

119TH CONGRESS
1ST SESSION

S. 1567

To reauthorize and reform the Temporary Assistance for Needy Families program under part A of title IV of the Social Security Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2025

Mr. DAINES introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To reauthorize and reform the Temporary Assistance for Needy Families program under part A of title IV of the Social Security Act, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Jobs and Opportunity
5 with Benefits and Services (JOBS) for Success Act of
6 2025”.

7 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

- Sec. 3. References.
- Sec. 4. Helping more Americans enter and remain in the workforce.
- Sec. 5. Expecting universal engagement and case management.
- Sec. 6. Promoting accountability by measuring work outcomes.
- Sec. 7. Targeting funds to truly needy families.
- Sec. 8. Targeting funds to core purposes.
- Sec. 9. Strengthening program integrity by measuring improper payments.
- Sec. 10. Prohibition on State diversion of Federal funds to replace State spending.
- Sec. 11. Inclusion of poverty reduction as a program purpose.
- Sec. 12. Strengthening accountability through HHS approval of State plans.
- Sec. 13. Aligning and improving data reporting.
- Sec. 14. Technical corrections to data exchange standards to improve program coordination.
- Sec. 15. Set-aside for economic downturns.
- Sec. 16. Welfare for needs not weed.
- Sec. 17. Definitions related to use of funds.
- Sec. 18. Elimination of obsolete provisions.
- Sec. 19. Effective date.

1 **SEC. 3. REFERENCES.**

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

7 **SEC. 4. HELPING MORE AMERICANS ENTER AND REMAIN IN**
 8 **THE WORKFORCE.**

9 (a) FAMILY ASSISTANCE GRANTS.—Section
 10 403(a)(1) (42 U.S.C. 603(a)(1)) is amended in each of
 11 subparagraphs (A) and (C) by striking “2017 and 2018”
 12 and inserting “2026 through 2030”.

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

1 (1) by striking “2017 and 2018” and inserting
 2 “2026 through 2030”; and

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

4 (c) TRIBAL GRANTS.—Section 412(a) (42 U.S.C.
 5 612(a)) is amended in each of paragraphs (1)(A) and
 6 (2)(A) by striking “2017 and 2018” and inserting “2026
 7 through 2030”.

8 (d) GRANTS TO THE TERRITORIES.—Section
 9 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking
 10 “2017 and 2018” and inserting “2026 through 2030”.

11 **SEC. 5. EXPECTING UNIVERSAL ENGAGEMENT AND CASE**
 12 **MANAGEMENT.**

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

15 “(b) INDIVIDUAL OPPORTUNITY PLANS.—

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

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

1 “(B) The well-being of the children in the
2 family of the individual and, where appropriate,
3 activities or services (such as services offered by
4 a program funded under section 511) to im-
5 prove the well-being of the children.

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

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

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

21 “(C) sets forth an employment goal and
22 planned short-, intermediate-, and long-term ac-
23 tions to achieve the goal, and, in the case of an
24 individual who has not attained 24 years of age
25 and is in secondary school or the equivalent, the

1 intermediate action may be completion of sec-
2 ondary school or the equivalent;

3 “(D) describes the job counseling and
4 other services the State will provide to the indi-
5 vidual to enable the individual to obtain and
6 keep unsubsidized employment;

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

10 “(F) is signed by the individual.

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

14 “(A) within 1 year after the effective date
15 of this subsection, in the case of an individual
16 who, as of such effective date, is a recipient of
17 assistance under the State program funded
18 under this part (as in effect immediately before
19 such effective date); or

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

23 “(4) UNIVERSAL ENGAGEMENT.—Subject to
24 paragraph (3) of this subsection, each State shall re-
25 quire all work-eligible recipients receiving funds

1 under the State program funded under this part to
2 engage in work in accordance with the provisions of
3 sections 407(c), 407(d), and 407(e).

4 “(5) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—In addition to any other penalties required
5 under the State program funded under this part, the
6 State shall reduce, pursuant to section 407(e)(3),
7 the amount of assistance otherwise payable under
8 the State program to a family that includes an indi-
9 vidual who fails without good cause to comply with
10 an individual opportunity plan developed pursuant to
11 this subsection, that is signed by the individual.

