

1 Secretary may require. At a minimum, such plan
2 modification or request shall include—

3 (A) a description of the strategies and ac-
4 tivities to be carried out to provide summer em-
5 ployment opportunities and year-round employ-
6 ment opportunities, including the linkages to
7 educational activities, consistent with subsection
8 (f);

9 (B) a description of the requirements the
10 States will apply relating to the eligibility of
11 low-income youth, consistent with section
12 1268(4), for summer employment opportunities
13 and year-round employment opportunities,
14 which may include criteria to target assistance
15 to particular categories of such low-income
16 youth, such as youth with disabilities, con-
17 sistent with subsection (f);

18 (C) a description of the performance out-
19 comes to be achieved by the State through the
20 activities carried out under this section and the
21 processes the State will use to track perform-
22 ance, consistent with guidance provided by the
23 Secretary of Labor regarding such outcomes
24 and processes and with section 1267(b);

1 (D) a description of the timelines for im-
2 plementation of the activities described in sub-
3 paragraph (A), and the number of low-income
4 youth expected to be placed in summer employ-
5 ment opportunities, and year-round employment
6 opportunities, respectively, by quarter;

7 (E) assurances that the State will report
8 such information as the Secretary may require
9 relating to fiscal, performance and other mat-
10 ters that the Secretary determines is necessary
11 to effectively monitor the activities carried out
12 under this section; and

13 (F) assurances that the State will ensure
14 compliance with the labor standards protections
15 described in section 1267(a).

16 (2) SUBMISSION AND APPROVAL OF STATE
17 PLAN MODIFICATION OR REQUEST.—

18 (A) SUBMISSION.—The Governor shall
19 submit a modification of the State plan or other
20 request for funds described in guidance in sub-
21 section (b) to the Secretary of Labor not later
22 than 30 days after the issuance of such guid-
23 ance. The State plan modification or request for
24 funds required under this subsection may be

1 submitted in conjunction with the State plan re-
2 quired under section 1264.

3 (B) APPROVAL.—The Secretary of Labor
4 shall approve the plan or request submitted
5 under subparagraph (A) within 30 days after
6 submission, unless the Secretary determines
7 that the plan or request is inconsistent with the
8 requirements of this section. If the Secretary
9 has not made a determination within 30 days,
10 the plan or request shall be considered ap-
11 proved. If the plan or request is disapproved,
12 the Secretary may provide a reasonable period
13 of time in which a disapproved plan or request
14 may be amended and resubmitted for approval.
15 If the plan or request is approved, the Sec-
16 retary shall allot funds to States within 30 days
17 after such approval.

18 (3) MODIFICATIONS TO STATE PLAN OR RE-
19 QUEST.—The Governor may submit further modi-
20 fications to a State plan or request for funds identi-
21 fied under subsection (b) to carry out this section in
22 accordance with the requirements of this section.

23 (e) WITHIN-STATE ALLOCATION AND ADMINISTRA-
24 TION.—

1 (1) IN GENERAL.—Of the funds allotted to the
2 State under subsection (c), the Governor—

3 (A) may reserve up to 5 percent of the al-
4 lotment for administration and technical assist-
5 ance; and

6 (B) shall allocate the remainder of the al-
7 lotment among local workforce investment areas
8 within the State in accordance with the factors
9 identified in section 1264(b)(2), except that for
10 purposes of such allocation references to a
11 State in such paragraph shall be deemed to be
12 references to a local workforce investment area
13 and references to all States shall be deemed to
14 be references to all local areas in the State in-
15 volved. Not more than 10 percent of the funds
16 allocated to a local workforce investment area
17 may be used for the costs of administration of
18 this section.

19 (2) LOCAL PLAN.—

20 (A) SUBMISSION.—In order to receive an
21 allocation under paragraph (1)(B), the local
22 workforce investment board, in partnership with
23 the chief elected official for the local workforce
24 investment area involved, shall submit to the
25 Governor a modification to a local plan ap-

1 proved under section 108 of the Workforce In-
2 novation and Opportunity Act, or other form of
3 request for funds as may be identified in the
4 guidance issued under subsection (b), not later
5 than 30 days after the submission by the State
6 of the modification to the State plan or other
7 request for funds identified in subsection (b),
8 describing the strategies and activities to be
9 carried out under this section.

10 (B) APPROVAL.—The Governor shall ap-
11 prove the local plan submitted under subpara-
12 graph (A) within 30 days after submission, un-
13 less the Governor determines that the plan is
14 inconsistent with requirements of this section.
15 If the Governor has not made a determination
16 within 30 days, the plan shall be considered ap-
17 proved. If the plan is disapproved, the Governor
18 may provide a reasonable period of time in
19 which a disapproved plan may be amended and
20 resubmitted for approval. The Governor shall
21 allocate funds to local workforce investment
22 areas with approved plans within 30 days after
23 approval.

24 (3) REALLOCATION.—If a local workforce in-
25 vestment board does not submit a local plan modi-

1 fication (or other request for funds identified in
2 guidance under subsection (b)) by the time specified
3 in paragraph (2), or does not receive approval of a
4 local plan, the amount the local workforce invest-
5 ment area would have been eligible to receive pursu-
6 ant to the formula under paragraph (1)(B) shall be
7 allocated to local workforce investment areas that re-
8 ceive approval of the local plan modification or re-
9 quest for funds under paragraph (2). Such realloca-
10 tions shall be made in accordance with the relative
11 share of the allocations to such local workforce in-
12 vestment areas applying the formula factors de-
13 scribed under paragraph (1)(B).

14 (f) USE OF FUNDS.—

15 (1) IN GENERAL.—The funds provided under
16 this section shall be used—

17 (A) to provide summer employment oppor-
18 tunities for low-income youth, ages 16 through
19 24, with direct linkages to academic and occu-
20 pational learning, and may include the provision
21 of supportive services, such as transportation or
22 child care, necessary to enable such youth to
23 participate; and

24 (B) to provide year-round employment op-
25 portunities, which may be combined with other

1 activities authorized under section 129 of the
2 Workforce Innovation and Opportunity Act, to
3 low-income youth, ages 16 through 24, with a
4 priority to out-of-school youth who are—

5 (i) high school dropouts; or

6 (ii) recipients of a secondary school
7 diploma or its equivalent but who are basic
8 skills deficient unemployed or under-
9 employed.

10 (2) PROGRAM PRIORITIES.—In administering
11 the funds under this section, the local board and
12 local chief elected officials shall give a priority to—

13 (A) identifying employment opportunities
14 that are—

15 (i) in emerging or in-demand occupa-
16 tions in the local workforce investment
17 area; or

18 (ii) in the public or nonprofit sector
19 that meet community needs; and

20 (B) linking year-round program partici-
21 pants to training and educational activities that
22 will provide such participants an industry-recog-
23 nized certificate or credential.

24 (3) PERFORMANCE ACCOUNTABILITY.—For ac-
25 tivities funded under this section, in lieu of the re-

1 requirements described in section 116 of the Work-
2 force Innovation and Opportunity Act, State and
3 local workforce investment areas shall provide such
4 reports as the Secretary of Labor may require re-
5 garding the performance outcomes described in sec-
6 tion 1267(a)(5).

7 **SEC. 1266. WORK-BASED EMPLOYMENT STRATEGIES OF**
8 **DEMONSTRATED EFFECTIVENESS.**

9 (a) IN GENERAL.—From the funds available under
10 section 1263(a)(3), the Secretary of Labor shall award
11 grants on a competitive basis to eligible entities to carry
12 out work-based strategies of demonstrated effectiveness.

13 (b) USE OF FUNDS.—The grants awarded under this
14 section shall be used to support strategies and activities
15 of demonstrated effectiveness that are designed to provide
16 unemployed, low-income adults or low-income youth with
17 the skills that will lead to employment as part of or upon
18 completion of participation in such activities. Such strate-
19 gies and activities may include—

20 (1) on-the-job training, registered apprentice-
21 ship programs, or other programs that combine work
22 with skills development;

23 (2) sector-based training programs that have
24 been designed to meet the specific requirements of
25 an employer or group of employers in that sector

1 and where employers are committed to hiring indi-
2 viduals upon successful completion of the training;

3 (3) training that supports an industry sector or
4 an employer-based or labor-management committee
5 industry partnership which includes a significant
6 work-experience component;

7 (4) acquisition of industry-recognized creden-
8 tials in a field identified by the State or local work-
9 force investment area as a growth sector or demand
10 industry in which there are likely to be significant
11 job opportunities in the short term;

12 (5) connections to immediate work opportuni-
13 ties, including subsidized employment opportunities,
14 or summer employment opportunities for youth, that
15 includes concurrent skills training and other sup-
16 ports;

17 (6) career academies that provide students with
18 the academic preparation and training, including
19 paid internships and concurrent enrollment in com-
20 munity colleges or other postsecondary institutions,
21 needed to pursue a career pathway that leads to
22 postsecondary credentials and high-demand jobs;
23 and

24 (7) adult basic education and integrated basic
25 education and training models for low-skilled adults,

1 hosted at community colleges or at other sites, to
2 prepare individuals for jobs that are in demand in
3 a local area.

4 (c) ELIGIBLE ENTITY.—An eligible entity shall in-
5 clude a local chief elected official, in collaboration with the
6 local workforce investment board for the local workforce
7 investment area involved (which may include a partnership
8 with of such officials and boards in the region and in the
9 State), or an entity eligible to apply for an Indian and
10 Native American grant under section 166 of the Work-
11 force Innovation and Opportunity Act, and may include,
12 in partnership with such officials, boards, and entities, the
13 following—

- 14 (1) employers or employer associations;
- 15 (2) adult education providers and postsecondary
16 educational institutions, including community col-
17 leges;
- 18 (3) community-based organizations;
- 19 (4) joint labor-management committees;
- 20 (5) work-related intermediaries; or
- 21 (6) other appropriate organizations.

22 (d) APPLICATION.—An eligible entity seeking to re-
23 ceive a grant under this section shall submit to the Sec-
24 retary of Labor an application at such time, in such man-

1 ner, and containing such information as the Secretary may
2 require. At a minimum, the application shall—

3 (1) describe the strategies and activities of dem-
4 onstrated effectiveness that the eligible entities will
5 carry out to provide unemployed, low-income adults
6 and low-income youth with the skills that will lead
7 to employment upon completion of participation in
8 such activities;

9 (2) describe the requirements that will apply re-
10 lating to the eligibility of unemployed, low-income
11 adults or low-income youth, consistent with para-
12 graphs (4) and (6) of section 1268, for activities
13 carried out under this section, which may include
14 criteria to target assistance to particular categories
15 of such adults and youth, such as individuals with
16 disabilities or individuals who have exhausted all
17 rights to unemployment compensation;

18 (3) describe how the strategies and activities
19 address the needs of the target populations identi-
20 fied in paragraph (2) and the needs of employers in
21 the local area;

22 (4) describe the expected outcomes to be
23 achieved by implementing the strategies and activi-
24 ties;

1 (5) provide evidence that the funds provided
2 may be expended expeditiously and efficiently to im-
3 plement the strategies and activities;

4 (6) describe how the strategies and activities
5 will be coordinated with other Federal, State and
6 local programs providing employment, education and
7 supportive activities;

8 (7) provide evidence of employer commitment to
9 participate in the activities funded under this sec-
10 tion, including identification of anticipated occupa-
11 tional and skill needs;

12 (8) provide assurances that the grant recipient
13 will report such information as the Secretary may
14 require relating to fiscal, performance and other
15 matters that the Secretary determines is necessary
16 to effectively monitor the activities carried out under
17 this section; and

18 (9) provide assurances that the use of the funds
19 provided under this section will comply with the
20 labor standards and protections described section
21 1267(a).

