

113TH CONGRESS  
2D SESSION

# H. R. 5352

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

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## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2014

Ms. LEE of California (for herself, Ms. NORTON, Mr. CONYERS, Mr. AL GREEN of Texas, Mr. RUSH, Ms. SEWELL of Alabama, Ms. FUDGE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, Mr. RANGEL, Mr. LEWIS, Mr. MEEKS, Mr. CLYBURN, Mr. RICHMOND, Mr. PAYNE, Mr. CARSON of Indiana, Ms. CLARKE of New York, Ms. SCHAKOWSKY, Ms. KAPTUR, Mr. CROWLEY, Mr. HONDA, Mr. ELLISON, Mr. SCOTT of Virginia, Ms. HAHN, Mr. HINOJOSA, Ms. CHU, Mr. GRIJALVA, Mrs. BEATTY, Mr. HUFFMAN, Ms. MOORE, Mr. VEASEY, Ms. ROYBAL-ALLARD, Mrs. CHRISTENSEN, Mr. CLEAVER, Mr. BUTTERFIELD, and Ms. JACKSON LEE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on House Administration, Education and the Workforce, Financial Services, Agriculture, Transportation and Infrastructure, Rules, the Budget, Oversight and Government Reform, 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

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## 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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Pathways Out of Pov-  
3 erty Act of 2014”.

4 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
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- Sec. 201. Federal Pell Grants.

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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 9101 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 1 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 on-going professional devel-  
19 opment in early childhood education  
20 for 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 bachelor's degree  
4 with a credential, license, or endorsement  
5 that demonstrates competence in early  
6 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 9101 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 9101 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 arten 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)(Z)  
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)(Z) 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 laurate 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 en-  
20 tity 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 prekinde-  
23 rgarten programs; and

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 2015;

7 (2) \$3,250,000,000 for fiscal year 2016;

8 (3) \$5,780,000,000 for fiscal year 2017;

9 (4) \$7,580,000,000 for fiscal year 2018;

10 (5) \$8,960,000,000 for fiscal year 2019; and

11 (6) such sums as may be necessary for each of  
12 fiscal years 2020 through 2024.

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 2015; and

9 (2) such sums as may be necessary for each of  
10 fiscal years 2016 through 2024.

## 11 **TITLE II—RESTORING SUMMER** 12 **PELL GRANTS**

### 13 **SEC. 201. FEDERAL PELL GRANTS.**

14 Section 401(b) of the Higher Education Act of 1965  
15 (20 U.S.C. 1070a) is amended—

16 (1) by redesignating paragraphs (5) through  
17 (7) as paragraphs (6) through (8), respectively;

18 (2) in paragraph (2)(A)(ii), by striking “para-  
19 graph (7)(B)” and inserting “paragraph (8)(B)”;  
20 and

21 (3) by inserting after paragraph (4), the fol-  
22 lowing:

23 “(5)(A) The Secretary shall award a student  
24 not more than two Federal Pell Grants during a sin-  
25 gle award year to permit such student to accelerate

1 the student's progress toward a degree or certificate  
 2 if the student is enrolled—

3 “(i) on at least a half-time basis for a pe-  
 4 riod of more than one academic year, or more  
 5 than two semesters or an equivalent period of  
 6 time, during a single award year; and

7 “(ii) in a program of instruction at an in-  
 8 stitution of higher education for which the insti-  
 9 tution awards an associate or baccalaureate de-  
 10 gree or a certificate.

11 “(B) In the case of a student receiving more  
 12 than one Federal Pell Grant in a single award year  
 13 under subparagraph (A), the total amount of Fed-  
 14 eral Pell Grants awarded to such student for the  
 15 award year may exceed the maximum basic grant  
 16 level specified in the appropriate appropriations Act  
 17 for such award year.”.

18 **TITLE III—RESTORING TITLE IV**  
 19 **ABILITY-TO-BENEFIT ELIGI-**  
 20 **BILITY**

21 **SEC. 301. ABILITY-TO-BENEFIT ELIGIBILITY.**

22 Section 484(d) of the Higher Education Act of 1965  
 23 (20 U.S.C. 1091(d)) is amended to read as follows:

24 “(d) STUDENTS WHO ARE NOT HIGH SCHOOL  
 25 GRADUATES.—In order for a student who does not have

1 a certificate of graduation from a school providing sec-  
2 ondary education, or the recognized equivalent of such cer-  
3 tificate, to be eligible for any assistance under subparts  
4 1, 3, and 4 of part A and parts B, C, D, and E of this  
5 title, the student shall meet one of the following standards:

6           “(1) The student shall take an independently  
7 administered examination and shall achieve a score,  
8 specified by the Secretary, demonstrating that such  
9 student can benefit from the education or training  
10 being offered. Such examination shall be approved  
11 by the Secretary on the basis of compliance with  
12 such standards for development, administration, and  
13 scoring as the Secretary may prescribe in regula-  
14 tions.

15           “(2) The student shall be determined as having  
16 the ability to benefit from the education or training  
17 in accordance with such process as the State shall  
18 prescribe. Any such process described or approved  
19 by a State for the purposes of this section shall be  
20 effective 6 months after the date of submission to  
21 the Secretary unless the Secretary disapproves such  
22 process. In determining whether to approve or dis-  
23 approve such process, the Secretary shall take into  
24 account the effectiveness of such process in enabling  
25 students without high school diplomas or the equiva-

1 lent thereof to benefit from the instruction offered  
2 by institutions utilizing such process, and shall also  
3 take into account the cultural diversity, economic  
4 circumstances, and educational preparation of the  
5 populations served by the institutions.

6 “(3) The student has completed a secondary  
7 school education in a home school setting that is  
8 treated as a home school or private school under  
9 State law.

10 “(4) The student shall be determined by the in-  
11 stitution of higher education as having the ability to  
12 benefit from the education or training offered by the  
13 institution of higher education upon satisfactory  
14 completion of six credit hours or the equivalent  
15 coursework that are applicable toward a degree or  
16 certificate offered by the institution of higher edu-  
17 cation.”.

18 **TITLE IV—YOUTH PROMISE/FED-**  
19 **ERAL COORDINATION OF**  
20 **LOCAL AND TRIBAL JUVE-**  
21 **NILE JUSTICE INFORMATION**  
22 **AND EFFORTS**

23 **SEC. 401. PROMISE ADVISORY PANEL.**

24 (a) ORGANIZATION OF STATE ADVISORY GROUP  
25 MEMBER REPRESENTATIVES.—Section 223(f) of the Ju-

1 venile Justice and Delinquency Prevention Act of 1974  
2 (42 U.S.C. 5633(f)) is amended—

3 (1) in paragraph (1), by striking “an eligible  
4 organization composed of member representatives of  
5 the State advisory groups appointed under sub-  
6 section (a)(3)” and inserting “a nonpartisan, non-  
7 profit organization that is described in section  
8 501(c)(3) of the Internal Revenue Code of 1986,”;  
9 and

10 (2) by amending paragraph (2) to read as fol-  
11 lows:

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

14 “(A) be governed by individuals who—

15 “(i) have been appointed by a chief  
16 executive of a State to serve as a State ad-  
17 visory group member under subsection  
18 (a)(3); and

19 “(ii) are elected to serve as a gov-  
20 erning officer of such organization by a  
21 majority of the Chairs (or Chair-designees)  
22 of all such State advisory groups;

23 “(B) include member representatives from  
24 a majority of such State advisory groups, who

1 shall be representative of regionally and demo-  
2 graphically diverse States and jurisdictions;

3 “(C) annually seek appointments by the  
4 chief executive of each State of one State advi-  
5 sory group member and one alternate State ad-  
6 visory group member from each such State to  
7 implement the advisory functions specified in  
8 clauses (iv) and (v) of subparagraph (D), in-  
9 cluding serving on the PROMISE Advisory  
10 Panel, and make a record of any such appoint-  
11 ments available to the public; and

12 “(D) agree to carry out activities that in-  
13 clude—

14 “(i) conducting an annual conference  
15 of such member representatives for pur-  
16 poses relating to the activities of such  
17 State advisory groups;

18 “(ii) disseminating information, data,  
19 standards, advanced techniques, and pro-  
20 gram models;

21 “(iii) reviewing Federal policies re-  
22 garding juvenile justice and delinquency  
23 prevention;

24 “(iv) advising the Administrator with  
25 respect to particular functions or aspects

1 of the work of the Office, and appointing  
2 a representative, diverse group of members  
3 of such organization under subparagraph  
4 (C) to serve as an advisory panel of State  
5 juvenile justice advisors (referred to as the  
6 ‘PROMISE Advisory Panel’) to carry out  
7 the functions specified in subsection (g);  
8 and

9 “(v) advising the President and Con-  
10 gress with regard to State perspectives on  
11 the operation of the Office and Federal  
12 legislation pertaining to juvenile justice  
13 and delinquency prevention.”.

14 (b) PROMISE ADVISORY PANEL.—Section 223 of  
15 the Juvenile Justice and Delinquency Prevention Act of  
16 1974 (42 U.S.C. 5633) is further amended by adding at  
17 the end the following new subsection:

18 “(g) PROMISE ADVISORY PANEL.—

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

21 “(A) assess successful evidence-based and  
22 promising practices related to juvenile delin-  
23 quency and criminal street gang activity preven-  
24 tion and intervention carried out by PROMISE  
25 Coordinating Councils under section 511 of title

1 V of division A of the Pathways Out of Poverty  
2 Act of 2014;

3 “(B) provide the Administrator with a list  
4 of individuals and organizations with experience  
5 in administering or evaluating practices that  
6 serve youth involved in, or at risk of involve-  
7 ment in, juvenile delinquency and criminal  
8 street gang activity, from which the Adminis-  
9 trator shall select individuals who shall—

10 “(i) provide to the Administrator peer  
11 reviews of applications submitted by units  
12 of local government and Indian tribes pur-  
13 suant to title V of division A of the Path-  
14 ways Out of Poverty Act of 2014, to en-  
15 sure that such applications demonstrate a  
16 clear plan to—

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

19 “(II) coordinate the delivery of  
20 service to youth among agencies; and

21 “(ii) advise the Administrator with re-  
22 spect to the award and allocation of  
23 PROMISE Planning grants to local and  
24 tribal governments that develop PROMISE  
25 Coordinating Councils, and of PROMISE

1 Implementation grants to such PROMISE  
2 Coordinating Councils, pursuant to of title  
3 V of division A of the Pathways Out of  
4 Poverty Act of 2014; and

5 “(C) develop performance standards to be  
6 used to evaluate programs and activities carried  
7 out with grants under of title V of division A  
8 of the Pathways Out of Poverty Act of 2014, in-  
9 cluding the evaluation of changes achieved as a  
10 result of such programs and activities related to  
11 decreases in juvenile delinquency and criminal  
12 street gang activity, including—

13 “(i) prevention of involvement by at-  
14 risk youth in juvenile delinquency or crimi-  
15 nal street gang activity;

16 “(ii) diversion of youth with a high  
17 risk of continuing involvement in juvenile  
18 delinquency or criminal street gang activ-  
19 ity; and

20 “(iii) financial savings from deferred  
21 or eliminated costs, or other benefits, as a  
22 result of such programs and activities, and  
23 the reinvestment by the unit or tribe of  
24 any such savings.

1           “(2) ANNUAL REPORT.—Not later than 18  
2 months after the date of the effective date of this  
3 subsection, and annually thereafter, the PROMISE  
4 Advisory Panel shall prepare a report containing the  
5 findings and determinations under paragraph (1)(A)  
6 and shall submit such report to Congress, the Presi-  
7 dent, the Attorney General, and the chief executive  
8 and chief law enforcement officer of each State, unit  
9 of local government, and Indian tribe.”.

10           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
11 299(a)(1) of the Juvenile Justice and Delinquency Preven-  
12 tion Act of 1974 (42 U.S.C. 5671(a)(1)) is amended to  
13 read as follows:

14           “(1) There are authorized to be appropriated  
15 such sums as may be necessary to carry out this  
16 title for each of the fiscal years 2015 through  
17 2017.”.

18 **SEC. 402. GEOGRAPHIC ASSESSMENT OF RESOURCE ALLO-**  
19 **CATION.**

20           (a) GRANT FOR COLLECTION OF DATA TO DETER-  
21 MINE NEED.—Subject to the availability of appropria-  
22 tions, the Administrator of the Office of Juvenile Justice  
23 and Delinquency Prevention shall award a grant, on a  
24 competitive basis, to an organization to—

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

5           (2) use the data collected and analyzed under  
6           paragraph (1) to compile a list of designated geo-  
7           graphic areas that have the most need of resources,  
8           based on such data, to carry out juvenile delin-  
9           quency and criminal street gang activity prevention  
10          and intervention;

11          (3) use the data collected and analyzed under  
12          paragraph (1) to rank the areas listed under para-  
13          graph (2) in descending order by the amount of need  
14          for resources to carry out juvenile delinquency and  
15          criminal street gang activity prevention and inter-  
16          vention, ranking the area with the greatest need for  
17          such resources highest; and

18          (4) periodically update the list and rankings  
19          under paragraph (3) as the Administrator deter-  
20          mines to be appropriate.

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

1           (1) using the geographic information system  
2           and Web-based mapping application known as the  
3           Socioeconomic Mapping and Resource Topography  
4           (SMART) system;

5           (2) from the Department of Health and Human  
6           Services, the Department of Labor, the Department  
7           of Housing and Urban Development, and the De-  
8           partment of Education; and

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

12          (c) USE OF DATA BY THE ADMINISTRATOR.—The list  
13          and rankings required by this section shall be provided  
14          to the Administrator to be used to provide funds under  
15          this section in the most strategic and effective manner to  
16          ensure that resources and services are provided to youth  
17          in the communities with the greatest need for such re-  
18          sources and services.

19          (d) LIMITATION ON USE OF COLLECTED DATA.—  
20          The information collected and analyzed under this section  
21          may not be used for any purpose other than to carry out  
22          the purposes of this section. Such information may not  
23          be used for any purpose related to the investigation or  
24          prosecution of any person, or for profiling of individuals

1 based on race, ethnicity, socio-economic status, or any  
2 other characteristic.

3 (e) AUTHORIZATION AND LIMITATION OF APPRO-  
4 PRIATIONS.—Of the amount appropriated for fiscal year  
5 2015 to carry out this section and subtitle A of title V  
6 of this Act, not more than 1 percent of such amount, or  
7 \$1,000,000, whichever is less, shall be available to carry  
8 out this section.

## 9 **TITLE V—PROMISE GRANTS**

### 10 **SEC. 501. PURPOSES.**

11 The purposes of the grant programs established  
12 under this title are to—

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

17 (2) develop plans appropriate for a community  
18 to address those unmet needs with juvenile delin-  
19 quency and gang prevention and intervention prac-  
20 tices; and

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

### 23 **SEC. 502. DEFINITIONS.**

24 In this title:

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

4           (2) COMMUNITY.—The term “community”  
5           means a unit of local government or an Indian tribe,  
6           or part of such a unit or tribe, as determined by  
7           such a unit or tribe for the purpose of applying for  
8           a grant under this title.

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

13          (4) EVIDENCE-BASED.—

14                (A) IN GENERAL.—The term “evidence-  
15                based”, when used with respect to a practice re-  
16                lating to juvenile delinquency and criminal  
17                street gang activity prevention and intervention,  
18                means a practice (including a service, program,  
19                activity, intervention, technology, or strategy)  
20                for which the Administrator has determined—

21                    (i) causal evidence documents a rela-  
22                    tionship between the practice and its in-  
23                    tended outcome, based on measures of the  
24                    direction and size of a change, and the ex-

1 tent to which a change may be attributed  
2 to the practice; and

3 (ii) the use of scientific methods rules  
4 out, to the extent possible, alternative ex-  
5 planations for the documented change.

6 (B) SCIENTIFIC METHODS.—For the pur-  
7 poses of subparagraph (A), the term “scientific  
8 methods” means—

9 (i) evaluation by an experimental trial,  
10 in which participants are randomly as-  
11 signed to participate in the practice that is  
12 subject to such trial; or

13 (ii) evaluation by a quasi-experimental  
14 trial, in which the outcomes for partici-  
15 pants are compared with outcomes for a  
16 control group that is made up of individ-  
17 uals who are similar to such participants.

18 (5) INTERVENTION.—The term “intervention”  
19 means the provision of programs and services that  
20 are supported by research, are evidence-based or  
21 promising practices, and are provided to youth who  
22 are involved in, or who are identified by evidence-  
23 based risk assessment methods as being at high risk  
24 of continued involvement in, juvenile delinquency or  
25 criminal street gangs, as a result of indications that

1 demonstrate involvement with problems such as tru-  
2 ancy, substance abuse, mental health treatment  
3 needs, or siblings who have had involvement with ju-  
4 venile or criminal justice systems.

5 (6) JUVENILE DELINQUENCY AND CRIMINAL  
6 STREET GANG ACTIVITY PREVENTION.—The term  
7 “juvenile delinquency and criminal street gang activ-  
8 ity prevention” means the provision of programs and  
9 resources to children and families who have not yet  
10 had substantial contact with criminal justice or juve-  
11 nile justice systems, that—

12 (A) are designed to reduce potential juve-  
13 nile delinquency and criminal street gang activ-  
14 ity risks; and

15 (B) are evidence-based or promising edu-  
16 cational, health, mental health, school-based,  
17 community-based, faith-based, parenting, job  
18 training, social opportunities and experiences,  
19 or other programs, for youth and their families,  
20 that have been demonstrated to be effective in  
21 reducing juvenile delinquency and criminal  
22 street gang activity risks.

23 (7) PROMISING.—The term “promising”, when  
24 used with respect to a practice relating to juvenile  
25 delinquency and criminal street gang activity preven-

1 tion and intervention, means a practice (including a  
2 service, program, activity, intervention, technology,  
3 or strategy) that, based on statistical analyses or a  
4 theory of change, the Administrator has deter-  
5 mined—

6 (A) has outcomes from an evaluation that  
7 demonstrate such practice reduces juvenile de-  
8 linquency and criminal street gang activity; and

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

11 (8) STATE.—The term “State” means each of  
12 the several States, the District of Columbia, the  
13 Commonwealth of Puerto Rico, the Virgin Islands,  
14 American Samoa, Guam, the Northern Mariana Is-  
15 lands, and any other territories or possessions of the  
16 United States.

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

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

23 (A) an individual who is 18 years of age or  
24 younger; or

1 (B) in any State in which the maximum  
2 age at which the juvenile justice system of such  
3 State has jurisdiction over individuals exceeds  
4 18 years of age, an individual who is such max-  
5 imum age or younger.

6 **Subtitle A—PROMISE Assessment**  
7 **and Planning Grants**

8 **SEC. 510. PROMISE ASSESSMENT AND PLANNING GRANTS**  
9 **AUTHORIZED.**

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

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

22 (2) develop a PROMISE Plan in accordance  
23 with section 513, based on the assessment conducted  
24 in accordance with section 512.

1 (b) GRANT DURATION, AMOUNT, AND ALLOCA-  
2 TION.—

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

5 (2) MAXIMUM GRANT AMOUNT.—A grant  
6 awarded under this section shall not exceed  
7 \$300,000.

8 (c) ALLOCATION.—

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

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

21 **SEC. 511. PROMISE COORDINATING COUNCILS.**

22 To be eligible to receive a grant under this subtitle,  
23 a unit of local government or an Indian tribe shall estab-  
24 lish a PROMISE Coordinating Council for each commu-  
25 nity of such unit or tribe, respectively, for which such unit

1 or tribe is applying for a grant under this subtitle. Each  
2 such community shall include one or more designated geo-  
3 graphic areas identified on the list required under section  
4 402(a)(2). The members of such a PROMISE Coordi-  
5 nating Council shall be representatives of public and pri-  
6 vate sector entities and individuals that—

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

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

10 (B) a local educational agency;

11 (C) a local health agency or provider;

12 (D) a local mental health agency or pro-  
13 vider, unless the representative under subpara-  
14 graph (C) also meets the requirements of this  
15 subparagraph;

16 (E) a local public housing agency;

17 (F) a local law enforcement agency;

18 (G) a local child welfare agency;

19 (H) a local juvenile court;

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

21 (J) a private juvenile residential care enti-  
22 ty;

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

24 (L) a State juvenile correctional entity;

1 (M) a local business community represent-  
2 ative; and

3 (N) a local faith-based community rep-  
4 resentative;

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

7 (A) parents who have minor children, and  
8 who have an interest in the local juvenile or  
9 criminal justice systems;

10 (B) youth between the ages of 15 and 24  
11 who reside in the jurisdiction of the unit or  
12 tribe; and

13 (C) members from nonprofit community-  
14 based organizations that provide effective delin-  
15 quency prevention and intervention to youth in  
16 the jurisdiction of the unit or tribe; and

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

19 **SEC. 512. NEEDS AND STRENGTHS ASSESSMENT.**

20 (a) ASSESSMENT.—Each PROMISE Coordinating  
21 Council receiving funds from a unit of local government  
22 or Indian tribe under this subtitle shall conduct an objec-  
23 tive strengths and needs assessment of the resources of  
24 the community for which such PROMISE Coordinating  
25 Council was established, to identify the unmet needs of

1 youth in the community with respect to evidence-based  
2 and promising practices related to juvenile delinquency  
3 and criminal street gang activity prevention and interven-  
4 tion. Such assessment shall include, with respect to the  
5 community for which such PROMISE Coordinating Coun-  
6 cil was established—

7           (1) the number of youth who are at-risk of in-  
8           volvement in juvenile delinquency or street gang ac-  
9           tivity;

10           (2) the number of youth who are involved in ju-  
11           venile delinquency or criminal street gang activity,  
12           including the number of such youth who are at high  
13           risk of continued involvement;

14           (3) youth unemployment rates during the sum-  
15           mer;

16           (4) the number of individuals on public finan-  
17           cial assistance (including a breakdown of the num-  
18           bers of men, women, and children on such assist-  
19           ance);

20           (5) the estimated number of youth who are  
21           chronically truant;

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

24           (7) for the year before such assessment, the es-  
25           timated total amount expended (by the community

1 and other entities) for the incarceration of offenders  
2 who were convicted or adjudicated delinquent for an  
3 offense that was committed in such community, in-  
4 cluding amounts expended for the incarceration of  
5 offenders in prisons, jails, and juvenile facilities that  
6 are located in the United States but are not located  
7 in such community;

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

15 (9) a description of evidence-based and prom-  
16 ising practices related to juvenile delinquency and  
17 criminal street gang activity prevention available for  
18 youth in the community, including school-based pro-  
19 grams, after school programs (particularly programs  
20 that have activities available for youth between  
21 3 p.m. and 6 p.m. in the afternoon), weekend ac-  
22 tivities and programs, youth mentoring programs,  
23 faith and community-based programs, summer ac-  
24 tivities, and summer jobs, if any; and

1           (10) a description of evidence-based and prom-  
2           ising intervention practices available for youth in the  
3           community.

4           (b) **LIMITATION ON USE OF ASSESSMENT INFORMA-**  
5 **TION.**—Information gathered pursuant to this section may  
6 be used for the sole purpose of developing a PROMISE  
7 Plan in accordance with this subtitle.

8 **SEC. 513. PROMISE PLAN COMPONENTS.**

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

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

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

4           (3) ensure that cultural and linguistic needs of  
5 the community are met.

6           (b) MANDATORY COMPONENTS.—Each PROMISE  
7 Plan shall—

8           (1) include a plan to connect youth identified in  
9 paragraphs (1) and (2) of section 512(a) to evi-  
10 dence-based and promising practices related to juve-  
11 nile delinquency and criminal street gang activity  
12 prevention and intervention;

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

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

23           (4) provide for training (which complies with  
24 the American Bar Association Juvenile Justice  
25 Standards for the representation and care of youth

1 in the juvenile justice system) of prosecutors, de-  
2 fenders, probation officers, judges and other court  
3 personnel related to issues concerning the develop-  
4 mental needs, challenges, and potential of youth in  
5 the juvenile justice system (including training re-  
6 lated to adolescent development and mental health  
7 issues, and the expected impact of evidence-based  
8 practices and cost reduction strategies);

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

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

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

1           (8) identify the research partner the PROMISE  
2           Coordinating Council will use to obtain information  
3           on evidence-based and promising practices related to  
4           juvenile delinquency and criminal street gang activ-  
5           ity prevention and intervention, and for the evalua-  
6           tion under section 530(d) of the results of the activi-  
7           ties carried out with funds under this subtitle.

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

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

20           (2) Child protection and safety services (such as  
21           foster care and adoption assistance programs), fam-  
22           ily stabilization programs, child welfare services, and  
23           family violence intervention programs.

24           (3) Youth and adolescent development services,  
25           including job training and apprenticeship programs,

1 job placement and retention training, education and  
2 after school programs (such as school programs with  
3 shared governance by students, teachers, and par-  
4 ents, and activities for youth between the hours of  
5 3 p.m. and 6 p.m. in the afternoon), mentoring pro-  
6 grams, conflict resolution skills training, sports,  
7 arts, life skills, employment and recreation pro-  
8 grams, summer jobs, and summer recreation pro-  
9 grams, and alternative school resources for youth  
10 who have dropped out of school or demonstrate  
11 chronic truancy.

12 (4) Health and mental health services, includ-  
13 ing cognitive behavioral therapy, play therapy, and  
14 peer mentoring and counseling.

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

17 (6) Emergency, transitional, and permanent  
18 housing assistance (such as safe shelter and housing  
19 for runaway and homeless youth).

20 (7) Targeted gang prevention, intervention, and  
21 exit services such as tattoo removal, successful mod-  
22 els of anti-gang crime outreach programs (such as  
23 “street worker” programs), and other criminal street  
24 gang truce or peacemaking activities.

1           (8) Training and education programs for preg-  
2           nant teens and teen parents.

3           (9) Alternatives to detention and confinement  
4           programs (such as mandated participation in com-  
5           munity service, restitution, counseling, and intensive  
6           individual and family therapeutic approaches).

7           (10) Pre-release, post-release, and reentry serv-  
8           ices to assist detained and incarcerated youth with  
9           transitioning back into and reentering the commu-  
10          nity.

11 **SEC. 514. AUTHORIZATION OF APPROPRIATIONS.**

12          Subject to the limitation under section 402(e), there  
13          are authorized to be appropriated for fiscal year 2015,  
14          such sums as may be necessary to carry out this subtitle  
15          and section 402.

16                           **Subtitle B—PROMISE**  
17                           **Implementation Grants**

18 **SEC. 530. PROMISE IMPLEMENTATION GRANTS AUTHOR-**  
19                           **IZED.**

20          (a) PROMISE IMPLEMENTATION GRANTS AUTHOR-  
21          IZED.—The Administrator of the Office of Juvenile Jus-  
22          tice and Delinquency Prevention is authorized to award  
23          grants to units of local government and Indian tribes to  
24          assist PROMISE Coordinating Councils with imple-

1 menting PROMISE Plans developed pursuant to subtitle  
2 A.

3 (b) GRANT DURATION AND AMOUNT.—

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

6 (2) MAXIMUM GRANT AMOUNT.—A grant  
7 awarded under this subtitle shall not be for more  
8 than \$10,000,000 per year for each year of the  
9 grant period.

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

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

1 **SEC. 531. PROMISE IMPLEMENTATION GRANT APPLICA-**  
2 **TION REQUIREMENTS.**

3 (a) APPLICATION REQUIRED.—To be eligible to re-  
4 ceive a PROMISE Implementation grant under this sub-  
5 title, a unit of local government or Indian tribe that re-  
6 ceived a PROMISE Assessment and Planning grant under  
7 subtitle A shall submit an application to the Administrator  
8 of the Office of Juvenile Justice and Delinquency Preven-  
9 tion not later than one year after the date such unit of  
10 local government or Indian tribe was awarded such grant  
11 under subtitle A, in such manner, and accompanied by  
12 such information, as the Administrator, after consultation  
13 with the organization under section 223(f)(1) of the Juve-  
14 nile Justice and Delinquency Prevention Act of 1974 (42  
15 U.S.C. 5633(f)(1)), may require.

16 (b) CONTENTS OF APPLICATION.—Each application  
17 submitted under subsection (a) shall—

18 (1) identify potential savings from criminal jus-  
19 tice costs, public assistance costs, and other costs  
20 avoided by utilizing evidence-based and promising  
21 practices related to juvenile delinquency and crimi-  
22 nal street gang activity prevention and intervention;

23 (2) document—

24 (A) investment in evidence-based and  
25 promising practices related to juvenile delin-  
26 quency and criminal street gang activity preven-

1           tion and intervention to be provided by the unit  
2           of local government or Indian tribe;

3           (B) the activities to be undertaken with  
4           the grants funds;

5           (C) any expected efficiencies in the juvenile  
6           justice or other local systems to be attained as  
7           a result of implementation of the programs  
8           funded by the grant; and

9           (D) outcomes from such activities, in  
10          terms of the expected numbers related to re-  
11          duced criminal activity;

12          (3) describe how savings sustained from invest-  
13          ment in prevention and intervention practices will be  
14          reinvested in the continuing implementation of the  
15          PROMISE Plan; and

16          (4) provide an assurance that the local fiscal  
17          contribution with respect to evidence-based and  
18          promising practices related to juvenile delinquency  
19          and criminal street gang activity prevention and  
20          intervention in the community for which the PROM-  
21          ISE Coordinating Council was established for each  
22          year of the grant period will not be less than the  
23          local fiscal contribution with respect to such prac-  
24          tices in the community for the year preceding the  
25          first year of the grant period.

1 **SEC. 532. GRANT AWARD GUIDELINES.**

2 (a) SELECTION AND DISTRIBUTION.—Grants award-  
3 ed under this subtitle shall be awarded on a competitive  
4 basis. The Administrator shall—

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

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

11 (B) involved in juvenile delinquency or  
12 street gang activity and who are at high-risk of  
13 continued involvement; and

14 (2) give consideration to the need for grants to  
15 be awarded to units of local governments and Indian  
16 tribes in each region of the United States, and  
17 among urban, suburban, and rural areas.

18 (b) EXTENSION OF GRANT AWARD.—The Adminis-  
19 trator may extend the grant period under section  
20 530(b)(1) for a PROMISE Implementation grant to a unit  
21 of local government or an Indian tribe, in accordance with  
22 regulations issued by the Administrator.

23 (c) RENEWAL OF GRANT AWARD.—Subject to the  
24 availability of appropriations, the Administrator may  
25 renew a PROMISE Implementation grant to a unit of  
26 local government or an Indian tribe to provide such unit

1 or tribe with additional funds to continue implementation  
2 of a PROMISE Plan. Such a renewal—

3 (1) shall be initiated by an application for re-  
4 newal from a unit of local government or an Indian  
5 tribe;

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

8 (3) shall not be granted unless the Adminis-  
9 trator determines such a renewal to be appropriate  
10 based on the results of the evaluation conducted  
11 under section 523(a) with respect to the community  
12 of such unit or tribe for which a PROMISE Coordi-  
13 nating Council was established, and for which such  
14 unit or tribe is applying for renewal.

15 **SEC. 533. REPORTS.**

16 Not later than one year after the end of the grant  
17 period for which a unit of local government or an Indian  
18 tribe receives a PROMISE Implementation grant, and an-  
19 nually thereafter for as long as such unit or tribe con-  
20 tinues to receive Federal funding for a PROMISE Coordi-  
21 nating Council, such unit or tribe shall report to the Ad-  
22 ministrator regarding the use of Federal funds to imple-  
23 ment the PROMISE Plan developed under subtitle A.

1 **SEC. 534. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated to carry out  
3 this subtitle such sums as may be necessary for each of  
4 the fiscal years 2015 through 2017.

5       **Subtitle C—General PROMISE**  
6               **Grant Provisions**

7 **SEC. 540. NONSUPPLANTING CLAUSE.**

8       A unit of local government or Indian tribe receiving  
9 a grant under this title shall use such grant only to supple-  
10 ment, and not supplant, the amount of funds that, in the  
11 absence of such grant, would be available to address the  
12 needs of youth in the community with respect to evidence-  
13 based and promising practices related to juvenile delin-  
14 quency and criminal street gang activity prevention and  
15 intervention.

16 **SEC. 541. GRANT APPLICATION REVIEW PANEL.**

17       The Administrator of the Office of Juvenile Justice  
18 and Delinquency Prevention, in conjunction with the  
19 PROMISE Advisory Panel, shall establish and utilize a  
20 transparent, reliable, and valid system for evaluating ap-  
21 plications for PROMISE Assessment and Planning grants  
22 and for PROMISE Implementation grants, and shall de-  
23 termine which applicants meet the criteria for funding,  
24 based primarily on a determination of greatest need (in  
25 accordance with section 402), with due consideration to  
26 other enumerated factors and the indicated ability of the

1 applicant to successfully implement the program described  
2 in the application.

3 **SEC. 542. EVALUATION OF PROMISE GRANT PROGRAMS.**

4 Subject to the availability of appropriations under  
5 this title, the Administrator shall, in consultation with the  
6 organization provided assistance under section 223(f)(1)  
7 of the Juvenile Justice and Delinquency Prevention Act  
8 of 1974 (42 U.S.C. 5633(f)(1)), provide for an evaluation  
9 of the programs and activities carried out with grants  
10 under this title. In carrying out this section, the Adminis-  
11 trator shall—

12 (1) award grants to institutions of higher edu-  
13 cation (including institutions that are eligible to re-  
14 ceive funds under part F of title III of the Higher  
15 Education Act of 1965 (20 U.S.C. 1067q et seq.),  
16 to facilitate the evaluation process and measurement  
17 of achieved outcomes;

18 (2) identify evidence-based and promising prac-  
19 tices used by PROMISE Coordinating Councils  
20 under PROMISE Implementation grants that have  
21 proven to be effective in preventing involvement in,  
22 or diverting further involvement in, juvenile delin-  
23 quency or criminal street gang activity; and

24 (3) ensure—

1 (A) that such evaluation is based on the  
2 performance standards that are developed by  
3 the PROMISE Advisory Panel in accordance  
4 with section 223(g) of the Juvenile Justice and  
5 Delinquency Prevention Act of 1974 (as added  
6 by section 401(b) of title IV of this division);

7 (B) the development of longitudinal and  
8 clinical trial evaluation and performance meas-  
9 urements with regard to the evidence-based and  
10 promising practices funded under this title; and

11 (C) the dissemination of the practices iden-  
12 tified in paragraph (2) to units of local govern-  
13 ment and Indian tribes to promote the use of  
14 such practices by such units and tribes to pre-  
15 vent involvement in, or to divert further involve-  
16 ment in, juvenile delinquency or criminal street  
17 gang activity.