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

16 “(A) review the individual opportunity plan
17 developed for the individual, including the eligi-
18 bility of the individual for benefits;

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

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

1 **SEC. 6. PROMOTING ACCOUNTABILITY BY MEASURING**
 2 **WORK OUTCOMES.**

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

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

7 “(1) WORK OUTCOMES.—

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

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

25 “(C) AGREEMENT ON REQUISITE LEVEL
 26 OF PERFORMANCE.—The Secretary and the

1 State shall negotiate the requisite level of per-
2 formance for the State with respect to employ-
3 ment exits for each fiscal year beginning with
4 fiscal year 2028.

5 “(2) PERFORMANCE ACCOUNTABILITY.—

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

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

18 “(C) MEASURING STATE PERFORMANCE.—
19 Each State, in consultation with the Secretary,
20 shall collect and submit to the Secretary the in-
21 formation necessary to measure the level of per-
22 formance of the State for each indicator de-
23 scribed in subparagraph (D), for fiscal year
24 2027 and each fiscal year thereafter, and the
25 Secretary shall use the information collected for

1 fiscal year 2027 to establish the baseline level
2 of performance for each State for each such in-
3 dicator.

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

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

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

18 “(iii) The median earnings of individ-
19 uals who were work-eligible individuals as
20 of the time of exit from the program, who
21 are in unsubsidized employment during the
22 2nd quarter after the exit.

23 “(iv) The percentage of individuals
24 who have not attained 24 years of age, are
25 attending high school or enrolled in an

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

9 “(E) LEVELS OF PERFORMANCE.—

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

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

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

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

1 “(III) Twenty-five percent, in the
2 case of the indicator described in sub-
3 paragraph (D)(iii).

4 “(IV) Ten percent, in the case of
5 the indicator described in subpara-
6 graph (D)(iv).

7 “(iii) AGREEMENT ON REQUISITE
8 PERFORMANCE LEVEL FOR EACH INDIC-
9 CATOR.—

10 “(I) IN GENERAL.—The Sec-
11 retary and the State shall negotiate
12 the requisite level of performance for
13 the State with respect to each indi-
14 cator described in clause (ii), for each
15 fiscal year beginning with fiscal year
16 2028, and shall do so before the be-
17 ginning of the fiscal year involved.

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

23 “(aa) take into account how
24 the levels involved compare with

1 the levels established for other
2 States; and

3 “(bb) ensure the levels in-
4 volved are adjusted, using the ob-
5 jective statistical model referred
6 to in clause (v), based on—

7 “(AA) the differences
8 among States in economic
9 conditions, including dif-
10 ferences in unemployment
11 rates or employment losses
12 or gains in particular indus-
13 tries;

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

23 “(CC) take into account
24 the extent to which the lev-
25 els involved promote contin-

1 uous improvement in per-
2 formance by each State.

3 “(iv) REVISIONS BASED ON ECONOMIC
4 CONDITIONS AND INDIVIDUALS RECEIVING
5 ASSISTANCE DURING THE FISCAL YEAR.—
6 The Secretary shall, in accordance with the
7 objective statistical model referred to in
8 clause (v), revise the requisite levels of per-
9 formance for a State and a fiscal year to
10 reflect the economic conditions and charac-
11 teristics of the relevant individuals in the
12 State during the fiscal year.

13 “(v) STATISTICAL ADJUSTMENT
14 MODEL.—The Secretary shall use an objec-
15 tive statistical model to make adjustments
16 to the requisite levels of performance for
17 the economic conditions and characteristics
18 of the relevant individuals, and shall con-
19 sult with the Secretary of Labor to develop
20 a model that is the same as or similar to
21 the model described in section
22 116(b)(3)(A)(viii) of the Workforce Inno-
23 vation and Opportunity Act (29 U.S.C.
24 3141(b)(3)(A)(viii)).

1 “(vi) DEFINITION OF EXIT.—In this
 2 paragraph, the term ‘exit’ means, with re-
 3 spect to a State program funded under
 4 this part, ceases to a receive a benefit
 5 under the program.