22 (e) PRIORITY IN AWARDS.—In awarding grants
23 under this section, the Secretary of Labor shall give a pri-
24 ority to applications submitted by eligible entities from
25 areas of high poverty and high unemployment, as defined

1 by the Secretary, such as Public Use Microdata Areas
2 (PUMAs) as designated by the Census Bureau.

3 (f) COORDINATION OF FEDERAL ADMINISTRATION.—

4 The Secretary of Labor shall administer this section in
5 coordination with the Secretary of Education, Secretary
6 of Health and Human Services, and other appropriate
7 agency heads, to ensure the effective implementation of
8 this section.

9 **SEC. 1267. GENERAL REQUIREMENTS.**

10 (a) LABOR STANDARDS AND PROTECTIONS.—Activi-
11 ties provided with funds under this Act shall be subject
12 to the requirements and restrictions, including the labor
13 standards, described in section 181 of the Workforce Inno-
14 vation and Opportunity Act and the nondiscrimination
15 provisions of section 188 of such Act, in addition to other
16 applicable Federal laws.

17 (b) REPORTING.—The Secretary may require the re-
18 porting of information relating to fiscal, performance and
19 other matters that the Secretary determines is necessary
20 to effectively monitor the activities carried out with funds
21 provided under this Act. At a minimum, grantees and sub-
22 grantees shall provide information relating to—

23 (1) the number individuals participating in ac-
24 tivities with funds provided under this Act and the

1 number of such individuals who have completed such
2 participation;

3 (2) the expenditures of funds provided under
4 the Act;

5 (3) the number of jobs created pursuant to the
6 activities carried out under this Act;

7 (4) the demographic characteristics of individ-
8 uals participating in activities under this Act; and

9 (5) the performance outcomes of individuals
10 participating in activities under this Act, including—

11 (A) for adults participating in activities
12 funded under section 1264 of this Act—

13 (i) entry in unsubsidized employment;

14 (ii) retention in unsubsidized employ-
15 ment; and

16 (iii) earnings in unsubsidized employ-
17 ment;

18 (B) for low-income youth participating in
19 summer employment activities under sections
20 1265 and 1266—

21 (i) work readiness skill attainment
22 using an employer validated checklist; and

23 (ii) placement in or return to sec-
24 ondary or postsecondary education or

1 training, or entry into unsubsidized em-
2 ployment;

3 (C) for low-income youth participating in
4 year-round employment activities under section
5 1265 or in activities under section 1266—

6 (i) placement in or return to post-sec-
7 ondary education;

8 (ii) attainment of high school diploma
9 or its equivalent;

10 (iii) attainment of an industry-recog-
11 nized credential; and

12 (iv) entry into unsubsidized employ-
13 ment, retention, and earnings as described
14 in subparagraph (A); and

15 (D) for unemployed, low-income adults
16 participating in activities under section 1266—

17 (i) entry into unsubsidized employ-
18 ment, retention, and earnings as described
19 in subparagraph (A); and

20 (ii) the attainment of industry-recog-
21 nized credentials.

22 (c) ACTIVITIES REQUIRED TO BE ADDITIONAL.—

23 Funds provided under this Act shall only be used for ac-
24 tivities that are in addition to activities that would other-

1 wise be available in the State or local area in the absence
2 of such funds.

3 (d) **ADDITIONAL REQUIREMENTS.**—The Secretary of
4 Labor may establish such additional requirements as the
5 Secretary determines may be necessary to ensure fiscal in-
6 tegrity, effective monitoring, and the appropriate and
7 prompt implementation of the activities under this Act.

8 (e) **REPORT OF INFORMATION AND EVALUATIONS TO**
9 **CONGRESS AND THE PUBLIC.**—The Secretary of Labor
10 shall provide to the appropriate Committees of the Con-
11 gress and make available to the public the information re-
12 ported pursuant to subsection (b) and the evaluations of
13 activities carried out pursuant to the funds reserved under
14 section 1263(b).

15 **SEC. 1268. DEFINITIONS.**

16 In this subtitle:

17 (1) **LOCAL CHIEF ELECTED OFFICIAL.**—The
18 term “local chief elected official” means the chief
19 elected executive officer of a unit of local govern-
20 ment in a local workforce investment area or in the
21 case where more than one unit of general govern-
22 ment, the individuals designated under an agreement
23 described in section 107(c)(1)(B) of the Workforce
24 Innovation and Opportunity Act.

1 (2) LOCAL WORKFORCE INVESTMENT AREA.—

2 The term “local workforce investment area” means
3 such area designated under section 106 of the Work-
4 force Innovation and Opportunity Act.

5 (3) LOCAL WORKFORCE INVESTMENT BOARD.—

6 The term “local workforce investment board” means
7 such board established under section 107 of the
8 Workforce Innovation and Opportunity Act.

9 (4) LOW-INCOME YOUTH.—The term “low-in-
10 come youth” means an individual who—

11 (A) is age 16 through 24;

12 (B) meets the definition of a low-income
13 individual provided in section 3 of the Work-
14 force Innovation and Opportunity Act, except
15 that States, local workforce investment areas
16 under section 1265 and eligible entities under
17 section 1266(c), subject to approval in the ap-
18 plicable State plans, local plans, and applica-
19 tions for funds, may increase the income level
20 specified in subparagraph (B)(i) of such section
21 to an amount not in excess of 200 percent of
22 the poverty line for purposes of determining eli-
23 gibility for participation in activities under sec-
24 tions 1265 and 1266 of this Act; and

1 (C) is in one or more of the categories
2 specified in section 101(13)(C) of the Work-
3 force Investment Act of 1998, as in effect on
4 the day before the date of enactment of the
5 Workforce Innovation and Opportunity Act.

6 (5) OUTLYING AREA.—The term “outlying
7 area” means the United States Virgin Islands,
8 Guam, American Samoa, the Commonwealth of the
9 Northern Mariana Islands, and the Republic of
10 Palau.

11 (6) UNEMPLOYED, LOW-INCOME ADULT.—The
12 term “unemployed, low-income adult” means an in-
13 dividual who—

14 (A) is age 18 or older;

15 (B) is without employment and is seeking
16 assistance under this subtitle to obtain employ-
17 ment; and

18 (C) meets the definition of a “low-income
19 individual” under section 3 of the Workforce
20 Innovation and Opportunity Act, except that for
21 that States, local entities described in section
22 1264(d)(1) and eligible entities under section
23 1266(c), subject to approval in the applicable
24 State plans, local plans, and applications for
25 funds, may increase the income level specified

1 in subparagraph (B)(i) of such section to an
2 amount not in excess of 200 percent of the pov-
3 erty line for purposes of determining eligibility
4 for participation in activities under sections
5 1264 and 1266 of this Act.

6 (7) STATE.—The term “State” means each of
7 the several States of the United States, the District
8 of Columbia, and Puerto Rico.

9 **Subtitle D—Prohibition of Dis-**
10 **crimination in Employment on**
11 **the Basis of an Individual’s Sta-**
12 **tus as Unemployed**

13 **SEC. 1271. SHORT TITLE.**

14 This subtitle may be cited as the “Fair Employment
15 Opportunity Act of 2017”.

16 **SEC. 1272. FINDINGS AND PURPOSE.**

17 (a) FINDINGS.—Congress finds that denial of em-
18 ployment opportunities to individuals because of their sta-
19 tus as unemployed is discriminatory and burdens com-
20 merce by—

21 (1) reducing personal consumption and under-
22 mining economic stability and growth;

23 (2) squandering human capital essential to the
24 Nation’s economic vibrancy and growth;

1 (3) increasing demands for Federal and State
2 unemployment insurance benefits, reducing trust
3 fund assets, and leading to higher payroll taxes for
4 employers, cuts in benefits for jobless workers, or
5 both;

6 (4) imposing additional burdens on publicly
7 funded health and welfare programs; and

8 (5) depressing income, property, and other tax
9 revenues that the Federal Government, States, and
10 localities rely on to support operations and institu-
11 tions essential to commerce.

12 (b) PURPOSES.—The purposes of this subtitle are—

13 (1) to prohibit employers and employment agen-
14 cies from disqualifying an individual from employ-
15 ment opportunities because of that individual's sta-
16 tus as unemployed;

17 (2) to prohibit employers and employment agen-
18 cies from publishing or posting any advertisement or
19 announcement for an employment opportunity that
20 indicates that an individual's status as unemployed
21 disqualifies that individual for the opportunity; and

22 (3) to eliminate the burdens imposed on com-
23 merce due to the exclusion of such individuals from
24 employment.

1 **SEC. 1273. DEFINITIONS.**

2 As used in this subtitle—

3 (1) the term “affected individual” means any
4 person who was subject to an unlawful employment
5 practice solely because of that individual’s status as
6 unemployed;

7 (2) the term “Commission” means the Equal
8 Employment Opportunity Commission;

9 (3) the term “employee” means—

10 (A) an employee as defined in section
11 701(f) of the Civil Rights Act of 1964 (42
12 U.S.C. 2000e(f));

13 (B) a State employee to which section
14 302(a)(1) of the Government Employee Rights
15 Act of 1991 (42 U.S.C. 2000e–16b(a)(1)) ap-
16 plies;

17 (C) a covered employee, as defined in sec-
18 tion 101 of the Congressional Accountability
19 Act of 1995 (2 U.S.C. 1301) or section 411(c)
20 of title 3, United States Code; or

21 (D) an employee or applicant to which sec-
22 tion 717(a) of the Civil Rights Act of 1964 (42
23 U.S.C. 2000e–16(a)) applies;

24 (4) the term “employer” means—

25 (A) a person engaged in an industry affect-
26 ing commerce (as defined in section 701(h) of

1 the Civil Rights Act of 1964 (42 U.S.C.
2 2000e(h))) who has 15 or more employees for
3 each working day in each of 20 or more cal-
4 endar weeks in the current or preceding cal-
5 endar year, and any agent of such a person, but
6 does not include a bona fide private member-
7 ship club that is exempt from taxation under
8 section 501(e) of the Internal Revenue Code of
9 1986;

10 (B) an employing authority to which sec-
11 tion 302(a)(1) of the Government Employee
12 Rights Act of 1991 applies;

13 (C) an employing office, as defined in sec-
14 tion 101 of the Congressional Accountability
15 Act of 1995 or section 411(c) of title 3, United
16 States Code; or

17 (D) an entity to which section 717(a) of
18 the Civil Rights Act of 1964 (42 U.S.C. 2000e-
19 16(a)) applies;

20 (5) the term “employment agency” means any
21 person regularly undertaking with or without com-
22 pensation to procure employees for an employer or
23 to procure for individuals opportunities to work as
24 employees for an employer and includes an agent of
25 such a person, and any person who maintains an

1 Internet website or print medium that publishes ad-
2 vertisements or announcements of openings in jobs
3 for employees;

4 (6) the term “person” has the meaning given
5 the term in section 701(a) of the Civil Rights Act
6 of 1964 (42 U.S.C. 2000e(a)); and

7 (7) the term “status as unemployed”, used with
8 respect to an individual, means that the individual,
9 at the time of application for employment or at the
10 time of action alleged to violate this subtitle, does
11 not have a job, is available for work and is searching
12 for work.