18 **DIVISION B—HOUSING**  
19 **TITLE VI—COMMON SENSE**  
20 **HOUSING INVESTMENT**

21 **SEC. 601. CONGRESSIONAL FINDINGS.**

22 The Congress finds the following:

23 (1) Two principal Federal housing goals are to  
24 increase the rate of home ownership and make rent-

1 al housing affordable for low-income families and in-  
2 dividuals.

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

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

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

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

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

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

19 (8) The shortage of rental homes that are af-  
20 fordable for extremely low-income households to be  
21 the principal cause of homelessness in the United  
22 States.

23 (9) Public housing facilities in the United  
24 States have more than \$26 billion in deferred main-

1 tenance after decades of neglect which results in a  
2 loss of 10,000 units each year.

3 (10) The low-income housing tax credit success-  
4 fully provides 100,000 units of affordable housing  
5 every year.

6 (11) Every tax reform commission has rec-  
7 ommended capping the mortgage interest deduction  
8 and converting it to a fairer and simpler credit.

9 (12) More than 75 percent of the value of the  
10 mortgage interest deduction inures to the benefit of  
11 the top 20 percent of earners.

12 (13) Fewer than half of tax filers with a home  
13 mortgage claim the mortgage interest deduction.

14 (14) Only 9 percent of rural tax filers claim the  
15 mortgage interest deduction.

16 (15) Ninety-six percent of homes sold between  
17 2005 and 2011 sold for less than \$500,000.

18 (16) A better approach that provides equitable  
19 benefits for families who buy homes, enables more  
20 low- and moderate-income homeowners to receive a  
21 benefit, and invests in affordable rental housing to  
22 assist those who used to be homeless or who have  
23 extremely or very low incomes is needed to strength-  
24 en families and communities.

1 **SEC. 602. REPLACEMENT OF MORTGAGE INTEREST DEDUC-**  
2 **TION WITH MORTGAGE INTEREST CREDIT.**

3 (a) NONREFUNDABLE CREDIT.—Subpart A of part  
4 IV of subchapter A of chapter 1 of the Internal Revenue  
5 Code of 1986 (relating to nonrefundable personal credits)  
6 is amended by inserting after section 25D the following  
7 new section:

8 **“SEC. 25E. INTEREST ON INDEBTEDNESS SECURED BY**  
9 **QUALIFIED RESIDENCE.**

10 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
11 dividual, there shall be allowed as a credit against the tax  
12 imposed by this chapter for the taxable year an amount  
13 equal to 15 percent of the qualified residence interest paid  
14 or accrued during the taxable year.

15 “(b) QUALIFIED RESIDENCE INTEREST.—For pur-  
16 poses of this section—

17 “(1) IN GENERAL.—The term ‘qualified resi-  
18 dence interest’ means interest which is paid or ac-  
19 crued during the taxable year on—

20 “(A) acquisition indebtedness with respect  
21 to any qualified residence of the taxpayer, or

22 “(B) home equity indebtedness with re-  
23 spect to any qualified residence of the taxpayer.

24 For purposes of the preceding sentence, the deter-  
25 mination of whether any property is a qualified resi-

1        dence of the taxpayer shall be made as of the time  
2        the interest is accrued.

3            “(2) OVERALL LIMITATION.—The aggregate  
4        amount of indebtedness taken into account for any  
5        period for purposes of this section shall not exceed  
6        \$500,000 (\$250,000 in the case of a married indi-  
7        vidual filing a separate return).

8            “(3) ACQUISITION INDEBTEDNESS.—The term  
9        ‘acquisition indebtedness’ means any indebtedness  
10       which—

11            “(A) is incurred in acquiring, constructing,  
12            or substantially improving any qualified resi-  
13            dence of the taxpayer, and

14            “(B) is secured by such residence.

15        Such term also includes any indebtedness secured by  
16        such residence resulting from the refinancing of in-  
17        debtedness meeting the requirements of the pre-  
18        ceding sentence (or this sentence), but only to the  
19        extent the amount of the indebtedness resulting  
20        from such refinancing does not exceed the amount of  
21        the refinanced indebtedness.

22            “(4) HOME EQUITY INDEBTEDNESS.—

23            “(A) IN GENERAL.—The term ‘home eq-  
24            uity indebtedness’ means any indebtedness  
25            (other than acquisition indebtedness) secured

1 by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed—

2 “(i) the fair market value of such  
3 qualified residence, reduced by

4 “(ii) the amount of acquisition indebtedness with respect to such residence.

5 “(B) LIMITATION.—The aggregate amount  
6 treated as home equity indebtedness for any period shall not exceed \$100,000 (\$50,000 in the  
7 case of a married individual filing a separate return).  
8

9 “(c) SPECIAL RULES.—For purposes of this section—

10 “(1) QUALIFIED RESIDENCE.—The term ‘qualified residence’ means—

11 “(A) the principal residence (within the meaning of section 121) of the taxpayer, and

12 “(B) 1 other residence of the taxpayer which is selected by the taxpayer for purposes of this subsection for the taxable year and which is used by the taxpayer as a residence (within the meaning of section 280A(d)(1)).  
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1           “(2) MARRIED INDIVIDUALS FILING SEPARATE  
2 RETURNS.—If a married couple does not file a joint  
3 return for the taxable year—

4           “(A) such couple shall be treated as 1 tax-  
5 payer for purposes of paragraph (1), and

6           “(B) each individual shall be entitled to  
7 take into account 1 residence unless both indi-  
8 viduals consent in writing to 1 individual taking  
9 into account the principal residence and 1 other  
10 residence.

11           “(3) RESIDENCE NOT RENTED.—For purposes  
12 of paragraph (1)(B), notwithstanding section  
13 280A(d)(1), if the taxpayer does not rent a dwelling  
14 unit at any time during a taxable year, such unit  
15 may be treated as a residence for such taxable year.

16           “(4) UNENFORCEABLE SECURITY INTERESTS.—  
17 Indebtedness shall not fail to be treated as secured  
18 by any property solely because, under any applicable  
19 State or local homestead or other debtor protection  
20 law in effect on August 16, 1986, the security inter-  
21 est is ineffective or the enforceability of the security  
22 interest is restricted.

23           “(5) SPECIAL RULES FOR ESTATES AND  
24 TRUSTS.—For purposes of determining whether any  
25 interest paid or accrued by an estate or trust is

1 qualified residence interest, any residence held by  
2 such estate or trust shall be treated as a qualified  
3 residence of such estate or trust if such estate or  
4 trust establishes that such residence is a qualified  
5 residence of a beneficiary who has a present interest  
6 in such estate or trust or an interest in the resid-  
7 uary of such estate or trust.

8 “(d) COORDINATION WITH DEDUCTION.—In the case  
9 of any taxable year beginning in calendar years 2014  
10 through 2018, the taxpayer may elect to apply this section  
11 in lieu of the deduction under section 163 for qualified  
12 residence interest.”.

13 (b) PHASEOUT OF DEDUCTION.—Section 163(h) of  
14 such Code is amended by adding at the end the following  
15 new paragraph:

16 “(6) PHASEOUT.—

17 “(A) IN GENERAL.—In the case of any  
18 taxable year beginning in a calendar year after  
19 2013, the amount otherwise allowable as a de-  
20 duction by reason of paragraph (2)(D) shall be  
21 the applicable percentage of such amount.

22 “(B) APPLICABLE PERCENTAGE.—For  
23 purposes of subparagraph (A), the applicable  
24 percentage shall be determined in accordance  
25 with the following table:

“For taxable years beginning in calendar year:	The applicable percentage is:
2014 .....	100%
2015 .....	80%
2016 .....	60%
2017 .....	40%
2018 .....	20%
2019 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 2014 through 2018,  
 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:
2014 .....	\$1,000,000	\$500,000
2015 .....	\$900,000	\$450,000
2016 .....	\$800,000	\$400,000
2017 .....	\$700,000	\$350,000
2018 .....	\$600,000	\$300,000.”.

1           (d) CLERICAL AMENDMENT.—The table of sections  
 2 for subpart A of part IV of subchapter A of chapter 1  
 3 of such Code is amended by inserting after section 25D  
 4 the following new item:

“Sec. 25E. Interest on indebtedness secured by qualified residence.”.

5           (e) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply with respect to interest paid or  
 7 accrued after December 31, 2013.

8 **SEC. 603. DEDUCTION ALLOWED FOR INTEREST AND TAXES**  
 9                           **RELATING TO LAND FOR DWELLING PUR-**  
 10                           **POSES OWNED OR LEASED BY COOPERATIVE**  
 11                           **HOUSING CORPORATIONS.**

12           (a) IN GENERAL.—Subparagraph (B) of section  
 13 216(b)(1) of the Internal Revenue Code of 1986 is amend-  
 14 ed by inserting “or land,” after “building,”.

15           (b) EFFECTIVE DATE.—The amendment made by  
 16 subsection (a) shall apply to amounts paid or accrued after  
 17 December 31, 2012.

1 **SEC. 604. USE OF MORTGAGE INTEREST SAVINGS TO IN-**  
2 **CREASE LOW-INCOME HOUSING TAX CREDIT.**

3 (a) IN GENERAL.—Subclause (I) of section  
4 42(h)(3)(C)(ii) of the Internal Revenue Code of 1986 is  
5 amended by striking “\$1.75 (\$1.50 for 2001)” and insert-  
6 ing “\$2.70”.

7 (b) INFLATION ADJUSTMENT.—Subparagraph (H) of  
8 section 42(h)(3) of such Code is amended to read as fol-  
9 lows:

10 “(H) COST-OF-LIVING ADJUSTMENT.—

11 “(i) IN GENERAL.—In the case of a  
12 calendar year after 2002, the \$2,000,000  
13 amount in subparagraph (C) shall be in-  
14 creased by an amount equal 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) PER CAPITA AMOUNT.—In the  
24 case of a calendar year after 2014, the  
25 \$2.70 amount in subparagraph (C) shall  
26 be increased by an amount equal to—

1 “(I) such dollar amount, multi-  
2 plied by

3 “(II) the cost-of-living adjust-  
4 ment determined under section 1(f)(3)  
5 for such calendar year by substituting  
6 ‘calendar year 2013’ for ‘calendar  
7 year 1992’ in subparagraph (B) there-  
8 of.

9 “(iii) ROUNDING.—

10 “(I) In the case of the  
11 \$2,000,000 amount, any increase  
12 under clause (i) which is not a mul-  
13 tiple of \$5,000 shall be rounded to the  
14 next lowest multiple of \$5,000.

15 “(II) In the case of the \$2.70  
16 amount, any increase under clause (ii)  
17 which is not a multiple of 5 cents  
18 shall be rounded to the next lowest  
19 multiple of 5 cents.”.

20 (c) ELIGIBLE BASIS.—Clause (i) of section  
21 42(d)(5)(B) of such Code is amended by striking “and”  
22 at the end of subclause (I), by striking the period at the  
23 end of subclause (II) and inserting “, and”, and by adding  
24 at the end the following:

1                   “(III) in the case of a building  
2                   containing units which are designated  
3                   to serve extremely low-income house-  
4                   holds by the State housing credit  
5                   agency and require the increase in  
6                   credit under this subparagraph in  
7                   order for such building to be finan-  
8                   cially feasible as part of a qualified  
9                   low-income housing project, the eligi-  
10                  ble basis of such building determined  
11                  by the portion of such units shall be  
12                  150 percent of such basis determined  
13                  without regard to this subpara-  
14                  graph.”.

15           (d) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to allocations made in calendar  
17 years beginning after December 31, 2013.

18 **SEC. 605. USE OF MORTGAGE INTEREST SAVINGS FOR AF-**  
19 **FORDABLE HOUSING PROGRAMS.**

20           (a) USE OF SAVINGS.—For each year, the Secretary  
21 of the Treasury shall determine the amount of revenues  
22 accruing to the general fund of the Treasury by reason  
23 of the enactment of section 602 that remain after use of  
24 such revenues in accordance with section 604 and shall

1 credit an amount equal to such remaining revenues as fol-  
2 lows:

3 (1) HOUSING TRUST FUND.—The Secretary  
4 shall credit the Housing Trust Fund established  
5 under section 1338 of the Federal Housing Enter-  
6 prises Financial Safety and Soundness Act of 1992  
7 (12 U.S.C. 4568) with an amount equal to 60 per-  
8 cent of the amount of such remaining revenues.

9 (2) SECTION 8 RENTAL ASSISTANCE.—The Sec-  
10 retary shall credit an amount equal to 30 percent of  
11 the amount of such remaining revenues to the Sec-  
12 retary of Housing and Urban Development for use  
13 only for providing tenant- and project-based rental  
14 assistance under section 8 of the United States  
15 Housing Act of 1937 (42 U.S.C. 1437f).

16 (3) PUBLIC HOUSING CAPITAL FUND.—The  
17 Secretary shall credit an amount equal to 10 percent  
18 of the amount of such remaining revenues to the  
19 Public Housing Capital Fund under section 9(d) of  
20 the United States Housing Act of 1937 (42 U.S.C.  
21 1437g(d)).

22 (b) CHANGES TO HOUSING TRUST FUND.—Not later  
23 than the expiration of the 6-month period beginning on  
24 the date of the enactment of this Act, the Secretary of  
25 Housing and Urban Development shall revise the regula-

1 tions relating to the Housing Trust Fund established  
2 under section 1338 of the Federal Housing Enterprises  
3 Financial Safety and Soundness Act of 1992 (12 U.S.C.  
4 4568) to provide that such section is carried out with the  
5 maximum amount of flexibility possible while complying  
6 with such section, which shall include revising such regula-  
7 tions—

8           (1) to increase the limitation on amounts from  
9           the Fund that are available for use for operating as-  
10          sistance for housing;

11          (2) to allow public housing agencies and tribally  
12          designated housing entities to be recipient of grants  
13          amounts from the Fund that are allocated to a State  
14          or State designated entity; and

15          (3) eliminate the applicability of rules for the  
16          Fund that are based on the HOME Investment  
17          Partnerships Act (42 U.S.C. 1721 et seq.).

18 **TITLE VII—LOW-INCOME HOUS-**  
19 **ING TAX CREDIT FOR HOME-**  
20 **LESS YOUTH**

21 **SEC. 701. STUDENTS WHO WERE HOMELESS YOUTHS OR**  
22 **HOMELESS VETERANS PERMITTED TO OC-**  
23 **CUPY LOW-INCOME HOUSING UNITS.**

24          (a) IN GENERAL.—Section 42(i)(3)(D)(i) of the In-  
25 ternal Revenue Code of 1986 is amended by redesignating

1 subclauses (II) and (III) as subclauses (IV) and (V) and  
2 inserting after subclause (I) the following new subclauses:

3 “(II) a student who was (prior to  
4 occupying such unit) a homeless child  
5 or youth (as defined in section 725 of  
6 the McKinney-Vento Homeless Assist-  
7 ance Act),

8 “(III) a student who was (prior  
9 to occupying such unit) a homeless  
10 veteran (as defined in section 2002 of  
11 title 38, United States Code),”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to determinations made on or after  
14 the date of the enactment of this Act.

## 15 **TITLE VIII—RENTERS TAX** 16 **CREDIT**

### 17 **SEC. 801. RENTERS TAX CREDIT.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-  
19 chapter A of chapter 1 of the Internal Revenue Code of  
20 1986 is amended by adding at the end the following new  
21 section:

#### 22 **“SEC. 45S. RENTERS CREDIT.**

23 “(a) IN GENERAL.—For purposes of section 38, in  
24 the case of a qualified credit recipient, the renters credit  
25 for any taxable year is an amount equal to the sum of

1 the renters credit amounts allocated to such qualified  
2 credit recipient under this section for months ending dur-  
3 ing the taxable year.

4 “(b) RENTERS CREDIT AMOUNT.—

5 “(1) IN GENERAL.—For purposes of this sec-  
6 tion, the term ‘renters credit amount’ means the  
7 rent reduction amount with respect to each rental  
8 unit which is occupied by a qualified renter.

9 “(2) QUALIFIED RENTER.—For purposes of  
10 this section, the term ‘qualified renter’ means a fam-  
11 ily unit with income not greater than the higher of—

12 “(A) 60 percent of local median income, or

13 “(B) 150 percent of the Federal poverty  
14 line,

15 in each case as determined by the Secretary of  
16 Housing and Urban Development for a family of the  
17 size involved.

18 “(3) RENT REDUCTION AMOUNT.—For pur-  
19 poses of this section—

20 “(A) IN GENERAL.—The term ‘rent reduc-  
21 tion amount’ is the amount by which the fair  
22 market rent for the unit involved exceeds the  
23 rent charged to the qualified renter.

1           “(B) LIMITATION.—The rent reduction  
2 amount taken into account under this section  
3 shall not exceed the excess of—

4           “(i) the rent charged to the qualified  
5 renter (or, if lower, specified modest rent),  
6 over

7           “(ii) 30 percent of the qualified rent-  
8 ers income (prorated monthly) as deter-  
9 mined by the renters credit agency of the  
10 State.

11           “(C) SPECIFIED MODEST RENT.—The  
12 term ‘specified modest rent’ means—

13           “(i) the Fair Market Rent determined  
14 by the Secretary of Housing and Urban  
15 Development for the ZIP code (if the unit  
16 is located in a metropolitan area) or non-  
17 metropolitan county, or

18           “(ii) such amount as may be deter-  
19 mined by the State with respect to the  
20 area in which the unit is located if such  
21 amount is within 25 percent of the amount  
22 determined under clause (i) with respect to  
23 such unit.

24           “(D) UTILITIES.—The renters credit agen-  
25 cy of the State may determine whether and how

1 to take into account the cost of utilities in de-  
2 termining the rent reduction amount.

3 “(E) CREDIT ADJUSTMENT.—The renters  
4 credit agency of the State may elect to increase  
5 the rent reduction amount such that such  
6 amount does not exceed 110 percent of such  
7 amount as determined without regard to this  
8 subparagraph.

9 “(c) QUALIFIED CREDIT RECIPIENT.—For purposes  
10 of this section, the term ‘qualified credit recipient’ means,  
11 with respect to any rental unit occupied by a qualified  
12 renter, the owner of such unit but only to the extent of  
13 the renters credit amounts which have been allocated to  
14 such person by the renters credit agency. In lieu of the  
15 owner of the unit, the renters credit agency may treat the  
16 lender of any loan to such owner as the qualified credit  
17 recipient if such unit secures such loan.

18 “(d) ALLOCATIONS BY RENTERS CREDIT AGENCY TO  
19 CREDIT RECIPIENTS.—

20 “(1) IN GENERAL.—The renters credit agency  
21 may make allocations of renters credit amounts to  
22 qualified credit recipients under this section on the  
23 basis of—

24 “(A) the identity of the qualified renter,  
25 such that the renters credit amount is allowed

1 to the owner of any rental unit which such  
2 qualified renter occupies (or the lender referred  
3 to in subsection (c)) for any month, or

4 “(B) one or more rental units, such that  
5 the renters credit amount is allowed to the  
6 owner of such units (or the lender referred to  
7 in subsection (c)) for such months as such units  
8 are occupied by a qualified renter.

9 “(2) RESTRICTIONS ON UNIT BASED ALLOCA-  
10 TIONS.—A renters credit agency may make alloca-  
11 tions of renters credit as described in paragraph  
12 (1)(B) only if—

13 “(A) such units are part of a project or  
14 building in which not more than 40 percent of  
15 the units receive allocations under this section  
16 (the Secretary may provide such exceptions to  
17 the requirement of this subparagraph as the  
18 Secretary determines appropriate for small  
19 buildings or buildings with respect to which  
20 more than 40 percent of the units were pre-  
21 viously subsidized under other Federal pro-  
22 grams), and

23 “(B) the Secretary has approved a mobility  
24 plan submitted by such renters credit agency  
25 which provides for an adequate method to en-

1           sure that qualified renters have the ability to  
2           move from a unit which is eligible for credit  
3           under this section without losing the rent sub-  
4           sidy provided by this section.

5           “(e) ALLOCATIONS OF CREDIT AUTHORITY TO  
6 STATE AGENCIES.—

7           “(1) RENTERS CREDIT DOLLAR AMOUNT FOR  
8 AGENCIES.—

9           “(A) STATE LIMITATION.—The aggregate  
10          credit amounts which a renters credit agency  
11          may allocate for any calendar year is the por-  
12          tion of the State renters credit ceiling allocated  
13          under this paragraph for such calendar year to  
14          such agency.

15          “(B) STATE CEILING INITIALLY ALLO-  
16          CATED TO STATE HOUSING CREDIT AGEN-  
17          CIES.—Except as provided in subparagraphs  
18          (D) and (E), the State renters credit ceiling for  
19          each calendar year shall be allocated to the  
20          renters credit agency of such State. If there is  
21          more than 1 renters credit agency of a State,  
22          all such agencies shall be treated as a single  
23          agency.

24          “(C) STATE RENTERS CREDIT CEILING.—  
25          The State renters credit ceiling applicable to

1 any State and any calendar year shall be an  
2 amount equal to the sum of—

3 “(i) the unused State renters credit  
4 ceiling (if any) of such State for the pre-  
5 ceding calendar year,

6 “(ii) the greater of—

7 “(I) \$17.50 multiplied by the  
8 State population, or

9 “(II) \$20,000,000,

10 “(iii) the amount of State renters  
11 credit ceiling returned in the calendar year,  
12 plus

13 “(iv) the amount (if any) allocated  
14 under subparagraph (D) to such State by  
15 the Secretary.

16 For purposes of clause (i), the unused State  
17 renters credit ceiling for any calendar year is  
18 the excess (if any) of the sum of the amounts  
19 described in clauses (ii) through (iv) over the  
20 aggregate renters credit dollar amount allocated  
21 for such year.

22 “(D) UNUSED RENTERS CREDIT  
23 CARRYOVERS ALLOCATED AMONG CERTAIN  
24 STATES.—

1           “(i) IN GENERAL.—The unused rent-  
2           ers credit carryover of a State for any cal-  
3           endar year shall be assigned to the Sec-  
4           retary for allocation among qualified  
5           States for the succeeding calendar year.

6           “(ii) UNUSED RENTERS CREDIT CAR-  
7           RYOVER.—For purposes of this subpara-  
8           graph, the unused renters credit carryover  
9           of a State for any calendar year is the ex-  
10          cess (if any) of—

11                   “(I) the unused State renters  
12                   credit ceiling for the year preceding  
13                   such year, over

14                   “(II) the aggregate renters credit  
15                   dollar amount allocated for such year.

16           “(iii) FORMULA FOR ALLOCATION OF  
17           UNUSED HOUSING CREDIT CARRYOVERS  
18           AMONG QUALIFIED STATES.—The amount  
19           allocated under this subparagraph to a  
20           qualified State for any calendar year shall  
21           be the amount determined by the Secretary  
22           to bear the same ratio to the aggregate un-  
23           used renters credit carryovers of all States  
24           for the preceding calendar year as such  
25           State’s population for the calendar year

1 bears to the population of all qualified  
2 States for the calendar year. For purposes  
3 of the preceding sentence, population shall  
4 be determined in accordance with section  
5 146(j).

6 “(iv) QUALIFIED STATE.—For pur-  
7 poses of this subparagraph, the term  
8 ‘qualified State’ means, with respect to a  
9 calendar year, any State—

10 “(I) which allocated its entire  
11 State renters credit ceiling for the  
12 preceding calendar year, and

13 “(II) for which a request is made  
14 (not later than May 1 of the calendar  
15 year) to receive an allocation under  
16 clause (iii).

17 “(E) APPLICATION OF CERTAIN RULES.—

18 For purposes of this paragraph, rules similar to  
19 the rules of subparagraphs (E), (F), and (G) of  
20 section 42(h)(3) shall apply.

21 “(F) INFLATION ADJUSTMENT.—

22 “(i) IN GENERAL.—In the case of a  
23 calendar year after 2013, the \$20,000,000  
24 and \$17.50 amounts in subparagraph (C)

1 shall each be increased by an amount equal  
2 to—

3 “(I) such dollar amount, multi-  
4 plied by

5 “(II) the cost-of-living adjust-  
6 ment determined under section 1(f)(3)  
7 for such calendar year by substituting  
8 ‘calendar year 2001’ for ‘calendar  
9 year 1992’ in subparagraph (B) there-  
10 of.

11 “(ii) ROUNDING.—

12 “(I) In the case of the  
13 \$20,000,000 amount, any increase  
14 under clause (i) which is not a mul-  
15 tiple of \$50,000 shall be rounded to  
16 the next lowest multiple of \$50,000.

17 “(II) In the case of the \$17.50  
18 amount, any increase under clause (i)  
19 which is not a multiple of 50 cents  
20 shall be rounded to the next lowest  
21 multiple of 50 cents.

22 “(f) OTHER DEFINITIONS.—For purposes of this sec-  
23 tion—

24 “(1) RENTERS CREDIT AGENCY.—The term  
25 ‘renters credit agency’ means, with respect to any

1 State, the housing credit agency of such State (as  
2 defined in section 42(h)(8)(A)) or such other agency  
3 as is authorized to carry out the activities of the  
4 renters credit agency under this section.

5 “(2) POSSESSIONS TREATED AS STATES.—The  
6 term ‘State’ includes a possession of the United  
7 States.

8 “(g) REGULATIONS.—The Secretary shall prescribe  
9 such regulations as may be necessary or appropriate to  
10 carry out the purposes of this section.”.

11 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
12 CREDIT.—

13 (1) IN GENERAL.—Subsection (b) of section 38  
14 of such Code is amended by striking “plus” at the  
15 end of paragraph (35), by striking the period at the  
16 end of paragraph (36) and inserting “, plus”, and  
17 by adding at the end the following new paragraph:

18 “(37) the renters credit determined under sec-  
19 tion 45S(a).”.

20 (2) CREDIT ALLOWABLE AGAINST ALTERNATIVE  
21 MINIMUM TAX.—Subparagraph (B) of section  
22 38(c)(4) of such Code is amended by redesignating  
23 clauses (vii) through (ix) as clauses (viii) through  
24 (x), respectively, and by inserting after clause (vi)  
25 the following new clause:

1                   “(vii) the credit determined under sec-  
2                   tion 45S,”.

3           (c) CLERICAL AMENDMENT.—The table of sections  
4 for subpart D of part IV of subchapter A of chapter 1  
5 of such Code is amended by adding at the end the fol-  
6 lowing new item:

“Sec. 45S. Renters credit.”.

7           (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to allocations made for calendar  
9 years after 2014 and to taxable years ending after Decem-  
10 ber 31, 2014.

11                   **DIVISION C—NUTRITION**  
12           **TITLE IX—IMPROVING TEM-**  
13           **PORARY ASSISTANCE TO**  
14           **NEEDY FAMILIES PROGRAM**

15           **SEC. 901. REFERENCES.**

16           Except as otherwise expressly provided in this title,  
17 wherever in this title an amendment or repeal is expressed  
18 in terms of an amendment to, or repeal of, a section or  
19 other provision, the amendment or repeal shall be consid-  
20 ered to be made to a section or other provision of the So-  
21 cial Security Act.

1 **SEC. 902. STATE PLANS REQUIRED TO ADDRESS WHETHER**  
 2 **AND HOW STATES WILL PROVIDE ASSIST-**  
 3 **ANCE TO NEEDIEST GEOGRAPHIC AREAS.**

4 Section 402(a)(1)(A)(i) (42 U.S.C. 602(a)(1)(A)(i))  
 5 is amended by inserting “, including whether and how the  
 6 State will give priority to providing benefits and services  
 7 in areas of the State with the greatest need (such as areas  
 8 with the greatest unemployment rates, the greatest pov-  
 9 erty rates, and the least job opportunity to population ra-  
 10 tios)” before the period.

11 **SEC. 903. FUNDING OF THE TANF PROGRAM.**

12 (a) STATE FAMILY ASSISTANCE GRANT.—

13 (1) IN GENERAL.—Section 403(a)(1) (42  
 14 U.S.C. 603(a)(1)) is amended—

15 (A) in subparagraph (A), by striking “fis-  
 16 cal year 2012” and inserting “fiscal year 2013  
 17 and each succeeding fiscal year”; and

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

20 “(B) STATE FAMILY ASSISTANCE  
 21 GRANT.—

22 “(i) IN GENERAL.—The State family  
 23 assistance grant payable to a State for a  
 24 fiscal year shall be the greater of—

25 “(I) the adjusted basic block  
 26 grant, plus the amount required to be

1           paid to the State under paragraph (3)  
2           (as in effect on September 30, 2010)  
3           for fiscal year 2010; or

4                   “(II) the amount required to be  
5           paid to the State under this para-  
6           graph for the preceding fiscal year.

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

11                   “(I) the amount required to be  
12          paid to the State under this para-  
13          graph for fiscal year 2010 (deter-  
14          mined without regard to any reduction  
15          pursuant to section 409 or 412(a)(1));

16                   “(II) 1.00, plus the percentage  
17          (if any) by which the average of the  
18          CPI for the 12-month period ending  
19          with June of the preceding fiscal year  
20          exceeds the average of the CPI for the  
21          12-month period ending with June  
22          1996, expressed as a decimal; and

23                   “(III) 1.00, plus the percentage  
24          (if any) by which the most recent esti-  
25          mate by the Bureau of the Census of

1 the population of the State that has  
2 not attained 18 years of age exceeds  
3 the most recent estimate by the Bu-  
4 reau of the Census of that population  
5 as of July 1, 1996, expressed as a  
6 decimal.

7 “(iii) CPI DEFINED.—In clause (ii),  
8 the term ‘CPI’ means the last Consumer  
9 Price Index for All Urban Consumers pub-  
10 lished by the Department of Labor for the  
11 period involved.

12 “(C) APPROPRIATION.—Out of any money  
13 in the Treasury of the United States not other-  
14 wise appropriated, there are appropriated such  
15 sums as are necessary for grants under this  
16 paragraph for each fiscal year.”.

17 (2) CONFORMING AMENDMENT TO ELIMINATE  
18 SUPPLEMENTAL GRANTS FOR POPULATION IN-  
19 CREASES IN CERTAIN STATES.—Section 403(a) (42  
20 U.S.C. 603(a)) is amended by striking paragraph  
21 (3).

22 (b) PENALTY FOR FAILURE TO MAINTAIN EFFORT  
23 ADJUSTED FOR INFLATION.—Section 409(a)(7) (42  
24 U.S.C. 609(a)(7)) is amended—

1           (1) in subparagraph (A), by inserting “the in-  
2           flation-adjusted” before “historic State expendi-  
3           tures”; and

4           (2) in subparagraph (B), by redesignating  
5           clauses (iii) through (v) as clauses (iv) through (vi),  
6           respectively, and inserting after clause (ii) the fol-  
7           lowing:

8                   “(iii) INFLATION-ADJUSTED HISTORIC  
9                   STATE EXPENDITURES.—The term ‘infla-  
10                  tion-adjusted historic State expenditures’  
11                  means, with respect to a fiscal year—

12                           “(I) historic State expenditures;  
13                           multiplied by

14                                   “(II) 1.00, plus (in the case of  
15                                   fiscal year 2014 or any succeeding fis-  
16                                   cal year) the percentage (if any) by  
17                                   which the average of the CPI (as de-  
18                                   fined in section 403(a)(1)(B)(iii)) for  
19                                   the 12-month period ending with June  
20                                   of the preceding fiscal year exceeds  
21                                   the average of the CPI (as so defined)  
22                                   for the 12-month period ending with  
23                                   June 2012, expressed as a decimal.”.

24           (c) MODIFICATION OF CONTINGENCY FUND.—

1           (1) IN GENERAL.—Section 403(b) (42 U.S.C.  
2           603(b)) is amended by striking all that follows para-  
3           graph (1) and inserting the following:

4           “(2) GRANTS.—

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

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

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

21                          “(ii) if the entity is an Indian tribe,  
22                          under section 412(a)(1) for the fiscal year.

23           “(3) DEFINITIONS.—In paragraph (2):

1           “(A) ECONOMICALLY NEEDY ENTITY.—

2           The term ‘economically needy entity’ means an  
3           entity with respect to a calendar quarter—

4                   “(i) if the seasonally adjusted average  
5                   unemployment rate with respect to entity  
6                   for the quarter or any of the preceding 4  
7                   calendar quarters exceeds 6.5 percent; or

8                   “(ii) in the case that the unemploy-  
9                   ment rate information described in clause  
10                  (i) is not available with respect to the enti-  
11                  ty, if the entity meets such qualifications  
12                  as the Secretary, in consultation with the  
13                  Secretary of Labor, shall, by regulation,  
14                  prescribe.

15           “(B) BASE YEAR.—The term ‘base year’  
16           means, with respect to an entity, and a cal-  
17           endar quarter in a fiscal year—

18                   “(i) except as provided in clause (ii),  
19                   whichever of the 2 fiscal years most re-  
20                   cently preceding the 1st fiscal year of the  
21                   most recent contingency fund eligibility pe-  
22                   riod for the entity, is the fiscal year in  
23                   which the relevant expenditures of the enti-  
24                   ty were the lesser; or

1           “(ii) if the 1st year of the period re-  
2           ferred to in clause (i) is fiscal year 2014,  
3           whichever of fiscal year 2007 or 2008 is  
4           the fiscal year in which the relevant ex-  
5           penditures of the entity were the lesser.

6           “(C) CONTINGENCY FUND ELIGIBILITY PE-  
7           RIOD.—The term ‘contingency fund eligibility  
8           period’ means, with respect to an entity, a pe-  
9           riod of 1 or more consecutive calendar quarters  
10          for which the entity is an economically needy  
11          entity.

12          “(D) RELEVANT EXPENDITURES.—

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

15                   “(I) for assistance under the pro-  
16                   gram funded under this part of the  
17                   entity (including, in the case of a  
18                   State, any qualified State expendi-  
19                   tures (as defined in section  
20                   409(a)(7)(B)(i)) and any expenditures  
21                   under any other State program fund-  
22                   ed by such expenditures);

23                   “(II) for child care;

24                   “(III) for subsidized employment  
25                   under the program funded under this

1 part of the entity (including, in the  
2 case of a State, such expenditures  
3 under any other State program fund-  
4 ed by qualified State expenditures (as  
5 defined in section 409(a)(7)(B)(i)),  
6 other than expenditures made using  
7 Federal funds or with respect to  
8 which the entity received a grant  
9 made under paragraph (3) of this  
10 subsection; and

11 “(IV) for administrative costs as-  
12 sociated with making the expenditures  
13 referred to in the preceding sub-  
14 clauses of this clause.