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

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

1 (b) REPORTS ON STATE PERFORMANCE ON HHS
 2 ONLINE DASHBOARD.—Section 407(b) (42 U.S.C.
 3 607(b)) is amended to read as follows:

4 “(b) PUBLICATION OF STATE PERFORMANCE.—The
 5 Secretary shall, directly or through the use of grants or
 6 contracts, and in collaboration with each State, establish
 7 and operate an internet website that is accessible to the
 8 public, with a dashboard that is regularly updated and
 9 provides easy-to-understand information on the perform-
 10 ance of each State program funded under this part, in-
 11 cluding a profile for each such program, expressed by use
 12 of a template, which shall include—

13 “(1) information on the indicators and requisite
 14 performance levels established for the State under
 15 subsection (a), including, with respect to each such
 16 level, whether the State achieves, exceeds, or fails to
 17 achieve the level on an ongoing basis, including—

18 “(A) information on any adjustments made
 19 to the requisite levels using the statistical ad-
 20 justment model described in subsection
 21 (a)(2)(E)(v); and

22 “(B) a grade based on the overall perform-
 23 ance of the State, as determined by the Sec-
 24 retary and in consultation with the State, and
 25 the overall performance shall be graded based

1 on the performance indicators and weights for
2 each such indicator as described in subsection
3 (a);

4 “(2) information reported under section 411 on
5 the characteristics and demographics of individuals
6 receiving assistance under the State program, in-
7 cluding—

8 “(A) the number and percentage of child-
9 only cases and reason why the cases are child-
10 only; and

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

18 “(3) information on the results of improper
19 payments reviews;

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

22 “(5) information regarding any penalty im-
23 posed, or other corrective action taken, by the Sec-
24 retary against a State for failing to achieve a req-

1 uisite performance level or any other requirement
 2 imposed by or under this part.”.

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

6 (1) in paragraph (1)—

7 (A) in subparagraph (A)—

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

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

14 (B) in subparagraph (B)—

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

18 (ii) in clause (i), by striking “, not
 19 fewer than” and all that follows through
 20 “this subsection”; and

21 (iii) in clause (ii), by striking “, not
 22 fewer than” and all that follows through
 23 “subsection (d)”;

24 (2) in paragraph (2)—

1 (A) by striking subparagraphs (A) and
2 (D);

3 (B) in each of subparagraphs (B) and (C),
4 by striking “For purposes of determining
5 monthly participation rates under subsection
6 (b)(1)(B)(i), a” and inserting “A”;

7 (C) by redesignating subparagraphs (B)
8 and (C) as subparagraphs (A) and (B), respec-
9 tively; and

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

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

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

20 (1) in paragraph (5), by inserting “, including
21 apprenticeships” before the semicolon;

22 (2) in paragraph (6), by inserting “supervised”
23 before “job search”; and

(3) in paragraph (8), by striking “(not to exceed 12 months with respect to any individual)” and inserting “, including career technical education”.

(e) PENALTY AGAINST STATES.—

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

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

“(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with any of section 407(a)(1), section 408(b)(3), or section 408(b)(4) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to the applicable percentage of the State family assistance grant.”.

(2) TRANSITION RULE.—The Secretary of Health and Human Services may not impose a penalty under section 409(a)(3) of the Social Security Act by reason of the failure of a State to comply

1 with section 407(a) of such Act for any fiscal year
 2 before fiscal year 2027.

3 (f) PRO RATA REDUCTION OF ASSISTANCE FOR INDIVIDUAL
 4 NONCOMPLIANCE.—Section 407(e) (42 U.S.C.
 5 607(e)) is amended by adding at the end the following:

6 “(3) PRO RATA REDUCTION.—For purposes of
 7 paragraph (1)(A), the amount of a pro rata reduction
 8 in assistance shall be determined by multiplying
 9 the total amount of monthly assistance that would,
 10 in the absence of the application of this paragraph,
 11 be paid to the entire family, by the ratio of—

12 “(A) the number of hours of required work
 13 activities as designated in subsection (d) actually
 14 performed by the individual during the
 15 month; to

16 “(B) the number of hours of work activities
 17 that the individual was required to perform
 18 during the month in accordance with subsection
 19 (c).