13 **SEC. 1274. PROHIBITED ACTS.**

14 (a) EMPLOYERS.—It shall be an unlawful employ-
15 ment practice for an employer to—

16 (1) publish in print, on the Internet, or in any
17 other medium, an advertisement or announcement
18 for an employee for any job that includes—

19 (A) any provision stating or indicating that
20 an individual’s status as unemployed disquali-
21 fies the individual for any employment oppor-
22 tunity; or

23 (B) any provision stating or indicating that
24 an employer will not consider or hire an indi-

1 vidual for any employment opportunity based
2 on that individual's status as unemployed;

3 (2) fail or refuse to consider for employment, or
4 fail or refuse to hire, an individual as an employee
5 because of the individual's status as unemployed; or

6 (3) direct or request that an employment agen-
7 cy take an individual's status as unemployed into ac-
8 count to disqualify an applicant for consideration,
9 screening, or referral for employment as an em-
10 ployee.

11 (b) EMPLOYMENT AGENCIES.—It shall be an unlaw-
12 ful employment practice for an employment agency to—

13 (1) publish, in print or on the Internet or in
14 any other medium, an advertisement or announce-
15 ment for any vacancy in a job, as an employee, that
16 includes—

17 (A) any provision stating or indicating that
18 an individual's status as unemployed disquali-
19 fies the individual for any employment oppor-
20 tunity; or

21 (B) any provision stating or indicating that
22 the employment agency or an employer will not
23 consider or hire an individual for any employ-
24 ment opportunity based on that individual's sta-
25 tus as unemployed;

1 (2) screen, fail or refuse to consider, or fail or
2 refuse to refer an individual for employment as an
3 employee because of the individual's status as unem-
4 ployed; or

5 (3) limit, segregate, or classify any individual in
6 any manner that would limit or tend to limit the in-
7 dividual's access to information about jobs, or con-
8 sideration, screening, or referral for jobs, as employ-
9 ees, solely because of an individual's status as unem-
10 ployed.

11 (c) INTERFERENCE WITH RIGHTS, PROCEEDINGS OR
12 INQUIRIES.—It shall be unlawful for any employer or em-
13 ployment agency to—

14 (1) interfere with, restrain, or deny the exercise
15 of or the attempt to exercise, any right provided
16 under this subtitle; or

17 (2) fail or refuse to hire, to discharge, or in any
18 other manner to discriminate against any individual,
19 as an employee, because such individual—

20 (A) opposed any practice made unlawful by
21 this subtitle;

22 (B) has asserted any right, filed any
23 charge, or has instituted or caused to be insti-
24 tuted any proceeding, under or related to this
25 subtitle;

1 (C) has given, or is about to give, any in-
2 formation in connection with any inquiry or
3 proceeding relating to any right provided under
4 this subtitle; or

5 (D) has testified, or is about to testify, in
6 any inquiry or proceeding relating to any right
7 provided under this subtitle.

8 (d) CONSTRUCTION.—Nothing in this subtitle is in-
9 tended to preclude an employer or employment agency
10 from considering an individual’s employment history, or
11 from examining the reasons underlying an individual’s sta-
12 tus as unemployed, in assessing an individual’s ability to
13 perform a job or in otherwise making employment deci-
14 sions about that individual. Such consideration or exam-
15 ination may include an assessment of whether an individ-
16 ual’s employment in a similar or related job for a period
17 of time reasonably proximate to the consideration of such
18 individual for employment is job-related or consistent with
19 business necessity.

20 **SEC. 1275. ENFORCEMENT.**

21 (a) ENFORCEMENT POWERS.—With respect to the
22 administration and enforcement of this subtitle—

23 (1) the Commission shall have the same powers
24 as the Commission has to administer and enforce—

1 (A) title VII of the Civil Rights Act of
2 1964 (42 U.S.C. 2000e et seq.); or

3 (B) sections 302 and 304 of the Govern-
4 ment Employee Rights Act of 1991 (42 U.S.C.
5 2000e–16b and 2000e–16c), in the case of an
6 affected individual who would be covered by
7 such title, or by section 302(a)(1) of the Gov-
8 ernment Employee Rights Act of 1991 (42
9 U.S.C. 2000e–16b(a)(1)), respectively;

10 (2) the Librarian of Congress shall have the
11 same powers as the Librarian of Congress has to ad-
12 minister and enforce title VII of the Civil Rights Act
13 of 1964 (42 U.S.C. 2000e et seq.) in the case of an
14 affected individual who would be covered by such
15 title;

16 (3) the Board (as defined in section 101 of the
17 Congressional Accountability Act of 1995 (2 U.S.C.
18 1301)) shall have the same powers as the Board has
19 to administer and enforce the Congressional Ac-
20 countability Act of 1995 (2 U.S.C. 1301 et seq.) in
21 the case of an affected individual who would be cov-
22 ered by section 201(a)(1) of such Act (2 U.S.C.
23 1311(a)(1));

1 (4) the Attorney General shall have the same
2 powers as the Attorney General has to administer
3 and enforce—

4 (A) title VII of the Civil Rights Act of
5 1964 (42 U.S.C. 2000e et seq.); or

6 (B) sections 302 and 304 of the Govern-
7 ment Employee Rights Act of 1991 (42 U.S.C.
8 2000e–16b and 2000e–16c); in the case of an
9 affected individual who would be covered by
10 such title, or of section 302(a)(1) of the Gov-
11 ernment Employee Rights Act of 1991 (42
12 U.S.C. 2000e–16b(a)(1)), respectively;

13 (5) the President, the Commission, and the
14 Merit Systems Protection Board shall have the same
15 powers as the President, the Commission, and the
16 Board, respectively, have to administer and enforce
17 chapter 5 of title 3, United States Code, in the case
18 of an affected individual who would be covered by
19 section 411 of such title; and

20 (6) a court of the United States shall have the
21 same jurisdiction and powers as the court has to en-
22 force—

23 (A) title VII of the Civil Rights Act of
24 1964 (42 U.S.C. 2000e et seq.) in the case of

1 a claim alleged by such individual for a viola-
2 tion of such title;

3 (B) sections 302 and 304 of the Govern-
4 ment Employee Rights Act of 1991 (42 U.S.C.
5 2000e–16b and 2000e–16c) in the case of a
6 claim alleged by such individual for a violation
7 of section 302(a)(1) of such Act (42 U.S.C.
8 2000e–16b(a)(1));

9 (C) the Congressional Accountability Act
10 of 1995 (2 U.S.C. 1301 et seq.) in the case of
11 a claim alleged by such individual for a viola-
12 tion of section 201(a)(1) of such Act (2 U.S.C.
13 1311(a)(1)); and

14 (D) chapter 5 of title 3, United States
15 Code, in the case of a claim alleged by such in-
16 dividual for a violation of section 411 of such
17 title.

18 (b) PROCEDURES.—The procedures applicable to a
19 claim alleged by an individual for a violation of this sub-
20 title are—

21 (1) the procedures applicable for a violation of
22 title VII of the Civil Rights Act of 1964 (42 U.S.C.
23 2000e et seq.) in the case of a claim alleged by such
24 individual for a violation of such title;

1 (2) the procedures applicable for a violation of
2 section 302(a)(1) of the Government Employee
3 Rights Act of 1991 (42 U.S.C. 2000e–16b(a)(1)) in
4 the case of a claim alleged by such individual for a
5 violation of such section;

6 (3) the procedures applicable for a violation of
7 section 201(a)(1) of the Congressional Account-
8 ability Act of 1995 (2 U.S.C. 1311(a)(1)) in the
9 case of a claim alleged by such individual for a viola-
10 tion of such section; and

11 (4) the procedures applicable for a violation of
12 section 411 of title 3, United States Code, in the
13 case of a claim alleged by such individual for a viola-
14 tion of such section.

15 (c) REMEDIES.—

16 (1) In any claim alleging a violation of section
17 1274(a)(1) or 1274(b)(1) of this subtitle, an indi-
18 vidual, or any person acting on behalf of the indi-
19 vidual as set forth in section 1275(a) of this subtitle,
20 may be awarded, as appropriate:

21 (A) An order enjoining the respondent
22 from engaging in the unlawful employment
23 practice.

24 (B) Reimbursement of costs expended as a
25 result of the unlawful employment practice.

1 (C) An amount in liquidated damages not
2 to exceed \$1,000 for each day of the violation.

3 (D) Reasonable attorney's fees (including
4 expert fees) and costs attributable to the pur-
5 suit of a claim under this subtitle, except that
6 no person identified in section 733(a) of this
7 subtitle shall be eligible to receive attorney's
8 fees.

9 (2) In any claim alleging a violation of any
10 other subsection of this subtitle, an individual, or
11 any person acting on behalf of the individual as set
12 forth in section 1275(a) of this subtitle, may be
13 awarded, as appropriate, the remedies available for
14 a violation of title VII of the Civil Rights Act of
15 1964 (42 U.S.C. 2000e et seq.), section 302(a)(1) of
16 the Government Employee Rights Act of 1991 (42
17 U.S.C. 2000e-16b(a)(1)), section 201(a)(1) of the
18 Congressional Accountability Act of 1995 (2 U.S.C.
19 1311(a)(1)), and section 411 of title 3, United
20 States Code, except that in a case in which wages,
21 salary, employment benefits, or other compensation
22 have not been denied or lost to the individual, dam-
23 ages may be awarded in an amount not to exceed
24 \$5,000.

1 **SEC. 1276. FEDERAL AND STATE IMMUNITY.**

2 (a) **ABROGATION OF STATE IMMUNITY.**—A State
3 shall not be immune under the 11th Amendment to the
4 Constitution from a suit brought in a Federal court of
5 competent jurisdiction for a violation of this subtitle.

6 (b) **WAIVER OF STATE IMMUNITY.**—

7 (1) **IN GENERAL.**—

8 (A) **WAIVER.**—A State’s receipt or use of
9 Federal financial assistance for any program or
10 activity of a State shall constitute a waiver of
11 sovereign immunity, under the 11th Amend-
12 ment to the Constitution or otherwise, to a suit
13 brought by an employee or applicant for em-
14 ployment of that program or activity under this
15 subtitle for a remedy authorized under section
16 1275(c) of this subtitle.