15 “(ii) CHILD CARE EXPENDITURES.—  
16 For purposes of clause (i), expenditures for  
17 child care consist of the following:

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

20 “(II) Expenditures for child care  
21 assistance from Federal funds pro-  
22 vided under this part.

23 “(III) In the case of an entity  
24 that is a State, expenditures for child  
25 care assistance that are qualified

1 State expenditures (as defined in sec-  
2 tion 409(a)(7)(B)(i)), but only to the  
3 extent exceeding the total expendi-  
4 tures of the State (other than from  
5 Federal funds) for child care in fiscal  
6 year 1994 or 1995 (whichever is the  
7 greater).

8 “(iii) AUTHORITY TO COLLECT AND  
9 ADJUST DATA.—In determining the  
10 amount of the expenditures of a State for  
11 basic assistance, child care, and subsidized  
12 employment, during any period for which  
13 the State requests funds under this sub-  
14 section, and during the base year of the  
15 State, the Secretary may make appropriate  
16 adjustments to the data, on a State-by-  
17 State basis, to ensure that the data are  
18 comparable with respect to the groups of  
19 families served and the types of aid pro-  
20 vided. The Secretary may develop a mecha-  
21 nism for collecting expenditure data, in-  
22 cluding procedures which allow States to  
23 make reasonable estimates, and may set  
24 deadlines for making revisions to the data.

1           “(4) USE OF GRANT.—Each State to which a  
2 grant is made under this subsection shall use the  
3 grant to serve areas of the State with the greatest  
4 need (as referred to in section 402(a)(1)(A)).

5           “(5) APPROPRIATION.—

6           “(A) IN GENERAL.—Out of any funds in  
7 the Treasury of the United States not otherwise  
8 appropriated, there are appropriated for pay-  
9 ment to the Fund—

10           “(i) \$2,500,000,000 for fiscal year  
11 2014; and

12           “(ii) for each succeeding fiscal year,  
13 the amount appropriated under this para-  
14 graph for the then preceding fiscal year,  
15 increased by the percentage (if any) by  
16 which the amount appropriated under sec-  
17 tion 403(a)(1) for the fiscal year involved  
18 exceeds the amount appropriated under  
19 such section for the then preceding fiscal  
20 year.

21           “(B) AVAILABILITY.—Amounts made  
22 available under this paragraph for a fiscal year  
23 shall remain available until expended.

24           “(6) ACTIONS TO BE TAKEN IN ANTICIPATION  
25 OF EXHAUSTION OF FUND.—The Secretary shall

1 monitor the amount in, and the rate at which  
2 amounts are paid from, the Fund, and if the Sec-  
3 retary determines that the Fund will be exhausted  
4 within 6 months, the Secretary shall—

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

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

12 (2) ELIMINATION OF PENALTY FOR FAILURE  
13 OF STATE RECEIVING AMOUNTS FROM CONTINGENCY  
14 FUND TO MAINTAIN 100 PERCENT OF HISTORIC EF-  
15 FORT.—

16 (A) IN GENERAL.—Section 409(a) (42  
17 U.S.C. 609(a)) is amended by striking para-  
18 graph (10) and redesignating paragraphs (11)  
19 through (16) as paragraphs (10) through (15),  
20 respectively.

21 (B) CONFORMING AMENDMENTS.—Section  
22 409 (42 U.S.C. 609) is amended in each of sub-  
23 sections (b)(2) and (c)(4), by striking “(10),  
24 (12), or (13)” and inserting “(11), or (12)”.

1           (3) CONFORMING AMENDMENT.—Section  
2           409(a)(3)(C) (42 U.S.C. 609(a)(3)(C)) is amended  
3           by striking “needy State (as defined in section  
4           403(b)(6))” and inserting “economically needy enti-  
5           ty (as defined in section 403(b)(3)(A))”.

6           (4) AMOUNTS PROVIDED TO TERRITORIES  
7           FROM THE CONTINGENCY FUND TO BE DIS-  
8           REGARDED FOR PURPOSES OF LIMITATION ON PAY-  
9           MENTS TO THE TERRITORIES.—Section 1108(a)(2)  
10          (42 U.S.C. 1308(a)(2)) is amended by inserting  
11          “403(b),” before “406,”.

12          (d) MATCHING GRANTS FOR SUBSIDIZED EMPLOY-  
13          MENT.—

14               (1) IN GENERAL.—Section 403(a) (42 U.S.C.  
15               603(a)), as amended by subsection (a)(2) of this sec-  
16               tion, is further amended by inserting after para-  
17               graph (2) the following:

18                       “(3) MATCHING GRANTS FOR SUBSIDIZED EM-  
19                       PLOYMENT.—

20                               “(A) IN GENERAL.—The Secretary shall  
21                               make a grant—

22                                       “(i) to each eligible State that is 1 of  
23                                       the 50 States or the District of Columbia,  
24                                       for each fiscal year for which the State is  
25                                       an MOE State; and

1           “(ii) to each State that is not 1 of the  
2           50 States or the District of Columbia, and  
3           to each Indian tribe, for each fiscal year  
4           for which the State or tribe, as the case  
5           may be, meets such terms and conditions  
6           as the Secretary shall, by regulation, estab-  
7           lish, which shall be comparable to the  
8           terms and conditions under which grants  
9           are made under clause (i).

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

19           “(C) AMOUNT OF GRANT.—

20           “(i) STATES.—

21           “(I) IN GENERAL.—The grant to  
22           be made to a State under subpara-  
23           graph (A)(i) for a fiscal year shall be  
24           in an amount equal to 50 percent of  
25           the excess expenditures of the State

1 for subsidized employment during the  
2 fiscal year.

3 “(II) EXCESS EXPENDITURES OF  
4 THE STATE FOR SUBSIDIZED EMPLOY-  
5 MENT.—The term ‘excess expendi-  
6 tures of the State for subsidized em-  
7 ployment’ means, with respect to a  
8 fiscal year, the lesser of—

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

12 “(bb) an amount equal to  
13 the total expenditures of the  
14 State for subsidized employment  
15 funded under this part or under  
16 any other State program funded  
17 by qualified State expenditures  
18 (as defined in section  
19 409(a)(7)(B)(i)), excluding those  
20 with respect to which a grant is  
21 made to the State under sub-  
22 section (b) of this section, during  
23 the fiscal year.

24 “(ii) INDIAN TRIBES.—The grant to  
25 be made to an Indian tribe under this

1 paragraph shall be in such amount as the  
2 Secretary deems appropriate.

3 “(D) USE OF GRANT.—Notwithstanding  
4 section 404, a State or Indian tribe to which a  
5 grant is made under this paragraph shall use  
6 the grant solely to finance subsidized employ-  
7 ment activities, and to serve areas of the State  
8 with the greatest need (as referred to in section  
9 402(a)(1)(A)).

10 “(E) APPROPRIATION.—Out of any funds  
11 in the Treasury of the United States not other-  
12 wise appropriated, there are appropriated such  
13 sums as are necessary for grants under this  
14 paragraph for each fiscal year.”.

15 (2) AMOUNTS PROVIDED TO TERRITORIES  
16 FROM THE MATCHING GRANT TO BE DISREGARDED  
17 FOR PURPOSES OF LIMITATION ON PAYMENTS TO  
18 THE TERRITORIES.—Section 1108(a)(2) (42 U.S.C.  
19 1308(a)(2)) is amended by inserting “403(a)(3),”  
20 after “403(a)(2),”.

21 (3) DATA REPORTS REQUIRED WITH RESPECT  
22 TO FAMILIES THAT INCLUDE AN INDIVIDUAL PAR-  
23 TICIPATING IN SUBSIDIZED EMPLOYMENT PRO-  
24 GRAMS.—Section 411(a)(1)(A) (42 U.S.C.  
25 611(a)(1)(A)) is amended, in the matter before

1 clause (i), by inserting “, and families that include  
2 an individual participating in subsidized employment  
3 funded with Federal funds or qualified State expend-  
4 itures (as so defined)” before the colon.

5 (e) TRIBAL FAMILY ASSISTANCE GRANTS.—Section  
6 412(a)(1) (42 U.S.C. 612(a)(1)) is amended—

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

9 (2) in subparagraph (B)—

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

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

14 “(i) IN GENERAL.—The amount de-  
15 termined under this subparagraph for a  
16 fiscal year is an amount equal to the sum  
17 of the adjusted historic expenditures for  
18 the fiscal year with respect to each State  
19 in which there lies a service area of the In-  
20 dian tribe is located.

21 “(ii) ADJUSTED HISTORIC EXPENDI-  
22 TURES DEFINED.—In clause (i), the term  
23 ‘adjusted historic expenditures’ means,  
24 with respect to a fiscal year, a State, and  
25 an Indian tribe, the total amount of the

1 Federal payments to the State under sec-  
2 tion 403 (as then in effect) for fiscal year  
3 1994 attributable to expenditures (other  
4 than child care expenditures) by the State  
5 under parts A and F (as so in effect) for  
6 fiscal year 1994 for Indian families resid-  
7 ing in the service areas identified by the  
8 tribe pursuant to subsection (b)(1)(C) of  
9 this section that are in the State, increased  
10 by the percentage (if any) by which the  
11 amount of the grant payable under section  
12 403(a)(1) for the fiscal year to the State  
13 exceeds the amount of the grant so payable  
14 to the State for fiscal year 2010.”.

15 (f) CENSUS BUREAU STUDY.—Section 414 (42  
16 U.S.C. 614) is amended—

17 (1) by striking subsection (a) and inserting the  
18 following:

19 “(a) IN GENERAL.—The Director of the Bureau of  
20 the Census shall conduct a study to assess the effects of  
21 policies and programs related to low-income families, in-  
22 cluding policies and programs under State programs fund-  
23 ed under this part or funded with qualified State expendi-  
24 tures (as defined in section 409(a)(7)(B)(i)), including  
25 changes and policies in such programs made pursuant to

1 the Rewriting to Improve and Secure an Exit Out of Pov-  
2 erty Act. The Director shall design the study in consulta-  
3 tion with the Secretary. Every 5 years, the Director shall,  
4 in consultation with the Secretary, revise the content and  
5 nature of the study to reflect emerging policy issues re-  
6 lated to low-income families.”; and

7           (2) in subsection (b), by striking “fiscal year  
8           2012” and inserting “each fiscal year”.

9           (g) FUNDING OF STUDIES AND EVALUATIONS.—Sec-  
10 tion 413(h)(1) (42 U.S.C. 613(h)(1)) is amended by strik-  
11 ing “fiscal year 2012” and inserting “each fiscal year”.

12           (h) MATCHING GRANTS TO CERTAIN TERRI-  
13 TORIES.—Section 1108 (42 U.S.C. 1308) is amended—

14           (1) in subsection (a)(2), by inserting “section  
15           403(a)(1) (to the extent exceeding the amount re-  
16           quired to be so paid to the territory for fiscal year  
17           2011),” before “403(a)(2)”;

18           (2) in subsection (b)(2), by striking “fiscal year  
19           2012” and inserting “each fiscal year”.

20 **SEC. 904. WORK REQUIREMENTS.**

21           (a) PARTICIPATION RATE REQUIREMENT.—Section  
22 407 (42 U.S.C. 607) is amended by striking subsections  
23 (a) and (b) and inserting the following:

24           “(a) PARTICIPATION RATE REQUIREMENT.—

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

6           “(2) WORK-ELIGIBLE INDIVIDUAL DEFINED.—

7           “(A) IN GENERAL.—In subsection (a), the  
8 term ‘work-eligible individual’, subject to sub-  
9 paragraphs (B) and (C), means—

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

15           “(ii) a former recipient of such assist-  
16 ance who is—

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

19           “(II) no longer eligible for assist-  
20 ance under the State program funded  
21 under this part by reason of section  
22 408(a)(7); and

23           “(iii) a participant in a subsidized em-  
24 ployment program funded under this part  
25 or under any other State program funded

1 by qualified State expenditures (as defined  
2 in section 409(a)(7)(B)(i)).

3 “(B) EXCLUSION OF INDIVIDUALS SANC-  
4 TIONED OR UNDERGOING PRE-SANCTION RE-  
5 VIEW.—The term ‘work-eligible individual’ does  
6 not include any individual with respect to  
7 whom—

8 “(i) there is in effect a penalty im-  
9 posed by the State under subsection (e) of  
10 this section; or

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

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

18 “(i) a single parent caring for a child  
19 who has not attained 1 year of age;

20 “(ii) a recipient of supplemental secu-  
21 rity income benefits under title XVI, dis-  
22 ability insurance benefits under title II, or  
23 other Federal or State benefits based on  
24 disability;

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

3           “(iv) an individual who is needed in  
4           the home of the individual to care for a  
5           disabled member of the family of the indi-  
6           vidual; or

7           “(v) an individual who (but for the ex-  
8           ercise of the State option under this  
9           clause) would be a work-eligible individual  
10          under a tribal family assistance plan ap-  
11          proved under section 412 or under a tribal  
12          work program to which funds are provided  
13          under this part.

14          “(b) CALCULATION OF PARTICIPATION RATES.—

15               “(1) AVERAGE MONTHLY RATE.—For purposes  
16               of subsection (a), the participation rate of a State  
17               for a fiscal year is the average of the participation  
18               rates of the State for each month in the fiscal year.

19               “(2) MONTHLY PARTICIPATION RATE.—For  
20               purposes of paragraph (1), the participation rate of  
21               a State for a month, expressed as a percentage, is—

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

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

3           (b)     PARTICIPATION     REQUIREMENTS.—Section  
4 407(c) (42 U.S.C. 607(c)) is amended to read as follows:

5           “(c) ENGAGED IN WORK.—For purposes of sub-  
6 section (b):

7           “(1) GENERAL RULE.—An individual is en-  
8 gaged in work for a month in a fiscal year if the re-  
9 cipient is participating in work activities for an aver-  
10 age of at least 20 hours per week during the month.

11           “(2) INDIVIDUALS COMPLYING WITH A MODI-  
12 FIED EMPLOYABILITY PLAN DEEMED TO BE EN-  
13 GAGED IN WORK.—An individual is deemed to be en-  
14 gaged in work for a month if the State determines  
15 that the individual is in substantial compliance with  
16 the activities and hourly participation requirements  
17 of a modified employability plan developed for the  
18 individual in accordance with section 408(h).

19           “(3) SINGLE TEEN HEAD OF HOUSEHOLD OR  
20 MARRIED TEEN WHO MAINTAINS SATISFACTORY  
21 SCHOOL ATTENDANCE DEEMED TO BE ENGAGED IN  
22 WORK.—An individual who is married or a head of  
23 household and has not attained 20 years of age is  
24 deemed to be engaged in work for a month if the re-

1 recipient maintains satisfactory attendance at sec-  
2 ondary school or the equivalent during the month.”.

3 (c) ELIMINATION OF 12-MONTH LIMIT ON COUNTING  
4 VOCATIONAL EDUCATIONAL TRAINING AS A WORK ACTIV-  
5 ITY.—Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amend-  
6 ed by striking “(not to exceed 12 months with respect to  
7 any individual)”.

8 **SEC. 905. WORK RULES.**

9 (a) OPTION OF RECIPIENT TO HAVE TRAINED PER-  
10 SONNEL ASSESS CERTAIN BARRIERS TO EMPLOYMENT;  
11 ADDITIONAL MATTERS REQUIRED TO BE ASSESSED.—  
12 Section 408(b)(1) (42 U.S.C. 608(b)(1)) is amended—

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

17 (2) by striking “and employability” and insert-  
18 ing “employability, physical and mental impair-  
19 ments, English proficiency, child care needs, and  
20 whether the recipient is a victim of domestic or sex-  
21 ual violence,”.

22 (b) INDIVIDUAL RESPONSIBILITY PLANS.—

23 (1) PLANS REQUIRED; PLANS TO INCLUDE  
24 WELL-BEING PLANS FOR CHILDREN.—Section

1 408(b)(2)(A) (42 U.S.C. 608(b)(2)(A)) is amend-  
2 ed—

3 (A) in the matter preceding clause (i), by  
4 striking “may” and inserting “shall”;

5 (B) in clause (iv)—

6 (i) by inserting “, supports,” after  
7 “counseling”; and

8 (ii) by striking “and” at the end;

9 (C) in clause (v), by striking the period  
10 and inserting “; and”; and

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

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

14 (2) DEADLINE FOR COMPLETION OF PLAN.—

15 Section 408(b)(2)(B) (42 U.S.C. 608(b)(2)(B)) is  
16 amended by striking “individual—” and all that fol-  
17 lows and inserting “individual within 90 days after  
18 the individual is determined eligible for the assist-  
19 ance.”.

20 (3) SANCTION FOR FAILURE OF STATE TO DE-

21 VELOP PLAN.—Section 409(a) (42 U.S.C. 609(a)),  
22 as amended by section 903(c)(2)(A) of this title, is  
23 amended by adding at the end the following:

1           “(16) PENALTY FOR FAILURE OF STATE TO DE-  
2           VELOP REQUIRED INDIVIDUAL RESPONSIBILITY  
3           PLAN.—

4           “(A) IN GENERAL.—If the Secretary deter-  
5           mines that a State to which a grant is made  
6           under section 403 in a fiscal year has violated  
7           section 408(b)(2) during the fiscal year, the  
8           Secretary shall reduce the grant payable to the  
9           State under section 403(a)(1) for the imme-  
10          diately succeeding fiscal year by an amount  
11          equal to not more than 5 percent of the State  
12          family assistance grant.

13          “(B) PENALTY BASED ON SEVERITY OF  
14          FAILURE.—The Secretary shall impose reduc-  
15          tions under subparagraph (A) with respect to a  
16          fiscal year based on the degree of noncompli-  
17          ance.”.

18          (4) CONFORMING AMENDMENT.—Section  
19          408(b) (42 U.S.C. 608(b)) is amended by striking  
20          paragraph (4).

21          (c) MODIFIED EMPLOYABILITY PLANS FOR CERTAIN  
22          INDIVIDUALS WITH DISABILITIES.—Section 408 (42  
23          U.S.C. 608) is amended by adding at the end the fol-  
24          lowing:

1       “(h) AUTHORITY TO DEVELOP MODIFIED EMPLOY-  
2 ABILITY PLAN FOR A RECIPIENT OF ASSISTANCE WITH,  
3 OR CARING FOR A FAMILY MEMBER WITH, A DIS-  
4 ABILITY.—

5           “(1) IN GENERAL.—A State may develop a  
6 modified employability plan for a recipient of assist-  
7 ance under the State program funded under this  
8 part—

9           “(A) who—

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

12               “(ii) has been determined by a quali-  
13 fied medical, mental health, addiction, or  
14 social services professional (as determined  
15 by the State) to have a disability; or

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

18           “(2) CONTENTS OF PLAN.—The modified em-  
19 ployability plan shall—

20           “(A) include a determination that, because  
21 of the disability of the recipient or the indi-  
22 vidual for whom the recipient is caring, reason-  
23 able modification of work activities, hourly par-  
24 ticipation requirements, or both, is needed in

1 order for the recipient to participate in the ac-  
2 tivities;

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

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

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

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

15 “(F) be reviewed not less often than every  
16 6 months.

17 “(3) DEFINITIONS.—In this subsection:

18 “(A) DISABILITY.—The term ‘disability’  
19 means a mental or physical impairment, includ-  
20 ing substance abuse or addiction, that—

21 “(i) constitutes or results in a sub-  
22 stantial impediment to employment; or

23 “(ii) substantially limits 1 or more  
24 major life activities.

1           “(B) MODIFIED WORK ACTIVITIES.—The  
2           term ‘modified work activities’ means activities  
3           which the State has determined will help the re-  
4           cipient become employable.”.

5           (d) SANCTIONS.—

6           (1) GENERAL SANCTION PROVISIONS.—

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

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

12           “(13) PROHIBITION ON IMPOSING LIFETIME OR  
13           FULL FAMILY SANCTION.—A State to which a grant  
14           is made under section 403 shall not impose a life-  
15           time prohibition on the provision of assistance to  
16           any individual or family under the State program  
17           funded under this part or under a program funded  
18           with qualified State expenditures (as defined in sec-  
19           tion 409(a)(7)(B)(i)) on the basis of the failure of  
20           a member of the family to comply with a program  
21           requirement.”.

22           (ii) PENALTY.—Section 409(a) (42  
23           U.S.C. 609), as amended by section  
24           903(e)(2)(A) of this title and subsection

1 (b)(3) of this section, is amended by add-  
2 ing at the end the following:

3 “(17) PENALTY FOR IMPOSING LIFETIME OR  
4 FULL FAMILY SANCTION.—If the Secretary deter-  
5 mines that a State to which a grant is made under  
6 section 403 in a fiscal year has violated section  
7 408(a)(13) during the fiscal year, the Secretary  
8 shall reduce the grant payable to the State under  
9 section 403(a)(1) for the immediately succeeding fis-  
10 cal year by an amount equal to 5 percent of the  
11 State family assistance grant.”.

12 (B) DUE PROCESS PROTECTIONS.—

13 (i) IN GENERAL.—Section 408(a) (42  
14 U.S.C. 608(a)), as amended by subpara-  
15 graph (A)(i) of this paragraph, is amended  
16 by adding at the end the following:

17 “(14) SANCTION PROCEDURES.—

18 “(A) PRE-SANCTION REVIEW PROCESS.—  
19 Before imposing a sanction against an indi-  
20 vidual or family receiving assistance under the  
21 State program funded under this part or under  
22 a program funded with qualified State expendi-  
23 tures (as defined in section 409(a)(7)(B)(i)) for  
24 failure to comply with program requirements,  
25 the State shall take the following steps:

1           “(i) Provide or send notice to the indi-  
2           vidual or family, and, if the recipient’s na-  
3           tive language is not English, through a  
4           culturally competent written or verbal  
5           translation, of the following information:

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

8                   “(II) The amount of the pro-  
9                   posed sanction.

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

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

16                  “(V) That the agency will provide  
17                  assistance to help the individual dem-  
18                  onstrate good cause for noncompli-  
19                  ance, or come into compliance with  
20                  program requirements.

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

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

3 “(aa) an individual, other than  
4 the individual who determined that a  
5 sanction be imposed, will review the  
6 determination and have the authority  
7 to take the actions described in sub-  
8 clause (II); and

9 “(bb) the individual or family  
10 against whom the sanction is to be  
11 imposed shall be afforded the oppor-  
12 tunity to meet with the individual who  
13 is reviewing the determination to im-  
14 pose the sanction.

15 “(II) The action described in this sub-  
16 clause are the following:

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

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

21 “(cc) Recommend modifications  
22 to the individual responsibility or em-  
23 ployment plan of an individual.

1           “(dd) Make such other deter-  
2           minations and take such other actions  
3           as may be appropriate.

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

7                   “(I) To the extent applicable,  
8                   whether barriers to compliance exist,  
9                   such as a physical or mental impair-  
10                  ment (including mental illness, sub-  
11                  stance abuse, mental retardation, or a  
12                  learning disability), domestic or sexual  
13                  violence, limited proficiency in  
14                  English, limited literacy, homeless-  
15                  ness, or the need to care for a child  
16                  with a disability or health condition,  
17                  that contributed to the noncompli-  
18                  ance.

19                   “(II) Whether the noncompliance  
20                  resulted from failure to receive or  
21                  have access to services identified as  
22                  necessary in an individual responsi-  
23                  bility or employment plan.

24                   “(III) Whether changes to the in-  
25                  dividual responsibility or employment

1 plan of an individual should be made  
2 in order for the individual to come  
3 into compliance.

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

6 “(V) Whether the sanction poli-  
7 cies of the State have been applied  
8 properly.

9 “(B) SANCTION FOLLOW-UP REQUIRE-  
10 MENTS.—If a State imposes a sanction on a  
11 family or individual for failing to comply with  
12 program requirements, the State shall—

13 “(i) provide or send notice to the indi-  
14 vidual or family, in language calculated to  
15 be understood by the individual or family,  
16 and, if the individual’s or family’s native  
17 language is not English, through a cul-  
18 turally competent translation, of the reason  
19 for the sanction and the steps the indi-  
20 vidual or family must take to end the sanc-  
21 tion;

22 “(ii) resume full assistance, services,  
23 or benefits to the individual or family  
24 under the program (if the individual or  
25 family is otherwise eligible for the assist-

1           ance, services, or benefits) once the indi-  
2           vidual who was not in compliance with pro-  
3           gram requirements that led to the sanction  
4           complies with the requirements for a rea-  
5           sonable period of time, as determined by  
6           the State and subject to State discretion to  
7           reduce the period; and

8           “(iii) if the State has not resumed  
9           providing the assistance, services, or bene-  
10          fits as of the end of the 120-day period  
11          that begins on the date that is 60 days  
12          after the date on which the sanction was  
13          imposed, provide notice to the individual or  
14          family, in language calculated to be under-  
15          stood by the individual or family, of the  
16          steps the individual or family must take to  
17          end the sanction, and of the availability of  
18          assistance to come into compliance or dem-  
19          onstrate good cause for noncompliance.

20          “(C) NOTICE TO EVICTED PERSONS.—The  
21          State shall make a reasonable effort to provide  
22          to an individual or family that has been evicted  
23          from a residence for failure to pay rent or as  
24          a result of another problem related to poverty,

1 any notice required by this paragraph to be  
2 provided to the individual or family.”.

3 (ii) PENALTY.—Section 409(a) (42  
4 U.S.C. 609(a)), as amended by section  
5 903(e)(2)(A) of this title, subsection (b)(3)  
6 of this section, and subparagraph (A)(ii) of  
7 this paragraph, is amended by adding at  
8 the end the following:

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

11 “(A) IN GENERAL.—If the Secretary deter-  
12 mines that a State to which a grant is made  
13 under section 403 in a fiscal year has violated  
14 section 408(a)(14) during the fiscal year, the  
15 Secretary shall reduce the grant payable to the  
16 State under section 403(a)(1) for the imme-  
17 diately succeeding fiscal year by an amount  
18 equal to not more than 5 percent of the State  
19 family assistance grant.

20 “(B) PENALTY BASED ON SEVERITY OF  
21 FAILURE.—The Secretary shall impose reduc-  
22 tions under subparagraph (A) with respect to a  
23 fiscal year based on the degree of noncompli-  
24 ance.”.

1                   (iii) STATE PLAN REQUIREMENT TO  
2                   DESCRIBE HOW STATES WILL NOTIFY AP-  
3                   PLICANTS AND RECIPIENTS OF THEIR  
4                   RIGHTS UNDER THE PROGRAM AND OF PO-  
5                   TENTIAL BENEFITS AND SERVICES AVAIL-  
6                   ABLE UNDER THE PROGRAM.—Section  
7                   402(a)(1)(B)(iii)           (42           U.S.C.  
8                   602(a)(1)(B)(iii)) is amended by inserting  
9                   “, and will notify applicants and recipients  
10                  of assistance under the program of the  
11                  rights of individuals under all laws applica-  
12                  ble to program activities and of all poten-  
13                  tial benefits and services available under  
14                  the program” before the period.

15               (2) MODIFICATIONS TO WORK SANCTION.—

16                   (A) ELIMINATION OF FULL FAMILY SANC-  
17                   TION; STATE REQUIRED TO ESTABLISH CER-  
18                   TAIN GOOD CAUSE EXCEPTIONS.—Section  
19                   407(e)(1) (42 U.S.C. 607(e)(1)) is amended—

20                   (i) by striking “shall—” and all that  
21                   follows through subparagraph (B) and in-  
22                   serting “shall reduce the amount of assist-  
23                   ance otherwise payable to the family pro  
24                   rata with respect to any period during a

1 month in which the individual so refuses,”;

2 and

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

16 (B) PROHIBITION ON SANCTIONING INDI-  
17 VIDUAL FOR FAILURE TO ENGAGE IN WORK IF  
18 INDIVIDUAL HAS A CHILD UNDER AGE 6  
19 MONTHS OR IF FAILURE RESULTS FROM IN-  
20 ABILITY TO SECURE CHILD CARE OR AFTER-  
21 SCHOOL ARRANGEMENTS FOR A CHILD UNDER  
22 AGE 13.—Section 407(e)(2) (42 U.S.C.  
23 607(e)(2)) is amended by striking “refusal”  
24 and all that follows and inserting “failure of an

1 individual to engage in work required in accord-  
2 ance with this section if—

3 “(A) the individual is a single custodial  
4 parent caring for a child who has not attained  
5 6 months of age; or

6 “(B) the individual is the single custodial  
7 parent caring for a child who has not attained  
8 13 years of age, and the failure resulted from  
9 the inability of the individual to secure child  
10 care or after-school arrangements for the  
11 child”.

12 (3) MODIFICATIONS TO CHILD SUPPORT SANC-  
13 TION.—Section 408(a)(2) (42 U.S.C. 608(a)(2)) is  
14 amended by striking “State—” and all that follows  
15 and inserting “State shall deduct from the assist-  
16 ance that would otherwise be provided to the family  
17 of the individual under the State program funded  
18 under this part an amount equal to 25 percent of  
19 the amount of the assistance.”.

20 (e) RELATED STATE PLAN REQUIREMENT.—Section  
21 402(a) (42 U.S.C. 602(a)) is amended by adding at the  
22 end the following:

23 “(8) CERTIFICATION THAT EMPLOYMENT AS-  
24 SESSMENTS AND SANCTION REVIEWS WILL BE CON-  
25 DUCTED BY COMPETENT PERSONNEL.—A certifi-

1 cation by the chief executive officer of the State that  
 2 the employment assessments conducted pursuant to  
 3 section 408(b)(1) and the sanction reviews con-  
 4 ducted pursuant to section 408(a)(14)(A) will be  
 5 conducted by personnel who have sufficient edu-  
 6 cation, training, and professional competence to do  
 7 so, which shall include information on the education,  
 8 training, and professional competence that State will  
 9 require of the personnel.”.

10 **SEC. 906. PROHIBITION ON IMPOSING LIMIT OF LESS THAN**  
 11 **60 MONTHS ON DURATION OF ASSISTANCE.**

12 (a) PROHIBITION.—

13 (1) IN GENERAL.—Section 408(a)(7) (42  
 14 U.S.C. 608(a)(7)) is amended—

15 (A) in the paragraph heading, by striking  
 16 “NO ASSISTANCE FOR MORE THAN 5 YEARS”  
 17 and inserting “DURATIONAL LIMITS ON ASSIST-  
 18 ANCE”;

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

22 (C) by adding at the end the following:

23 “(H) PROHIBITION ON LIMITING DURA-  
 24 TION OF ASSISTANCE TO LESS THAN 60  
 25 MONTHS.—A State to which a grant is made

1 under section 403 shall not impose a limit of  
2 less than 60 months on the duration for which  
3 a family may be provided assistance from Fed-  
4 eral or State funds under the State program  
5 funded under this part or under a program  
6 funded with qualified State expenditures (as de-  
7 fined in section 409(a)(7)(B)(i)).”.

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

12 (b) REQUIREMENT TO CONDUCT OUTREACH TO IN-  
13 FORM POTENTIALLY ELIGIBLE FAMILIES OF ELIMI-  
14 NATION OF DURATIONAL LIMIT ON ASSISTANCE OF LESS  
15 THAN 60 MONTHS.—

16 (1) IN GENERAL.—Section 408(a) (42 U.S.C.  
17 608(a)), as amended by section 905(d)(1) of this  
18 title, is amended by adding at the end the following:

19 “(15) REQUIREMENT TO CONDUCT OUTREACH  
20 TO INFORM POTENTIALLY ELIGIBLE RECIPIENTS OF  
21 ASSISTANCE OF ELIMINATION OF DURATIONAL LIMIT  
22 ON ASSISTANCE OF LESS THAN 60 MONTHS.—A  
23 State to which a grant is made under section 403  
24 for a fiscal year that, before the effective date of this  
25 paragraph, denied assistance under the State pro-

1       gram funded under this part or any other State pro-  
2       gram funded by qualified State expenditures (as de-  
3       fined in section 409(a)(7)(B)(i)) to an individual or  
4       family on the basis of a durational limit on the as-  
5       sistance that was imposed other than under section  
6       408(a)(7) shall conduct outreach to inform individ-  
7       uals and families who were so denied that they may  
8       be eligible for additional months of the assistance.”.

9               (2) PENALTY.—Section 409(a) (42 U.S.C.  
10       609(a)), as amended by sections 903(e)(2)(A) and  
11       905(d)(1) of this title, is amended by adding at the  
12       end the following:

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

24               (c) STATE PLAN REQUIRED TO INCLUDE DESCRIP-  
25       TION OF HOW POTENTIALLY ELIGIBLE RECIPIENTS WILL

1 BE INFORMED OF ELIMINATION OF DURATIONAL LIMIT  
2 ON ASSISTANCE OF LESS THAN 60 MONTHS.—Section  
3 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by  
4 adding at the end the following:

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

16 **SEC. 907. RESPONSE OF TANF PROGRAM TO ECONOMIC RE-**  
17 **CESSIONS.**

18           (a) INAPPLICABILITY OF DURATIONAL LIMIT ON AS-  
19 SISTANCE.—Section 408(a)(7) (42 U.S.C. 608(a)(7)), as  
20 amended by section 906(a)(1)(C) of this title, is amended  
21 by adding at the end the following:

22                   “(I) INAPPLICABILITY OF DURATIONAL  
23 LIMIT DURING RECESSION.—Subparagraph (A)  
24 shall not apply in a State during any month

1           which is in a high unemployment period with  
2           respect to the State.

3           “(J) DISREGARD OF ASSISTANCE PRO-  
4           VIDED DURING RECESSION.—In determining  
5           the number of months for which an adult has  
6           received assistance under a State or tribal pro-  
7           gram funded under this part or any other State  
8           program funded by qualified State expenditures  
9           (as defined in section 409(a)(7)(B)(i)), the  
10          State or tribe shall disregard any month which  
11          is in a high unemployment period with respect  
12          to the State.

13          “(K) 6-MONTH GRACE PERIOD REQUIRED  
14          AFTER RECESSION.—Subparagraph (A) shall  
15          not apply to a recipient of assistance under the  
16          State program funded under this part or any  
17          other State program funded by qualified State  
18          expenditures (as defined in section  
19          409(a)(7)(B)(i)) during the 6-month period  
20          that begins with the month immediately fol-  
21          lowing a high unemployment period with re-  
22          spect to the State if the recipient received the  
23          assistance for the last month of the period.”.