20 “(4) PENALTIES AND ENGAGEMENT.—

21 “(A) IN GENERAL.—Subject to the limitation
 22 in (B), if in a given month an individual
 23 who received assistance under this part was required
 24 to engage in work under section
 25 408(b)(4), failed to fulfill those obligations and

1 was subsequently sanctioned in accordance with
 2 section 407(e)(2) and (3), that individual shall
 3 be judged to be engaged in work for that month
 4 for purposes of section 408(b)(4).

5 “(B) LIMITATION.—If an individual re-
 6 ceives no benefits for two consecutive months
 7 due to sanctioning under section 407(e)(2) and
 8 (3), that individual shall not be counted as en-
 9 gaged in work in subsequent months for pur-
 10 poses of section 408(b)(4) unless actual work in
 11 accordance with section 407(d) was resumed.”.

12 (g) CONFORMING AMENDMENT.—The heading of sec-
 13 tion 412(c) (42 U.S.C. 612(c)) is amended by striking
 14 “MINIMUM WORK PARTICIPATION REQUIREMENTS” and
 15 inserting “REQUIREMENTS FOR WORK OUTCOME MEAS-
 16 URES”.

17 **SEC. 7. TARGETING FUNDS TO TRULY NEEDY FAMILIES.**

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

22 “(k) PROHIBITIONS.—

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

25 A State to which a grant is made under this part

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

8 (b) REDUCTION OF LIMITATION OF USE FUNDS FOR
 9 ADMINISTRATIVE ACTIVITIES.—

10 (1) USE OF GRANTS.—Section 404(b) (42
 11 U.S.C. 604(b)) is amended—

12 (A) in paragraph (1), by striking “15” and
 13 inserting “10”; and

14 (B) by amending paragraph (2) to read as
 15 follows:

16 “(2) EXCEPTION.—Paragraph (1) shall not
 17 apply to the use of a grant for—

18 “(A) information technology and comput-
 19 erization needed for tracking or monitoring re-
 20 quired by or under this part; or

21 “(B) case management necessary to assist
 22 an individual in developing an individual oppor-
 23 tunity plan under section 408(b).’.

24 (2) PENALTIES.—Section 409(a) (42 U.S.C.
 25 609(a)) is amended—

1 (A) in paragraph (7)(B)(i)(I)(dd), by strik-
 2 ing “15” and inserting “10”; and

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

4 “(17) PENALTY FOR FAILURE TO COMPLY WITH
 5 ADMINISTRATIVE LIMITATION.—If the Secretary de-
 6 termines that a State to which a grant is made
 7 under section 403 for a fiscal year has failed to com-
 8 ply with section 404(b) for the fiscal year, the Sec-
 9 retary shall reduce the grant payable to the State
 10 under section 403(a)(1) for the immediately suc-
 11 ceeding fiscal year by an amount equal to not more
 12 than 5 percent of the State family assistance
 13 grant.”.

14 (c) PROHIBITION ON USE OF FUNDS FOR DIRECT
 15 SPENDING ON CHILD CARE SERVICES OR ACTIVITIES.—
 16 Section 404(k) (42 U.S.C. 604(k)), as amended by sub-
 17 section (a) of this section, is amended by adding at the
 18 end the following:

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

24 (d) EXPANSION OF AUTHORITY TO TRANSFER
 25 FUNDS.—Section 404(d) (42 U.S.C. 604(d)) is amended

1 by striking paragraphs (1) through (3) and inserting the
2 following:

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

7 “(A) The Child Care and Development
8 Block Grant Act of 1990.

9 “(B) Title I of the Workforce Innovation
10 and Opportunity Act.

11 “(2) APPLICABLE RULES.—

12 “(A) IN GENERAL.—Except as provided in
13 subparagraph (B) of this paragraph, any
14 amount paid to a State under this part that is
15 used to carry out a State program pursuant to
16 a provision of law specified in paragraph (1)
17 shall not be subject to the requirements of this
18 part, but shall be subject to the requirements
19 that apply to Federal funds provided directly
20 under the provision of law to carry out the pro-
21 gram, and the expenditure of any amount so
22 used shall not be considered to be an expendi-
23 ture under this part.