17 (B) **DEFINITION.**—In this paragraph, the
18 term “program or activity” has the meaning
19 given the term in section 606 of the Civil
20 Rights Act of 1964 (42 U.S.C. 2000d–4a).

21 (2) **EFFECTIVE DATE.**—With respect to a par-
22 ticular program or activity, paragraph (1) applies to
23 conduct occurring on or after the day, after the date
24 of enactment of this Act, on which a State first re-
25 ceives or uses Federal financial assistance for that
26 program or activity.

1 (c) REMEDIES AGAINST STATE OFFICIALS.—An offi-
2 cial of a State may be sued in the official capacity of the
3 official by any employee or applicant for employment who
4 has complied with the applicable procedures of this sub-
5 title, for relief that is authorized under this subtitle.

6 (d) REMEDIES AGAINST THE UNITED STATES AND
7 THE STATES.—Notwithstanding any other provision of
8 this subtitle, in an action or administrative proceeding
9 against the United States or a State for a violation of this
10 subtitle, remedies (including remedies at law and in eq-
11 uity) are available for the violation to the same extent as
12 such remedies would be available against a nongovern-
13 mental entity.

14 **SEC. 1277. RELATIONSHIP TO OTHER LAWS.**

15 This subtitle shall not invalidate or limit the rights,
16 remedies, or procedures available to an individual claiming
17 discrimination prohibited under any other Federal law or
18 regulation or any law or regulation of a State or political
19 subdivision of a State.

20 **SEC. 1278. SEVERABILITY.**

21 If any provision of this subtitle, or the application
22 of the provision to any person or circumstance, is held to
23 be invalid, the remainder of this subtitle and the applica-
24 tion of the provision to any other person or circumstances
25 shall not be affected by the invalidity.

1 **SEC. 1279. EFFECTIVE DATE.**

2 This subtitle shall take effect on the date of enact-
3 ment of this Act and shall not apply to conduct occurring
4 before the effective date.

5 **TITLE XIII—LIVING AMERICAN**
6 **WAGE**

7 **SEC. 1301. SHORT TITLE.**

8 This title may be cited as the “Raise the Wage Act”.

9 **SEC. 1302. MINIMUM WAGE INCREASES.**

10 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor
11 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended
12 to read as follows:

13 “(1) except as otherwise provided in this sec-
14 tion, not less than—

15 “(A) \$9.25 an hour, beginning on the ef-
16 fective date under section 7 of the Raise the
17 Wage Act;

18 “(B) \$10.10 an hour, beginning 1 year
19 after such effective date;

20 “(C) \$11.00 an hour, beginning 2 years
21 after such effective date;

22 “(D) \$12.00 an hour, beginning 3 years
23 after such effective date;

24 “(E) \$13.00 an hour, beginning 4 years
25 after such effective date;

1 “(F) \$13.50 an hour, beginning 5 years
2 after such effective date;

3 “(G) \$14.25 an hour, beginning 6 years
4 after such effective date;

5 “(H) \$15.00 an hour, beginning 7 years
6 after such effective date; and

7 “(I) beginning on the date that is 8 years
8 after such effective date, and annually there-
9 after, the amount determined by the Secretary
10 under subsection (h);”.

11 (b) DETERMINATION BASED ON INCREASE IN THE
12 MEDIAN HOURLY WAGE OF ALL EMPLOYEES.—Section
13 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.
14 206) is amended by adding at the end the following:

15 “(h)(1) Not later than each date that is 90 days be-
16 fore a new minimum wage determined under subsection
17 (a)(1)(I) is to take effect, the Secretary shall determine
18 the minimum wage to be in effect under this subsection
19 for each period described in subsection (a)(1)(I). The wage
20 determined under this subsection for a year shall be—

21 “(A) not less than the amount in effect under
22 subsection (a)(1) on the date of such determination;

23 “(B) increased from such amount by the annual
24 percentage increase, if any, in the median hourly

1 wage of all employees as determined by the Bureau
2 of Labor Statistics; and

3 “(C) rounded to the nearest multiple of \$0.05.

4 “(2) In calculating the annual percentage increase in
5 the median hourly wage of all employees for purposes of
6 paragraph (1)(B), the Secretary, through the Bureau of
7 Labor Statistics, shall compile data on the hourly wages
8 of all employees to determine such a median hourly wage
9 and compare such median hourly wage for the most recent
10 year for which data are available with the median hourly
11 wage determined for the preceding year.”.

12 **SEC. 1303. TIPPED EMPLOYEES.**

13 (a) **BASE MINIMUM WAGE FOR TIPPED EMPLOY-**
14 **EES.**—Section 3(m)(1) of the Fair Labor Standards Act
15 of 1938 (29 U.S.C. 203(m)(1)) is amended to read as fol-
16 lows:

17 “(1) the cash wage paid such employee, which
18 for purposes of such determination shall be not less
19 than—

20 “(A) for the 1-year period beginning on
21 the effective date under section 7 of the Raise
22 the Wage Act, \$4.15 an hour;

23 “(B) for each succeeding 1-year period
24 until the hourly wage under this paragraph
25 equals the wage in effect under section 6(a)(1)

1 for such period, an hourly wage equal to the
2 amount determined under this paragraph for
3 the preceding year, increased by the lesser of—

4 “(i) \$1.15; or

5 “(ii) the amount necessary for the
6 wage in effect under this paragraph to
7 equal the wage in effect under section
8 6(a)(1) for such period, rounded to the
9 nearest multiple of \$0.05; and

10 “(C) for each succeeding 1-year period
11 after the increase made pursuant to subpara-
12 graph (B)(ii), the minimum wage in effect
13 under section 6(a)(1); and”.

14 (b) TIPS RETAINED BY EMPLOYEES.—Section 3(m)
15 of the Fair Labor Standards Act of 1938 (29 U.S.C.
16 203(m)) is amended—

17 (1) in the second sentence of the matter fol-
18 lowing paragraph (2), by striking “of this sub-
19 section, and all tips received by such employee have
20 been retained by the employee” and inserting “of
21 this subsection. Any employee shall have the right to
22 retain any tips received by such employee”; and

23 (2) by adding at the end the following: “An em-
24 ployer shall inform each employee of the right and
25 exception provided under the preceding sentence.”.

1 (c) SCHEDULED REPEAL OF SEPARATE MINIMUM
2 WAGE FOR TIPPED EMPLOYEES.—

3 (1) TIPPED EMPLOYEES.—Section 3(m) of the
4 Fair Labor Standards Act of 1938 (29 U.S.C.
5 203(m)), as amended by subsections (a) and (b), is
6 further amended by striking the sentence beginning
7 with “In determining the wage an employer is re-
8 quired to pay a tipped employee,” and all that fol-
9 lows through “of this subsection.” and inserting
10 “The wage required to be paid to a tipped employee
11 shall be the wage set forth in section 6(a)(1).”.

12 (2) PUBLICATION OF NOTICE.—Section 6(i) of
13 the Fair Labor Standards Act of 1938 (29 U.S.C.
14 206(i)), as added by section 1305, is amended by
15 striking “or in accordance with subparagraph (B) or
16 (C) of section 3(m)(1) (as applicable),”.

17 (3) EFFECTIVE DATE.—The amendments made
18 by paragraphs (1) and (2) shall take effect on the
19 date that is one day after the date on which the
20 hourly wage under section 3(m)(1)(C) of the Fair
21 Labor Standards Act of 1938 (29 U.S.C.
22 203(m)(1)(C)), as amended by subsection (a), takes
23 effect.

1 **SEC. 1304. NEWLY HIRED EMPLOYEES WHO ARE LESS THAN**
2 **20 YEARS OLD.**

3 (a) BASE MINIMUM WAGE FOR NEWLY HIRED EM-
4 PLOYEES WHO ARE LESS THAN 20 YEARS OLD.—Section
5 6(g)(1) of the Fair Labor Standards Act of 1938 (29
6 U.S.C. 206(g)(1)) is amended by striking “a wage which
7 is not less than \$4.25 an hour.” and inserting the fol-
8 lowing: “a wage at a rate that is not less than—

9 “(A) for the 1-year period beginning on
10 the effective date under section 7 of the Raise
11 the Wage Act, \$5.00 an hour;

12 “(B) for each succeeding 1-year period
13 until the hourly wage under this paragraph
14 equals the wage in effect under section 6(a)(1)
15 for such period, an hourly wage equal to the
16 amount determined under this paragraph for
17 the preceding year, increased by the lesser of—

18 “(i) \$1.05; or

19 “(ii) the amount necessary for the
20 wage in effect under this paragraph to
21 equal the wage in effect under section
22 6(a)(1) for such period, rounded to the
23 nearest multiple of \$0.05; and

24 “(C) for each succeeding 1-year period
25 after the increase made pursuant to subpara-

1 graph (B)(ii), the minimum wage in effect
2 under section 6(a)(1).”.

3 (b) SCHEDULED REPEAL OF SEPARATE MINIMUM
4 WAGE FOR NEWLY HIRED EMPLOYEES WHO ARE LESS
5 THAN 20 YEARS OLD.—

6 (1) IN GENERAL.—Section 6(g)(1) of the Fair
7 Labor Standards Act of 1938 (29 U.S.C.
8 206(g)(1)), as amended by subsection (a), shall be
9 repealed effective on the date provided in paragraph
10 (3).

11 (2) PUBLICATION OF NOTICE.—Section 6(i) of
12 the Fair Labor Standards Act of 1938 (29 U.S.C.
13 206(i)), as amended by section 1303(c)(2), is fur-
14 ther amended by striking “or subparagraph (B) or
15 (C) of section 6(g)(1) (as applicable),”.

16 (3) EFFECTIVE DATE.—The repeal and amend-
17 ment made by paragraphs (1) and (2), respectively,
18 shall take effect on the date that is one day after the
19 date on which the hourly wage under section
20 6(g)(1)(C) of the Fair Labor Standards Act, as
21 amended by subsection (a), takes effect.

22 **SEC. 1305. PUBLICATION OF NOTICE.**

23 Section 6 of the Fair Labor Standards Act of 1938
24 (29 U.S.C. 206), as amended by the preceding sections,
25 is further amended by adding at the end the following:

1 “(i) Not later than 60 days prior to the effective date
2 of any increase in the required wage determined under
3 subsection (h), or in accordance with subparagraph (B)
4 or (C) of section 3(m)(1) (as applicable), section
5 14(c)(1)(A) (as applicable), or subparagraph (B) or (C)
6 of section 6(g)(1) (as applicable), the Secretary shall pub-
7 lish in the Federal Register and on the website of the De-
8 partment of Labor a notice announcing each increase in
9 such required wage.”.