1 (b) REQUIREMENT TO CONDUCT OUTREACH TO IN-  
2 FORM POTENTIALLY ELIGIBLE FAMILIES OF SUSPENSION  
3 OF DURATIONAL LIMIT ON ASSISTANCE.—

4 (1) IN GENERAL.—Section 408(a) (42 U.S.C.  
5 608(a)), as amended by sections 905(d)(1) and  
6 906(b)(1) of this title, is amended by adding at the  
7 end the following:

8 “(16) REQUIREMENT TO CONDUCT OUTREACH  
9 TO INFORM POTENTIALLY ELIGIBLE RECIPIENTS OF  
10 ASSISTANCE OF SUSPENSION OF DURATIONAL LIMIT  
11 ON ASSISTANCE.—In each month which is a high un-  
12 employment period with respect to a State to which  
13 a grant is made under section 403 for a fiscal year,  
14 the State shall conduct outreach to inform individ-  
15 uals and families who are potentially eligible for as-  
16 sistance under the State program funded under this  
17 part or any other State program funded by qualified  
18 State expenditures (as defined in section  
19 409(a)(7)(B)(i)) of the suspension of any durational  
20 limit on assistance under the program.”.

21 (2) PENALTY.—Section 409(a) (42 U.S.C.  
22 609(a)), as amended by sections 903(c)(2)(A),  
23 905(d)(1), and 906(b)(2), is amended by adding at  
24 the end the following:

1           “(20) FAILURE TO CONDUCT OUTREACH TO IN-  
2           FORM POTENTIALLY ELIGIBLE RECIPIENTS OF AS-  
3           SISTANCE OF SUSPENSION OF DURATIONAL LIMIT  
4           ON ASSISTANCE.—If the Secretary determines that a  
5           State to which a grant is made under section 403  
6           in a fiscal year has violated section 408(a)(16) dur-  
7           ing the fiscal year, the Secretary shall reduce the  
8           grant payable to the State under section 403(a)(1)  
9           for the immediately succeeding fiscal year by an  
10          amount equal to 5 percent of the State family assist-  
11          ance grant.”.

12          (c) STATE PLAN REQUIRED TO INCLUDE DESCRIP-  
13          TION OF HOW POTENTIALLY ELIGIBLE RECIPIENTS WILL  
14          BE INFORMED OF SUSPENSION OF TIME LIMITS DURING  
15          RECESSION.—Section 402(a)(1)(B) (42 U.S.C.  
16          602(a)(1)(B)), as amended by section 906(c) of this title,  
17          is amended by adding at the end the following:

18                         “(vii) The document shall describe  
19                         how the State intends to inform potentially  
20                         eligible recipients of assistance under the  
21                         program of the suspension of durational  
22                         limits on the assistance during a high un-  
23                         employment period with respect to the  
24                         State.”.

1 (d) HIGH UNEMPLOYMENT PERIOD DEFINED.—Sec-  
2 tion 419 (42 U.S.C. 619) is amended by adding at the  
3 end the following:

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

12 **SEC. 908. REQUIREMENT THAT STATES USE MERIT-BASED**  
13 **SYSTEM IN ADMINISTRATION OF TANF PRO-**  
14 **GRAMS.**

15 (a) PROGRAM REQUIREMENT.—Section 408(a) (42  
16 U.S.C. 608(a)), as amended by sections 905(d)(1),  
17 906(b)(1), and 907(b)(1) of this title, is amended by add-  
18 ing at the end the following:

19 “(17) REQUIREMENT TO USE MERIT-BASED  
20 SYSTEM IN ADMINISTERING PROGRAM.—A State to  
21 which a grant is made under section 403 shall estab-  
22 lish and maintain personnel standards through a  
23 merit-based system, in administering the State pro-  
24 gram funded under this part and any other State

1 program funded by qualified State expenditures (as  
2 defined in section 409(a)(7)(B)(i)).”.

3 (b) PENALTY.—Section 409(a) (42 U.S.C. 609), as  
4 amended by sections 903(c)(2)(A), 905(d)(1), 906(b)(2),  
5 and 907(b)(2) of this title, is amended by adding at the  
6 end the following:

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

16 **SEC. 909. BAN ON USING FEDERAL TANF FUNDS TO RE-**  
17 **PLACE STATE AND LOCAL SPENDING THAT**  
18 **DOES NOT MEET THE DEFINITION OF QUALI-**  
19 **FIED STATE EXPENDITURES.**

20 (a) PROHIBITION.—Section 408(a) (42 U.S.C.  
21 608(a)), as amended by sections 905(d)(1), 906(b)(1),  
22 907(b)(1), and 908(a) of this title, is amended by adding  
23 at the end the following:

24 “(18) BAN ON USING FEDERAL TANF FUNDS  
25 TO REPLACE STATE OR LOCAL SPENDING THAT IS

1 NOT A QUALIFIED STATE EXPENDITURE.—A State  
2 to which a grant is made under section 403, and a  
3 sub-State entity that receives funds from such a  
4 grant, shall not expend any part of the grant funds  
5 to supplant State or local spending for benefits or  
6 services which are not qualified State expenditures  
7 (within the meaning of section 409(a)(7)(B)(i)).”.

8 (b) PENALTY.—Section 409(a) (42 U.S.C. 609), as  
9 amended by sections 903(c)(2)(A), 905(d)(1), 906(b)(2),  
10 907(b)(2), and 908(b) of this title, is amended by adding  
11 at the end the following:

12 “(22) USE OF FEDERAL TANF FUNDS TO RE-  
13 PLACE STATE OR LOCAL SPENDING THAT IS NOT A  
14 QUALIFIED STATE EXPENDITURE.—If the Secretary  
15 determines that a State to which a grant is made  
16 under section 403 in a fiscal year has violated sec-  
17 tion 408(a)(18) during the fiscal year, the Secretary  
18 shall reduce the grant payable to the State under  
19 section 403(a)(1) for the immediately succeeding fis-  
20 cal year by an amount equal to 5 percent of the  
21 State family assistance grant.”.

22 **SEC. 910. TANF ASSISTANCE TO MEET BASIC FAMILY ECO-**  
23 **NOMIC NEEDS.**

24 (a) STATE PLAN REQUIREMENT.—Section  
25 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)), as amended by

1 sections 906(c) and 907(d) of this title, is amended by  
2 adding at the end the following:

3                   “(viii) FAMILY BUDGET PROVI-  
4                   SIONS.—The document shall set forth a  
5                   family budget of a dollar amount sufficient  
6                   to meet the basic economic needs (includ-  
7                   ing food, clothing, shelter, utilities, house-  
8                   hold goods, personal care items, and gen-  
9                   eral incidental expenses) of a family, how  
10                  the family budget is adjusted for family  
11                  size, the method used to estimate the fam-  
12                  ily budget (including a statement of the re-  
13                  lationship between shelter and utility costs  
14                  and the fair market rents in localities in  
15                  the State), and the relationship between  
16                  the amount of assistance provided to each  
17                  family under the program and the amount  
18                  of the family budget for the family.”.

19                  (b) PROGRAM REQUIREMENT.—Section 408(a) (42  
20 U.S.C. 608(a)), as amended by sections 905(d)(1),  
21 906(b)(1), 907(b)(1), 908(a), and 909(a) of this title, is  
22 amended by adding at the end the following:

23                   “(19) REQUIREMENT THAT AMOUNT OF ASSIST-  
24                   ANCE MEET BASIC ECONOMIC NEEDS.—A State to  
25                   which a grant is made under section 403 shall en-

1       sure that the total amount of assistance provided to  
2       a family under the State program funded under this  
3       part and all programs funded with qualified State  
4       expenditures (as defined in section 409(a)(7)(B)(i))  
5       for which the family is eligible is sufficient to meet  
6       the basic economic needs of the family, taking into  
7       account all earned and unearned income of the fam-  
8       ily and an amount not to exceed the value of the  
9       supplemental nutrition assistance benefits provided  
10      to the family under the Food and Nutrition Act of  
11      2008.”.

12      (c) 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), 908(b), and 909(b) of this title, is amended by  
15      adding at the end the following:

16           “(23) PENALTY FOR FAILURE OF STATE TANF  
17      ASSISTANCE TO MEET BASIC ECONOMIC NEEDS OF A  
18      RECIPIENT FAMILY.—If the Secretary determines  
19      that a State to which a grant is made under section  
20      403 in a fiscal year has violated section 408(a)(19)  
21      during the fiscal year, the Secretary shall reduce the  
22      grant payable to the State under section 403(a)(1)  
23      for the immediately succeeding fiscal year by an  
24      amount equal to 5 percent of the State family assist-  
25      ance grant.”.

1 **SEC. 911. STATE PLANS AND REPORTS ON CHILD POVERTY.**

2 (a) CHILD POVERTY REDUCTION AS A PURPOSE OF  
3 THE TANF PROGRAM.—Section 401(a)(1) (42 U.S.C.  
4 601(a)(1)) is amended by redesignating paragraphs (1)  
5 through (4) as paragraphs (2) through (5), respectively,  
6 and by inserting before paragraph (2) (as so redesignated)  
7 the following:

8 “(1) reduce poverty among children;”.

9 (b) STATE PLAN PROVISIONS.—

10 (1) MATTERS REQUIRED TO BE ADDRESSED.—  
11 Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is  
12 amended by adding at the end the following:

13 “(ix) GOALS AND METHODS FOR RE-  
14 DUCING CHILD POVERTY.—Reduce child  
15 poverty using Federal funds provided  
16 under this part and State funds, including  
17 establishing numerical goals for reducing  
18 child poverty.

19 “(x) GOALS AND TRACKING OF WORK  
20 OUTCOMES.—Track work-related outcomes  
21 for recipients of assistance under the pro-  
22 gram, such as employment entries, wages,  
23 and job retention, including establishing  
24 numerical goals for work-related outcomes  
25 for recipients.

1           “(xi) PROVIDE PREVENTATIVE SERV-  
2           ICES TO FAMILIES AT-RISK OF ABUSE OR  
3           NEGLECT.—Provide benefits and services  
4           to families at-risk of having their children  
5           removed from the home because of abuse  
6           and neglect, using Federal funds provided  
7           under this part and State funds.

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

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

14          “(c) PUBLIC AVAILABILITY.—

15                 “(1) IN GENERAL.—The State shall make avail-  
16                 able to the public, including by posting on a public  
17                 website of the State or another appropriate  
18                 website—

19                         “(A) each draft of any plan or plan  
20                         amendment to be submitted by the State under  
21                         this section, for at least 45 days before the sub-  
22                         mission; and

23                         “(B) any such plan or amendment certified  
24                         by the Secretary to be complete.

1           “(2) PROCEDURES.—The State shall establish  
2           procedures to receive and respond to comments from  
3           the public, private sector organizations, and local  
4           governments on any draft referred to in paragraph  
5           (1).”.

6           (c) ANNUAL PERFORMANCE REPORT.—Section 411  
7           (42 U.S.C. 611) is amended by adding at the end the fol-  
8           lowing:

9           “(e) ANNUAL PERFORMANCE REPORT BY STATES.—  
10          Not later than December 31 of each year, each eligible  
11          State shall submit to the Secretary (in accordance with  
12          such form and content rules as the Secretary, in consulta-  
13          tion with the National Governor’s Association, National  
14          Association of State Legislatures, and the American Pub-  
15          lic Human Services Association, develops) a report on the  
16          following aspects of the State program funded under this  
17          part in the preceding fiscal year:

18               “(1) Whether the State met the child poverty  
19               reduction goals set forth in the State plan. This part  
20               of the report shall include a discussion of the fac-  
21               tors, including benefits, services, and activities fund-  
22               ed with Federal funds provided under this part or  
23               State funds, which contributed to the meeting of, or  
24               the failure to meet, the goals.

1           “(2) Whether the work programs of the State  
2 were effective in meeting the objectives and numer-  
3 ical goals of the State plan. This part of the report  
4 shall include a discussion of data derived from the  
5 tracking of recipients, including—

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

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

10           “(C) the wage rates of those who left the  
11 program, including the percentage of leavers  
12 who, in each calendar quarter, earned an  
13 amount equal to at least 50 percent of the aver-  
14 age wage then paid in the State; and

15           “(D) the employment outcomes of those  
16 who left the program because of a durational  
17 limit on assistance, reported at 6 months, 12  
18 months, 24 months, and 36 months after leav-  
19 ing the program.

20           The Secretary shall provide States with technical as-  
21 sistance in preparing this part of the report, includ-  
22 ing by providing States with data from the National  
23 Directory of New Hires.

24           “(3) Whether the State has been effective in  
25 providing benefits and services under the program to

1 persons with disabilities. This part of the report  
2 shall include a report on recipients of assistance  
3 under the State program funded under this part who  
4 participated in work activities (as defined in section  
5 407(d)) pursuant to a modified employability plan  
6 due to disability, including the following:

7 “(A) The aggregate number of recipients  
8 with modified employability plans due to a dis-  
9 ability.

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

14 “(C) Information regarding the most prev-  
15 alent types of physical and mental impairments  
16 that provided the basis for the disability deter-  
17 minations.

18 “(D) The percentage of cases with a modi-  
19 fied employability plan in which the recipient  
20 had a disability, was caring for a child with a  
21 disability, or was caring for another family  
22 member with a disability.

23 “(E) A description of the most prevalent  
24 types of modification in work activities or hours

1 of participation that were included in the modi-  
2 fied employability plans.

3 “(F) A description of the qualifications of  
4 the staff who determined whether individuals  
5 had a disability, of the staff who determined  
6 that individuals needed modifications to their  
7 work requirements, and of the staff who devel-  
8 oped the modified employability plans.

9 “(4) The effectiveness of the benefits and serv-  
10 ices provided under the State program in reducing  
11 the number of children removed from their homes  
12 because of abuse and neglect. This part of the report  
13 shall include an analysis which includes the fol-  
14 lowing:

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

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

21 “(5) An analysis of the extent to which the ben-  
22 efits and services under the State program were pro-  
23 vided to noncustodial parents.

24 “(6) How funds provided to the State under  
25 this part, with a separate accounting for funds pro-

1 vided under section 403(a)(3) and funds provided  
2 under section 403(b), were used to serve areas of the  
3 State with the greatest need (as referred to in sec-  
4 tion 402(a)(1)(A)(i)). This part of the report shall  
5 include supporting data.”.

6 (d) ANNUAL REPORT TO CONGRESS ON THE EF-  
7 FORTS OF STATE PROGRAMS TO PROMOTE AND SUPPORT  
8 EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES.—  
9 Section 411 (42 U.S.C. 611), as amended by subsection  
10 (c) of this section, is amended by adding at the end the  
11 following:

12 “(f) REPORT BY SECRETARY.—Not later than July  
13 31 of each fiscal year, the Secretary shall submit to the  
14 Congress a report, entitled ‘Efforts in State TANF Pro-  
15 grams to Promote and Support Employment for Individ-  
16 uals with Disabilities’, that includes information on State  
17 efforts to engage individuals with disabilities in work ac-  
18 tivities during the preceding fiscal year. The report shall  
19 include the following information:

20 “(1) For each State, the number of individuals  
21 for whom the State has developed a modified em-  
22 ployability plan.

23 “(2) The types of physical and mental impair-  
24 ments that provided the basis for the disability de-  
25 termination, and whether the individual with the dis-

1 ability was an adult recipient or minor child head of  
2 household, a child, or a non-recipient family mem-  
3 ber.

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

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

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

14 (e) REPORT TO CONGRESS ON LEGISLATIVE OPTIONS  
15 TO REWARD STATES WITH HIGH EMPLOYMENT RATES  
16 AND HIGH RATES OF EMPLOYMENT AT GOOD WAGES.—  
17 Within 4 years after the effective date of this section, the  
18 Secretary of Health and Human Services shall submit to  
19 the Congress a report that sets forth options for the enact-  
20 ment of legislation to provide financial or other rewards  
21 to States that have high rates of employment and high  
22 rates of employment at good wages.

1 **SEC. 912. 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 serting “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, 2014.

3 **SEC. 913. 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 redesign-  
22                         ated), 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. 914. 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 section 10(a) of the Rewriting to Improve  
3       and Secure an Exit Out of Poverty Act took ef-  
4       fect)”:

5               (A) Section 452(a)(10)(C) (42 U.S.C.  
6               652(a)(10)(C)).

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

8               (C) Section 454(5)(A) (42 U.S.C.  
9               654(5)(A)).

10              (D) Section 456(a)(1) (42 U.S.C.  
11              656(a)(1)).

12              (E) Section 457(a)(2)(B)(i) (42 U.S.C.  
13              657(a)(2)(B)(i)).

14              (F) Section 457(a)(3)(A) (42 U.S.C.  
15              657(a)(3)(A)).

16              (G) Section 457(a)(3)(B) (42 U.S.C.  
17              657(a)(3)(B)).

18              (H) Section 464(a)(1) (42 U.S.C.  
19              664(a)(1)).

20              (I) Section 466(a)(3)(B) (42 U.S.C.  
21              666(a)(3)(B)).

22              (b) REQUIREMENT THAT ALL CHILD SUPPORT COL-  
23       LECTED ON BEHALF OF A CHILD IN A FAMILY RECEIVING  
24       TANF BE DISTRIBUTED TO THE FAMILY.—

1           (1) IN GENERAL.—Section 457 (42 U.S.C. 657)  
2       is amended—

3           (A) in subsection (c)(1), by striking  
4       “means—” and all that follows through “(B)  
5       foster” and inserting “means foster”; and

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

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

15          (2) CONFORMING AMENDMENTS.—Section  
16      458(b)(5)(C)(i)(I) (42 U.S.C. 658(b)(5)(C)(i)(I)) is  
17      amended—

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

21           (B) by striking “A or”.

1 **SEC. 915. 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. 916. 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. 917. 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, 2014, 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 1st day of the 1st calendar quarter be-  
14 ginning 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 X—EMPLOYMENT AD-**  
20 **VANCEMENT, RETENTION,**  
21 **AND NAVIGATION ACT**

22 **SEC. 1011. 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. 1012. MODIFICATION RELATING TO THE CONTIN-**  
23 **GENCY 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. 1013. 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. 1014. EFFECTIVE DATE.**

16 The amendments made by this title shall take effect  
17 on the date of the enactment of this title.

1 **TITLE XI—RESTORING SUPPLE-**  
2 **MENTAL NUTRITION ASSIST-**  
3 **ANCE PROGRAMS FUNDING**  
4 **CUTS INSTITUTED IN FARM**  
5 **BILL (HEAT-AND-EAT)**

6 **SEC. 1101. 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 XII—HELPING HUNGRY**  
19                           **STUDENTS LEARN**

20   **SEC. 1201. 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. 1202. 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 2014, 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 2014, no  
23 child shall be determined eligible for a re-  
24 duced price lunch.”.

1 **SEC. 1203. 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 2014,  
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 2014, 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 2014  
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 2014, 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. 1204. 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. 1205. 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 on-going 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, 2016, 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, 2018, 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.”.

1 **TITLE XIII—FOOD ASSISTANCE**  
2 **TO IMPROVE REINTEGRA-**  
3 **TION ACT**

4 **SEC. 1301. REPEAL OF DENIAL OF BENEFITS.**

5 Section 115 of the Personal Responsibility and Work  
6 Opportunity Reconciliation Act of 1996 (21 U.S.C. 862a)  
7 is amended—

8 (1) in subsection (a) by striking paragraph (2);

9 (2) in subsection (b) by striking paragraph (2);

10 and

11 (3) in subsection (e) by striking paragraph (2).

12 **DIVISION D—LABOR/JOB**  
13 **TRAINING**

14 **TITLE XV—ASSISTANCE FOR THE**  
15 **UNEMPLOYED AND PATH-**  
16 **WAYS BACK TO WORK**

17 **Subtitle A—Supporting**  
18 **Unemployed Workers**

19 **SEC. 1501. SHORT TITLE.**

20 This subtitle may be cited as the “Supporting Unem-  
21 ployed Workers Act of 2014”.

1 **PART I—EXTENSION OF EMERGENCY UNEMPLOY-**  
2 **MENT COMPENSATION AND CERTAIN EX-**  
3 **TENDED BENEFITS PROVISIONS, AND ESTAB-**  
4 **LISHMENT OF SELF-EMPLOYMENT ASSIST-**  
5 **ANCE PROGRAM**

6 **SEC. 1511. EXTENSION OF EMERGENCY UNEMPLOYMENT**  
7 **COMPENSATION PROGRAM.**

8 (a) **IN GENERAL.**—Section 4007 of the Supplemental  
9 Appropriations Act, 2008 (Public Law 110–252; 26  
10 U.S.C. 3304 note) is amended by striking “January 1,  
11 2014” and inserting “January 1, 2016”.

12 (b) **FUNDING.**—Section 4004(e)(1) of the Supple-  
13 mental Appropriations Act, 2008 (Public Law 110–252;  
14 26 U.S.C. 3304 note) is amended—

15 (1) in subparagraph (I), by striking “and” at  
16 the end;

17 (2) in subparagraph (J), by inserting “and” at  
18 the end; and

19 (3) by inserting after subparagraph (J) the fol-  
20 lowing:

21 “(K) the amendments made by section  
22 1511(a) of the Supporting Unemployed Work-  
23 ers Act of 2014; and”.

24 (c) **EFFECTIVE DATE.**—The amendments made by  
25 this section shall take effect as if included in the enact-  
26 ment of the Tax Relief, Unemployment Insurance Reau-

1 thORIZATION, and Job Creation Act of 2010 (Public Law  
2 111–312; 26 U.S.C. 3304 note).

3 **SEC. 1512. TEMPORARY EXTENSION OF EXTENDED BENEFIT**  
4 **PROVISIONS.**

5 (a) IN GENERAL.—Section 2005 of the Assistance for  
6 Unemployed Workers and Struggling Families Act, as  
7 contained in Public Law 111–5 (26 U.S.C. 3304 note),  
8 is amended—

9 (1) by striking “December 31, 2013” each  
10 place it appears and inserting “December 31,  
11 2015”; and

12 (2) in subsection (c), by striking “June 30,  
13 2014” and inserting “June 30, 2016”.

14 (b) EXTENSION OF MATCHING FOR STATES WITH  
15 NO WAITING WEEK.—Section 5 of the Unemployment  
16 Compensation Extension Act of 2008 (Public Law 110–  
17 449; 26 U.S.C. 3304 note) is amended by striking “June  
18 30, 2014” and inserting “June 30, 2016”.

19 (c) EXTENSION OF MODIFICATION OF INDICATORS  
20 UNDER THE EXTENDED BENEFIT PROGRAM.—Section  
21 203 of the Federal-State Extended Unemployment Com-  
22 pensation Act of 1970 (26 U.S.C. 3304 note) is amend-  
23 ed—

24 (1) in subsection (d), by striking “December  
25 31, 2013” and inserting “December 31, 2015”; and

1           (2) in subsection (f)(2), by striking “December  
2           31, 2013” and inserting “December 31, 2015”.

3           (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall take effect as if included in the enact-  
5 ment of the Tax Relief, Unemployment Insurance Reau-  
6 thorization, and Job Creation Act of 2010 (Public Law  
7 111–312; 26 U.S.C. 3304 note).

8 **SEC. 1513. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**  
9                           **FITS UNDER THE RAILROAD UNEMPLOY-**  
10                           **MENT INSURANCE ACT.**

11           (a) **EXTENSION.**—Section 2(c)(2)(D)(iii) of the Rail-  
12 road Unemployment Insurance Act (45 U.S.C.  
13 352(c)(2)(D)(iii)) is amended—

14                   (1) by striking “June 30, 2013” and inserting  
15                   “June 30, 2015”; and

16                   (2) by striking “December 31, 2013” and in-  
17                   serting “December 31, 2015”.

18           (b) **CLARIFICATION ON AUTHORITY TO USE**  
19 **FUNDS.**—Funds appropriated under either the first or  
20 second sentence of clause (iv) of section 2(c)(2)(D) of the  
21 Railroad Unemployment Insurance Act (45 U.S.C.  
22 352(c)(2)(D)) shall be available to cover the cost of addi-  
23 tional extended unemployment benefits provided under  
24 such section 2(c)(2)(D) by reason of the amendments  
25 made by subsection (a) as well as to cover the cost of such

1 benefits provided under such section 2(e)(2)(D), as in ef-  
2 fect on the day before the date of the enactment of this  
3 Act.

4 **PART II—REEMPLOYMENT NOW PROGRAM**

5 **SEC. 1521. ESTABLISHMENT OF REEMPLOYMENT NOW PRO-**  
6 **GRAM.**

7 (a) IN GENERAL.—There is established the Reem-  
8 ployment NOW program to be carried out by the Sec-  
9 retary of Labor in accordance with this part in order to  
10 facilitate the reemployment of individuals who are receiv-  
11 ing emergency unemployment compensation under title IV  
12 of the Supplemental Appropriations Act, 2008 (Public  
13 Law 110–252; 26 U.S.C. 3304 note) (hereafter in this  
14 part referred to as “EUC claimants”).

15 (b) AUTHORIZATION AND APPROPRIATION.—There  
16 are authorized to be appropriated \$4,000,000,000 for fis-  
17 cal year 2015 to carry out the Reemployment NOW pro-  
18 gram under this part.

19 **SEC. 1522. DISTRIBUTION OF FUNDS.**

20 (a) IN GENERAL.—Of the amount made available  
21 under section 1521(b) to carry out this part, the Secretary  
22 of Labor shall—

23 (1) reserve up to 1 percent for the costs of Fed-  
24 eral administration and for carrying out rigorous

1 evaluations of the activities conducted under this  
2 part; and

3 (2) allot the remainder of the funds not re-  
4 served under paragraph (1) in accordance with the  
5 requirements of subsection (b) and (c) to States that  
6 have approved plans under section 1523.

7 (b) ALLOTMENT FORMULA.—

8 (1) FORMULA FACTORS.—The Secretary of  
9 Labor shall allot the funds available under sub-  
10 section (a)(2) as follows—

11 (A) two-thirds of such funds shall be allot-  
12 ted on the basis of the relative number of un-  
13 employed individuals in each State, compared to  
14 the total number of unemployed individuals in  
15 all States; and

16 (B) one-third of such funds shall be allot-  
17 ted on the basis of the relative number of indi-  
18 viduals in each State who have been unem-  
19 ployed for 27 weeks or more, compared to the  
20 total number of individuals in all States who  
21 have been unemployed for 27 weeks or more.

22 (2) CALCULATION.—For purposes of paragraph  
23 (1), the number of unemployed individuals and the  
24 number of individuals unemployed for 27 weeks or

1 more shall be based on the data for the most recent  
2 12-month period, as determined by the Secretary.

3 (c) REALLOTMENT.—

4 (1) FAILURE TO SUBMIT STATE PLAN.—If a  
5 State does not submit a State plan by the time spec-  
6 ified in section 1523(b), or a State does not receive  
7 approval of a State plan, the amount the State  
8 would have been eligible to receive pursuant to the  
9 formula under subsection (b) shall be allotted to  
10 States that receive approval of the State plan under  
11 section 1523 in accordance with the relative allot-  
12 ments of such States as determined by the Secretary  
13 under subsection (b).

14 (2) FAILURE TO IMPLEMENT ACTIVITIES ON A  
15 TIMELY BASIS.—The Secretary of Labor may, in ac-  
16 cordance with procedures and criteria established by  
17 the Secretary, recapture the portion of the State al-  
18 lotment under this part that remains unobligated if  
19 the Secretary determines such funds are not being  
20 obligated at a rate sufficient to meet the purposes  
21 of this part. The Secretary shall reallocate such recap-  
22 tured funds to other States that are not subject to  
23 recapture in accordance with the relative share of  
24 the allotments of such States as determined by the  
25 Secretary under subsection (b).

1           (3) RECAPTURE OF FUNDS.—Funds recaptured  
2           under paragraph (2) shall be available for reobliga-  
3           tion not later than December 31, 2015.

4 **SEC. 1523. STATE PLAN.**

5           (a) IN GENERAL.—For a State to be eligible to re-  
6           ceive an allotment under section 1522, a State shall sub-  
7           mit to the Secretary of Labor a State plan in such form  
8           and containing such information as the Secretary may re-  
9           quire, which at a minimum shall include—

10           (1) a description of the activities to be carried  
11           out by the State to assist in the reemployment of eli-  
12           gible individuals to be served in accordance with this  
13           part, including which of the activities authorized in  
14           sections 1524–1528 the State intends to carry out  
15           and an estimate of the amounts the State intends to  
16           allocate to the activities, respectively;

17           (2) a description of the performance outcomes  
18           to be achieved by the State through the activities  
19           carried out under this part, including the employ-  
20           ment outcomes to be achieved by participants and  
21           the processes the State will use to track perform-  
22           ance, consistent with guidance provided by the Sec-  
23           retary of Labor regarding such outcomes and proc-  
24           esses;

1           (3) a description of coordination of activities to  
2 be carried out under this part with activities under  
3 title I of the Workforce Investment Act of 1998 (as  
4 in effect on the day before the date of enactment of  
5 the Workforce Innovation and Opportunity Act), the  
6 Wagner-Peyser Act, and other appropriate Federal  
7 programs;

8           (4) the timelines for implementation of the ac-  
9 tivities described in the plan and the number of  
10 EUC claimants expected to be enrolled in such ac-  
11 tivities by quarter;

12           (5) assurances that the State will participate in  
13 the evaluation activities carried out by the Secretary  
14 of Labor under this section;

15           (6) assurances that the State will provide ap-  
16 propriate reemployment services, including coun-  
17 seling, to any EUC claimant who participates in any  
18 of the programs authorized under this part; and

19           (7) assurances that the State will report such  
20 information as the Secretary may require relating to  
21 fiscal, performance and other matters, including em-  
22 ployment outcomes and effects, which the Secretary  
23 determines are necessary to effectively monitor the  
24 activities carried out under this part.

1           (b) **PLAN SUBMISSION AND APPROVAL.**—A State  
2 plan under this section shall be submitted to the Secretary  
3 of Labor for approval not later than 30 days after the  
4 Secretary issues guidance relating to submission of such  
5 plan. The Secretary shall approve such plans if the Sec-  
6 retary determines that the plans meet the requirements  
7 of this part and are appropriate and adequate to carry  
8 out the purposes of this part.

9           (c) **PLAN MODIFICATIONS.**—A State may submit  
10 modifications to a State plan that has been approved  
11 under this part, and the Secretary of Labor may approve  
12 such modifications, if the plan as modified would meet the  
13 requirements of this part and are appropriate and ade-  
14 quate to carry out the purposes of this part.

15 **SEC. 1524. BRIDGE TO WORK PROGRAM.**

16           (a) **IN GENERAL.**—A State may use funds allotted  
17 to the State under this part to establish and administer  
18 a Bridge to Work program described in this section.

19           (b) **DESCRIPTION OF PROGRAM.**—In order to in-  
20 crease individuals' opportunities to move to permanent  
21 employment, a State may establish a Bridge to Work pro-  
22 gram to provide an EUC claimant with short-term work  
23 experience placements with an eligible employer, during  
24 which time such individual—

1           (1) shall be paid emergency unemployment  
2           compensation payable under title IV of the Supple-  
3           mental Appropriations Act, 2008 (Public Law 110-  
4           252; 26 U.S.C. 3304 note), as wages for work per-  
5           formed, and as specified in subsection (c);

6           (2) shall be paid the additional amount de-  
7           scribed in subsection (e) as augmented wages for  
8           work performed; and

9           (3) may be paid compensation in addition to  
10          the amounts described in paragraphs (1) and (2) by  
11          a State or by a participating employer as wages for  
12          work performed.

13          (c) PROGRAM ELIGIBILITY AND OTHER REQUIRE-  
14          MENTS.—For purposes of this program—

15               (1) individuals who, except for the requirements  
16               described in paragraph (3), are eligible to receive  
17               emergency unemployment compensation payments  
18               under title IV of the Supplemental Appropriations  
19               Act, 2008 (Public Law 110-252; 26 U.S.C. 3304  
20               note), and who choose to participate in the program  
21               described in subsection (b), shall receive such pay-  
22               ments as wages for work performed during their vol-  
23               untary participation in the program described under  
24               subsection (b);

1           (2) the wages payable to individuals described  
2           in paragraph (1) shall be paid from the emergency  
3           unemployment compensation account for such indi-  
4           vidual as described in section 4002 of the Supple-  
5           mental Appropriations Act, 2008 (Public Law 110–  
6           252; 26 U.S.C. 3304 note), and the amount in such  
7           individual’s account shall be reduced accordingly;

8           (3) the wages payable to an individual described  
9           in paragraph (1) shall be payable in the same  
10          amount, at the same interval, on the same terms,  
11          and subject to the same conditions under title IV of  
12          the Supplemental Appropriations Act, 2008 (Public  
13          Law 110–252; 26 U.S.C. 3304 note), except that—

14               (A) State requirements applied under such  
15               Act relating to availability for work and active  
16               search for work are not applicable to such indi-  
17               viduals who participate for at least 25 hours  
18               per week in the program described in subsection  
19               (b) for the duration of such individual’s partici-  
20               pation in the program;

21               (B) State requirements applied under such  
22               Act relating to disqualifying income regarding  
23               wages earned shall not apply to such individuals  
24               who participate for at least 25 hours per week

1 in the program described in subsection (b), and  
2 shall not apply with respect to—

3 (i) the wages described under sub-  
4 section (b); and

5 (ii) any wages, in addition to those de-  
6 scribed under subsection (b), whether paid  
7 by a State or a participating employer for  
8 the same work activities;

9 (C) State prohibitions or limitations ap-  
10 plied under such Act relating to employment  
11 status shall not apply to such individuals who  
12 participate in the program described in sub-  
13 section (b); and

14 (D) State requirements applied under such  
15 Act relating to an individual's acceptance of an  
16 offer of employment shall not apply with regard  
17 to an offer of long-term employment from a  
18 participating employer made to such individual  
19 who is participating in the program described in  
20 subsection (b) in a work experience provided by  
21 such employer, where such long-term employ-  
22 ment is expected to commence or commences at  
23 the conclusion of the duration specified in para-  
24 graph (4)(A);

1           (4) the program shall be structured so that in-  
2           dividuals described in paragraph (1) may participate  
3           in the program for up to—

4                     (A) 8 weeks, and

5                     (B) 38 hours for each such week;

6           (5) a State shall ensure that all individuals par-  
7           ticipating in the program are covered by a workers'  
8           compensation insurance program; and

9           (6) the program meets such other requirements  
10          as the Secretary of Labor determines to be appro-  
11          priate in guidance issued by the Secretary.