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

4 “(i) the State shall provide an assur-
 5 ance that the funds will be used to support
 6 individuals eligible for assistance or serv-
 7 ices under this part pursuant to subsection
 8 (k)(1); and

9 “(ii) not more than 15 percent of the
 10 funds will be reserved for statewide work-
 11 force investment activities referred to in
 12 section 128(a)(1) of the Workforce Innova-
 13 tion and Opportunity Act.

14 “(3) WIOA TRANSFER AUTHORITY NOT AVAIL-
 15 ABLE TO STATES EXCLUDING THE STATE TANF PRO-
 16 GRAM AS A MANDATORY ONE-STOP PARTNER UNDER
 17 THE WIOA.—The authority provided by paragraph
 18 (1)(B) of this subsection may not be exercised by a
 19 State that has provided the notification referred to
 20 in section 407(a)(2)(F).”.

21 **SEC. 8. TARGETING FUNDS TO CORE PURPOSES.**

22 (a) REQUIREMENT THAT STATES RESERVE 25 PER-
 23 CENT OF GRANT FOR SPENDING ON CORE ACTIVITIES.—
 24 Section 408(a) (42 U.S.C. 608(a)) is amended by adding
 25 at the end the following:

1 “(13) REQUIREMENT THAT STATES RESERVE
 2 25 PERCENT OF GRANT FOR SPENDING ON CORE AC-
 3 TIVITIES.—A State to which a grant is made under
 4 section 403(a)(1) for a fiscal year shall expend not
 5 less than 25 percent of the grant on work supports,
 6 education and training, apprenticeships, non-recur-
 7 ring short-term benefits, work activities (as defined
 8 in section 407(d)), and case management necessary
 9 to assist an individual in developing an individual
 10 opportunity plan under section 408(b).”.

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

16 “(14) REQUIREMENT THAT AT LEAST 25 PER-
 17 CENT OF QUALIFIED STATE EXPENDITURES BE FOR
 18 CORE ACTIVITIES.—Not less than 25 percent of the
 19 qualified State expenditures (as defined in section
 20 409(a)(7)(B)(ii)) of a State during the fiscal year
 21 shall be for work supports, education and training,
 22 apprenticeships, non-recurring short-term benefits,
 23 work activities (as defined in section 407(d)), and
 24 case management necessary to assist an individual

1 in developing an individual opportunity plan under
 2 section 408(b).”.

3 **SEC. 9. STRENGTHENING PROGRAM INTEGRITY BY MEAS-**
 4 **URING IMPROPER PAYMENTS.**

5 (a) APPLICABILITY OF IMPROPER PAYMENTS
 6 LAWS.—Section 404 (42 U.S.C. 604) is amended by add-
 7 ing at the end the following:

8 “(1) APPLICABILITY OF IMPROPER PAYMENTS
 9 LAWS.—

10 “(1) IN GENERAL.—The Improper Payments
 11 Information Act of 2002 and the Improper Pay-
 12 ments Elimination and Recovery Act of 2010 shall
 13 apply to a State in respect of the State program
 14 funded under this part in the same manner in which
 15 such Acts apply to a Federal agency.

16 “(2) REGULATIONS.—Within 2 years after the
 17 date of the enactment of this subsection, the Sec-
 18 retary shall prescribe regulations governing how a
 19 State reviews and reports improper payments under
 20 the State program funded under this part.”.

21 (b) REPORT TO CONGRESS.—Within 1 year after the
 22 date of the enactment of this Act, the Secretary of Health
 23 and Human Services shall submit to the Congress a writ-
 24 ten report that contains a plan to reduce or eliminate im-

1 proper payments made by States under part A of title IV
 2 of the Social Security Act within 10 years.

3 **SEC. 10. PROHIBITION ON STATE DIVERSION OF FEDERAL**
 4 **FUNDS TO REPLACE STATE SPENDING.**

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

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

13 **SEC. 11. INCLUSION OF POVERTY REDUCTION AS A PRO-**
 14 **GRAM PURPOSE.**

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

16 (1) by striking “and” at the end of paragraph
 17 (3);

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

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

21 “(5) reduce child poverty by increasing employ-
 22 ment entry, retention, and advancement of needy
 23 parents.”.