10 **SEC. 1306. PROMOTING ECONOMIC SELF-SUFFICIENCY FOR**
11 **INDIVIDUALS WITH DISABILITIES.**

12 (a) WAGES.—

13 (1) TRANSITION TO FAIR WAGES FOR INDIVID-
14 UALS WITH DISABILITIES.—Subparagraph (A) of
15 section 14(c)(1) of the Fair Labor Standards Act of
16 1938 (29 U.S.C. 214(c)(1)) is amended to read as
17 follows:

18 “(A) at a rate that equals, or exceeds, the
19 greater of—

20 “(i)(I) \$4.25 an hour, beginning 1
21 year after the date the wage rate specified
22 in section 6(a)(1)(A) takes effect;

23 “(II) \$6.25 an hour, beginning 2
24 years after such date;

1 “(III) \$8.25 an hour, beginning 3
2 years after such date;

3 “(IV) \$10.25 an hour, beginning 4
4 years after such date;

5 “(V) \$12.25 an hour, beginning 5
6 years after such date; and

7 “(VI) the wage rate in effect under
8 section 6(a)(1), on the date that is 6 years
9 after the date the wage specified in section
10 6(a)(1)(A) takes effect; or

11 “(ii) if applicable, the wage rate in ef-
12 fect on the day before the date of enact-
13 ment of the Raise the Wage Act for the
14 employment, under a special certificate
15 issued under this paragraph, of the indi-
16 vidual for whom the wage rate is being de-
17 termined under this subparagraph,”.

18 (2) PROHIBITION ON NEW SPECIAL CERTIFI-
19 CATES; SUNSET.—Section 14(c) of the Fair Labor
20 Standards Act of 1938 (29 U.S.C. 214(c)) (as
21 amended by paragraph (1)) is further amended by
22 adding at the end the following:

23 “(6) PROHIBITION ON NEW SPECIAL CERTIFI-
24 CATES.—Notwithstanding paragraph (1), the Sec-
25 retary shall not issue a special certificate under this

1 subsection to an employer that was not issued a spe-
2 cial certificate under this subsection before the date
3 of enactment of the Raise the Wage Act.

4 “(7) SUNSET.—Beginning on the day after the
5 date on which the wage rate described in paragraph
6 (1)(A)(i)(VI) takes effect, the authority to issue spe-
7 cial certificates under paragraph (1) shall expire,
8 and no special certificates issued under paragraph
9 (1) shall have any legal effect.

10 “(8) TRANSITION ASSISTANCE.—Upon request,
11 the Secretary shall provide—

12 “(A) technical assistance and information
13 to employers issued a special certificate under
14 this subsection for the purposes of—

15 “(i) transitioning the practices of such
16 employers to comply with this subsection,
17 as amended by the Raise the Wage Act;
18 and

19 “(ii) ensuring continuing employment
20 opportunities for individuals with disabili-
21 ties receiving a special minimum wage
22 rate under this subsection; and

23 “(B) information to individuals employed
24 at a special minimum wage rate under this sub-
25 section, which may include referrals to other

1 Federal or State entities with expertise in com-
2 petitive integrated employment.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect on the date of en-
5 actment of this Act.

6 (b) PUBLICATION OF NOTICE.—

7 (1) AMENDMENT.—Section 6(i) of the Fair
8 Labor Standards Act of 1938 (29 U.S.C. 206(i)), as
9 amended by section 1304(b)(2), is further amended
10 by striking “section 14(c)(1)(A) (as applicable),”.

11 (2) EFFECTIVE DATE.—The amendment made
12 by paragraph (1) shall take effect on the day after
13 the date on which the wage rate described in para-
14 graph (1)(A)(i)(VI) of section 14(c) of the Fair
15 Labor Standards Act of 1938 (29 U.S.C. 214(c)), as
16 amended by subsection (a)(1), takes effect.

17 **SEC. 1307. GENERAL EFFECTIVE DATE.**

18 Except as otherwise provided in this title or the
19 amendments made by this title, this title and the amend-
20 ments made by this title shall take effect on the first day
21 of the third month that begins after the date of enactment
22 of this Act.

1 **DIVISION E—ANTI-POVERTY TAX**
2 **PROVISIONS**
3 **TITLE XIV—CHILD TAX CREDIT**
4 **PERMANENCY**

5 **SEC. 1401. INFLATION ADJUSTMENT OF THE CHILD TAX**
6 **CREDIT.**

7 (a) INFLATION ADJUSTMENT.—Section 24 of the In-
8 ternal Revenue Code of 1986 is amended by adding at the
9 end the following new subsection:

10 “(g) INFLATION ADJUSTMENT.—In the case of any
11 taxable year beginning in a calendar year after 2017, the
12 \$1,000 amount contained in subsection (a) shall be in-
13 creased by an amount equal to—

14 “(1) such dollar amount, multiplied by

15 “(2) the cost-of-living adjustment determined
16 under section 1(f)(3) for the calendar year in which
17 the taxable year begins, determined by substituting
18 ‘calendar year 2016’ for ‘calendar year 1992’ in sub-
19 paragraph (B) thereof.

20 Any increase determined under the preceding sentence
21 shall be rounded to the nearest multiple of \$50.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to taxable years beginning after
24 December 31, 2017.

1 **TITLE XV—EARNED INCOME TAX**
2 **CREDIT**

3 **SEC. 1501. EXPANSION OF EARNED INCOME CREDIT.**

4 (a) CREDIT PERCENTAGES FOR INDIVIDUALS WITH
5 NO QUALIFYING CHILDREN.—The item in the table in
6 section 32(b)(1) of the Internal Revenue Code of 1986
7 under the column relating to the credit percentage is
8 amended by striking “7.65” and inserting “15.3”.

9 (b) PHASEOUT PERCENTAGE FOR INDIVIDUALS
10 WITH NO QUALIFYING CHILDREN.—The item in the table
11 in section 32(b)(1) of the Internal Revenue Code of 1986
12 under the column relating to the phaseout percentage is
13 amended by striking “7.65” and inserting “15.3”.

14 (c) PHASEOUT AMOUNT.—

15 (1) IN GENERAL.—The item in the table in sec-
16 tion 32(b)(2)(A) of the Internal Revenue Code of
17 1986 under the column relating to the phaseout
18 amount is amended by striking “\$5,280” and insert-
19 ing “\$11,500”.

20 (2) INFLATION ADJUSTMENT.—

21 (A) IN GENERAL.—Section 32(j) of the In-
22 ternal Revenue Code of 1986 is amended by re-
23 designating paragraph (2) as paragraph (3)
24 and by inserting after paragraph (1) the fol-
25 lowing new paragraph:

1 “(2) EXCEPTION.—In the case of the amount
2 in subsection (b)(2)(A) under the column relating to
3 the phaseout amount for taxable years beginning
4 after 2018, paragraph (1)(B)(i) shall be applied by
5 substituting ‘calendar year 2017’ for ‘calendar year
6 1995’ and paragraph (1) shall not apply to such
7 amount for taxable years beginning in 2016.”.

8 (B) CONFORMING AMENDMENTS.—Section
9 32(j) of the Internal Revenue Code of 1986 is
10 amended—

11 (i) in paragraph (1)(B)(i) by inserting
12 “except as provided in paragraph (2)” be-
13 fore “in the case of”, and

14 (ii) in paragraph (2)(A) by inserting
15 “or (2)” after “paragraph (1)”.

16 (d) EXPANSION OF AGE RANGE OF ELIGIBLE INDI-
17 VIDUALS.—Section 32(c)(1)(A)(ii)(II) of the Internal Rev-
18 enue Code of 1986 is amended by striking “age 25 but
19 not attained age 65” and inserting “age 21 but not at-
20 tained retirement age (as defined in section 216(l) of the
21 Social Security Act)”.

22 (e) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2017.

1 **TITLE XVI—CHILD CARE ACCESS**
2 **AND REFUNDABILITY EXPAN-**
3 **SION ACT**

4 **SEC. 1601. CREDIT FOR DEPENDENT CARE EXPENSES.**

5 (a) CREDIT MADE REFUNDABLE.—

6 (1) IN GENERAL.—The Internal Revenue Code
7 of 1986 is amended by redesignating section 21 as
8 section 36C and by moving such section after section
9 36B.

10 (2) CREDIT NOT ALLOWED TO NONRESIDENT
11 ALIENS.—Section 36C(a)(1) of the Internal Revenue
12 Code of 1986, as redesignated by this section, is
13 amended by inserting “(other than a nonresident
14 alien)” after “In the case of an individual”.

15 (3) CONFORMING AMENDMENTS.—

16 (A) Section 23(f)(1) of such Code is
17 amended by striking “section 21(e)” and insert-
18 ing “section 36C(e)”.

19 (B) Section 35(g)(6) of such Code is
20 amended by striking “section 21(e)” and insert-
21 ing “section 36C(e)”.

22 (C) Section 36C(a)(1) of such Code, as re-
23 designated by this section, is amended by strik-
24 ing “this chapter” and inserting “this subtitle”.

1 (D) Section 129(a)(2)(C) of such Code is
2 amended by striking “section 21(e)” and insert-
3 ing “section 36C(e)”.

4 (E) Section 129(b)(2) of such Code is
5 amended by striking “section 21(d)(2)” and in-
6 serting “section 36C(d)(2)”.

7 (F) Section 129(e)(1) of such Code is
8 amended by striking “section 21(b)(2)” and in-
9 serting “section 36C(b)(2)”.

10 (G) Section 213(e) of such Code is amend-
11 ed by striking “section 21” and inserting “sec-
12 tion 36C”.

13 (H) Section 6211(b)(4)(A) of such Code is
14 amended by inserting “36C,” after “36B,”.

15 (I) Section 6213(g)(2)(H) of such Code is
16 amended by striking “section 21” and inserting
17 “section 36C”.

18 (J) Section 6213(g)(2)(L) of such Code is
19 amended by striking “section 21, 24, 32, or
20 6428” and inserting “section 24, 32, 36C, or
21 6428”.

22 (K) Paragraph (2) of section 1324(b) of
23 title 31, United States Code, is amended by in-
24 serting “36C,” after “36B,”.

1 (L) The table of sections for subpart A of
2 part IV of subchapter A of chapter 1 of the In-
3 ternal Revenue Code of 1986 is amended by
4 striking the item relating to section 21.

5 (M) The table of sections for subpart C of
6 part IV of subchapter A of chapter 1 of such
7 Code is amended by inserting after the item re-
8 lating to section 36B the following new item:

“Sec. 36C. Expenses for household and dependent care services necessary for
gainful employment.”.

9 (b) INFLATION ADJUSTMENT OF INCOME THRESH-
10 OLDS FOR CREDIT PHASEDOWN.—Section 36C(e) of the
11 Internal Revenue Code of 1986, as redesignated by this
12 section, is amended by adding at the end the following
13 new paragraph:

14 “(11) INFLATION ADJUSTMENT.—

15 “(A) IN GENERAL.—In the case of any
16 taxable year beginning in a calendar year after
17 2017, the \$2,000 amount and the \$15,000
18 amount in subsection (a)(2) shall each be in-
19 creased by an amount equal to—

20 “(i) such dollar amount, multiplied by

21 “(ii) the cost-of-living adjustment de-
22 termined under section 1(f)(3) for the cal-
23 endar year in which the taxable year be-
24 gins, determined by substituting ‘calendar

1 year 2016’ for ‘calendar year 1992’ in sub-
2 paragraph (B) thereof.