12          (d) STATE REQUIREMENTS.—

13                 (1) CERTIFICATION OF ELIGIBLE EMPLOYER.—

14          A State may certify as eligible for participation in  
15          the program under this section any employer that  
16          meets the eligibility criteria as established in guid-  
17          ance by the Secretary of Labor, except that an em-  
18          ployer shall not be certified as eligible for participa-  
19          tion in the program described under subsection

20          (b)—

21                     (A) if such employer—

22                             (i) is a Federal, State, or local govern-  
23                             ment entity;

24                             (ii) would engage an eligible individual  
25                             in work activities under any employer's

1 grant, contract, or subcontract with a Fed-  
2 eral, State, or local government entity, ex-  
3 cept with regard to work activities under  
4 any employer's supply contract or sub-  
5 contract;

6 (iii) is delinquent with respect to any  
7 taxes or employer contributions described  
8 under sections 3301 and 3302(a)(1) of the  
9 Internal Revenue Code of 1986 or with re-  
10 spect to any related reporting require-  
11 ments;

12 (iv) is engaged in the business of sup-  
13 plying workers to other employers and  
14 would participate in the program for the  
15 purpose of supplying individuals partici-  
16 pating in the program to other employers;  
17 or

18 (v) has previously participated in the  
19 program and the State has determined  
20 that such employer has failed to abide by  
21 any of the requirements specified in sub-  
22 sections (h), (i), or (j), or by any other re-  
23 quirements that the Secretary may estab-  
24 lish for employers under subsection (c)(6);  
25 and

1 (B) unless such employer provides assur-  
2 ances that it has not displaced existing workers  
3 pursuant to the requirements of subsection (h).

4 (2) AUTHORIZED ACTIVITIES.—Funds allotted  
5 to a State under this part for the program—

6 (A) shall be used to—

7 (i) recruit employers for participation  
8 in the program;

9 (ii) review and certify employers iden-  
10 tified by eligible individuals seeking to par-  
11 ticipate in the program;

12 (iii) ensure that reemployment and  
13 counseling services are available for pro-  
14 gram participants, including services de-  
15 scribing the program under subsection (b),  
16 prior to an individual's participation in  
17 such program;

18 (iv) establish and implement processes  
19 to monitor the progress and performance  
20 of individual participants for the duration  
21 of the program;

22 (v) prevent misuse of the program;  
23 and

1           (vi) pay augmented wages to eligible  
2 individuals, if necessary, as described in  
3 subsection (e); and

4           (B) may be used—

5           (i) to pay workers' compensation in-  
6 surance premiums to cover all individuals  
7 participating in the program, except that,  
8 if a State opts not to make such payments  
9 directly to a State administered workers'  
10 compensation program, the State involved  
11 shall describe in the approved State plan  
12 the means by which such State shall en-  
13 sure workers' compensation or equivalent  
14 coverage for all individuals who participate  
15 in the program;

16           (ii) to pay compensation to a partici-  
17 pating individual that is in addition to the  
18 amounts described in subsections (c)(1)  
19 and (e) as wages for work performed;

20           (iii) to provide supportive services,  
21 such as transportation, child care, and de-  
22 pendent care, that would enable individuals  
23 to participate in the program;

24           (iv) for the administration and over-  
25 sight of the program; and

1                   (v) to fulfill additional program re-  
2                   quirements included in the approved State  
3                   plan.

4           (e) PAYMENT OF AUGMENTED WAGES IF NEC-  
5    ESSARY.—In the event that the wages described in sub-  
6    section (c)(1) are not sufficient to equal or exceed the min-  
7    imum wages that are required to be paid by an employer  
8    under section 6(a)(1) of the Fair Labor Standards Act  
9    of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or  
10   local minimum wage law, whichever is higher, a State shall  
11   pay augmented wages to a program participant in any  
12   amount necessary to cover the difference between—

- 13                   (1) such minimum wages amount; and  
14                   (2) the wages payable under subsection (c)(1).

15           (f) EFFECT OF WAGES ON ELIGIBILITY FOR OTHER  
16    PROGRAMS.—None of the wages paid under this section  
17    shall be considered as income for the purposes of deter-  
18    mining eligibility for and the amount of income transfer  
19    and in-kind aid furnished under any Federal or federally  
20    assisted program based on need.

21           (g) EFFECT OF WAGES, WORK ACTIVITIES, AND  
22    PROGRAM PARTICIPATION ON CONTINUING ELIGIBILITY  
23    FOR EMERGENCY UNEMPLOYMENT COMPENSATION.—  
24    Any wages paid under this section and any additional  
25    wages paid by an employer to an individual described in

1 subsection (c)(1), and any work activities performed by  
2 such individual as a participant in the program, shall not  
3 be construed so as to render such individual ineligible to  
4 receive emergency unemployment compensation under title  
5 IV of the Supplemental Appropriations Act, 2008 (Public  
6 Law 110–252; 26 U.S.C. 3304 note).

7 (h) NONDISPLACEMENT OF EMPLOYEES.—

8 (1) PROHIBITION.—An employer shall not use a  
9 program participant to displace (including a partial  
10 displacement, such as a reduction in the hours of  
11 non-overtime work, wages, or employment benefits)  
12 any current employee (as of the date of the partici-  
13 pation).

14 (2) OTHER PROHIBITIONS.—An employer shall  
15 not permit a program participant to perform work  
16 activities related to any job for which—

17 (A) any other individual is on layoff from  
18 the same or any substantially equivalent posi-  
19 tion;

20 (B) the employer has terminated the em-  
21 ployment of any employee or otherwise reduced  
22 the workforce of the employer with the inten-  
23 tion of filling or partially filling the vacancy so  
24 created with the work activities to be performed  
25 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).

8           (i) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—

9           An employer shall not, by means of assigning work activi-  
10          ties under this section, impair an existing contract for  
11          services or a collective bargaining agreement, and no such  
12          activity that would be inconsistent with the terms of a col-  
13          lective bargaining agreement shall be undertaken without  
14          the written concurrence of the labor organization that is  
15          signatory to the collective bargaining agreement.

16          (j) LIMITATION ON EMPLOYER PARTICIPATION.—If,

17          after 24 weeks of participation in the program, an em-  
18          ployer has not made an offer of suitable long-term employ-  
19          ment to any individual described under subsection (c)(1)  
20          who was placed with such employer and has completed the  
21          program, a State shall bar such employer from further  
22          participation in the program. States may impose addi-  
23          tional conditions on participating employers to ensure that  
24          an appropriate number of participants receive offers of  
25          suitable long-term employment.

1           (k) FAILURE TO MEET PROGRAM REQUIREMENTS.—  
2 If a State makes a determination based on information  
3 provided to the State, or acquired by the State by means  
4 of its administration and oversight functions, that a par-  
5 ticipating employer under this section has violated a re-  
6 quirement of this section, the State shall bar such em-  
7 ployer from further participation in the program. The  
8 State shall establish a process whereby an individual de-  
9 scribed in subsection (c)(1), or any other affected indi-  
10 vidual or entity, may file a complaint with the State relat-  
11 ing to a violation of any requirement or prohibition under  
12 this section.

13           (l) PARTICIPANT OPTION TO TERMINATE PARTICIPA-  
14 TION IN BRIDGE TO WORK PROGRAM.—

15           (1) TERMINATION.—An individual who is par-  
16 ticipating in a program described in subsection (b)  
17 may opt to discontinue participation in such pro-  
18 gram.

19           (2) CONTINUED ELIGIBILITY FOR EMERGENCY  
20 UNEMPLOYMENT COMPENSATION.—An individual  
21 who opts to discontinue participation in such pro-  
22 gram, is terminated from such program by a partici-  
23 pating employer, or who has completed participation  
24 in such program, and who continues to meet the eli-  
25 gibility requirements for emergency unemployment

1 compensation under title IV of the Supplemental  
2 Appropriations Act, 2008 (Public Law 110–252; 26  
3 U.S.C. 3304 note), shall receive emergency unem-  
4 ployment compensation payments with respect to  
5 subsequent weeks of unemployment, to the extent  
6 that amounts remain in the account established for  
7 such individual under section 4002(b) of such Act or  
8 to the extent that such individual commences receiv-  
9 ing the amounts described in subsections (c), (d), or  
10 (e) of such section, respectively.

11 (m) EFFECT OF OTHER LAWS.—Unless otherwise  
12 provided in this section, nothing in this section shall be  
13 construed to alter or affect the rights or obligations under  
14 any Federal, State, or local laws with respect to any indi-  
15 vidual described in subsection (c)(1) and with respect to  
16 any participating employer under this section.

17 (n) TREATMENT OF PAYMENTS.—All wages or other  
18 payments to an individual under this section shall be treat-  
19 ed as payments of unemployment compensation for pur-  
20 poses of section 209 of the Social Security Act (42 U.S.C.  
21 409) and for purposes of subtitle A and sections 3101,  
22 3111, and 3301 of the Internal Revenue Code of 1986.

1 **SEC. 1525. WAGE INSURANCE.**

2 (a) IN GENERAL.—A State may use the funds allot-  
3 ted to the State under this part to provide a wage insur-  
4 ance program for EUC claimants.

5 (b) BENEFITS.—The wage insurance program pro-  
6 vided under this section may use funds allotted to the  
7 State under this part to pay, for a period not to exceed  
8 2 years, to a worker described in subsection (c), up to 50  
9 percent of the difference between—

10 (1) the wages received by the worker at the  
11 time of separation; and

12 (2) the wages received by the worker for reem-  
13 ployment.

14 (c) INDIVIDUAL ELIGIBILITY.—The benefits de-  
15 scribed in subsection (b) may be paid to an individual who  
16 is an EUC claimant at the time such individual obtains  
17 reemployment and who—

18 (1) is at least 50 years of age;

19 (2) earns not more than \$50,000 per year in  
20 wages from reemployment;

21 (3) is employed on a full-time basis as defined  
22 by the law of the State; and

23 (4) is not employed by the employer from which  
24 the individual was last separated.

25 (d) TOTAL AMOUNT OF PAYMENTS.—A State shall  
26 establish a maximum amount of payments per individual

1 for purposes of payments described in subsection (b) dur-  
2 ing the eligibility period described in such subsection.

3 (e) NON-DISCRIMINATION REGARDING WAGES.—An  
4 employer shall not pay a worker described in subsection  
5 (c) less than such employer pays to a regular worker in  
6 the same or substantially equivalent position.

7 **SEC. 1526. ENHANCED REEMPLOYMENT STRATEGIES.**

8 (a) IN GENERAL.—A State may use funds allotted  
9 under this part to provide a program of enhanced reem-  
10 ployment services to EUC claimants. In addition to the  
11 provision of services to such claimants, the program may  
12 include the provision of reemployment services to individ-  
13 uals who are unemployed and have exhausted their rights  
14 to emergency unemployment compensation under title IV  
15 of the Supplemental Appropriations Act, 2008 (Public  
16 Law 110–252; 26 U.S.C. 3304 note). The program shall  
17 provide reemployment services that are more intensive  
18 than the reemployment services provided by the State  
19 prior to the receipt of the allotment under this part.

20 (b) TYPES OF SERVICES.—The enhanced reemploy-  
21 ment services described in subsection (a) may include serv-  
22 ices such as—

23 (1) assessments, counseling, and other intensive  
24 services that are provided by staff on a one-to-one  
25 basis and may be customized to meet the reemploy-

1 ment needs of EUC claimants and individuals de-  
2 scribed in subsection (a);

3 (2) comprehensive assessments designed to  
4 identify alternative career paths;

5 (3) case management;

6 (4) reemployment services that are provided  
7 more frequently and more intensively than such re-  
8 employment services have previously been provided  
9 by the State; and

10 (5) services that are designed to enhance com-  
11 munication skills, interviewing skills, and other skills  
12 that would assist in obtaining reemployment.

13 **SEC. 1527. SELF-EMPLOYMENT PROGRAMS.**

14 A State may use funds allotted to the State under  
15 this part, in an amount specified under an approved State  
16 plan, for the administrative costs associated with starting  
17 up the self-employment assistance program described in  
18 section 4001(i) of the Supplemental Appropriations Act,  
19 2008 (Public Law 110–252; 26 U.S.C. 3304 note).

20 **SEC. 1528. ADDITIONAL INNOVATIVE PROGRAMS.**

21 (a) IN GENERAL.—A State may use funds allotted  
22 under this part to provide a program for innovative activi-  
23 ties, which use a strategy that is different from the reem-  
24 ployment strategies described in sections 1524–1527 and  
25 which are designed to facilitate the reemployment of EUC

1 claimants. In addition to the provision of activities to such  
2 claimants, the program may include the provision of activi-  
3 ties to individuals who are unemployed and have exhausted  
4 their rights to emergency unemployment compensation  
5 under title IV of the Supplemental Appropriations Act,  
6 2008 (Public Law 110–252; 26 U.S.C. 3304 note).

7 (b) CONDITIONS.—The innovative activities approved  
8 in accordance with subsection (a)—

9 (1) shall directly benefit EUC claimants and, if  
10 applicable, individuals described in subsection (a), ei-  
11 ther as a benefit paid to such claimant or individual  
12 or as a service provided to such claimant or indi-  
13 vidual;

14 (2) shall not result in a reduction in the dura-  
15 tion or amount of, emergency unemployment com-  
16 pensation for which EUC claimants would otherwise  
17 be eligible;

18 (3) shall not include a reduction in the dura-  
19 tion, amount of or eligibility for regular compensa-  
20 tion or extended benefits;

21 (4) shall not be used to displace (including a  
22 partial displacement, such as a reduction in the  
23 hours of non-overtime work, wages, or employment  
24 benefits) any currently employed employee (as of the  
25 date of the participation) or allow a program partici-

1       pant to perform work activities related to any job for  
2       which—

3               (A) any other individual is on layoff from  
4       the same or any substantially equivalent job;

5               (B) the employer has terminated the em-  
6       ployment of any regular employee or otherwise  
7       reduced the workforce of the employer with the  
8       intention of filling or partially filling the va-  
9       cancy so created with the work activities to be  
10      performed by a program participant;

11              (C) there is a strike or lock out at the  
12      worksite that is the participant's place of em-  
13      ployment; or

14              (D) the job is created in a manner that  
15      will infringe in any way upon the promotional  
16      opportunities of currently employed individuals  
17      (as of the date of the participation); and

18              (5) shall not be in violation of any Federal,  
19      State, or local law.

20      **SEC. 1529. GUIDANCE AND ADDITIONAL REQUIREMENTS.**

21              The Secretary of Labor may establish through guid-  
22      ance, without regard to the requirements of section 553  
23      of title 5, United States Code, such additional require-  
24      ments, including requirements regarding the allotment, re-  
25      capture, and reallocation of funds, and reporting require-

1 ments, as the Secretary determines to be necessary to en-  
2 sure fiscal integrity, effective monitoring, and appropriate  
3 and prompt implementation of the activities under this  
4 Act.

5 **SEC. 1530. REPORT OF INFORMATION AND EVALUATIONS**  
6 **TO CONGRESS AND THE PUBLIC.**

7 The Secretary of Labor shall provide to the appro-  
8 priate Committees of the Congress and make available to  
9 the public the information reported pursuant to section  
10 1529 and the evaluations of activities carried out pursuant  
11 to the funds reserved under section 1522(a)(1).

12 **SEC. 1531. STATE.**

13 For purposes of this part, the term “State” has the  
14 meaning given that term in section 205 of the Federal-  
15 State Extended Unemployment Compensation Act of 1970  
16 (26 U.S.C. 3304 note).

17 **PART III—SHORT-TIME COMPENSATION**  
18 **PROGRAM**

19 **SEC. 1541. TEMPORARY FINANCING OF SHORT-TIME COM-**  
20 **PENSATION PAYMENTS IN STATES WITH PRO-**  
21 **GRAMS IN LAW.**

22 (a) PAYMENTS TO STATES.—

23 (1) IN GENERAL.—Subject to paragraph (3),  
24 there shall be paid to a State an amount equal to  
25 100 percent of the amount of short-time compensa-

1       tion paid under a short-time compensation program  
2       (as defined in section 3306(v) of the Internal Rev-  
3       enue Code of 1986) under the provisions of the  
4       State law.

5           (2) TERMS OF PAYMENTS.—Payments made to  
6       a State under paragraph (1) shall be payable by way  
7       of reimbursement in such amounts as the Secretary  
8       estimates the State will be entitled to receive under  
9       this section for each calendar month, reduced or in-  
10      creased, as the case may be, by any amount by  
11      which the Secretary finds that the Secretary’s esti-  
12      mates for any prior calendar month were greater or  
13      less than the amounts which should have been paid  
14      to the State. Such estimates may be made on the  
15      basis of such statistical, sampling, or other method  
16      as may be agreed upon by the Secretary and the  
17      State agency of the State involved.

18           (3) LIMITATIONS ON PAYMENTS.—

19           (A) GENERAL PAYMENT LIMITATIONS.—

20       No payments shall be made to a State under  
21       this section for short-time compensation paid to  
22       an individual by the State during a benefit year  
23       in excess of 26 times the amount of regular  
24       compensation (including dependents’ allow-

1           ances) under the State law payable to such in-  
2           dividual for a week of total unemployment.

3           (B) EMPLOYER LIMITATIONS.—No pay-  
4           ments shall be made to a State under this sec-  
5           tion for benefits paid to an individual by the  
6           State under a short-time compensation program  
7           if such individual is employed by the partici-  
8           pating employer on a seasonal, temporary, or  
9           intermittent basis.

10       (b) APPLICABILITY.—

11           (1) IN GENERAL.—Payments to a State under  
12           subsection (a) shall be available for weeks of unem-  
13           ployment—

14           (A) beginning on or after the date of the  
15           enactment of this Act; and

16           (B) ending on or before the date that is 3  
17           years and 6 months after the date of the enact-  
18           ment of this Act.

19           (2) THREE-YEAR FUNDING LIMITATION FOR  
20           COMBINED PAYMENTS UNDER THIS SECTION AND  
21           SECTION 1543.—States may receive payments under  
22           this section and section 1543 with respect to a total  
23           of not more than 156 weeks.

24           (c) TWO-YEAR TRANSITION PERIOD FOR EXISTING  
25           PROGRAMS.—During any period that the transition provi-

1 sion under section 1541(a)(3) is applicable to a State with  
2 respect to a short-time compensation program, such State  
3 shall be eligible for payments under this section. Subject  
4 to paragraphs (1)(B) and (2) of subsection (b), if at any  
5 point after the date of the enactment of this Act the State  
6 enacts a State law providing for the payment of short-  
7 time compensation under a short-time compensation pro-  
8 gram that meets the definition of such a program under  
9 section 3306(v) of the Internal Revenue Code of 1986, the  
10 State shall be eligible for payments under this section  
11 after the effective date of such enactment.

12 (d) FUNDING AND CERTIFICATIONS.—

13 (1) FUNDING.—There are appropriated, out of  
14 moneys in the Treasury not otherwise appropriated,  
15 such sums as may be necessary for purposes of car-  
16 rying out this section.

17 (2) CERTIFICATIONS.—The Secretary shall  
18 from time to time certify to the Secretary of the  
19 Treasury for payment to each State the sums pay-  
20 able to such State under this section.

21 (e) DEFINITIONS.—In this section:

22 (1) SECRETARY.—The term “Secretary” means  
23 the Secretary of Labor.

24 (2) STATE; STATE AGENCY; STATE LAW.—The  
25 terms “State”, “State agency”, and “State law”

1 have the meanings given those terms in section 205  
2 of the Federal-State Extended Unemployment Com-  
3 pensation Act of 1970 (26 U.S.C. 3304 note).

4 **SEC. 1542. TEMPORARY FINANCING OF SHORT-TIME COM-**  
5 **PENSATION AGREEMENTS.**

6 (a) FEDERAL-STATE AGREEMENTS.—

7 (1) IN GENERAL.—Any State which desires to  
8 do so may enter into, and participate in, an agree-  
9 ment under this section with the Secretary provided  
10 that such State's law does not provide for the pay-  
11 ment of short-time compensation under a short-time  
12 compensation program (as defined in section  
13 3306(v) of the Internal Revenue Code of 1986).

14 (2) ABILITY TO TERMINATE.—Any State which  
15 is a party to an agreement under this section may,  
16 upon providing 30 days' written notice to the Sec-  
17 retary, terminate such agreement.

18 (b) PROVISIONS OF FEDERAL-STATE AGREEMENT.—

19 (1) IN GENERAL.—Any agreement under this  
20 section shall provide that the State agency of the  
21 State will make payments of short-time compensa-  
22 tion under a plan approved by the State. Such plan  
23 shall provide that payments are made in accordance  
24 with the requirements under section 3306(v) of the  
25 Internal Revenue Code of 1986.

1 (2) LIMITATIONS ON PLANS.—

2 (A) GENERAL PAYMENT LIMITATIONS.—A  
3 short-time compensation plan approved by a  
4 State shall not permit the payment of short-  
5 time compensation to an individual by the State  
6 during a benefit year in excess of 26 times the  
7 amount of regular compensation (including de-  
8 pendents' allowances) under the State law pay-  
9 able to such individual for a week of total un-  
10 employment.

11 (B) EMPLOYER LIMITATIONS.—A short-  
12 time compensation plan approved by a State  
13 shall not provide payments to an individual if  
14 such individual is employed by the participating  
15 employer on a seasonal, temporary, or intermit-  
16 tent basis.

17 (3) EMPLOYER PAYMENT OF COSTS.—Any  
18 short-time compensation plan entered into by an em-  
19 ployer must provide that the employer will pay the  
20 State an amount equal to one-half of the amount of  
21 short-time compensation paid under such plan. Such  
22 amount shall be deposited in the State's unemploy-  
23 ment fund and shall not be used for purposes of cal-  
24 culating an employer's contribution rate under sec-

1       tion 3303(a)(1) of the Internal Revenue Code of  
2       1986.

3       (c) PAYMENTS TO STATES.—

4           (1) IN GENERAL.—There shall be paid to each  
5       State with an agreement under this section an  
6       amount equal to—

7           (A) one-half of the amount of short-time  
8       compensation paid to individuals by the State  
9       pursuant to such agreement; and

10          (B) any additional administrative expenses  
11       incurred by the State by reason of such agree-  
12       ment (as determined by the Secretary).

13          (2) TERMS OF PAYMENTS.—Payments made to  
14       a State under paragraph (1) shall be payable by way  
15       of reimbursement in such amounts as the Secretary  
16       estimates the State will be entitled to receive under  
17       this section for each calendar month, reduced or in-  
18       creased, as the case may be, by any amount by  
19       which the Secretary finds that the Secretary's esti-  
20       mates for any prior calendar month were greater or  
21       less than the amounts which should have been paid  
22       to the State. Such estimates may be made on the  
23       basis of such statistical, sampling, or other method  
24       as may be agreed upon by the Secretary and the  
25       State agency of the State involved.

1           (3) FUNDING.—There are appropriated, out of  
2           moneys in the Treasury not otherwise appropriated,  
3           such sums as may be necessary for purposes of car-  
4           rying out this section.

5           (4) CERTIFICATIONS.—The Secretary shall  
6           from time to time certify to the Secretary of the  
7           Treasury for payment to each State the sums pay-  
8           able to such State under this section.

9           (d) APPLICABILITY.—

10           (1) IN GENERAL.—An agreement entered into  
11           under this section shall apply to weeks of unemploy-  
12           ment—

13                   (A) beginning on or after the date on  
14                   which such agreement is entered into; and

15                   (B) ending on or before the date that is 2  
16                   years and 13 weeks after the date of the enact-  
17                   ment of this Act.

18           (2) TWO-YEAR FUNDING LIMITATION.—States  
19           may receive payments under this section with re-  
20           spect to a total of not more than 104 weeks.

21           (e) SPECIAL RULE.—If a State has entered into an  
22           agreement under this section and subsequently enacts a  
23           State law providing for the payment of short-time com-  
24           pensation under a short-time compensation program that  
25           meets the definition of such a program under section

1 3306(v) of the Internal Revenue Code of 1986, the  
2 State—

3 (1) shall not be eligible for payments under this  
4 section for weeks of unemployment beginning after  
5 the effective date of such State law; and

6 (2) subject to paragraphs (1)(B) and (2) of sec-  
7 tion 1542(b), shall be eligible to receive payments  
8 under section 1542 after the effective date of such  
9 State law.

10 (f) DEFINITIONS.—In this section:

11 (1) SECRETARY.—The term “Secretary” means  
12 the Secretary of Labor.

13 (2) STATE; STATE AGENCY; STATE LAW.—The  
14 terms “State”, “State agency”, and “State law”  
15 have the meanings given those terms in section 205  
16 of the Federal-State Extended Unemployment Com-  
17 pensation Act of 1970 (26 U.S.C. 3304 note).

18 **SEC. 1543. GRANTS FOR SHORT-TIME COMPENSATION PRO-**

19 **GRAMS.**

20 (a) GRANTS.—

21 (1) FOR IMPLEMENTATION OR IMPROVED AD-  
22 MINISTRATION.—The Secretary shall award grants  
23 to States that enact short-time compensation pro-  
24 grams (as defined in subsection (i)(2)) for the pur-

1       pose of implementation or improved administration  
2       of such programs.

3               (2) FOR PROMOTION AND ENROLLMENT.—The  
4       Secretary shall award grants to States that are eligi-  
5       ble and submit plans for a grant under paragraph  
6       (1) for such States to promote and enroll employers  
7       in short-time compensation programs (as so de-  
8       fined).

9               (3) ELIGIBILITY.—

10              (A) IN GENERAL.—The Secretary shall de-  
11       termine eligibility criteria for the grants under  
12       paragraph (1) and (2).

13              (B) CLARIFICATION.—A State admin-  
14       istering a short-time compensation program, in-  
15       cluding a program being administered by a  
16       State that is participating in the transition  
17       under the provisions of sections 1541(a)(3) and  
18       1542(c), that does not meet the definition of a  
19       short-time compensation program under section  
20       3306(v) of the Internal Revenue Code of 1986,  
21       and a State with an agreement under section  
22       1543, shall not be eligible to receive a grant  
23       under this section until such time as the State  
24       law of the State provides for payments under a

1 short-time compensation program that meets  
2 such definition and such law.

3 (b) AMOUNT OF GRANTS.—

4 (1) IN GENERAL.—The maximum amount avail-  
5 able for making grants to a State under paragraphs  
6 (1) and (2) shall be equal to the amount obtained  
7 by multiplying \$700,000,000 (less the amount used  
8 by the Secretary under subsection (e)) by the same  
9 ratio as would apply under subsection (a)(2)(B) of  
10 section 903 of the Social Security Act (42 U.S.C.  
11 1103) for purposes of determining such State's  
12 share of any excess amount (as described in sub-  
13 section (a)(1) of such section) that would have been  
14 subject to transfer to State accounts, as of October  
15 1, 2013, under the provisions of subsection (a) of  
16 such section.

17 (2) AMOUNT AVAILABLE FOR DIFFERENT  
18 GRANTS.—Of the maximum incentive payment deter-  
19 mined under paragraph (1) with respect to a  
20 State—

21 (A) one-third shall be available for a grant  
22 under subsection (a)(1); and

23 (B) two-thirds shall be available for a  
24 grant under subsection (a)(2).

25 (c) GRANT APPLICATION AND DISBURSAL.—

1           (1) APPLICATION.—Any State seeking a grant  
2           under paragraph (1) or (2) of subsection (a) shall  
3           submit an application to the Secretary at such time,  
4           in such manner, and complete with such information  
5           as the Secretary may require. In no case may the  
6           Secretary award a grant under this section with re-  
7           spect to an application that is submitted after De-  
8           cember 31, 2014.

9           (2) NOTICE.—The Secretary shall, within 30  
10          days after receiving a complete application, notify  
11          the State agency of the State of the Secretary’s find-  
12          ings with respect to the requirements for a grant  
13          under paragraph (1) or (2) (or both) of subsection  
14          (a).

15          (3) CERTIFICATION.—If the Secretary finds  
16          that the State law provisions meet the requirements  
17          for a grant under subsection (a), the Secretary shall  
18          thereupon make a certification to that effect to the  
19          Secretary of the Treasury, together with a certifi-  
20          cation as to the amount of the grant payment to be  
21          transferred to the State account in the Unemploy-  
22          ment Trust Fund (as established in section 904(a)  
23          of the Social Security Act (42 U.S.C. 1104(a))) pur-  
24          suant to that finding. The Secretary of the Treasury  
25          shall make the appropriate transfer to the State ac-

1 count within 7 days after receiving such certifi-  
2 cation.

3 (4) REQUIREMENT.—No certification of compli-  
4 ance with the requirements for a grant under para-  
5 graph (1) or (2) of subsection (a) may be made with  
6 respect to any State whose—

7 (A) State law is not otherwise eligible for  
8 certification under section 303 of the Social Se-  
9 curity Act (42 U.S.C. 503) or approvable under  
10 section 3304 of the Internal Revenue Code of  
11 1986; or

12 (B) short-time compensation program is  
13 subject to discontinuation or is not scheduled to  
14 take effect within 12 months of the certifi-  
15 cation.

16 (d) USE OF FUNDS.—The amount of any grant  
17 awarded under this section shall be used for the implemen-  
18 tation of short-time compensation programs and the over-  
19 all administration of such programs and the promotion  
20 and enrollment efforts associated with such programs,  
21 such as through—

22 (1) the creation or support of rapid response  
23 teams to advise employers about alternatives to lay-  
24 offs;

1           (2) the provision of education or assistance to  
2           employers to enable them to assess the feasibility of  
3           participating in short-time compensation programs;  
4           and

5           (3) the development or enhancement of systems  
6           to automate—

7                   (A) the submission and approval of plans;  
8                   and

9                   (B) the filing and approval of new and on-  
10                   going short-time compensation claims.

11           (e) ADMINISTRATION.—The Secretary is authorized  
12           to use 0.25 percent of the funds available under subsection  
13           (g) to provide for outreach and to share best practices with  
14           respect to this section and short-time compensation pro-  
15           grams.

16           (f) RECOUPMENT.—The Secretary shall establish a  
17           process under which the Secretary shall recoup the  
18           amount of any grant awarded under paragraph (1) or (2)  
19           of subsection (a) if the Secretary determines that, during  
20           the 5-year period beginning on the first date that any such  
21           grant is awarded to the State, the State—

22                   (1) terminated the State’s short-time compensa-  
23                   tion program; or

1           (2) failed to meet appropriate requirements  
2           with respect to such program (as established by the  
3           Secretary).

4           (g) FUNDING.—There are appropriated, out of mon-  
5           eys in the Treasury not otherwise appropriated, to the  
6           Secretary, \$700,000,000 to carry out this section, to re-  
7           main available without fiscal year limitation.

8           (h) REPORTING.—The Secretary may establish re-  
9           porting requirements for States receiving a grant under  
10          this section in order to provide oversight of grant funds.

11          (i) DEFINITIONS.—In this section:

12           (1) SECRETARY.—The term “Secretary” means  
13           the Secretary of Labor.

14           (2) SHORT-TIME COMPENSATION PROGRAM.—  
15           The term “short-time compensation program” has  
16           the meaning given such term in section 3306(v) of  
17           the Internal Revenue Code of 1986.

18           (3) STATE; STATE AGENCY; STATE LAW.—The  
19           terms “State”, “State agency”, and “State law”  
20           have the meanings given those terms in section 205  
21           of the Federal-State Extended Unemployment Com-  
22           pensation Act of 1970 (26 U.S.C. 3304 note).

1 **SEC. 1544. ASSISTANCE AND GUIDANCE IN IMPLEMENTING**  
2 **PROGRAMS.**

3 (a) **IN GENERAL.**—In order to assist States in estab-  
4 lishing, qualifying, and implementing short-time com-  
5 pensation programs (as defined in section 3306(v) of the  
6 Internal Revenue Code of 1986), the Secretary of Labor  
7 (in this section referred to as the “Secretary”) shall—

8 (1) develop model legislative language which  
9 may be used by States in developing and enacting  
10 such programs and periodically review and revise  
11 such model legislative language;

12 (2) provide technical assistance and guidance in  
13 developing, enacting, and implementing such pro-  
14 grams; and

15 (3) establish reporting requirements for States,  
16 including reporting on—

17 (A) the number of estimated averted lay-  
18 offs;

19 (B) the number of participating employers  
20 and workers; and

21 (C) such other items as the Secretary of  
22 Labor determines are appropriate.

23 (b) **MODEL LANGUAGE AND GUIDANCE.**—The model  
24 language and guidance developed under subsection (a)  
25 shall allow sufficient flexibility by States and participating

1 employers while ensuring accountability and program in-  
2 tegrity.

3 (c) CONSULTATION.—In developing the model legisla-  
4 tive language and guidance under subsection (a), and in  
5 order to meet the requirements of subsection (b), the Sec-  
6 retary shall consult with employers, labor organizations,  
7 State workforce agencies, and other program experts.

8 **SEC. 1545. REPORTS.**

9 (a) REPORTS.—

10 (1) IN GENERAL.—Not later than 4 years after  
11 the date of the enactment of this Act, the Secretary  
12 of Labor shall submit to Congress and to the Presi-  
13 dent a report or reports on the implementation of  
14 the provisions of this Act.

15 (2) REQUIREMENTS.—Any report under para-  
16 graph (1) shall at a minimum include the following:

17 (A) A description of best practices by  
18 States and employers in the administration,  
19 promotion, and use of short-time compensation  
20 programs (as defined in section 3306(v) of the  
21 Internal Revenue Code of 1986).

22 (B) An analysis of the significant chal-  
23 lenges to State enactment and implementation  
24 of short-time compensation programs.

1 (C) A survey of employers in States that  
2 have not enacted a short-time compensation  
3 program or entered into an agreement with the  
4 Secretary on a short-time compensation plan to  
5 determine the level of interest among such em-  
6 ployers in participating in short-time compensa-  
7 tion programs.

8 (b) FUNDING.—There are appropriated, out of any  
9 moneys in the Treasury not otherwise appropriated, to the  
10 Secretary of Labor, \$1,500,000 to carry out this section,  
11 to remain available without fiscal year limitation.