1 **SEC. 12. STRENGTHENING ACCOUNTABILITY THROUGH**
 2 **HHS APPROVAL OF STATE PLANS.**

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

5 (1) in subsection (a)—

6 (A) in the matter preceding paragraph

7 (1)—

8 (i) by striking “27-month” and insert-
 9 ing “24-month”; and

10 (ii) by striking “found” and inserting
 11 “approved that”; and

12 (B) in paragraph (1)—

13 (i) in subparagraph (A)—

14 (I) by striking clauses (ii) and
 15 (iii) and inserting the following:

16 “(ii) Require work-eligible individuals
 17 (as defined in the regulations promulgated
 18 pursuant to section 407(i)(1)(A)(i)) to en-
 19 gage in work activities consistent with sec-
 20 tion 407(c).”;

21 (II) by redesignating clauses (iv)
 22 through (viii) as clauses (iii) through
 23 (vii), respectively; and

24 (III) by adding at the end the
 25 following:

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

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

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

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

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

22 “(xiii) Describe how the State will
23 promote marriage, such as through tem-
24 porary disregard of the income of a new
25 spouse when an individual receiving assist-

1 ance under the State program marries so
 2 that the couple doesn't automatically lose
 3 benefits due to marriage.

4 “(xiv) Describe how the State will
 5 allow for a transitional period of benefits,
 6 such as through temporary earned income
 7 disregards or a gradual reduction in the
 8 monthly benefit amount, for an individual
 9 receiving assistance who obtains employ-
 10 ment and becomes ineligible due to an in-
 11 crease in income obtained through employ-
 12 ment or through an increase in wages.”;
 13 and

14 (ii) in subparagraph (B), by striking
 15 clauses (iv) and (v);

16 (2) by striking subsection (c) and inserting the
 17 following:

18 “(c) PUBLIC AVAILABILITY OF STATE PLANS.—The
 19 Secretary shall make available to the public, on the
 20 website described in section 407(b), a link to any plan or
 21 plan amendment submitted by a State under this sub-
 22 section.”; and

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

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

4 “(e) COMBINED PLAN ALLOWED.—A State may sub-
5 mit to the Secretary and the Secretary of Labor a com-
6 bined State plan that—

7 “(1) meets the requirements of subsections (a)
8 and (d); and

9 “(2) is for programs and activities under the
10 Workforce Innovation and Opportunity Act.

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

14 (b) DUTIES OF THE SECRETARY.—

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

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

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

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

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

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

8 (c) TECHNICAL ASSISTANCE.—

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

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

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

20 “(b) PUBLICATION OF STATE PERFORMANCE.—The
 21 Secretary may use funds reserved under this section to
 22 carry out section 407(b).

23 “(c) RESERVATION OF FUNDS.—The Secretary shall
 24 reserve not more than \$25,000,000 of the amount appro-

1 priated by section 403(a)(1)(C) for a fiscal year to carry
 2 out this section.”.

3 (2) CONFORMING AMENDMENT.—Section
 4 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended
 5 by inserting “and the amount specified in section
 6 406(b)” after “section 413(h)(1)”.

7 **SEC. 13. ALIGNING AND IMPROVING DATA REPORTING.**

8 (a) REQUIREMENT THAT STATES REPORT FULL-
 9 POPULATION DATA.—Section 411(a)(1) (42 U.S.C.
 10 611(a)(1)) is amended—

11 (1) by striking subparagraph (B);

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

14 (3) by—

15 (A) redesignating—

16 (i) subparagraph (A) as paragraph
 17 (1);

18 (ii) clauses (i) through (xvii) of sub-
 19 paragraph (A) as subparagraphs (A)
 20 through (Q), respectively;

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

1 (iv) subclauses (I) through (VII) of
 2 clause (xi) as clauses (i) through (vii), re-
 3 spectively; and

4 (v) subclauses (I) through (V) of
 5 clause (xvi) as clauses (i) through (v), re-
 6 spectively; and

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

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

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

16 “(i) in the case of each work-eligible
 17 individual (as defined in the regulations
 18 promulgated pursuant to section
 19 407(i)(1)(A)(i)) in the family, the number
 20 of hours (including zero hours) per month
 21 of participation in work activities (as de-
 22 fined in section 407(d)); and

23 “(ii) in the case of each individual in
 24 the family who is not a work-eligible indi-

1 vidual (as so defined), the reason for that
2 status.