3 “(B) ROUNDING.—Any increase deter-
4 mined under subparagraph (A) shall be rounded
5 to the nearest multiple of—

6 “(i) in the case of the \$2,000 amount,
7 \$50, and

8 “(ii) in the case of the \$15,000
9 amount, \$100.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2017.

13 **SEC. 1602. AMENDMENTS TO THE CHILD CARE AND DEVEL-**
14 **OPMENT BLOCK GRANT ACT OF 1990.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
16 658B of the Child Care and Development Block Grant Act
17 of 1990 (42 U.S.C. 9858) is amended by striking
18 “\$2,668,534,969 for fiscal year 2019, and
19 \$2,748,591,018 for fiscal year 2020” and inserting
20 “\$4,100,000,000 for fiscal year 2019, and for each subse-
21 quent fiscal year the amount authorized to be appro-
22 priated for the previous fiscal year adjusted by the annual
23 increase in the rate of inflation for such previous fiscal
24 year”.

1 (b) ELIGIBILITY FOR CHILD CARE BENEFITS.—The
2 Child Care and Development Block Grant Act of 1990 (42
3 U.S.C. 9858 et seq.) is amended—

4 (1) in section 658E(c)(2)(N) by striking “85
5 percent” each place it appears and inserting “150
6 percent”; and

7 (2) in section 658P(4)(B) by striking “85 per-
8 cent” and inserting “150 percent”.

9 **DIVISION I—MISCELLANEOUS**
10 **TITLE I—POVERTY IMPACT**
11 **TRIGGER**

12 **SEC. 1701. CERTAIN POVERTY IMPACT LEGISLATION SUB-**
13 **JECT TO POINT OF ORDER.**

14 Rule XXI of the Rules of the House of Representa-
15 tives is amended by adding at the end the following new
16 clause:

17 **“Certain legislation reported by committees**

18 “12. It shall not be in order to consider a bill or joint
19 resolution of a public nature authorizing an appropriation
20 of \$10,000,000 or more, unless—

21 “(a) the committee report accompanying the bill
22 or joint resolution includes a CBO Poverty Index Di-
23 vision impact statement; or

24 “(b) the chair of the committee reporting the
25 bill or joint resolution submits such statement to be

1 published in the Congressional Record before consid-
2 eration of the bill or joint resolution.”.

3 **SEC. 1702. CONGRESSIONAL BUDGET OFFICE POVERTY IM-**
4 **PACT DIVISION.**

5 (a) IN GENERAL.—Section 202 of the Congressional
6 Budget Act of 1974 (2 U.S.C. 602) is amended by adding
7 at the end the following new subsection:

8 “(h) CBO POVERTY IMPACT DIVISION.—

9 “(1) CREATION.—There is established within
10 the Office the CBO Poverty Impact Division (herein-
11 after in this subsection referred to as the ‘Division’).

12 “(2) DUTIES AND FUNCTIONS.—

13 “(A) PREPARATION AND SUBMISSION OF
14 IMPACT STATEMENT.—When a chair of a com-
15 mittee of the House of Representatives submits
16 a written request to the Division to prepare and
17 submit to the committee a CBO Poverty Index
18 Division impact statement, the Division shall
19 prepare and submit such statement to the com-
20 mittee not later than 30 days after such re-
21 quest.

22 “(B) CONTENT OF IMPACT STATEMENT.—
23 A CBO Poverty Index Division impact state-
24 ment shall include the following:

1 “(i) A projected ratio equal to the
2 amount of appropriations authorized in the
3 bill or joint resolution that will benefit in-
4 dividuals and families below the poverty
5 threshold over the total amount of appro-
6 priations authorized by the bill or joint res-
7 olution.

8 “(ii) A projection of the number of in-
9 dividual and family incomes—

10 “(I) that may decrease below the
11 poverty threshold because of the bill
12 or joint resolution; and

13 “(II) that may increase above the
14 poverty threshold because of the bill
15 or joint resolution.

16 “(iii) A projection as to how the legis-
17 lation improves access to basic human
18 services, including health care, housing,
19 and education.

20 “(C) POVERTY THRESHOLD DEFINED.—In
21 this subsection, the term ‘poverty threshold’
22 means an income level below 200 percent of the
23 poverty line (as defined in section 673(2) of the
24 Community Services Block Grant Act).”.

1 **SEC. 1703. EXERCISE OF RULEMAKING POWERS.**

2 Section 1901 of this title is enacted by the House
3 of Representatives—

4 (1) as an exercise of the rulemaking power of
5 the House of Representatives and as such it shall be
6 considered as part of the Rules of the House of Rep-
7 resentatives and such rules shall supersede other
8 rules only to the extent that they are inconsistent
9 therewith; and

10 (2) with the full recognition of the constitu-
11 tional right of the House of Representatives to
12 change such rules at any time, in the same manner,
13 and to the same extent as in the case of any other
14 rule of the House of Representatives.

15 **SEC. 1704. EFFECTIVE DATE.**

16 The amendments made by this title shall apply to any
17 bill or joint resolution reported by a committee of the
18 House of Representatives after the 90-day period begin-
19 ning on the date of enactment of this Act.

20 **TITLE II—HALF IN TEN ACT TO**
21 **CREATE A NATIONAL STRAT-**
22 **EGY TO REDUCE POVERTY**

23 **SEC. 1801. FINDINGS.**

24 Congress finds the following:

25 (1) The persistence of poverty, and especially
26 intergenerational poverty, in America can be seen as

1 a deep, structural problem that implicates our value
2 system and our educational and economic institu-
3 tions.

4 (2) Poverty may be defined as the lack of basic
5 necessities of life such as food, shelter, clothing,
6 health care, education, economic security, and eco-
7 nomic opportunity.

8 (3) Policy initiatives and many safety net pro-
9 grams addressing poverty have not kept pace with
10 the needs of millions of Americans.

11 (4) The lack of an equitable distribution of
12 housing choices across the country leads to isolation
13 and concentrated poverty.

14 (5) The number of Americans living in poverty
15 rose by over 2.6 million from 2009 to 2010 (U.S.
16 Census Bureau, September 2011).

17 (6) There were 46.2 million Americans living in
18 poverty in 2010, consisting of 15.1 percent of the
19 American people (U.S. Census Bureau, September
20 2011).

21 (7) Poverty has a disproportionate impact on
22 minority communities in America with 27.4 percent
23 of African Americans, 26.6 percent of Hispanics,
24 12.1 percent of Asian Americans, and 9.9 percent of

1 Whites living in poverty in the United States in
2 2010 (U.S. Census Bureau, September 2011).

3 (8) In 2010 a family of 4 was considered poor
4 under the U.S. Census Bureau's official measure if
5 the family's income was below \$22,314.

6 (9) The economic consequences of poverty in
7 the United States are estimated to be at least \$500
8 billion per year (Center for American Progress,
9 2007).

10 (10) Children who grow up in poverty experi-
11 ence higher crime rates, decreased productivity, and
12 higher health costs over their lives (Center for Amer-
13 ican Progress, 2007).

14 (11) 3,500,000 seniors lived in poverty in 2010
15 (U.S. Census Bureau, 2011).

16 (12) Young Americans, ages 18–24, experience
17 a higher poverty rate than the national average
18 (U.S. Census Bureau, 2011).

19 (13) 16,400,000 children lived in poverty in
20 2010—more than one in every five American chil-
21 dren (U.S. Census Bureau, 2011).

22 (14) Almost 35 percent of African-American
23 children and over 30 percent of Hispanic children
24 lived in poverty in 2009 (U.S. Census Bureau,
25 2011).

1 (15) The 46,180,000 of Americans in poverty
2 in 2010 was the largest number yet recorded in the
3 52 years for which poverty estimates are available
4 (U.S. Census Bureau, 2011).

5 (16) The United States overseas territories
6 have high levels of poverty and varying access to
7 Federal anti-poverty programs. Poverty rates in
8 2009 for people over 18 were 41.4 percent in Puerto
9 Rico, 53.7 percent in Guam, 65.1 percent in the
10 United States Virgin Islands, 66.6 percent in the
11 Commonwealth of the Northern Mariana Islands,
12 and 52.6 percent in American Samoa.

13 (17) Individuals and families in poverty are
14 more socially vulnerable to natural disasters, ex-
15 treme weather and impacts of climate change and
16 have greater difficulty preparing for, responding to
17 and recovering from such events (Oxfam America,
18 2009).

19 (18) Children who live in families who fall into
20 poverty for even short periods of time are at greater
21 risk of a lifetime of lower earnings, lower edu-
22 cational attainment, and increased reliance on public
23 services and increased rates of incarceration (First
24 Focus, 2008).

1 (19) It is estimated that the additional 3 mil-
2 lion children who were forced into poverty due to the
3 recession of 2008, resulted in \$35 billion in eco-
4 nomic losses annually, and will cause at least \$1.7
5 trillion in economic losses to the United States dur-
6 ing their lifetimes (First Focus, 2008).

7 (20) Reducing poverty, especially child poverty,
8 not only reduces costs for Federal, State, and local
9 social services and benefits programs, but also in-
10 creases tax revenue at all levels of government (Chil-
11 dren’s Defense Fund, 2009).

12 (21) The House of Representatives, on January
13 22, 2008, has resolved that it is the sense of Con-
14 gress that the United States should set a national
15 goal of cutting poverty in half over the next 10
16 years.

17 **SEC. 1802. DEFINITIONS.**

18 In this title:

19 (1) **FEDERAL AGENCY.**—The term “Federal
20 agency” means any executive department, Govern-
21 ment corporation, Government-controlled corpora-
22 tion, or other establishment in the executive branch
23 of the Government (including the Executive Office of
24 the President), or any independent regulatory agen-
25 cy.

1 (2) POVERTY.—The term “poverty” means an
2 income level and living standard associated with and
3 based on the official poverty measure as established
4 and updated by the U.S. Census Bureau which es-
5 tablishes a threshold of minimum income necessary
6 to achieve a standard of living free from deprivation
7 of basic needs.

8 (3) EXTREME POVERTY.—The term “extreme
9 poverty” means having an income level or living
10 standard at a level of extreme deprivation based on
11 living with income below 50 percent of the Federal
12 poverty line as established by the U.S. Census.

13 (4) NEAR POVERTY.—The term “near poverty”
14 means having a level of household income below 200
15 percent of the Federal poverty line.

16 (5) CHILD POVERTY.—The term “child pov-
17 erty” means poverty which impacts those persons
18 under 18 years of age.

19 (6) DEPRIVATION.—The term “deprivation”
20 means lacking some or all basic human needs.