12 **Subtitle B—Long-Term**  
13 **Unemployed Hiring Preferences**

14 **SEC. 1551. LONG-TERM UNEMPLOYED WORKERS WORK OP-**  
15 **PORTUNITY TAX CREDITS.**

16 (a) IN GENERAL.—Paragraph (3) of section 51(b) of  
17 the Internal Revenue Code is amended by inserting  
18 “\$10,000 per year in the case of any individual who is  
19 a qualified long-term unemployed individual by reason of  
20 subsection (d)(11), and” before “\$12,000 per year”.

21 (b) LONG-TERM UNEMPLOYED INDIVIDUALS TAX  
22 CREDITS.—Subsection (d) of section 51 of the Internal  
23 Revenue Code is amended—

24 (1) in paragraph (1), by striking “or” at the  
25 end of subparagraph (H), by striking the period at

1 the end of subparagraph (I) and inserting “, or”,  
2 and by inserting after subparagraph (I) the fol-  
3 lowing:

4 “(J) a qualified long-term unemployed in-  
5 dividual.”, and

6 (2) by redesignating paragraphs (11) through  
7 (14) as paragraphs (12) through (15), respectively,  
8 and by inserting after paragraph (10) the following  
9 new paragraph:

10 “(11) QUALIFIED LONG-TERM UNEMPLOYED  
11 INDIVIDUAL.—

12 “(A) IN GENERAL.—The term ‘qualified  
13 long-term unemployed individual’ means any in-  
14 dividual who was not a student for at least 6  
15 months during the 1-year period ending on the  
16 hiring date and is certified by the designated  
17 local agency as having aggregate periods of un-  
18 employment during the 1-year period ending on  
19 the hiring date which equal or exceed 6 months.

20 “(B) STUDENT.—For purposes of this sub-  
21 section, a student is an individual enrolled at  
22 least half-time in a program that leads to a de-  
23 gree, certificate, or other recognized educational  
24 credential for at least 6 months whether or not

1 consecutive during the 1-year period ending on  
2 the hiring date.”.

3 (c) SIMPLIFIED CERTIFICATION.—Section 51(d) of  
4 the Internal Revenue Code, as amended by subsection (b),  
5 is amended by adding at the end the following new para-  
6 graph:

7 “(16) CREDIT ALLOWED FOR QUALIFIED LONG-  
8 TERM UNEMPLOYED INDIVIDUALS.—

9 “(A) IN GENERAL.—Any qualified long-  
10 term unemployed individual under paragraph  
11 (11) will be treated as certified by the des-  
12 ignated local agency as having aggregate peri-  
13 ods of unemployment if the individual is cer-  
14 tified by the designated local agency as being in  
15 receipt of unemployment compensation under  
16 State or Federal law for not less than 6 months  
17 during the 1-year period ending on the hiring  
18 date.

19 “(B) REGULATORY AUTHORITY.—The Sec-  
20 retary in his discretion may provide alternative  
21 methods for certification.”.

22 (d) CREDIT MADE AVAILABLE TO TAX-EXEMPT EM-  
23 PLOYERS IN CERTAIN CIRCUMSTANCES.—Section 3111(e)  
24 of the Internal Revenue Code is amended—

1           (1) in the heading for the subsection is amend-  
2           ed by inserting “AND QUALIFIED LONG-TERM UN-  
3           EMPLOYED INDIVIDUALS” after “QUALIFIED VET-  
4           ERANS”,

5           (2) in paragraph (1) by inserting “or qualified  
6           long-term unemployed individual” after “qualified  
7           veteran”,

8           (3) in paragraph (2) by inserting “and qualified  
9           long-term unemployed individuals” after “qualified  
10          veterans”,

11          (4) in paragraph (3)(C) by inserting “and  
12          qualified long-term unemployed individual, as the  
13          case may be,” after “qualified veteran”,

14          (5) in paragraph (4) by inserting “or qualified  
15          long-term unemployed individual” after “qualified  
16          veteran” both places it appears, and

17          (6) in paragraph (5) by striking “and” at the  
18          end of subparagraph (A), by striking the period at  
19          the end of subparagraph (B) and inserting “, and”,  
20          and by adding at the end the following:

21                 “(C) the term ‘qualified long-term unem-  
22                 ployed individual’ has meaning given such term  
23                 by section 51(d)(11).”.

1 (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to individuals who begin work for  
3 the employer after the date of the enactment of this Act.

4 **Subtitle C—Pathways Back to**  
5 **Work**

6 **SEC. 1561. SHORT TITLE.**

7 This subtitle may be cited as the “Pathways Back  
8 to Work Act of 2014”.

9 **SEC. 1562. AUTHORIZATION OF APPROPRIATIONS.**

10 There is authorized to be appropriated to the Sec-  
11 retary of Labor \$5,000,000,000 to carry out this subtitle.

12 **SEC. 1563. AVAILABILITY OF FUNDS.**

13 (a) IN GENERAL.—Of the amounts available under  
14 section 1562(b), the Secretary of Labor shall—

15 (1) allot \$2,000,000,000 in accordance with  
16 section 1564 to provide subsidized employment to  
17 unemployed, low-income adults;

18 (2) allot \$1,500,000,000 in accordance with  
19 section 1565 to provide summer and year-round em-  
20 ployment opportunities to low-income youth; and

21 (3) award \$1,500,000,000 in competitive grants  
22 in accordance with section 1566 to local entities to  
23 carry out work-based training and other work-re-  
24 lated and educational strategies and activities of  
25 demonstrated effectiveness to unemployed, low-in-

1       come adults and low-income youth to provide the  
2       skills and assistance needed to obtain employment.

3       (b) RESERVATION.—The Secretary of Labor may re-  
4       serve not more than 1 percent of amounts available under  
5       each of paragraphs (1) through (3) of subsection (a) for  
6       the costs of technical assistance, evaluations and Federal  
7       administration of this Act.

8       (c) PERIOD OF AVAILABILITY.—The amounts appro-  
9       priated under this Act shall be available for obligation by  
10      the Secretary of Labor until December 31, 2014, and shall  
11      be available for expenditure by grantees and subgrantees  
12      until September 30, 2015.

13      **SEC. 1564. SUBSIDIZED EMPLOYMENT FOR UNEMPLOYED,**  
14                                      **LOW-INCOME ADULTS.**

15      (a) IN GENERAL.—

16              (1) ALLOTMENTS.—From the funds available  
17      under section 1563(a)(1), the Secretary of Labor  
18      shall make an allotment under subsection (b) to each  
19      State that has a State plan approved under sub-  
20      section (c) and to each outlying area and Native  
21      American grantee under section 166 of the Work-  
22      force Investment Act of 1998 (as in effect on the  
23      day before the date of enactment of the Workforce  
24      Innovation and Opportunity Act) that meets the re-  
25      quirements of this section, for the purpose of pro-

1       viding subsidized employment opportunities to unem-  
2       ployed, low-income adults.

3           (2) GUIDANCE.—Not later than 30 days after  
4       the date of enactment of this Act, the Secretary of  
5       Labor, in coordination with the Secretary of Health  
6       and Human Services, shall issue guidance regarding  
7       the implementation of this section. Such guidance  
8       shall, consistent with this section, include procedures  
9       for the submission and approval of State and local  
10      plans and the allotment and allocation of funds, in-  
11      cluding reallocation and reallocation of such funds,  
12      that promote the expeditious and effective implemen-  
13      tation of the activities authorized under this section.

14      (b) STATE ALLOTMENTS.—

15           (1) RESERVATIONS FOR OUTLYING AREAS AND  
16      TRIBES.—Of the funds described subsection (a)(1),  
17      the Secretary shall reserve—

18           (A) not more than one-quarter of 1 percent  
19      to provide assistance to outlying areas to pro-  
20      vide subsidized employment to low-income  
21      adults who are unemployed; and

22           (B) 1.5 percent to provide assistance to  
23      grantees of the Native American programs  
24      under section 166 of the Workforce Investment  
25      Act of 1998 (as in effect on the day before the

1 date of enactment of the Workforce Innovation  
2 and Opportunity Act) to provide subsidized em-  
3 ployment to low-income adults who are unem-  
4 ployed.

5 (2) STATES.—After determining the amounts to  
6 be reserved under paragraph (1), the Secretary of  
7 Labor shall allot the remainder of the amounts de-  
8 scribed in subsection (a)(1) among the States as fol-  
9 lows—

10 (A) one-third shall be allotted on the basis  
11 of the relative number of unemployed individ-  
12 uals in areas of substantial unemployment in  
13 each State, compared to the total number of  
14 unemployed individuals in areas of substantial  
15 unemployment in all States;

16 (B) one-third shall be allotted on the basis  
17 of the relative excess number of unemployed in-  
18 dividuals in each State, compared to the total  
19 excess number of unemployed individuals in all  
20 States; and

21 (C) one-third shall be allotted on the basis  
22 of the relative number of disadvantaged adults  
23 and youth in each State, compared to the total  
24 number of disadvantaged adults and youth in  
25 all States.

1           (3) DEFINITIONS.—For purposes of the for-  
2           mula described in paragraph (2)—

3                   (A) AREA OF SUBSTANTIAL UNEMPLOY-  
4                   MENT.—The term “area of substantial unem-  
5                   ployment” means any contiguous area with a  
6                   population of at least 10,000 and that has an  
7                   average rate of unemployment of at least 6.5  
8                   percent for the most recent 12 months, as de-  
9                   termined by the Secretary.

10                   (B) DISADVANTAGED ADULTS AND  
11                   YOUTH.—The term “disadvantaged adults and  
12                   youth” means an individual who is age 16 and  
13                   older (subject to section 132(b)(1)(B)(v)(I) of  
14                   the Workforce Investment Act of 1998) who re-  
15                   ceived an income, or is a member of a family  
16                   that received a total family income, that, in re-  
17                   lation to family size, does not exceed the higher  
18                   of—

19                           (i) the poverty line; or

20                           (ii) 70 percent of the lower living  
21                   standard income level.

22                   (C) EXCESS NUMBER.—The term “excess  
23                   number” means, used with respect to the excess  
24                   number of unemployed individuals within a  
25                   State, the higher of—

1 (i) the number that represents the  
2 number of unemployed individuals in ex-  
3 cess of 4.5 percent of the civilian labor  
4 force in the State; or

5 (ii) the number that represents the  
6 number of unemployed individuals in ex-  
7 cess of 4.5 percent of the civilian labor  
8 force in areas of substantial unemployment  
9 in such State.

10 (4) REALLOTMENT.—If the Governor of a State  
11 does not submit a State plan by the time specified  
12 in subsection (c), or a State does not receive ap-  
13 proval of a State plan, the amount the State would  
14 have been eligible to receive pursuant to the formula  
15 under paragraph (2) shall be added to the amounts  
16 available for the competitive grants under section  
17 1563(a)(3).

18 (c) STATE PLAN.—

19 (1) IN GENERAL.—For a State to be eligible to  
20 receive an allotment of the funds under subsection  
21 (b), the Governor of the State shall submit to the  
22 Secretary of Labor a State plan in such form and  
23 containing such information as the Secretary may  
24 require. At a minimum, such plan shall include—

1 (A) a description of the strategies and ac-  
2 tivities to be carried out by the State, in coordi-  
3 nation with employers in the State, to provide  
4 subsidized employment opportunities to unem-  
5 ployed, low-income adults, including strategies  
6 relating to the level and duration of subsidies  
7 consistent with subsection (e)(2);

8 (B) a description of the requirements the  
9 State will apply relating to the eligibility of un-  
10 employed, low-income adults, consistent with  
11 section 1568(6), for subsidized employment op-  
12 portunities, which may include criteria to target  
13 assistance to particular categories of such  
14 adults, such as individuals with disabilities or  
15 individuals who have exhausted all rights to un-  
16 employment compensation;

17 (C) a description of how the funds allotted  
18 to provide subsidized employment opportunities  
19 will be administered in the State and local  
20 areas, in accordance with subsection (d);

21 (D) a description of the performance out-  
22 comes to be achieved by the State through the  
23 activities carried out under this section and the  
24 processes the State will use to track perform-  
25 ance, consistent with guidance provided by the

1 Secretary of Labor regarding such outcomes  
2 and processes and with section 1567(b);

3 (E) a description of the coordination of ac-  
4 tivities to be carried out with the funds pro-  
5 vided under this section with activities under  
6 title I of the Workforce Investment Act of 1998  
7 (as in effect on the day before the date of en-  
8 actment of the Workforce Innovation and Op-  
9 portunity Act), the TANF program under part  
10 A of title IV of the Social Security Act, and  
11 other appropriate Federal and State programs  
12 that may assist unemployed, low-income adults  
13 in obtaining and retaining employment;

14 (F) a description of the timelines for im-  
15 plementation of the activities described in sub-  
16 paragraph (A), and the number of unemployed,  
17 low-income adults expected to be placed in sub-  
18 sidized employment by quarter;

19 (G) assurances that the State will report  
20 such information as the Secretary of Labor may  
21 require relating to fiscal, performance and other  
22 matters that the Secretary determines is nec-  
23 essary to effectively monitor the activities car-  
24 ried out under this section; and

1           (H) assurances that the State will ensure  
2           compliance with the labor standards and protec-  
3           tions described in section 1567(a) of this Act.

4           (2) SUBMISSION AND APPROVAL OF STATE  
5           PLAN.—

6           (A) SUBMISSION WITH OTHER PLANS.—

7           The State plan described in this subsection may  
8           be submitted in conjunction with the State plan  
9           modification or request for funds required  
10          under section 1565, and may be submitted as  
11          a modification to a State plan that has been ap-  
12          proved under section 112 of the Workforce In-  
13          vestment Act of 1998.

14          (B) SUBMISSION AND APPROVAL.—

15           (i) SUBMISSION.—The Governor shall  
16           submit a plan to the Secretary of Labor  
17           not later than 75 days after the enactment  
18           of this Act and the Secretary of Labor  
19           shall make a determination regarding the  
20           approval or disapproval of such plans not  
21           later than 45 days after the submission of  
22           such plan. If the plan is disapproved, the  
23           Secretary of Labor may provide a reason-  
24           able period of time in which a disapproved

1 plan may be amended and resubmitted for  
2 approval.

3 (ii) APPROVAL.—The Secretary of  
4 Labor shall approve a State plan that the  
5 Secretary determines is consistent with re-  
6 quirements of this section and reasonably  
7 appropriate and adequate to carry out the  
8 purposes of this section. If the plan is ap-  
9 proved, the Secretary shall allot funds to  
10 States within 30 days after such approval.

11 (3) MODIFICATIONS TO STATE PLAN.—The  
12 Governor may submit a modification to a State plan  
13 under this subsection consistent with the require-  
14 ments of this section.

15 (d) ADMINISTRATION WITHIN THE STATE.—

16 (1) OPTION.—The State may administer the  
17 funds for activities under this section through—

18 (A) the State and local entities responsible  
19 for the administration of the adult formula pro-  
20 gram under subtitle B of title I of the Work-  
21 force Investment Act of 1998 (as in effect on  
22 the day before the date of enactment of the  
23 Workforce Innovation and Opportunity Act);

1 (B) the entities responsible for the admin-  
2 istration of the TANF program under part A of  
3 title IV of the Social Security Act; or

4 (C) a combination of the entities described  
5 in subparagraphs (A) and (B).

6 (2) WITHIN-STATE ALLOCATIONS.—

7 (A) ALLOCATION OF FUNDS.—The Gov-  
8 ernor may reserve up to 5 percent of the allot-  
9 ment under subsection (b)(2) for administration  
10 and technical assistance, and shall allocate the  
11 remainder, in accordance with the option elect-  
12 ed under paragraph (1)—

13 (i) among local workforce investment  
14 areas within the State in accordance with  
15 the factors identified in subsection (b)(2),  
16 except that for purposes of such allocation  
17 references to a State in such paragraph  
18 shall be deemed to be references to a local  
19 workforce investment area and references  
20 to all States shall be deemed to be ref-  
21 erences to all local areas in the State in-  
22 volved, of which not more than 10 percent  
23 of the funds allocated to a local workforce  
24 investment area may be used for the costs  
25 of administration of this section; or

1 (ii) through entities responsible for  
2 the administration of the TANF program  
3 under part A of title IV of the Social Secu-  
4 rity Act in local areas in such manner as  
5 the State may determine appropriate.

6 (B) LOCAL PLANS.—

7 (i) IN GENERAL.—In the case where  
8 the responsibility for the administration of  
9 activities is to be carried out by the enti-  
10 ties described under paragraph (1)(A), in  
11 order to receive an allocation under sub-  
12 paragraph (A)(i), a local workforce invest-  
13 ment board, in partnership with the chief  
14 elected official of the local workforce in-  
15 vestment area involved, shall submit to the  
16 Governor a local plan for the use of such  
17 funds under this section not later than 30  
18 days after the submission of the State  
19 plan. Such local plan may be submitted as  
20 a modification to a local plan approved  
21 under section 118 of the Workforce Invest-  
22 ment Act of 1998 (as in effect on the day  
23 before the date of enactment of the Work-  
24 force Innovation 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)–(H)  
4           of subsection (c)(1), as applied to the local  
5           workforce investment area.

6           (iii) APPROVAL.—The Governor shall  
7           approve or disapprove the local plan sub-  
8           mitted under clause (i) within 30 days  
9           after submission, or if later, 30 days after  
10          the approval of the State plan. The Gov-  
11          ernor shall approve the plan unless the  
12          Governor determines that the plan is in-  
13          consistent with requirements of this section  
14          or is not reasonably appropriate and ade-  
15          quate to carry out the purposes of this sec-  
16          tion. If the Governor has not made a de-  
17          termination within the period specified  
18          under the first sentence of this clause, the  
19          plan shall be considered approved. If the  
20          plan is disapproved, the Governor may pro-  
21          vide a reasonable period of time in which  
22          a disapproved plan may be amended and  
23          resubmitted for approval. The Governor  
24          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 or other forms of requests for funds from local work-  
2 force investment areas as may be identified in such  
3 guidance, and the allotment and allocation of funds,  
4 including reallocation and reallocation of such funds,  
5 that promote the expeditious and effective implemen-  
6 tation of the activities authorized under this section.

7 (2) REQUIREMENTS.—Except as otherwise pro-  
8 vided in the guidance described in paragraph (1)  
9 and in this section and other provisions of this Act,  
10 the funds provided for activities under this section  
11 shall be administered in accordance with subtitles B  
12 and E of title I of the Workforce Investment Act of  
13 1998 (as in effect on the day before the date of en-  
14 actment of the Workforce Innovation and Oppor-  
15 tunity Act) relating to youth activities.

16 (c) STATE ALLOTMENTS.—

17 (1) RESERVATIONS FOR OUTLYING AREAS AND  
18 TRIBES.—Of the funds described subsection (a), the  
19 Secretary shall reserve—

20 (A) not more than one-quarter of 1 percent  
21 to provide assistance to outlying areas to pro-  
22 vide summer and year-round employment op-  
23 portunities to low-income youth; and

24 (B) 1.5 percent to provide assistance to  
25 grantees of the Native American programs

1           under section 166 of the Workforce Investment  
2           Act of 1998 (as in effect on the day before the  
3           date of enactment of the Workforce Innovation  
4           and Opportunity Act) to provide summer and  
5           year-round employment opportunities to low-in-  
6           come youth.

7           (2) STATES.—After determining the amounts to  
8           be reserved under paragraph (1), the Secretary of  
9           Labor shall allot the remainder of the amounts de-  
10          scribed in subsection (a) among the States in ac-  
11          cordance with the factors described in section  
12          1564(b)(2) of this Act.

13          (3) REALLOTMENT.—If the Governor of a State  
14          does not submit a State plan modification or other  
15          request for funds specified in guidance under sub-  
16          section (b) by the time specified in subsection  
17          (d)(2)(B), or a State does not receive approval of  
18          such State plan modification or request, the amount  
19          the State would have been eligible to receive pursu-  
20          ant to the formula under paragraph (2) shall be  
21          added to the amounts available for the competitive  
22          grants under section 1563(a)(3).

23          (d) STATE PLAN MODIFICATION.—

24                 (1) IN GENERAL.—For a State to be eligible to  
25                 receive an allotment of the funds under subsection

1 (c), the Governor of the State shall submit to the  
2 Secretary of Labor a modification to a State plan  
3 approved under section 112 of the Workforce Invest-  
4 ment Act of 1998 (as in effect on the day before the  
5 date of enactment of the Workforce Innovation and  
6 Opportunity Act), or other request for funds de-  
7 scribed in guidance in subsection (b), in such form  
8 and containing such information as the Secretary  
9 may require. At a minimum, such plan modification  
10 or request shall include—

11 (A) a description of the strategies and ac-  
12 tivities to be carried out to provide summer em-  
13 ployment opportunities and year-round employ-  
14 ment opportunities, including the linkages to  
15 educational activities, consistent with subsection  
16 (f);

17 (B) a description of the requirements the  
18 States will apply relating to the eligibility of  
19 low-income youth, consistent with section  
20 1568(4), for summer employment opportunities  
21 and year-round employment opportunities,  
22 which may include criteria to target assistance  
23 to particular categories of such low-income  
24 youth, such as youth with disabilities, con-  
25 sistent with subsection (f);

1 (C) a description of the performance out-  
2 comes to be achieved by the State through the  
3 activities carried out under this section and the  
4 processes the State will use to track perform-  
5 ance, consistent with guidance provided by the  
6 Secretary of Labor regarding such outcomes  
7 and processes and with section 1567(b);

8 (D) a description of the timelines for im-  
9 plementation of the activities described in sub-  
10 paragraph (A), and the number of low-income  
11 youth expected to be placed in summer employ-  
12 ment opportunities, and year-round employment  
13 opportunities, respectively, by quarter;

14 (E) assurances that the State will report  
15 such information as the Secretary may require  
16 relating to fiscal, performance and other mat-  
17 ters that the Secretary determines is necessary  
18 to effectively monitor the activities carried out  
19 under this section; and

20 (F) assurances that the State will ensure  
21 compliance with the labor standards protections  
22 described in section 1567(a).

23 (2) SUBMISSION AND APPROVAL OF STATE  
24 PLAN MODIFICATION OR REQUEST.—

1           (A) SUBMISSION.—The Governor shall  
2 submit a modification of the State plan or other  
3 request for funds described in guidance in sub-  
4 section (b) to the Secretary of Labor not later  
5 than 30 days after the issuance of such guid-  
6 ance. The State plan modification or request for  
7 funds required under this subsection may be  
8 submitted in conjunction with the State plan re-  
9 quired under section 1564.

10           (B) APPROVAL.—The Secretary of Labor  
11 shall approve the plan or request submitted  
12 under subparagraph (A) within 30 days after  
13 submission, unless the Secretary determines  
14 that the plan or request is inconsistent with the  
15 requirements of this section. If the Secretary  
16 has not made a determination within 30 days,  
17 the plan or request shall be considered ap-  
18 proved. If the plan or request is disapproved,  
19 the Secretary may provide a reasonable period  
20 of time in which a disapproved plan or request  
21 may be amended and resubmitted for approval.  
22 If the plan or request is approved, the Sec-  
23 retary shall allot funds to States within 30 days  
24 after such approval.

1           (3) MODIFICATIONS TO STATE PLAN OR RE-  
2           QUEST.—The Governor may submit further modi-  
3           fications to a State plan or request for funds identi-  
4           fied under subsection (b) to carry out this section in  
5           accordance with the requirements of this section.

6           (e) WITHIN-STATE ALLOCATION AND ADMINISTRA-  
7           TION.—

8           (1) IN GENERAL.—Of the funds allotted to the  
9           State under subsection (c), the Governor—

10                   (A) may reserve up to 5 percent of the al-  
11                   lotment for administration and technical assist-  
12                   ance; and

13                   (B) shall allocate the remainder of the al-  
14                   lotment among local workforce investment areas  
15                   within the State in accordance with the factors  
16                   identified in section 1564(b)(2), except that for  
17                   purposes of such allocation references to a  
18                   State in such paragraph shall be deemed to be  
19                   references to a local workforce investment area  
20                   and references to all States shall be deemed to  
21                   be references to all local areas in the State in-  
22                   volved. Not more than 10 percent of the funds  
23                   allocated to a local workforce investment area  
24                   may be used for the costs of administration of  
25                   this section.

1 (2) LOCAL PLAN.—

2 (A) SUBMISSION.—In order to receive an  
3 allocation under paragraph (1)(B), the local  
4 workforce investment board, in partnership with  
5 the chief elected official for the local workforce  
6 investment area involved, shall submit to the  
7 Governor a modification to a local plan ap-  
8 proved under section 118 of the Workforce In-  
9 vestment Act of 1998 (as in effect on the day  
10 before the date of enactment of the Workforce  
11 Innovation and Opportunity Act), or other form  
12 of request for funds as may be identified in the  
13 guidance issued under subsection (b), not later  
14 than 30 days after the submission by the State  
15 of the modification to the State plan or other  
16 request for funds identified in subsection (b),  
17 describing the strategies and activities to be  
18 carried out under this section.

19 (B) APPROVAL.—The Governor shall ap-  
20 prove the local plan submitted under subpara-  
21 graph (A) within 30 days after submission, un-  
22 less the Governor determines that the plan is  
23 inconsistent with requirements of this section.  
24 If the Governor has not made a determination  
25 within 30 days, the plan shall be considered ap-

1           proved. If the plan is disapproved, the Governor  
2           may provide a reasonable period of time in  
3           which a disapproved plan may be amended and  
4           resubmitted for approval. The Governor shall  
5           allocate funds to local workforce investment  
6           areas with approved plans within 30 days after  
7           approval.

8           (3) REALLOCATION.—If a local workforce in-  
9           vestment board does not submit a local plan modi-  
10          fication (or other request for funds identified in  
11          guidance under subsection (b)) by the time specified  
12          in paragraph (2), or does not receive approval of a  
13          local plan, the amount the local workforce invest-  
14          ment area would have been eligible to receive pursu-  
15          ant to the formula under paragraph (1)(B) shall be  
16          allocated to local workforce investment areas that re-  
17          ceive approval of the local plan modification or re-  
18          quest for funds under paragraph (2). Such realloca-  
19          tions shall be made in accordance with the relative  
20          share of the allocations to such local workforce in-  
21          vestment areas applying the formula factors de-  
22          scribed under paragraph (1)(B).

23          (f) USE OF FUNDS.—

24                 (1) IN GENERAL.—The funds provided under  
25                 this section shall be used—

1 (A) to provide summer employment oppor-  
2 tunities for low-income youth, ages 16 through  
3 24, with direct linkages to academic and occu-  
4 pational learning, and may include the provision  
5 of supportive services, such as transportation or  
6 child care, necessary to enable such youth to  
7 participate; and

8 (B) to provide year-round employment op-  
9 portunities, which may be combined with other  
10 activities authorized under section 129 of the  
11 Workforce Investment Act of 1998 (as in effect  
12 on the day before the date of enactment of the  
13 Workforce Innovation and Opportunity Act), to  
14 low-income youth, ages 16 through 24, with a  
15 priority to out-of school youth who are—

16 (i) high school dropouts; or

17 (ii) recipients of a secondary school  
18 diploma or its equivalent but who are basic  
19 skills deficient unemployed or under-  
20 employed.

21 (2) PROGRAM PRIORITIES.—In administering  
22 the funds under this section, the local board and  
23 local chief elected officials shall give a priority to—

24 (A) identifying employment opportunities  
25 that are—

1 (i) in emerging or in-demand occupa-  
2 tions in the local workforce investment  
3 area; or

4 (ii) in the public or nonprofit sector  
5 that meet community needs; and

6 (B) linking year-round program partici-  
7 pants to training and educational activities that  
8 will provide such participants an industry-recog-  
9 nized certificate or credential.

10 (3) PERFORMANCE ACCOUNTABILITY.—For ac-  
11 tivities funded under this section, in lieu of the re-  
12 quirements described in section 136 of the Work-  
13 force Investment Act of 1998 (as in effect on the  
14 day before the date of enactment of the Workforce  
15 Innovation and Opportunity Act), State and local  
16 workforce investment areas shall provide such re-  
17 ports as the Secretary of Labor may require regard-  
18 ing the performance outcomes described in section  
19 1567(a)(5).

20 **SEC. 1566. WORK-BASED EMPLOYMENT STRATEGIES OF**  
21 **DEMONSTRATED EFFECTIVENESS.**

22 (a) IN GENERAL.—From the funds available under  
23 section 1563(a)(3), the Secretary of Labor shall award  
24 grants on a competitive basis to eligible entities to carry  
25 out work-based strategies of demonstrated effectiveness.

1 (b) USE OF FUNDS.—The grants awarded under this  
2 section shall be used to support strategies and activities  
3 of demonstrated effectiveness that are designed to provide  
4 unemployed, low-income adults or low-income youth with  
5 the skills that will lead to employment as part of or upon  
6 completion of participation in such activities. Such strate-  
7 gies and activities may include—

8 (1) on-the-job training, registered apprentice-  
9 ship programs, or other programs that combine work  
10 with skills development;

11 (2) sector-based training programs that have  
12 been designed to meet the specific requirements of  
13 an employer or group of employers in that sector  
14 and where employers are committed to hiring indi-  
15 viduals upon successful completion of the training;

16 (3) training that supports an industry sector or  
17 an employer-based or labor-management committee  
18 industry partnership which includes a significant  
19 work-experience component;

20 (4) acquisition of industry-recognized creden-  
21 tials in a field identified by the State or local work-  
22 force investment area as a growth sector or demand  
23 industry in which there are likely to be significant  
24 job opportunities in the short term;

1           (5) connections to immediate work opportuni-  
2           ties, including subsidized employment opportunities,  
3           or summer employment opportunities for youth, that  
4           includes concurrent skills training and other sup-  
5           ports;

6           (6) career academies that provide students with  
7           the academic preparation and training, including  
8           paid internships and concurrent enrollment in com-  
9           munity colleges or other postsecondary institutions,  
10          needed to pursue a career pathway that leads to  
11          postsecondary credentials and high-demand jobs;  
12          and

13          (7) adult basic education and integrated basic  
14          education and training models for low-skilled adults,  
15          hosted at community colleges or at other sites, to  
16          prepare individuals for jobs that are in demand in  
17          a local area.

18          (c) ELIGIBLE ENTITY.—An eligible entity shall in-  
19          clude a local chief elected official, in collaboration with the  
20          local workforce investment board for the local workforce  
21          investment area involved (which may include a partnership  
22          with of such officials and boards in the region and in the  
23          State), or an entity eligible to apply for an Indian and  
24          Native American grant under section 166 of the Work-  
25          force Investment Act of 1998 (as in effect on the day be-

1 fore the date of enactment of the Workforce Innovation  
2 and Opportunity Act), and may include, in partnership  
3 with such officials, boards, and entities, the following—

- 4 (1) employers or employer associations;
- 5 (2) adult education providers and postsecondary  
6 educational institutions, including community col-  
7 leges;
- 8 (3) community-based organizations;
- 9 (4) joint labor-management committees;
- 10 (5) work-related intermediaries; or
- 11 (6) other appropriate organizations.

12 (d) APPLICATION.—An eligible entity seeking to re-  
13 ceive a grant under this section shall submit to the Sec-  
14 retary of Labor an application at such time, in such man-  
15 ner, and containing such information as the Secretary may  
16 require. At a minimum, the application shall—

- 17 (1) describe the strategies and activities of dem-  
18 onstrated effectiveness that the eligible entities will  
19 carry out to provide unemployed, low-income adults  
20 and low-income youth with the skills that will lead  
21 to employment upon completion of participation in  
22 such activities;
- 23 (2) describe the requirements that will apply re-  
24 lating to the eligibility of unemployed, low-income  
25 adults or low-income youth, consistent with para-

1 graphs (4) and (6) of section 1568, for activities  
2 carried out under this section, which may include  
3 criteria to target assistance to particular categories  
4 of such adults and youth, such as individuals with  
5 disabilities or individuals who have exhausted all  
6 rights to unemployment compensation;

7 (3) describe how the strategies and activities  
8 address the needs of the target populations identi-  
9 fied in paragraph (2) and the needs of employers in  
10 the local area;

11 (4) describe the expected outcomes to be  
12 achieved by implementing the strategies and activi-  
13 ties;

14 (5) provide evidence that the funds provided  
15 may be expended expeditiously and efficiently to im-  
16 plement the strategies and activities;

17 (6) describe how the strategies and activities  
18 will be coordinated with other Federal, State and  
19 local programs providing employment, education and  
20 supportive activities;

21 (7) provide evidence of employer commitment to  
22 participate in the activities funded under this sec-  
23 tion, including identification of anticipated occupa-  
24 tional and skill needs;

1           (8) provide assurances that the grant recipient  
2 will report such information as the Secretary may  
3 require relating to fiscal, performance and other  
4 matters that the Secretary determines is necessary  
5 to effectively monitor the activities carried out under  
6 this section; and

7           (9) provide assurances that the use of the funds  
8 provided under this section will comply with the  
9 labor standards and protections described section  
10 1567(a).

11       (e) PRIORITY IN AWARDS.—In awarding grants  
12 under this section, the Secretary of Labor shall give a pri-  
13 ority to applications submitted by eligible entities from  
14 areas of high poverty and high unemployment, as defined  
15 by the Secretary, such as Public Use Microdata Areas  
16 (PUMAs) as designated by the Census Bureau.

17       (f) COORDINATION OF FEDERAL ADMINISTRATION.—  
18 The Secretary of Labor shall administer this section in  
19 coordination with the Secretary of Education, Secretary  
20 of Health and Human Services, and other appropriate  
21 agency heads, to ensure the effective implementation of  
22 this section.

23 **SEC. 1567. GENERAL REQUIREMENTS.**

24       (a) LABOR STANDARDS AND PROTECTIONS.—Activi-  
25 ties provided with funds under this Act shall be subject

1 to the requirements and restrictions, including the labor  
2 standards, described in section 181 of the Workforce In-  
3 vestment Act of 1998 (as in effect on the day before the  
4 date of enactment of the Workforce Innovation and Op-  
5 portunity Act) and the nondiscrimination provisions of  
6 section 188 of such Act, in addition to other applicable  
7 Federal laws.