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

8 (c) REPORTING OF INFORMATION ON EMPLOYMENT
9 AND EARNINGS OUTCOMES.—Section 411(c) (42 U.S.C.
10 611(c)) is amended to read as follows:

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

19 **SEC. 14. TECHNICAL CORRECTIONS TO DATA EXCHANGE**
20 **STANDARDS TO IMPROVE PROGRAM COORDI-**
21 **NATION.**

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

24 “(d) DATA EXCHANGE STANDARDS FOR IMPROVED
25 INTEROPERABILITY.—

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

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

13 “(B) Federal reporting and data exchange
14 required under applicable Federal law.

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

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

21 “(B) contain interoperable standards devel-
22 oped and maintained by intergovernmental
23 partnerships, such as the National Information
24 Exchange Model;

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

5 “(D) be consistent with and implement ap-
6 plicable accounting principles;

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

10 “(F) be capable of being continually up-
11 graded as necessary.

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

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

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

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

3 **SEC. 15. SET-ASIDE FOR ECONOMIC DOWNTURNS.**

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

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

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

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

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

21 “(B) NOTICE OF INTENT TO RESERVE
22 FUNDS.—A State that intends to reserve funds
23 paid to the State under section 402(a)(1) shall
24 notify the Secretary of the intention not later
25 than the end of the period in which the funds

1 are available for obligation without regard to
2 subparagraph (A) of this paragraph.”.

3 **SEC. 16. WELFARE FOR NEEDS NOT WEED.**

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

6 (1) in clause (ii), by striking “; or” and insert-
7 ing a semicolon;

8 (2) in clause (iii), by striking the period and in-
9 serting “; or”; and

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

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

14 **SEC. 17. DEFINITIONS RELATED TO USE OF FUNDS.**

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

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

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

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

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

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

20 “(A) assistance; or

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

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

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

8 **SEC. 18. ELIMINATION OF OBSOLETE PROVISIONS.**

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

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

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

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

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

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

22 (2) **CONFORMING AMENDMENTS.**—

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

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

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

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

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

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

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

1 (E) ELIMINATION OF REQUIREMENTS RE-
 2 LATING TO WELFARE-TO-WORK GRANTS IN
 3 QUARTERLY STATE REPORTS.—Section 411(a)
 4 (42 U.S.C. 611(a)), as amended by section
 5 13(a) of this Act, is amended—

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

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

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

15 (G) ELIMINATION OF REQUIREMENT TO
 16 DISCLOSE CERTAIN INFORMATION TO PRIVATE
 17 INDUSTRY COUNCIL RECEIVING WELFARE-TO-
 18 WORK FUNDS.—Section 454A(f) (42 U.S.C.
 19 654a(f)) is amended by striking paragraph (5).

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

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

1 (1) ELIMINATION OF ASSOCIATED PENALTY
2 PROVISION.—

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

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

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

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

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

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

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

1 (B) Section 411(a)(1) (42 U.S.C.
 2 611(a)(1)), as amended by section
 3 13(a)(3)(A)(i) of this Act.

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

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

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

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

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

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

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

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

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

25 (2) CONFORMING AMENDMENTS.—

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

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

6 (g) ANNUAL REPORTS TO CONGRESS.—Section
7 411(b)(1)(A) (42 U.S.C. 611(b)(1)(A)) is amended by
8 striking “participation rates” and inserting “outcome
9 measures”.

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

14 (i) CONFORMING CROSS-REFERENCES.—

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

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

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

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

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

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

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

11 (1) in subclause (I)—

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

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

18 “(dd) Expenditures for a
 19 purpose described in paragraph
 20 (3), (4), or (5) of section
 21 401(a).”; and

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

25 (2) by striking subclause (V); and

1 (3) in subclause (IV), by inserting “, except any
2 of such families whose monthly income exceeds twice
3 the poverty line (as defined by the Office of Manage-
4 ment and Budget, and revised annually in accord-
5 ance with section 673(2) of the Omnibus Budget
6 Reconciliation Act of 1981 (42 U.S.C. 9902(2)))”
7 before the period.

8 **SEC. 19. EFFECTIVE DATE.**

9 The amendments made by this Act shall take effect
10 on October 1, 2026.

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