21 (7) DECENT LIVING STANDARD.—The term
22 “decent living standard” means the amount of an-
23 nual income that would allow an individual to live
24 beyond deprivation at a safe and decent, but modest,
25 standard of living.

1 (8) ALTERNATIVE POVERTY MEASURES.—The
2 term “alternative poverty measures” means meas-
3 ures and indicators, other than the traditional in-
4 come based measure of poverty, which can provide a
5 more detailed picture of the low-income and poverty
6 stricken populations, such as the number of people
7 who were kept above poverty by Government sup-
8 ports, the number of people who are poor due to
9 medical expenses, child care, and work expenses, the
10 rates of food insecurity, the number of people who
11 are asset poor (with less than three months of in-
12 come saved), the number of disconnected youth, teen
13 birth rates, participation rates in Federal anti-pov-
14 erty programs for all eligible populations, and the
15 number of people who are unbanked.

16 (9) REGIONAL COSTS OF LIVING.—The term
17 “regional costs of living” means a measure of the
18 differing costs of maintaining a given living standard
19 in varying regional, geographic, urban or rural re-
20 gions.

21 (10) ECONOMIC INSECURITY.—The term “eco-
22 nomic insecurity” means the inability of individuals
23 and households to cope with routine adverse or cost-
24 ly life events and the lack of means to maintain a

1 decent standard of living and to recover from the
2 costly consequences of those events.

3 (11) ECONOMIC STABILITY.—The term “eco-
4 nomic stability” means individuals and households
5 have access to the means and support systems nec-
6 essary to effectively cope with adverse or costly life
7 events and have the ability to effectively recover
8 from the consequences of those events while main-
9 taining their standard of living or maintaining a de-
10 cent standard of living.

11 (12) DIGITAL DIVIDE.—The term “digital di-
12 vide” means the gap between individuals, house-
13 holds, businesses and geographic areas at different
14 socio-economic levels with regard to both their access
15 information and communications technologies and
16 including the imbalance both in physical access to
17 technology and the resources, education and skills
18 needed to effectively use computer technology and
19 the Internet for a wide variety of activities.

20 (13) OUTCOMES.—The term “outcomes” means
21 change in the economic status, economic instability
22 or economic security of an individual, household or
23 other population which is attributable to a planned
24 intervention, benefit, or service or series of interven-
25 tions, benefits, and services, regardless of whether

1 such an intervention was intended to change such
2 economic status.

3 (14) DISPARATE IMPACT.—The term “disparate
4 impact” refers to the historic and ongoing impacts
5 of the pattern and practice of discrimination in em-
6 ployment, education, housing, banking and nearly
7 every other aspect of American life in the economy,
8 society or culture that have an adverse impact on
9 minorities, women, or other protected groups, re-
10 gardless of whether such practices were motivated by
11 discriminatory intent.

12 **SEC. 1803. ESTABLISHMENT OF THE FEDERAL INTER-**
13 **AGENCY WORKING GROUP ON REDUCING**
14 **POVERTY.**

15 (a) ESTABLISHMENT OF FEDERAL INTERAGENCY
16 WORKING GROUP ON REDUCING POVERTY.—There is es-
17 tablished within the Department of Health and Human
18 Services, a Federal Interagency Working Group on Reduc-
19 ing Poverty, which shall be chaired by the Secretary of
20 Health and Human Services, and whose members shall be
21 selected by their respective agency heads from the senior
22 ranks of their agencies, which shall—

23 (1) develop, within 180 days of enactment, a
24 National Strategy to reduce the number of persons
25 living in poverty in America in half within 10 years

1 of the release of the 2012 Census report on Income,
2 Poverty and Health Insurance Coverage in the
3 United States: 2011, that includes goals and objec-
4 tives relating to—

5 (A) reducing in half the number of Ameri-
6 cans living in poverty as reported by the 2012
7 Census report on Income, Poverty and Health
8 Insurance Coverage in the United States: 2011;

9 (B) eliminating child poverty in America;

10 (C) eliminating extreme poverty in Amer-
11 ica;

12 (D) improving the effectiveness and out-
13 comes of poverty-related programs by improving
14 our understanding of the root causes of poverty,
15 the social, economic, and the cultural contribu-
16 tors to persistent intergenerational poverty;

17 (E) improving the measure of poverty to
18 include more indicators and measures that can
19 meaningfully account for other aspects relating
20 to the measure of poverty, such as regional dif-
21 ferences in costs of living, the impact of rising
22 income inequality, the impact of the persistent
23 “digital divide”, expanding the understanding
24 of poverty by distinguishing a standard that
25 measures a level of freedom from deprivation

1 versus a standard that measures a standard of
2 economic adequacy provided by a living wage
3 and access to a decent living standard, and the
4 impact of poverty on other measures of eco-
5 nomic stability and economic outcomes, such as
6 educational attainment, rates of incarceration,
7 lifetime earnings, access to health care, health
8 care outcomes, access to housing, and including
9 other measures as necessary to improve our un-
10 derstanding of why poverty persists in America;

11 (F) eliminating the disparate rates of pov-
12 erty based on race, ethnicity, gender, age, or
13 sexual orientation and identity, especially
14 among children in those households so im-
15 pacted;

16 (G) measuring effectiveness of poverty re-
17 lated programs on the basis of long-term out-
18 comes, including the long-term savings and
19 value of preventive practice and policy, and em-
20 ploying fact-based measures of programs to
21 make improvements;

22 (H) improving the accessibility of benefit
23 and social services programs, reducing the com-
24 plexity and difficulty of enrollment, and improv-
25 ing the rates of enrollment in need based pro-

1 grams for all eligible recipients to maximize the
2 impact of benefits and social services programs
3 on reducing the impacts of poverty and improv-
4 ing economic outcomes;

5 (I) making more uniform eligibility re-
6 quirements to improve the coordination of serv-
7 ice delivery, reduce gaps in eligibility, and im-
8 prove outcomes of programs addressing poverty
9 in the Federal Government;

10 (J) reducing the negative impacts of asset
11 limits for eligibility which impact Federal, State
12 and local poverty programs on the effectiveness
13 of programs where limited eligibility creates
14 gaps in necessary service and benefit delivery,
15 and restricts access to benefits as individuals
16 and families attempt to transition off of assist-
17 ance programs and which can prevent needy
18 beneficiaries from improving long-term out-
19 comes and achieving long-term economic inde-
20 pendence from need-based programs;

21 (K) identifying Federal programs, includ-
22 ing those related to disaster relief, hazard miti-
23 gation, extreme weather and climate change,
24 and necessary reforms to better target re-
25 sources towards disproportionately impacted so-

1 cially vulnerable, low-income and disadvantaged
2 communities may provide greater socio-economic
3 benefits;

4 (L) improving the ability of community-
5 based organizations to participate in the devel-
6 opment, oversight and implementation of Fed-
7 eral poverty-related programs;

8 (M) improving access to good jobs with
9 adequate wages and benefits by individuals liv-
10 ing in poverty, low-income households, and the
11 unemployed;

12 (N) expanding and stabilizing poor and
13 low-income persons connection to work and ac-
14 cess to critical job training and/or skills up-
15 grade training that will lead to re-entry in the
16 workforce;

17 (O) developing a comprehensive strategy to
18 connect low-income young people and to re-con-
19 nect currently disconnected youth to education,
20 work, and their community; and

21 (P) shifting the focus of poverty and
22 means-tested programs across the Federal Gov-
23 ernment beyond the relief of deprivation and in-
24 stead setting goals, measures, and outcomes
25 more focused on measuring the success of pro-

1 grams in supporting and improving how capable
2 individuals and families can access educational
3 and economic opportunities to successfully tran-
4 sition away from accessing public assistance
5 and benefits and achieving long-term economic
6 stability which will reduce long-term costs in
7 domestic social needs programs, reduce long-
8 term health care costs due to the improved
9 health of formerly poverty stricken households,
10 increase the number of taxpaying individuals
11 which will increase revenue, and lower the en-
12 rollment and costs in need based benefits and
13 services programs, thus improving the economy
14 and reducing long-term deficits for Federal,
15 State, and local governments;

16 (2) oversee, coordinate, and integrate all poli-
17 cies and activities of the Federal Government, in co-
18 ordination and consultation with the Domestic Pol-
19 icy Council and the National Economic Council,
20 across all agencies relating to reducing the number
21 of individuals, families, and children living below the
22 Federal poverty line, in extreme poverty or near pov-
23 erty and increasing the number of households able
24 to achieve long-term economic stability with assets

1 sufficient to maintain a decent living standard with-
2 out relying on public-support—

3 (A) economic, commercial, and pro-
4 grammatic policies that can effect or relieve the
5 effects of poverty through job creation, and eco-
6 nomic development targeted to low-income, mi-
7 nority, rural, urban and other populations who
8 suffer disparate rates of poverty, among Fed-
9 eral agencies; and

10 (B) services and benefits including emer-
11 gency programs, discretionary economic pro-
12 grams, and other policies and activities nec-
13 essary to ensure that the Federal Government
14 is able to mount effective responses to economic
15 downturns and increases in the rates of poverty;

16 (3) ensure that all relevant Federal agencies
17 comply with appropriate guidelines, policies, and di-
18 rectives from the Federal Interagency Working
19 Group on Reducing Poverty and the Department of
20 Health and Human Services and other Federal
21 agencies with responsibilities relating to poverty re-
22 duction or improving economic stability and inde-
23 pendence;

24 (4) ensure that Federal agencies, State govern-
25 ments and relevant congressional committees have

1 access to, receive, and appropriately disseminate best
2 practices in the administration of programs, have
3 adequate resources to maximize the public awareness
4 of programs, increase the reach of those programs,
5 especially into historically disenfranchised commu-
6 nities, maximize enrollment for all eligible Ameri-
7 cans, share relevant data, and issue relevant guid-
8 ance in consultation with nongovernment organiza-
9 tions and policy experts in the field and State and
10 local government officials who administer or direct
11 policy for anti-poverty programs in increasing and
12 maximizing the enrollment into and administration
13 of programs and services designed to alleviate pov-
14 erty;

15 (5) enact best practices for improved data col-
16 lection, relevant to—

17 (A) reducing poverty;

18 (B) reducing the racial, ethnic, age, gen-
19 der, and sexual orientation or sexual identity
20 based disparities in the rates of poverty;

21 (C) adequately measuring the effectiveness,
22 efficiency and impact of programs on the out-
23 comes for individuals, families and communities
24 who receive benefits and services;

1 (D) streamlining enrollment and eligibility
2 for programs;

3 (E) improving long-term outcomes for indi-
4 viduals who are enrolled in service and benefit
5 programs;

6 (F) reducing reliance on public programs;

7 (G) improving connections to work;

8 (H) improving economic stability;

9 (I) improving savings and investment, ac-
10 cess to capital, increasing rates of entrepreneur-
11 ship;

12 (J) improving our understanding of the
13 impact of extreme weather and natural disas-
14 ters on economically vulnerable communities
15 and improving those communities' resilience to
16 and recovery from extreme weather and natural
17 disasters;

18 (K) improving access to living wage em-
19 ployment; and

20 (L) improving access to employment-based
21 benefits; and

22 (6) study the feasibility of and test different
23 interagency, State and local, public/private models of
24 cooperative service and benefit delivery by creating
25 necessary exemptions, waivers and funding sources

1 to allow improved cooperation and innovation in the
2 development of programs, practices, policies and pro-
3 cedures that advance the goal of reducing poverty
4 and increasing economic opportunity.