8 (b) REPORTING.—The Secretary may require the re-  
9 porting of information relating to fiscal, performance and  
10 other matters that the Secretary determines is necessary  
11 to effectively monitor the activities carried out with funds  
12 provided under this Act. At a minimum, grantees and sub-  
13 grantees shall provide information relating to—

14 (1) the number individuals participating in ac-  
15 tivities with funds provided under this Act and the  
16 number of such individuals who have completed such  
17 participation;

18 (2) the expenditures of funds provided under  
19 the Act;

20 (3) the number of jobs created pursuant to the  
21 activities carried out under this Act;

22 (4) the demographic characteristics of individ-  
23 uals participating in activities under this Act; and

24 (5) the performance outcomes of individuals  
25 participating in activities under this Act, including—

1 (A) for adults participating in activities  
2 funded under section 1564 of this Act—

3 (i) entry in unsubsidized employment,

4 (ii) retention in unsubsidized employ-  
5 ment, and

6 (iii) earnings in unsubsidized employ-  
7 ment;

8 (B) for low-income youth participating in  
9 summer employment activities under sections  
10 1565 and 1566—

11 (i) work readiness skill attainment  
12 using an employer validated checklist; and

13 (ii) placement in or return to sec-  
14 ondary or postsecondary education or  
15 training, or entry into unsubsidized em-  
16 ployment;

17 (C) for low-income youth participating in  
18 year-round employment activities under section  
19 1565 or in activities under section 1566—

20 (i) placement in or return to post-sec-  
21 ondary education;

22 (ii) attainment of high school diploma  
23 or its equivalent;

24 (iii) attainment of an industry-recog-  
25 nized credential; and

1                   (iv) entry into unsubsidized employ-  
2                   ment, retention, and earnings as described  
3                   in subparagraph (A); and

4                   (D) for unemployed, low-income adults  
5                   participating in activities under section 1566—

6                   (i) entry into unsubsidized employ-  
7                   ment, retention, and earnings as described  
8                   in subparagraph (A); and

9                   (ii) the attainment of industry-recog-  
10                  nized credentials.

11           (c) ACTIVITIES REQUIRED TO BE ADDITIONAL.—

12 Funds provided under this Act shall only be used for ac-  
13 tivities that are in addition to activities that would other-  
14 wise be available in the State or local area in the absence  
15 of such funds.

16           (d) ADDITIONAL REQUIREMENTS.—The Secretary of  
17 Labor may establish such additional requirements as the  
18 Secretary determines may be necessary to ensure fiscal in-  
19 tegrity, effective monitoring, and the appropriate and  
20 prompt implementation of the activities under this Act.

21           (e) REPORT OF INFORMATION AND EVALUATIONS TO  
22 CONGRESS AND THE PUBLIC.—The Secretary of Labor  
23 shall provide to the appropriate Committees of the Con-  
24 gress and make available to the public the information re-  
25 ported pursuant to subsection (b) and the evaluations of

1 activities carried out pursuant to the funds reserved under  
2 section 1563(b).

3 **SEC. 1568. DEFINITIONS.**

4 In this subtitle:

5 (1) LOCAL CHIEF ELECTED OFFICIAL.—The  
6 term “local chief elected official” means the chief  
7 elected executive officer of a unit of local govern-  
8 ment in a local workforce investment area or in the  
9 case where more than one unit of general govern-  
10 ment, the individuals designated under an agreement  
11 described in section 117(c)(1)(B) of the Workforce  
12 Investment Act of 1998 (as in effect on the day be-  
13 fore the date of enactment of the Workforce Innova-  
14 tion and Opportunity Act).

15 (2) LOCAL WORKFORCE INVESTMENT AREA.—  
16 The term “local workforce investment area” means  
17 such area designated under section 116 of the Work-  
18 force Investment Act of 1998 (as in effect on the  
19 day before the date of enactment of the Workforce  
20 Innovation and Opportunity Act).

21 (3) LOCAL WORKFORCE INVESTMENT BOARD.—  
22 The term “local workforce investment board” means  
23 such board established under section 117 of the  
24 Workforce Investment Act of 1998 (as in effect on

1 the day before the date of enactment of the Work-  
2 force Innovation and Opportunity Act).

3 (4) LOW-INCOME YOUTH.—The term “low-in-  
4 come youth” means an individual who—

5 (A) is aged 16 through 24;

6 (B) meets the definition of a low-income  
7 individual provided in section 101(25) of the  
8 Workforce Investment Act of 1998 (as in effect  
9 on the day before the date of enactment of the  
10 Workforce Innovation and Opportunity Act),  
11 except that States, local workforce investment  
12 areas under section 1565 and eligible entities  
13 under section 1566(c), subject to approval in  
14 the applicable State plans, local plans, and ap-  
15 plications for funds, may increase the income  
16 level specified in subparagraph (B)(i) of such  
17 section to an amount not in excess of 200 per-  
18 cent of the poverty line for purposes of deter-  
19 mining eligibility for participation in activities  
20 under sections 1565 and 1566 of this Act; and

21 (C) is in one or more of the categories  
22 specified in section 101(13)(C) of the Work-  
23 force Investment Act of 1998, as in effect on  
24 the day before the date of enactment of the  
25 Workforce Innovation and Opportunity Act.

1           (5) OUTLYING AREA.—The term “outlying  
2 area” means the United States Virgin Islands,  
3 Guam, American Samoa, the Commonwealth of the  
4 Northern Mariana Islands, and the Republic of  
5 Palau.

6           (6) UNEMPLOYED, LOW-INCOME ADULT.—The  
7 term “unemployed, low-income adult” means an in-  
8 dividual who—

9                   (A) is age 18 or older;

10                   (B) is without employment and is seeking  
11 assistance under this subtitle to obtain employ-  
12 ment; and

13                   (C) meets the definition of a “low-income  
14 individual” under section 101(25) of the Work-  
15 force Investment Act of 1998 (as in effect on  
16 the day before the date of enactment of the  
17 Workforce Innovation and Opportunity Act),  
18 except that for that States, local entities de-  
19 scribed in section 1564(d)(1) and eligible enti-  
20 ties under section 1566(c), subject to approval  
21 in the applicable State plans, local plans, and  
22 applications for funds, may increase the income  
23 level specified in subparagraph (B)(i) of such  
24 section to an amount not in excess of 200 per-  
25 cent of the poverty line for purposes of deter-

1 mining eligibility for participation in activities  
2 under sections 1564 and 1566 of this Act.

3 (7) STATE.—The term “State” means each of  
4 the several States of the United States, the District  
5 of Columbia, and Puerto Rico.

6 **Subtitle D—Prohibition of Dis-**  
7 **crimination in Employment on**  
8 **the Basis of an Individual’s Sta-**  
9 **tus as Unemployed**

10 **SEC. 1571. SHORT TITLE.**

11 This subtitle may be cited as the “Fair Employment  
12 Opportunity Act of 2014”.

13 **SEC. 1572. FINDINGS AND PURPOSE.**

14 (a) FINDINGS.—Congress finds that denial of em-  
15 ployment opportunities to individuals because of their sta-  
16 tus as unemployed is discriminatory and burdens com-  
17 merce by—

18 (1) reducing personal consumption and under-  
19 mining economic stability and growth;

20 (2) squandering human capital essential to the  
21 Nation’s economic vibrancy and growth;

22 (3) increasing demands for Federal and State  
23 unemployment insurance benefits, reducing trust  
24 fund assets, and leading to higher payroll taxes for

1 employers, cuts in benefits for jobless workers, or  
2 both;

3 (4) imposing additional burdens on publicly  
4 funded health and welfare programs; and

5 (5) depressing income, property, and other tax  
6 revenues that the Federal Government, States, and  
7 localities rely on to support operations and institu-  
8 tions essential to commerce.

9 (b) PURPOSES.—The purposes of this subtitle are—

10 (1) to prohibit employers and employment agen-  
11 cies from disqualifying an individual from employ-  
12 ment opportunities because of that individual's sta-  
13 tus as unemployed;

14 (2) to prohibit employers and employment agen-  
15 cies from publishing or posting any advertisement or  
16 announcement for an employment opportunity that  
17 indicates that an individual's status as unemployed  
18 disqualifies that individual for the opportunity; and

19 (3) to eliminate the burdens imposed on com-  
20 merce due to the exclusion of such individuals from  
21 employment.

22 **SEC. 1573. DEFINITIONS.**

23 As used in this subtitle—

24 (1) the term “affected individual” means any  
25 person who was subject to an unlawful employment

1 practice solely because of that individual’s status as  
2 unemployed;

3 (2) the term “Commission” means the Equal  
4 Employment Opportunity Commission;

5 (3) the term “employee” means—

6 (A) an employee as defined in section  
7 701(f) of the Civil Rights Act of 1964 (42  
8 U.S.C. 2000e(f));

9 (B) a State employee to which section  
10 302(a)(1) of the Government Employee Rights  
11 Act of 1991 (42 U.S.C. 2000e–16b(a)(1)) ap-  
12 plies;

13 (C) a covered employee, as defined in sec-  
14 tion 101 of the Congressional Accountability  
15 Act of 1995 (2 U.S.C. 1301) or section 411(c)  
16 of title 3, United States Code; or

17 (D) an employee or applicant to which sec-  
18 tion 717(a) of the Civil Rights Act of 1964 (42  
19 U.S.C. 2000e–16(a)) applies;

20 (4) the term “employer” means—

21 (A) a person engaged in an industry affect-  
22 ing commerce (as defined in section 701(h) of  
23 the Civil Rights Act of 1964 (42 U.S.C.  
24 2000e(h)) who has 15 or more employees for  
25 each working day in each of 20 or more cal-

1           endar weeks in the current or preceding cal-  
2           endar year, and any agent of such a person, but  
3           does not include a bona fide private member-  
4           ship club that is exempt from taxation under  
5           section 501(c) of the Internal Revenue Code of  
6           1986;

7           (B) an employing authority to which sec-  
8           tion 302(a)(1) of the Government Employee  
9           Rights Act of 1991 applies;

10          (C) an employing office, as defined in sec-  
11          tion 101 of the Congressional Accountability  
12          Act of 1995 or section 411(c) of title 3, United  
13          States Code; or

14          (D) an entity to which section 717(a) of  
15          the Civil Rights Act of 1964 (42 U.S.C. 2000e-  
16          16(a)) applies;

17          (5) the term “employment agency” means any  
18          person regularly undertaking with or without com-  
19          pensation to procure employees for an employer or  
20          to procure for individuals opportunities to work as  
21          employees for an employer and includes an agent of  
22          such a person, and any person who maintains an  
23          Internet website or print medium that publishes ad-  
24          vertisements or announcements of openings in jobs  
25          for employees;

1           (6) the term “person” has the meaning given  
2 the term in section 701(a) of the Civil Rights Act  
3 of 1964 (42 U.S.C. 2000e(a)); and

4           (7) the term “status as unemployed”, used with  
5 respect to an individual, means that the individual,  
6 at the time of application for employment or at the  
7 time of action alleged to violate this subtitle, does  
8 not have a job, is available for work and is searching  
9 for work.

10 **SEC. 1574. PROHIBITED ACTS.**

11       (a) **EMPLOYERS.**—It shall be an unlawful employ-  
12 ment practice for an employer to—

13           (1) publish in print, on the Internet, or in any  
14 other medium, an advertisement or announcement  
15 for an employee for any job that includes—

16               (A) any provision stating or indicating that  
17 an individual’s status as unemployed disquali-  
18 fies the individual for any employment oppor-  
19 tunity; or

20               (B) any provision stating or indicating that  
21 an employer will not consider or hire an indi-  
22 vidual for any employment opportunity based  
23 on that individual’s status as unemployed;

1           (2) fail or refuse to consider for employment, or  
2 fail or refuse to hire, an individual as an employee  
3 because of the individual's status as unemployed; or

4           (3) direct or request that an employment agen-  
5 cy take an individual's status as unemployed into ac-  
6 count to disqualify an applicant for consideration,  
7 screening, or referral for employment as an em-  
8 ployee.

9           (b) EMPLOYMENT AGENCIES.—It shall be an unlaw-  
10 ful employment practice for an employment agency to—

11           (1) publish, in print or on the Internet or in  
12 any other medium, an advertisement or announce-  
13 ment for any vacancy in a job, as an employee, that  
14 includes—

15                   (A) any provision stating or indicating that  
16 an individual's status as unemployed disquali-  
17 fies the individual for any employment oppor-  
18 tunity; or

19                   (B) any provision stating or indicating that  
20 the employment agency or an employer will not  
21 consider or hire an individual for any employ-  
22 ment opportunity based on that individual's sta-  
23 tus as unemployed;

24           (2) screen, fail or refuse to consider, or fail or  
25 refuse to refer an individual for employment as an

1 employee because of the individual's status as unem-  
2 ployed; or

3 (3) limit, segregate, or classify any individual in  
4 any manner that would limit or tend to limit the in-  
5 dividual's access to information about jobs, or con-  
6 sideration, screening, or referral for jobs, as employ-  
7 ees, solely because of an individual's status as unem-  
8 ployed.

9 (c) INTERFERENCE WITH RIGHTS, PROCEEDINGS OR  
10 INQUIRIES.—It shall be unlawful for any employer or em-  
11 ployment agency to—

12 (1) interfere with, restrain, or deny the exercise  
13 of or the attempt to exercise, any right provided  
14 under this subtitle; or

15 (2) fail or refuse to hire, to discharge, or in any  
16 other manner to discriminate against any individual,  
17 as an employee, because such individual—

18 (A) opposed any practice made unlawful by  
19 this subtitle;

20 (B) has asserted any right, filed any  
21 charge, or has instituted or caused to be insti-  
22 tuted any proceeding, under or related to this  
23 subtitle;

24 (C) has given, or is about to give, any in-  
25 formation in connection with any inquiry or

1 proceeding relating to any right provided under  
2 this subtitle; or

3 (D) has testified, or is about to testify, in  
4 any inquiry or proceeding relating to any right  
5 provided under this subtitle.

6 (d) CONSTRUCTION.—Nothing in this subtitle is in-  
7 tended to preclude an employer or employment agency  
8 from considering an individual’s employment history, or  
9 from examining the reasons underlying an individual’s sta-  
10 tus as unemployed, in assessing an individual’s ability to  
11 perform a job or in otherwise making employment deci-  
12 sions about that individual. Such consideration or exam-  
13 ination may include an assessment of whether an individ-  
14 ual’s employment in a similar or related job for a period  
15 of time reasonably proximate to the consideration of such  
16 individual for employment is job-related or consistent with  
17 business necessity.

18 **SEC. 1575. ENFORCEMENT.**

19 (a) ENFORCEMENT POWERS.—With respect to the  
20 administration and enforcement of this subtitle—

21 (1) the Commission shall have the same powers  
22 as the Commission has to administer and enforce—

23 (A) title VII of the Civil Rights Act of  
24 1964 (42 U.S.C. 2000e et seq.); or

1 (B) sections 302 and 304 of the Govern-  
2 ment Employee Rights Act of 1991 (42 U.S.C.  
3 2000e–16b and 2000e–16c), in the case of an  
4 affected individual who would be covered by  
5 such title, or by section 302(a)(1) of the Gov-  
6 ernment Employee Rights Act of 1991 (42  
7 U.S.C. 2000e–16b(a)(1)), respectively;

8 (2) the Librarian of Congress shall have the  
9 same powers as the Librarian of Congress has to ad-  
10 minister and enforce title VII of the Civil Rights Act  
11 of 1964 (42 U.S.C. 2000e et seq.) in the case of an  
12 affected individual who would be covered by such  
13 title;

14 (3) the Board (as defined in section 101 of the  
15 Congressional Accountability Act of 1995 (2 U.S.C.  
16 1301)) shall have the same powers as the Board has  
17 to administer and enforce the Congressional Ac-  
18 countability Act of 1995 (2 U.S.C. 1301 et seq.) in  
19 the case of an affected individual who would be cov-  
20 ered by section 201(a)(1) of such Act (2 U.S.C.  
21 1311(a)(1));

22 (4) the Attorney General shall have the same  
23 powers as the Attorney General has to administer  
24 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 of 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 (5) the President, the Commission, and the  
11 Merit Systems Protection Board shall have the same  
12 powers as the President, the Commission, and the  
13 Board, respectively, have to administer and enforce  
14 chapter 5 of title 3, United States Code, in the case  
15 of an affected individual who would be covered by  
16 section 411 of such title; and

17 (6) a court of the United States shall have the  
18 same jurisdiction and powers as the court has to en-  
19 force—

20 (A) title VII of the Civil Rights Act of  
21 1964 (42 U.S.C. 2000e et seq.) in the case of  
22 a claim alleged by such individual for a viola-  
23 tion of such title;

24 (B) sections 302 and 304 of the Govern-  
25 ment Employee Rights Act of 1991 (42 U.S.C.

1           2000e–16b and 2000e–16c) in the case of a  
2           claim alleged by such individual for a violation  
3           of section 302(a)(1) of such Act (42 U.S.C.  
4           2000e–16b(a)(1));

5           (C) the Congressional Accountability Act  
6           of 1995 (2 U.S.C. 1301 et seq.) in the case of  
7           a claim alleged by such individual for a viola-  
8           tion of section 201(a)(1) of such Act (2 U.S.C.  
9           1311(a)(1)); and

10           (D) chapter 5 of title 3, United States  
11           Code, in the case of a claim alleged by such in-  
12           dividual for a violation of section 411 of such  
13           title.

14           (b) PROCEDURES.—The procedures applicable to a  
15           claim alleged by an individual for a violation of this sub-  
16           title are—

17           (1) the procedures applicable for a violation of  
18           title VII of the Civil Rights Act of 1964 (42 U.S.C.  
19           2000e et seq.) in the case of a claim alleged by such  
20           individual for a violation of such title;

21           (2) the procedures applicable for a violation of  
22           section 302(a)(1) of the Government Employee  
23           Rights Act of 1991 (42 U.S.C. 2000e–16b(a)(1)) in  
24           the case of a claim alleged by such individual for a  
25           violation of such section;

1           (3) the procedures applicable for a violation of  
2 section 201(a)(1) of the Congressional Account-  
3 ability Act of 1995 (2 U.S.C. 1311(a)(1)) in the  
4 case of a claim alleged by such individual for a viola-  
5 tion of such section; and

6           (4) the procedures applicable for a violation of  
7 section 411 of title 3, United States Code, in the  
8 case of a claim alleged by such individual for a viola-  
9 tion of such section.

10 (c) REMEDIES.—

11           (1) In any claim alleging a violation of section  
12 1574(a)(1) or 1574(b)(1) of this subtitle, an indi-  
13 vidual, or any person acting on behalf of the indi-  
14 vidual as set forth in section 1575(a) of this subtitle,  
15 may be awarded, as appropriate:

16           (A) An order enjoining the respondent  
17 from engaging in the unlawful employment  
18 practice.

19           (B) Reimbursement of costs expended as a  
20 result of the unlawful employment practice.

21           (C) An amount in liquidated damages not  
22 to exceed \$1,000 for each day of the violation.

23           (D) Reasonable attorney's fees (including  
24 expert fees) and costs attributable to the pur-  
25 suit of a claim under this subtitle, except that

1 no person identified in section 733(a) of this  
2 subtitle shall be eligible to receive attorney's  
3 fees.

4 (2) In any claim alleging a violation of any  
5 other subsection of this subtitle, an individual, or  
6 any person acting on behalf of the individual as set  
7 forth in section 1575(a) of this subtitle, may be  
8 awarded, as appropriate, the remedies available for  
9 a violation of title VII of the Civil Rights Act of  
10 1964 (42 U.S.C. 2000e et seq.), section 302(a)(1) of  
11 the Government Employee Rights Act of 1991 (42  
12 U.S.C. 2000e–16b(a)(1)), section 201(a)(1) of the  
13 Congressional Accountability Act of 1995 (2 U.S.C.  
14 1311(a)(1)), and section 411 of title 3, United  
15 States Code, except that in a case in which wages,  
16 salary, employment benefits, or other compensation  
17 have not been denied or lost to the individual, dam-  
18 ages may be awarded in an amount not to exceed  
19 \$5,000.

20 **SEC. 1576. FEDERAL AND STATE IMMUNITY.**

21 (a) ABROGATION OF STATE IMMUNITY.—A State  
22 shall not be immune under the 11th Amendment to the  
23 Constitution from a suit brought in a Federal court of  
24 competent jurisdiction for a violation of this subtitle.

25 (b) WAIVER OF STATE IMMUNITY.—

1 (1) IN GENERAL.—

2 (A) WAIVER.—A State’s receipt or use of  
3 Federal financial assistance for any program or  
4 activity of a State shall constitute a waiver of  
5 sovereign immunity, under the 11th Amend-  
6 ment to the Constitution or otherwise, to a suit  
7 brought by an employee or applicant for em-  
8 ployment of that program or activity under this  
9 subtitle for a remedy authorized under section  
10 1575(c) of this subtitle.

11 (B) DEFINITION.—In this paragraph, the  
12 term “program or activity” has the meaning  
13 given the term in section 606 of the Civil  
14 Rights Act of 1964 (42 U.S.C. 2000d–4a).

15 (2) EFFECTIVE DATE.—With respect to a par-  
16 ticular program or activity, paragraph (1) applies to  
17 conduct occurring on or after the day, after the date  
18 of enactment of this Act, on which a State first re-  
19 ceives or uses Federal financial assistance for that  
20 program or activity.

21 (c) REMEDIES AGAINST STATE OFFICIALS.—An offi-  
22 cial of a State may be sued in the official capacity of the  
23 official by any employee or applicant for employment who  
24 has complied with the applicable procedures of this sub-  
25 title, for relief that is authorized under this subtitle.

1 (d) REMEDIES AGAINST THE UNITED STATES AND  
2 THE STATES.—Notwithstanding any other provision of  
3 this subtitle, in an action or administrative proceeding  
4 against the United States or a State for a violation of this  
5 subtitle, remedies (including remedies at law and in eq-  
6 uity) are available for the violation to the same extent as  
7 such remedies would be available against a non-govern-  
8 mental entity.

9 **SEC. 1577. RELATIONSHIP TO OTHER LAWS.**

10 This subtitle shall not invalidate or limit the rights,  
11 remedies, or procedures available to an individual claiming  
12 discrimination prohibited under any other Federal law or  
13 regulation or any law or regulation of a State or political  
14 subdivision of a State.

15 **SEC. 1578. SEVERABILITY.**

16 If any provision of this subtitle, or the application  
17 of the provision to any person or circumstance, is held to  
18 be invalid, the remainder of this subtitle and the applica-  
19 tion of the provision to any other person or circumstances  
20 shall not be affected by the invalidity.

21 **SEC. 1579. EFFECTIVE DATE.**

22 This subtitle shall take effect on the date of enact-  
23 ment of this Act and shall not apply to conduct occurring  
24 before the effective date.

1     **TITLE XVI—LIVING AMERICAN**  
2                     **WAGE**

3     **SEC. 1601. FINDINGS; SENSE OF CONGRESS.**

4             (a) FINDINGS.—Congress finds the following:

5                     (1) In 2012, there were over 46,500,000 Ameri-  
6             cans living in poverty who were separated from the  
7             opportunities of the Nation by their income, their  
8             housing, and their access to education, jobs, and  
9             health care.

10                    (2) A full-time worker earning the Federal min-  
11             imum wage earns an income below the Federal pov-  
12             erty threshold for a family of 4, consisting of 2  
13             adults and 2 children.

14                    (3) The average fair market rent for a 1-bed-  
15             room apartment is more than 65 percent of the  
16             monthly income of a full-time worker earning the  
17             minimum wage. In comparison, the generally accept-  
18             ed definition of affordability is for a household to  
19             pay not more than 30 percent of its income on hous-  
20             ing.

21                    (4) Two full-time workers earning the Federal  
22             minimum wage earn an income below the national  
23             housing wage for a 1-bedroom apartment, the  
24             amount a person needs to earn to afford a 1-bed-  
25             room apartment at average rent.

1 (b) SENSE OF CONGRESS.—It is the sense of Con-  
2 gress that—

3 (1) the Federal minimum wage should, as a  
4 minimum, be adjusted every 4 years so that a person  
5 working for such a wage may earn an annual income  
6 that is not less than 15 percent higher than the  
7 Federal poverty threshold for a family of 4, as deter-  
8 mined by the Bureau of the Census;

9 (2) the minimum wage should be set at a level  
10 high enough to allow 2 full-time minimum wage  
11 workers to earn an income above the national hous-  
12 ing wage; and

13 (3) Congress, any of the several States, the Dis-  
14 trict of Columbia, any territory or possession of the  
15 United States, any Indian tribe, or any local or mu-  
16 nicipal government of a State may establish a higher  
17 minimum wage requirement than that established in  
18 this title.

19 **SEC. 1602. MINIMUM WAGE.**

20 Section 6 of the Fair Labor Standards Act of 1938  
21 (29 U.S.C. 206) is amended—

22 (1) in subsection (a)(1)—

23 (A) by striking “and” at the end of sub-  
24 paragraph (B);

1 (B) by inserting “and” at the end of sub-  
2 paragraph (C); and

3 (C) by inserting at the end the following:

4 “(D) not less than the amount determined  
5 by the Secretary under subsection (b), begin-  
6 ning September 1, 2014;”; and

7 (2) by redesignating subsection (b) as sub-  
8 section (c) and inserting after subsection (a) the fol-  
9 lowing:

10 “(b)(1) Subject to paragraph (2), not later than June  
11 1, 2014, and once every 4 years thereafter, the Secretary  
12 shall determine the minimum wage rate applicable under  
13 subsection (a)(1) based on the formula described in para-  
14 graph (3). The Secretary shall publish such wage rate in  
15 the Federal Register not later than October 1 of each year.

16 “(2) If the minimum wage rate determined by the  
17 Secretary under paragraph (1) would result in a lower  
18 minimum wage rate than the minimum wage rate in effect  
19 at the time of such determination, the Secretary shall not  
20 adjust, pursuant to this subsection, the minimum wage  
21 rate so in effect.

22 “(3) The minimum wage rate determined by the Sec-  
23 retary under paragraph (1) shall be the minimum hourly  
24 wage sufficient for a person working for such wage for  
25 40 hours per week, 52 weeks per year, to earn an annual

1 income in an amount that is 15 percent higher than the  
2 Federal poverty threshold for a family of 4, with two chil-  
3 dren under the age of 18, and living in any of the 48 con-  
4 tiguous States, as published by the Bureau of the Census  
5 for the year in which the wage rate is being so deter-  
6 mined.”.

7 **TITLE XVII—EMERGENCY UNEM-**  
8 **EMPLOYMENT      COMPENSATION**  
9 **EXTENSION**

10 **SEC. 1701. EXTENSION OF EMERGENCY UNEMPLOYMENT**  
11 **COMPENSATION PROGRAM.**

12       (a) EXTENSION.—Section 4007(a)(2) of the Supple-  
13 mental Appropriations Act, 2008 (Public Law 110–252;  
14 26 U.S.C. 3304 note) is amended by striking “January  
15 1, 2014” and inserting “January 1, 2015”.

16       (b) FUNDING.—Section 4004(e)(1) of the Supple-  
17 mental Appropriations Act, 2008 (Public Law 110–252;  
18 26 U.S.C. 3304 note) is amended—

19           (1) in subparagraph (I), by striking “and” at  
20 the end;

21           (2) in subparagraph (J), by inserting “and” at  
22 the end; and

23           (3) by inserting after subparagraph (J) the fol-  
24 lowing:

1           “(K) the amendments made by section  
2           2(a) of the Emergency Unemployment Com-  
3           pensation Extension Act;”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect as if included in the enact-  
6 ment of the American Taxpayer Relief Act of 2012 (Public  
7 Law 112–240).

8 **SEC. 1702. TEMPORARY EXTENSION OF EXTENDED BENEFIT**  
9           **PROVISIONS.**

10          (a) IN GENERAL.—Section 2005 of the Assistance for  
11 Unemployed Workers and Struggling Families Act, as  
12 contained in Public Law 111–5 (26 U.S.C. 3304 note),  
13 is amended—

14           (1) by striking “December 31, 2013” each  
15           place it appears and inserting “December 31,  
16           2014”; and

17           (2) in subsection (c), by striking “June 30,  
18           2014” and inserting “June 30, 2015”.

19          (b) EXTENSION OF MATCHING FOR STATES WITH  
20 NO WAITING WEEK.—Section 5 of the Unemployment  
21 Compensation Extension Act of 2008 (Public Law 110–  
22 449; 26 U.S.C. 3304 note) is amended by striking “June  
23 30, 2014” and inserting “June 30, 2015”.

24          (c) EXTENSION OF MODIFICATION OF INDICATORS  
25 UNDER THE EXTENDED BENEFIT PROGRAM.—Section

1 203 of the Federal-State Extended Unemployment Com-  
2 pensation Act of 1970 (26 U.S.C. 3304 note) is amend-  
3 ed—

4 (1) in subsection (d), by striking “December  
5 31, 2013” and inserting “December 31, 2014”; and

6 (2) in subsection (f)(2), by striking “December  
7 31, 2013” and inserting “December 31, 2014”.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall take effect as if included in the enact-  
10 ment of the American Taxpayer Relief Act of 2012 (Public  
11 Law 112–240).

12 **SEC. 1703. EXTENSION OF FUNDING FOR REEMPLOYMENT**  
13 **SERVICES AND REEMPLOYMENT AND ELIGI-**  
14 **BILITY ASSESSMENT ACTIVITIES.**

15 (a) IN GENERAL.—Section 4004(c)(2)(A) of the Sup-  
16 plemental Appropriations Act, 2008 (Public Law 110–  
17 252; 26 U.S.C. 3304 note) is amended by striking  
18 “through fiscal year 2014” and inserting “through fiscal  
19 year 2015”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall take effect as if included in the enact-  
22 ment of the American Taxpayer Relief Act of 2012 (Public  
23 Law 112–240).

1 **SEC. 1704. 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, 2014”; and

9 (2) by striking “December 31, 2013” and in-  
10 sserting “December 31, 2014”.

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 shall be available  
15 to cover the cost of additional extended unemployment  
16 benefits provided under such section 2(c)(2)(D) by reason  
17 of the amendments made by subsection (a) as well as to  
18 cover the cost of such benefits provided under such section  
19 2(c)(2)(D), as in effect on the day before the date of en-  
20 actment of this Act.

21 (c) FUNDING FOR ADMINISTRATION.—Out of any  
22 funds in the Treasury not otherwise appropriated, there  
23 are appropriated to the Railroad Retirement Board  
24 \$62,500 for administrative expenses associated with the  
25 payment of additional extended unemployment benefits  
26 provided under section 2(c)(2)(D) of the Railroad Unem-

1 ployment Insurance Act by reason of the amendments  
2 made by subsection (a), to remain available until ex-  
3 pended.

4 **SEC. 1705. FLEXIBILITY FOR UNEMPLOYMENT PROGRAM**  
5 **AGREEMENTS.**

6 (a) FLEXIBILITY.—

7 (1) IN GENERAL.—Subsection (g) of section  
8 4001 of the Supplemental Appropriations Act, 2008  
9 (Public Law 110–252; 26 U.S.C. 3304 note) shall  
10 not apply with respect to a State that has enacted  
11 a law before December 1, 2013, that, upon taking  
12 effect, would violate such subsection.

13 (2) EFFECTIVE DATE.—Paragraph (1) is effec-  
14 tive with respect to weeks of unemployment begin-  
15 ning on or after December 29, 2013.

16 (b) PERMITTING A SUBSEQUENT AGREEMENT.—  
17 Nothing in such title IV shall preclude a State whose  
18 agreement under such title was terminated from entering  
19 into a subsequent agreement under such title on or after  
20 the date of the enactment of this Act if the State, taking  
21 into account the application of subsection (a), would other-  
22 wise meet the requirements for an agreement under such  
23 title.

1 **DIVISION E—ANTI-POVERTY TAX**  
2 **PROVISION**  
3 **TITLE XVIII—CHILD TAX CREDIT**  
4 **PERMANENCY**

5 **SEC. 1801. MODIFICATIONS OF THE CHILD TAX CREDIT.**

6 (a) PERMANENT EXTENSION.—

7 (1) IN GENERAL.—Clause (i) of section  
8 24(d)(1)(B) of the Internal Revenue Code of 1986  
9 is amended by striking “\$10,000” and inserting  
10 “\$3,000”.

11 (2) CONFORMING AMENDMENTS.—Section  
12 24(d) of such Code is amended by striking para-  
13 graphs (3) and (4).

14 (b) INFLATION ADJUSTMENT.—Section 24 of such  
15 Code is amended by adding at the end the following new  
16 subsection:

17 “(g) INFLATION ADJUSTMENT.—In the case of any  
18 taxable year beginning in a calendar year after 2013, the  
19 \$1,000 amount contained in subsection (a) shall be in-  
20 creased by an amount equal to—

21 “(1) such dollar amount, multiplied by

22 “(2) the cost-of-living adjustment determined  
23 under section 1(f)(3) for the calendar year in which  
24 the taxable year begins, determined by substituting

1 ‘calendar year 2012’ for ‘calendar year 1992’ in sub-  
2 paragraph (B) thereof.

3 Any increase determined under the preceding sentence  
4 shall be rounded to the nearest multiple of \$50.”.

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2012.

8 **TITLE XIX—EARNED INCOME**  
9 **TAX CREDIT**

10 **SEC. 1901. EXPANSION OF EARNED INCOME CREDIT.**

11 (a) CREDIT PERCENTAGES FOR INDIVIDUALS WITH  
12 NO QUALIFYING CHILDREN.—The item in the table in  
13 section 32(b)(1)(A) of the Internal Revenue Code of 1986  
14 under the column relating to the credit percentage is  
15 amended by striking “7.65” and inserting “15.3”.

16 (b) PHASEOUT PERCENTAGE FOR INDIVIDUALS  
17 WITH NO QUALIFYING CHILDREN.—The item in the table  
18 in section 32(b)(1)(A) of the Internal Revenue Code of  
19 1986 under the column relating to the phaseout percent-  
20 age is amended by striking “7.65” and inserting “15.3”.

21 (c) PHASEOUT AMOUNT.—

22 (1) IN GENERAL.—The item in the table in sec-  
23 tion 32(b)(2)(A) of the Internal Revenue Code of  
24 1986 under the column relating to the phaseout

1 amount is amended by striking “\$5,280” and insert-  
2 ing “\$11,500”.