5 (b) DIRECTOR OF NATIONAL POVERTY POLICY.—

6 There shall be a Staff Director of National Poverty Policy,
7 who shall be the head of the Federal Interagency Working
8 Group on Reducing Poverty.

9 **SEC. 1804. APPOINTMENT AND RESPONSIBILITIES OF THE**
10 **DIRECTOR.**

11 (a) APPOINTMENT.—

12 (1) IN GENERAL.—The Staff Director shall be
13 appointed by the Secretary of Housing and Urban
14 Development.

15 (2) QUALIFICATIONS.—The Secretary shall ap-
16 point the Staff Director from among individuals who
17 have demonstrated ability and knowledge in social
18 policy, improving outcome based management, issues
19 of equity and equal opportunity and access to serv-
20 ices and economic opportunity.

21 (b) RESPONSIBILITIES.—The Staff Director shall—

22 (1) advise the Secretary and all relevant cabinet
23 secretaries, and agency officials regarding the estab-
24 lishment of policies, goals, objectives, and priorities
25 for reducing poverty in America in half in ten years,

1 ending child poverty, ending extreme poverty and
2 eliminating racial, ethnic, gender, and sexual iden-
3 tity and orientation based disparities in the rates of
4 poverty;

5 (2) advise the Secretary, when directed by the
6 Secretary, advise relevant cabinet secretaries, heads
7 of independent Federal agencies and other entities
8 within the Executive Office of the President regard-
9 ing mechanisms to improve the effectiveness, coordi-
10 nation, impact, and outcomes of social services, ben-
11 efits, and other poverty reduction and economic op-
12 portunity programs, in collaboration with experts in
13 the field, nongovernmental organizations, and other
14 governments;

15 (3) work with Federal agencies to oversee, co-
16 ordinate, and integrate the implementation of the
17 National Plan or Strategy, including consultation
18 with independent nongovernmental policy experts
19 and service provider groups engaged in serving low-
20 income persons, children and households, State and
21 local government officials who administer or direct
22 policy for anti-poverty programs, and with as many
23 groups that directly represent low-income people,
24 such as public housing tenants' associations, or
25 other similar groups; and

1 (4) resolve any disputes that arise between Fed-
2 eral agencies relating to the National Plan to reduce
3 poverty in half in ten years or other matters within
4 the responsibility of the Office.

5 **SEC. 1805. CONSULTATION.**

6 (a) IN GENERAL.—The Director may consult and ob-
7 tain recommendations from, as needed, such Presidential
8 and other advisory entities such as consultation with inde-
9 pendent nongovernmental policy experts and service pro-
10 vider groups engaged in serving low-income persons, chil-
11 dren, and households; State and local government officials
12 who administer or direct policy for anti-poverty programs,
13 and groups made up of low-income people, such as public
14 housing tenants' associations, or other similar groups as
15 the Director determines will assist in carrying out the mis-
16 sion of the Office, including, but not limited to—

17 (1) the Administration for Children and Fami-
18 lies (ACF);

19 (2) the Administration on Aging (AoA);

20 (3) the Department of Agriculture (USDA);

21 (4) the Bankruptcy Courts;

22 (5) the Bureau of Consumer Financial Protec-
23 tion;

24 (6) the Bureau of Economic Analysis (BEA);

25 (7) the Bureau of Indian Affairs (BIA);

1 (8) the Bureau of the Census;

2 (9) the Center for Nutrition Policy and Pro-
3 motion;

4 (10) the Centers for Medicare & Medicaid Serv-
5 ices (formerly the Health Care Financing Adminis-
6 tration);

7 (11) the Commission on Civil Rights;

8 (12) the Office of Community Planning and
9 Development;

10 (13) the Consumer Financial Protection Bu-
11 reau;

12 (14) the Coordinating Council on Juvenile Jus-
13 tice and Delinquency Prevention;

14 (15) the Corporation for National and Commu-
15 nity Service;

16 (16) the Council of Economic Advisers;

17 (17) the Department of Agriculture (USDA);

18 (18) the Department of Commerce (DOC);

19 (19) the Department of Defense (DOD);

20 (20) the Department of Education (ED);

21 (21) the Department of Health and Human
22 Services (HHS);

23 (22) the Department of Housing and Urban
24 Development (HUD);

25 (23) the Department of Justice (DOJ);

- 1 (24) the Department of Labor (DOL);
- 2 (25) the Department of the Treasury;
- 3 (26) the Department of Transportation (DOT);
- 4 (27) the Department of Veterans Affairs (VA);
- 5 (28) the Disability Employment Policy Office;
- 6 (29) the Domestic Policy Council;
- 7 (30) the Drug Enforcement Administration
- 8 (DEA);
- 9 (31) the Economic Development Administra-
- 10 tion;
- 11 (32) the Economic Research Service;
- 12 (33) the English Language Acquisition Office;
- 13 (34) the Equal Employment Opportunity Com-
- 14 mission (EEOC);
- 15 (35) the Fair Housing and Equal Opportunity;
- 16 (36) the Federal Bureau of Prisons;
- 17 (37) the Federal Housing Finance Board;
- 18 (38) the Federal Labor Relations Authority;
- 19 (39) the Federal Trade Commission (FTC);
- 20 (40) the Food and Nutrition Service;
- 21 (41) the Indian Health Service;
- 22 (42) the Interagency Council on Homelessness;
- 23 (43) the Internal Revenue Service (IRS);
- 24 (44) the Legal Services Corporation;
- 25 (45) the National AIDS Policy Office;

1 (46) the National Credit Union Administration;

2 (47) the National Economic Council;

3 (48) the National Institutes of Health (NIH);

4 (49) the National Labor Relations Board;

5 (50) the Occupational Safety & Health Admin-
6 istration (OSHA);

7 (51) the Office of Management and Budget
8 (OMB);

9 (52) the Office of Refugee Resettlement;

10 (53) the Office of Policy Development and Re-
11 search (Housing and Urban Development Depart-
12 ment);

13 (54) the Small Business Administration (SBA);

14 (55) the Social Security Administration (SSA);

15 (56) the Substance Abuse and Mental Health
16 Services Administration;

17 (57) the Veterans' Employment and Training
18 Service; and

19 (58) the Women's Bureau (Labor Department).

20 (b) NATIONAL STRATEGY.—In developing and updat-
21 ing the National Strategy the Executive Director shall
22 consult with the Domestic Policy Council, the National
23 Economic Council, and, as appropriate, hold regional pub-
24 lic hearings around the country to collect information and
25 feedback from the public on their efforts and experience

1 for the development and updating of the National Strategy
2 and make this information available to the public.

3 **SEC. 1806. REPORTS TO CONGRESS AND THE PUBLIC.**

4 (a) IN GENERAL.—The Chair of the Federal Inter-
5 agency Working Group on Reducing Poverty shall submit
6 an annual report to the appropriate congressional commit-
7 tees describing the activities, ongoing projects, and plans
8 of the Federal Government designed to meet the goals and
9 objectives of the National Strategy on Poverty. The report
10 shall include an accounting of the savings to the Govern-
11 ment from any increased efficiencies in the delivery of
12 services, any savings from reducing the numbers of Ameri-
13 cans living in poverty and reductions in the demand for
14 need-based services and benefits for which persons living
15 in and near poverty are eligible, as well as an accounting
16 of any increase in revenue collections due to the numbers
17 of persons who become gainfully employed and pay taxes
18 into the Treasury instead of drawing benefits and services
19 from it.

20 (b) NATIONAL ACADEMY OF SCIENCES WORK-
21 SHOP.—Within 90 days after funds are made available to
22 carry out this title, the Secretary of Health and Human
23 Services shall contract with the National Academy of
24 Sciences (hereinafter in this subsection referred to as the
25 “NAS”) to initiate a workshop series to provide necessary

1 background information to enable the Working Group on
2 Reducing Poverty to develop and finalize its plan.

3 (1) The NAS shall convene a steering com-
4 mittee to organize, plan, and conduct a public work-
5 shop on what is known about the economic and so-
6 cial costs of poverty, including, but not limited to
7 the following:

8 (A) Macroeconomic costs (effects on pro-
9 ductivity and economic output).

10 (B) Health costs (effects on health expend-
11 itures and health status).

12 (C) Crime and other social costs.

13 (D) Direct Federal budget effects (e.g.,
14 outlays for income support and other poverty
15 reduction programs).

16 (E) Natural disaster related risks and
17 costs.

18 (F) The workshop shall also consider pov-
19 erty metrics (e.g., income poverty, food insecu-
20 rity, and other measures of deprivation), and
21 their role in assessing the effects of poverty and
22 the performance of anti-poverty programs.

23 The NAS shall commission experts to prepare pa-
24 pers that summarize and critique the relevant lit-
25 erature estimating monetary and non-monetary eco-

1 nomic and social impacts of poverty. A workshop
2 summary shall be produced that, along with the pa-
3 pers, shall be available electronically on the NAS
4 website. This workshop shall be convened within 6
5 months of receipt of a contract, the papers posted
6 immediately, and the summary released by the end
7 of month.

8 (2) The NAS steering committee shall organize,
9 plan, and conduct a second public workshop on what
10 is known about the economic and social costs and
11 benefits of a variety of programs and strategies to
12 reduce and prevent poverty. It shall take account of
13 such issues as the following:

14 (A) Short-term versus long-term effects,
15 including budget implications.

16 (B) Effects for different population
17 groups, such as children, the elderly, immi-
18 grants, long-term single-parent families, dis-
19 placed older workers, young people with large
20 loans, people in areas of concentrated poverty
21 and other social ills (e.g., Indian reservations,
22 some inner city areas, some rural areas).

23 (C) Effects by depth of poverty and near-
24 poverty (e.g., income to poverty ratios of less

1 than 50 percent, less than 100 percent, less
2 than 200 percent).

3 This second workshop shall be convened within 9
4 months of receipt of a contract, the papers posted
5 immediately, and a summary released by the end of
6 month 12.

7 (c) REPORT.—The relevant sections of the report
8 shall be posted on each agency’s website on the plans and
9 impacts specific to their agency.

10 (d) PUBLIC REPORT.—A version of each report sub-
11 mitted under this section shall be made available to the
12 public.

13 (e) LEGISLATIVE LANGUAGE.—The Working Group
14 on Reducing Poverty shall submit, as necessary, legislative
15 language, including specific legislative recommendations to
16 the Congress of the United States towards achieving the
17 national goals.

○