3 (2) INFLATION ADJUSTMENT.—

4 (A) IN GENERAL.—Section 32(j) of the In-  
5 ternal Revenue Code of 1986 is amended by re-  
6 designating paragraph (2) as paragraph (3)  
7 and by inserting after paragraph (1) the fol-  
8 lowing new paragraph:

9 “(2) EXCEPTION.—In the case of the amount  
10 in subsection (b)(2)(A) under the column relating to  
11 the phaseout amount for taxable years beginning  
12 after 2014, paragraph (1)(B)(i) shall be applied by  
13 substituting ‘calendar year 2013’ for ‘calendar year  
14 1995’ and paragraph (1) shall not apply to such  
15 amount for taxable years beginning in 2013.”.

16 (B) CONFORMING AMENDMENTS.—Section  
17 32(j) of the Internal Revenue Code of 1986 is  
18 amended—

19 (i) in paragraph (1)(B)(i) by inserting  
20 “except as provided in paragraph (2)” be-  
21 fore “in the case of”, and

22 (ii) in paragraph (2)(A) by inserting  
23 “or (2)” after “paragraph (1)”.

24 (d) EXPANSION OF AGE RANGE OF ELIGIBLE INDI-  
25 VIDUALS.—Section 32(c)(1)(A)(ii)(II) of the Internal Rev-

1 enue Code of 1986 is amended by striking “age 25 but  
2 not attained age 65” and inserting “age 21 but not at-  
3 tained retirement age (as defined in section 216(l) of the  
4 Social Security Act)”.

5 (e) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2013.

8 **TITLE XX—CHILD CARE ACCESS**  
9 **AND REFUNDABILITY EXPAN-**  
10 **SION ACT**

11 **SEC. 2001. CREDIT FOR DEPENDENT CARE EXPENSES.**

12 (a) CREDIT MADE REFUNDABLE.—

13 (1) IN GENERAL.—The Internal Revenue Code  
14 of 1986 is amended by redesignating section 21 as  
15 section 36C and by moving such section after section  
16 36B.

17 (2) CREDIT NOT ALLOWED TO NONRESIDENT  
18 ALIENS.—Section 36C(a)(1) of the Internal Revenue  
19 Code of 1986, as redesignated by this section, is  
20 amended by inserting “(other than a nonresident  
21 alien)” after “In the case of an individual”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 23(f)(1) of such Code is  
24 amended by striking “section 21(e)” and insert-  
25 ing “section 36C(e)”.

1 (B) Section 35(g)(6) of such Code is  
2 amended by striking “section 21(e)” and insert-  
3 ing “section 36C(e)”.

4 (C) Section 36C(a)(1) of such Code, as re-  
5 designated by this section, is amended by strik-  
6 ing “this chapter” and inserting “this subtitle”.

7 (D) Section 129(a)(2)(C) of such Code is  
8 amended by striking “section 21(e)” and insert-  
9 ing “section 36C(e)”.

10 (E) Section 129(b)(2) of such Code is  
11 amended by striking “section 21(d)(2)” and in-  
12 serting “section 36C(d)(2)”.

13 (F) Section 129(e)(1) of such Code is  
14 amended by striking “section 21(b)(2)” and in-  
15 serting “section 36C(b)(2)”.

16 (G) Section 213(e) of such Code is amend-  
17 ed by striking “section 21” and inserting “sec-  
18 tion 36C”.

19 (H) Section 6211(b)(4)(A) of such Code is  
20 amended by inserting “36C,” after “36B,”.

21 (I) Section 6213(g)(2)(H) of such Code is  
22 amended by striking “section 21” and inserting  
23 “section 36C”.

24 (J) Section 6213(g)(2)(L) of such Code is  
25 amended by striking “section 21, 24, 32, or

1           6428” and inserting “section 24, 32, 36C, or  
2           6428”.

3           (K) Paragraph (2) of section 1324(b) of  
4           title 31, United States Code, is amended by in-  
5           serting “36C,” after “36B,”.

6           (L) The table of sections for subpart A of  
7           part IV of subchapter A of chapter 1 of the In-  
8           ternal Revenue Code of 1986 is amended by  
9           striking the item relating to section 21.

10          (M) The table of sections for subpart C of  
11          part IV of subchapter A of chapter 1 of such  
12          Code is amended by inserting after the item re-  
13          lating to section 36B the following new item:

“Sec. 36C. Expenses for household and dependent care services necessary for  
gainful employment.”.

14          (b) INFLATION ADJUSTMENT OF INCOME THRESH-  
15          OLDS FOR CREDIT PHASEDOWN.—Section 36C(e) of the  
16          Internal Revenue Code of 1986, as redesignated by this  
17          section, is amended by adding at the end the following  
18          new paragraph:

19                 “(11) INFLATION ADJUSTMENT.—

20                         “(A) IN GENERAL.—In the case of any  
21                         taxable year beginning in a calendar year after  
22                         2013, the \$2,000 amount and the \$15,000  
23                         amount in subsection (a)(2) shall each be in-  
24                         creased by an amount equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-  
3 termined under section 1(f)(3) for the cal-  
4 endar year in which the taxable year be-  
5 gins, determined by substituting ‘calendar  
6 year 2012’ for ‘calendar year 1992’ in sub-  
7 paragraph (B) thereof.

8 “(B) ROUNDING.—Any increase deter-  
9 mined under subparagraph (A) shall be rounded  
10 to the nearest multiple of—

11 “(i) in the case of the \$2,000 amount,  
12 \$50, and

13 “(ii) in the case of the \$15,000  
14 amount, \$100.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2013.

18 **DIVISION F—MISCELLANEOUS**  
19 **TITLE XXI—POVERTY IMPACT**  
20 **TRIGGER**

21 **SEC. 2101. CERTAIN POVERTY IMPACT LEGISLATION SUB-**  
22 **JECT TO POINT OF ORDER.**

23 Rule XXI of the Rules of the House of Representa-  
24 tives is amended by adding at the end the following new  
25 clause:

1 **“Certain legislation reported by committees**

2 “12. It shall not be in order to consider a bill or joint  
3 resolution of a public nature authorizing an appropriation  
4 of \$10,000,000 or more, unless—

5 “(a) the committee report accompanying the bill  
6 or joint resolution includes a CBO Poverty Index Di-  
7 vision impact statement; or

8 “(b) the chair of the committee reporting the  
9 bill or joint resolution submits such statement to be  
10 published in the Congressional Record before consid-  
11 eration of the bill or joint resolution.”.

12 **SEC. 2102. CONGRESSIONAL BUDGET OFFICE POVERTY IM-**  
13 **PACT DIVISION.**

14 (a) IN GENERAL.—Section 202 of the Congressional  
15 Budget Act of 1974 (2 U.S.C. 602) is amended by adding  
16 at the end the following new subsection:

17 “(h) CBO POVERTY IMPACT DIVISION.—

18 “(1) CREATION.—There is established within  
19 the Office the CBO Poverty Impact Division (herein-  
20 after in this subsection referred to as the ‘Division’).

21 “(2) DUTIES AND FUNCTIONS.—

22 “(A) PREPARATION AND SUBMISSION OF  
23 IMPACT STATEMENT.—When a chair of a com-  
24 mittee of the House of Representatives submits  
25 a written request to the Division to prepare and  
26 submit to the committee a CBO Poverty Index

1 Division impact statement, the Division shall  
2 prepare and submit such statement to the com-  
3 mittee not later than 30 days after such re-  
4 quest.

5 “(B) CONTENT OF IMPACT STATEMENT.—  
6 A CBO Poverty Index Division impact state-  
7 ment shall include the following:

8 “(i) A projected ratio equal to the  
9 amount of appropriations authorized in the  
10 bill or joint resolution that will benefit in-  
11 dividuals and families below the poverty  
12 threshold over the total amount of appro-  
13 priations authorized by the bill or joint res-  
14 olution.

15 “(ii) A projection of the number of in-  
16 dividual and family incomes—

17 “(I) that may decrease below the  
18 poverty threshold because of the bill  
19 or joint resolution; and

20 “(II) that may increase above the  
21 poverty threshold because of the bill  
22 or joint resolution.

23 “(iii) A projection as to how the legis-  
24 lation improves access to basic human

1 services, including health care, housing,  
2 and education.

3 “(C) POVERTY THRESHOLD DEFINED.—In  
4 this subsection, the term ‘poverty threshold’  
5 means an income level below 200 percent of the  
6 poverty line (as defined in section 673(2) of the  
7 Community Services Block Grant Act).”.

8 **SEC. 2103. EXERCISE OF RULEMAKING POWERS.**

9 Section 2101 of this title is enacted by the House  
10 of Representatives—

11 (1) as an exercise of the rulemaking power of  
12 the House of Representatives and as such it shall be  
13 considered as part of the rules of the House of Rep-  
14 resentatives and such rules shall supersede other  
15 rules only to the extent that they are inconsistent  
16 therewith; and

17 (2) with the full recognition of the constitu-  
18 tional right of the House of Representatives to  
19 change such rules at any time, in the same manner,  
20 and to the same extent as in the case of any other  
21 rule of the House of Representatives.

22 **SEC. 2104. EFFECTIVE DATE.**

23 The amendments made by this title shall apply to any  
24 bill or joint resolution reported by a committee of the

1 House of Representatives after the 90-day period begin-  
2 ning on the date of enactment of this Act.

3 **TITLE XXII—HALF IN TEN ACT**  
4 **TO CREATE A NATIONAL**  
5 **STRATEGY TO REDUCE POV-**  
6 **ERTY**

7 **SEC. 2201. FINDINGS.**

8 Congress finds the following:

9 (1) The persistence of poverty, and especially  
10 intergenerational poverty, in America can be seen as  
11 a deep, structural problem that implicates our value  
12 system and our educational and economic institu-  
13 tions.

14 (2) Poverty may be defined as the lack of basic  
15 necessities of life such as food, shelter, clothing,  
16 health care, education, economic security, and eco-  
17 nomic opportunity.

18 (3) Policy initiatives and many safety net pro-  
19 grams addressing poverty have not kept pace with  
20 the needs of millions of Americans.

21 (4) The lack of an equitable distribution of  
22 housing choices across the country leads to isolation  
23 and concentrated poverty.

1           (5) The number of Americans living in poverty  
2           rose by over 2.6 million from 2009 to 2010 (U.S.  
3           Census Bureau, September 2011).

4           (6) There were 46.2 million Americans living in  
5           poverty in 2010, consisting of 15.1 percent of the  
6           American people (U.S. Census Bureau, September  
7           2011).

8           (7) Poverty has a disproportionate impact on  
9           minority communities in America with 27.4 percent  
10          of African-Americans, 26.6 percent of Hispanics,  
11          12.1 percent of Asian Americans, and 9.9 percent of  
12          Whites living in poverty in the United States in  
13          2010 (U.S. Census Bureau, September 2011).

14          (8) In 2010 a family of 4 was considered poor  
15          under the U.S. Census Bureau's official measure if  
16          the family's income was below \$22,314.

17          (9) The economic consequences of poverty in  
18          the United States are estimated to be at least \$500  
19          billion per year (Center for American Progress,  
20          2007).

21          (10) Children who grow up in poverty experi-  
22          ence higher crime rates, decreased productivity, and  
23          higher health costs over their lives (Center for Amer-  
24          ican Progress, 2007).

1           (11) 3,500,000 seniors lived in poverty in 2010  
2 (U.S. Census Bureau, 2011).

3           (12) Young Americans, ages 18–24, experience  
4 a higher poverty rate than the national average  
5 (U.S. Census Bureau, 2011).

6           (13) 16,400,000 children lived in poverty in  
7 2010—more than one in every five American chil-  
8 dren (U.S. Census Bureau, 2011).

9           (14) Almost 35 percent of African-American  
10 children and over 30 percent of Hispanic children  
11 lived in poverty in 2009 (U.S. Census Bureau,  
12 2011).

13           (15) The 46,180,000 of Americans in poverty  
14 in 2010 was the largest number yet recorded in the  
15 52 years for which poverty estimates are available  
16 (U.S. Census Bureau, 2011).

17           (16) Individuals and families in poverty are  
18 more socially vulnerable to natural disasters, ex-  
19 treme weather and impacts of climate change and  
20 have greater difficulty preparing for, responding to  
21 and recovering from such events (Oxfam America,  
22 2009).

23           (17) Children who live in families who fall into  
24 poverty for even short periods of time are at greater  
25 risk of a lifetime of lower earnings, lower edu-

1       cational attainment, and increased reliance on public  
2       services and increased rates of incarceration (First  
3       Focus, 2008).

4           (18) It is estimated that the additional 3 mil-  
5       lion children who were forced into poverty due to the  
6       recession of 2008, resulted in \$35 billion in eco-  
7       nomic losses annually, and will cause at least \$1.7  
8       trillion in economic losses to the United States dur-  
9       ing their lifetimes (First Focus, 2008).

10          (19) Reducing poverty, especially child poverty,  
11       not only reduces costs for Federal, State, and local  
12       social services and benefits programs, but also in-  
13       creases tax revenue at all levels of government (Chil-  
14       dren’s Defense Fund, 2009).

15          (20) The House of Representatives, on January  
16       22, 2008, has resolved that it is the sense of Con-  
17       gress that the United States should set a national  
18       goal of cutting poverty in half over the next 10  
19       years.

20   **SEC. 2202. DEFINITIONS.**

21       In this title:

22           (1) **FEDERAL AGENCY.**—The term “Federal  
23       agency” means any executive department, Govern-  
24       ment corporation, Government-controlled corpora-  
25       tion, or other establishment in the executive branch

1 of the Government (including the Executive Office of  
2 the President), or any independent regulatory agen-  
3 cy.

4 (2) POVERTY.—The term “poverty” means an  
5 income level and living standard associated with and  
6 based on the official poverty measure as established  
7 and updated by the U.S. Census Bureau which es-  
8 tablishes a threshold of minimum income necessary  
9 to achieve a standard of living free from deprivation  
10 of basic needs.

11 (3) EXTREME POVERTY.—The term “extreme  
12 poverty” means having an income level or living  
13 standard at a level of extreme deprivation based on  
14 living with income below 50 percent of the Federal  
15 poverty line as established by the U.S. Census.

16 (4) NEAR POVERTY.—The term “near poverty”  
17 means having a level of household income below 200  
18 percent of the Federal poverty line.

19 (5) CHILD POVERTY.—The term “child pov-  
20 erty” means poverty which impacts those persons  
21 under 18 years of age.

22 (6) DEPRIVATION.—The term “deprivation”  
23 means lacking some or all basic human needs.

24 (7) DECENT LIVING STANDARD.—The term  
25 “decent living standard” means the amount of an-

1 nual income that would allow an individual to live  
2 beyond deprivation at a safe and decent, but modest,  
3 standard of living.

4 (8) ALTERNATIVE POVERTY MEASURES.—The  
5 term “alternative poverty measures” means meas-  
6 ures and indicators, other than the traditional in-  
7 come based measure of poverty, which can provide a  
8 more detailed picture of the low-income and poverty  
9 stricken populations, such as the number of people  
10 who were kept above poverty by Government sup-  
11 ports, the number of people who are poor due to  
12 medical expenses, child care, and work expenses, the  
13 rates of food insecurity, the number of people who  
14 are asset poor (with less than three months of in-  
15 come saved), the number of disconnected youth, teen  
16 birth rates, participation rates in Federal anti-pov-  
17 erty programs for all eligible populations, and the  
18 number of people who are unbanked.

19 (9) REGIONAL COSTS OF LIVING.—The term  
20 “regional costs of living” means a measure of the  
21 differing costs of maintaining a given living standard  
22 in varying regional, geographic, urban or rural re-  
23 gions.

24 (10) ECONOMIC INSECURITY.—The term “eco-  
25 nomic insecurity” means the inability of individuals

1 and households to cope with routine adverse or cost-  
2 ly life events and the lack of means to maintain a  
3 decent standard of living and to recover from the  
4 costly consequences of those events.

5 (11) ECONOMIC STABILITY.—The term “eco-  
6 nomic stability” means individuals and households  
7 have access to the means and support systems nec-  
8 essary to effectively cope with adverse or costly life  
9 events and have the ability to effectively recover  
10 from the consequences of those events while main-  
11 taining their standard of living or maintaining a de-  
12 cent standard of living.

13 (12) DIGITAL DIVIDE.—The term “digital di-  
14 vide” means the gap between individuals, house-  
15 holds, businesses and geographic areas at different  
16 socio-economic levels with regard to both their access  
17 information and communications technologies and  
18 including the imbalance both in physical access to  
19 technology and the resources, education and skills  
20 needed to effectively use computer technology and  
21 the Internet for a wide variety of activities.

22 (13) OUTCOMES.—The term “outcomes” means  
23 change in the economic status, economic instability  
24 or economic security of an individual, household or  
25 other population which is attributable to a planned

1 intervention, benefit, or service or series of interven-  
2 tions, benefits, and services, regardless of whether  
3 such an intervention was intended to change such  
4 economic status.

5 (14) DISPARATE IMPACT.—The term “disparate  
6 impact” refers to the historic and ongoing impacts  
7 of the pattern and practice of discrimination in em-  
8 ployment, education, housing, banking and nearly  
9 every other aspect of American life in the economy,  
10 society or culture that have an adverse impact on  
11 minorities, women, or other protected groups, re-  
12 gardless of whether such practices were motivated by  
13 discriminatory intent.

14 **SEC. 2203. ESTABLISHMENT OF THE FEDERAL INTER-**  
15 **AGENCY WORKING GROUP ON REDUCING**  
16 **POVERTY.**

17 (a) ESTABLISHMENT OF FEDERAL INTERAGENCY  
18 WORKING GROUP ON REDUCING POVERTY.—There is es-  
19 tablished within the Department of Health and Human  
20 Services, a Federal Interagency Working Group on Reduc-  
21 ing Poverty, which shall be chaired by the Secretary of  
22 Health and Human Services, and whose members shall be  
23 selected by their respective agency heads from the senior  
24 ranks of their agencies, which shall—

1           (1) develop, within 180 days of enactment, a  
2           National Strategy to reduce the number of persons  
3           living in poverty in America in half within 10 years  
4           of the release of the 2012 Census report on Income,  
5           Poverty and Health Insurance Coverage in the  
6           United States: 2011, that includes goals and objec-  
7           tives relating to—

8                   (A) reducing in half the number of Ameri-  
9                   cans living in poverty as reported by the 2012  
10                  Census report on Income, Poverty and Health  
11                  Insurance Coverage in the United States: 2011;

12                   (B) eliminating child poverty in America;

13                   (C) eliminating extreme poverty in Amer-  
14                  ica;

15                   (D) improving the effectiveness and out-  
16                  comes of poverty-related programs by improving  
17                  our understanding of the root causes of poverty,  
18                  the social, economic, and the cultural contribu-  
19                  tors to persistent intergenerational poverty;

20                   (E) improving the measure of poverty to  
21                  include more indicators and measures that can  
22                  meaningfully account for other aspects relating  
23                  to the measure of poverty, such as regional dif-  
24                  ferences in costs of living, the impact of rising  
25                  income inequality, the impact of the persistent

1 “digital divide”, expanding the understanding  
2 of poverty by distinguishing a standard that  
3 measures a level of freedom from deprivation  
4 versus a standard that measures a standard of  
5 economic adequacy provided by a living wage  
6 and access to a decent living standard, and the  
7 impact of poverty on other measures of eco-  
8 nomic stability and economic outcomes, such as  
9 educational attainment, rates of incarceration,  
10 lifetime earnings, access to health care, health  
11 care outcomes, access to housing, and including  
12 other measures as necessary to improve our un-  
13 derstanding of why poverty persists in America;

14 (F) eliminating the disparate rates of pov-  
15 erty based on race, ethnicity, gender, age, or  
16 sexual orientation and identity, especially  
17 among children in those households so im-  
18 pacted;

19 (G) measuring effectiveness of poverty re-  
20 lated programs on the basis of long-term out-  
21 comes, including the long-term savings and  
22 value of preventive practice and policy, and em-  
23 ploying fact-based measures of programs to  
24 make improvements;

1           (H) improving the accessibility of benefit  
2           and social services programs, reducing the com-  
3           plexity and difficulty of enrollment, and improv-  
4           ing the rates of enrollment in need based pro-  
5           grams for all eligible recipients to maximize the  
6           impact of benefits and social services programs  
7           on reducing the impacts of poverty and improv-  
8           ing economic outcomes;

9           (I) making more uniform eligibility re-  
10          quirements to improve the coordination of serv-  
11          ice delivery, reduce gaps in eligibility, and im-  
12          prove outcomes of programs addressing poverty  
13          in the Federal Government;

14          (J) reducing the negative impacts of asset  
15          limits for eligibility which impact Federal, State  
16          and local poverty programs on the effectiveness  
17          of programs where limited eligibility creates  
18          gaps in necessary service and benefit delivery,  
19          and restricts access to benefits as individuals  
20          and families attempt to transition off of assist-  
21          ance programs and which can prevent needy  
22          beneficiaries from improving long-term out-  
23          comes and achieving long-term economic inde-  
24          pendence from need-based programs;

1           (K) identifying Federal programs, includ-  
2           ing those related to disaster relief, hazard miti-  
3           gation, extreme weather and climate change,  
4           and necessary reforms to better target re-  
5           sources towards disproportionately impacted so-  
6           cially vulnerable, low-income and disadvantaged  
7           communities may provide greater socio-eco-  
8           nomic benefits;

9           (L) improving the ability of community-  
10          based organizations to participate in the devel-  
11          opment, oversight and implementation of Fed-  
12          eral poverty-related programs;

13          (M) improving access to good jobs with  
14          adequate wages and benefits by individuals liv-  
15          ing in poverty, low-income households, and the  
16          unemployed;

17          (N) expanding and stabilizing poor and  
18          low-income persons connection to work and ac-  
19          cess to critical job training and/or skills up-  
20          grade training that will lead to re-entry in the  
21          workforce;

22          (O) developing a comprehensive strategy to  
23          connect low-income young people and to re-con-  
24          nect currently disconnected youth to education,  
25          work, and their community; and

1           (P) shifting the focus of poverty and  
2 means-tested programs across the Federal Gov-  
3 ernment beyond the relief of deprivation and in-  
4 stead setting goals, measures, and outcomes  
5 more focused on measuring the success of pro-  
6 grams in supporting and improving how capable  
7 individuals and families can access educational  
8 and economic opportunities to successfully tran-  
9 sition away from accessing public assistance  
10 and benefits and achieving long-term economic  
11 stability which will reduce long-term costs in  
12 domestic social needs programs, reduce long-  
13 term health care costs due to the improved  
14 health of formerly poverty stricken households,  
15 increase the number of taxpaying individuals  
16 which will increase revenue, and lower the en-  
17 rollment and costs in need based benefits and  
18 services programs, thus improving the economy  
19 and reducing long-term deficits for Federal,  
20 State, and local governments;

21           (2) oversee, coordinate, and integrate all poli-  
22 cies and activities of the Federal Government, in co-  
23 ordination and consultation with the Domestic Pol-  
24 icy Council and the National Economic Council,  
25 across all agencies relating to reducing the number

1 of individuals, families, and children living below the  
2 Federal poverty line, in extreme poverty or near pov-  
3 erty and increasing the number of households able  
4 to achieve long-term economic stability with assets  
5 sufficient to maintain a decent living standard with-  
6 out relying on public supports—

7 (A) economic, commercial, and pro-  
8 grammatic policies that can effect or relieve the  
9 effects of poverty through job creation, and eco-  
10 nomic development targeted to low-income, mi-  
11 nority, rural, urban and other populations who  
12 suffer disparate rates of poverty, among Fed-  
13 eral agencies; and

14 (B) services and benefits including emer-  
15 gency programs, discretionary economic pro-  
16 grams, and other policies and activities nec-  
17 essary to ensure that the Federal Government  
18 is able to mount effective responses to economic  
19 downturns and increases in the rates of poverty;

20 (3) ensure that all relevant Federal agencies  
21 comply with appropriate guidelines, policies, and di-  
22 rectives from the Federal Interagency Working  
23 Group on Reducing Poverty and the Department of  
24 Health and Human Services and other Federal  
25 agencies with responsibilities relating to poverty re-

1       duction or improving economic stability and inde-  
2       pendence;

3               (4) ensure that Federal agencies, State govern-  
4       ments and relevant congressional committees have  
5       access to, receive, and appropriately disseminate best  
6       practices in the administration of programs, have  
7       adequate resources to maximize the public awareness  
8       of programs, increase the reach of those programs,  
9       especially into historically disenfranchised commu-  
10      nities, maximize enrollment for all eligible Ameri-  
11      cans, share relevant data, and issue relevant guid-  
12      ance in consultation with non-government organiza-  
13      tions and policy experts in the field and State and  
14      local government officials who administer or direct  
15      policy for anti-poverty programs in increasing and  
16      maximizing the enrollment into and administration  
17      of programs and services designed to alleviate pov-  
18      erty;

19              (5) enact best practices for improved data col-  
20      lection, relevant to—

21                      (A) reducing poverty;

22                      (B) reducing the racial, ethnic, age, gen-  
23                      der, and sexual orientation or sexual identity  
24                      based disparities in the rates of poverty;

1 (C) adequately measuring the effectiveness,  
2 efficiency and impact of programs on the out-  
3 comes for individuals, families and communities  
4 who receive benefits and services;

5 (D) streamlining enrollment and eligibility  
6 for programs;

7 (E) improving long-term outcomes for indi-  
8 viduals who are enrolled in service and benefit  
9 programs;

10 (F) reducing reliance on public programs;

11 (G) improving connections to work;

12 (H) improving economic stability;

13 (I) improving savings and investment, ac-  
14 cess to capital, increasing rates of entrepreneur-  
15 ship;

16 (J) improving our understanding of the  
17 impact of extreme weather and natural disas-  
18 ters on economically vulnerable communities  
19 and improving those communities' resilience to  
20 and recovery from extreme weather and natural  
21 disasters;

22 (K) improving access to living wage em-  
23 ployment; and

24 (L) improving access to employment-based  
25 benefits; and

1           (6) study the feasibility of and test different  
2 interagency, State and local, public/private models of  
3 cooperative service and benefit delivery by creating  
4 necessary exemptions, waivers and funding sources  
5 to allow improved cooperation and innovation in the  
6 development of programs, practices, policies and pro-  
7 cedures that advance the goal of reducing poverty  
8 and increasing economic opportunity.

9           (b) DIRECTOR OF NATIONAL POVERTY POLICY.—  
10 There shall be a Staff Director of National Poverty Policy,  
11 who shall be the head of the Federal Interagency Working  
12 Group on Reducing Poverty.

13 **SEC. 2204. APPOINTMENT AND RESPONSIBILITIES OF THE**  
14 **DIRECTOR.**

15           (a) APPOINTMENT.—

16           (1) IN GENERAL.—The Staff Director shall be  
17 appointed by the Secretary of Housing and Urban  
18 Development.

19           (2) QUALIFICATIONS.—The Secretary shall ap-  
20 point the Staff Director from among individuals who  
21 have demonstrated ability and knowledge in social  
22 policy, improving outcome based management, issues  
23 of equity and equal opportunity and access to serv-  
24 ices and economic opportunity.

25           (b) RESPONSIBILITIES.—The Staff Director shall—

1           (1) advise the Secretary and all relevant cabinet  
2 secretaries, and agency officials regarding the estab-  
3 lishment of policies, goals, objectives, and priorities  
4 for reducing poverty in America in half in ten years,  
5 ending child poverty, ending extreme poverty and  
6 eliminating racial, ethnic, gender, and sexual iden-  
7 tity and orientation based disparities in the rates of  
8 poverty;

9           (2) advise the Secretary, when directed by the  
10 Secretary, advise relevant cabinet secretaries, heads  
11 of independent Federal agencies and other entities  
12 within the Executive Office of the President regard-  
13 ing mechanisms to improve the effectiveness, coordi-  
14 nation, impact, and outcomes of social services, ben-  
15 efits, and other poverty reduction and economic op-  
16 portunity programs, in collaboration with experts in  
17 the field, non-governmental organizations, and other  
18 governments;

19           (3) work with Federal agencies to oversee, co-  
20 ordinate, and integrate the implementation of the  
21 National Plan or Strategy, including consultation  
22 with independent non-governmental policy experts  
23 and service provider groups engaged in serving low-  
24 income persons, children and households, State and  
25 local government officials who administer or direct

1 policy for anti-poverty programs, and with as many  
2 groups that directly represent low-income people,  
3 such as public housing tenants' associations, or  
4 other similar groups; and

5 (4) resolve any disputes that arise between Fed-  
6 eral agencies relating to the National Plan to reduce  
7 poverty in half in ten years or other matters within  
8 the responsibility of the Office.

9 **SEC. 2205. CONSULTATION.**

10 (a) IN GENERAL.—The Director may consult and ob-  
11 tain recommendations from, as needed, such Presidential  
12 and other advisory entities such as consultation with inde-  
13 pendent non-governmental policy experts and service pro-  
14 vider groups engaged in serving low-income persons, chil-  
15 dren, and households; State and local government officials  
16 who administer or direct policy for anti-poverty programs,  
17 and groups made up of low-income people, such as public  
18 housing tenants' associations, or other similar groups as  
19 the Director determines will assist in carrying out the mis-  
20 sion of the Office, including, but not limited to—

21 (1) the Administration for Children and Fami-  
22 lies (ACF);

23 (2) the Administration on Aging (AoA);

24 (3) the Department of Agriculture (USDA);

25 (4) the Bankruptcy Courts;

- 1 (5) the Bureau of Consumer Financial Protec-
- 2 tion;
- 3 (6) the Bureau of Economic Analysis (BEA);
- 4 (7) the Bureau of Indian Affairs (BIA);
- 5 (8) the Bureau of the Census;
- 6 (9) the Center for Nutrition Policy and Pro-
- 7 motion;
- 8 (10) the Centers for Medicare & Medicaid Serv-
- 9 ices (formerly the Health Care Financing Adminis-
- 10 tration);
- 11 (11) the Commission on Civil Rights;
- 12 (12) the Office of Community Planning and
- 13 Development;
- 14 (13) the Consumer Financial Protection Bu-
- 15 reau;
- 16 (14) the Coordinating Council on Juvenile Jus-
- 17 tice and Delinquency Prevention;
- 18 (15) the Corporation for National and Commu-
- 19 nity Service;
- 20 (16) the Council of Economic Advisers;
- 21 (17) the Department of Agriculture (USDA);
- 22 (18) the Department of Commerce (DOC);
- 23 (19) the Department of Defense (DOD);
- 24 (20) the Department of Education (ED);

- 1 (21) the Department of Health and Human  
2 Services (HHS);
- 3 (22) the Department of Housing and Urban  
4 Development (HUD);
- 5 (23) the Department of Justice (DOJ);
- 6 (24) the Department of Labor (DOL);
- 7 (25) the Department of the Treasury;
- 8 (26) the Department of Transportation (DOT);
- 9 (27) the Department of Veterans Affairs (VA);
- 10 (28) the Disability Employment Policy Office;
- 11 (29) the Domestic Policy Council;
- 12 (30) the Drug Enforcement Administration  
13 (DEA);
- 14 (31) the Economic Development Administra-  
15 tion;
- 16 (32) the Economic Research Service;
- 17 (33) the English Language Acquisition Office;
- 18 (34) the Equal Employment Opportunity Com-  
19 mission (EEOC);
- 20 (35) the Fair Housing and Equal Opportunity;
- 21 (36) the Federal Bureau of Prisons;
- 22 (37) the Federal Housing Finance Board;
- 23 (38) the Federal Labor Relations Authority;
- 24 (39) the Federal Trade Commission (FTC);
- 25 (40) the Food and Nutrition Service;

- 1 (41) the Indian Health Service;
- 2 (42) the Interagency Council on Homelessness;
- 3 (43) the Internal Revenue Service (IRS);
- 4 (44) the Legal Services Corporation;
- 5 (45) the National AIDS Policy Office;
- 6 (46) the National Credit Union Administration;
- 7 (47) the National Economic Council;
- 8 (48) the National Institutes of Health (NIH);
- 9 (49) the National Labor Relations Board;
- 10 (50) the Occupational Safety & Health Admin-  
11 istration (OSHA);
- 12 (51) the Office of Management and Budget  
13 (OMB);
- 14 (52) the Office of Refugee Resettlement;
- 15 (53) the Office of Policy Development and Re-  
16 search (Housing and Urban Development Depart-  
17 ment);
- 18 (54) the Small Business Administration (SBA);
- 19 (55) the Social Security Administration (SSA);
- 20 (56) the Substance Abuse and Mental Health  
21 Services Administration;
- 22 (57) the Veterans' Employment and Training  
23 Service; and
- 24 (58) the Women's Bureau (Labor Department).

1 (b) NATIONAL STRATEGY.—In developing and updat-  
2 ing the National Strategy the Executive Director shall  
3 consult with the Domestic Policy Council, the National  
4 Economic Council, and, as appropriate, hold regional pub-  
5 lic hearings around the country to collect information and  
6 feedback from the public on their efforts and experience  
7 for the development and updating of the National Strategy  
8 and make this information available to the public.

9 **SEC. 2206. REPORTS TO CONGRESS AND THE PUBLIC.**

10 (a) IN GENERAL.—The Chair of the Federal Inter-  
11 agency Working Group on Reducing Poverty shall submit  
12 an annual report to the appropriate congressional commit-  
13 tees describing the activities, ongoing projects, and plans  
14 of the Federal Government designed to meet the goals and  
15 objectives of the National Strategy on Poverty. The report  
16 shall include an accounting of the savings to the Govern-  
17 ment from any increased efficiencies in the delivery of  
18 services, any savings from reducing the numbers of Ameri-  
19 cans living in poverty and reductions in the demand for  
20 need-based services and benefits for which persons living  
21 in and near poverty are eligible, as well as an accounting  
22 of any increase in revenue collections due to the numbers  
23 of persons who become gainfully employed and pay taxes  
24 into the Treasury instead of drawing benefits and services  
25 from it.

1 (b) NATIONAL ACADEMY OF SCIENCES WORK-  
2 SHOP.—Within 90 days after funds are made available to  
3 carry out this title, the Secretary of Health and Human  
4 Services shall contract with the National Academy of  
5 Sciences (hereinafter in this subsection referred to as the  
6 “NAS”) to initiate a workshop series to provide necessary  
7 background information to enable the Working Group on  
8 Reducing Poverty to develop and finalize its plan.

9 (1) The NAS shall convene a steering com-  
10 mittee to organize, plan, and conduct a public work-  
11 shop on what is known about the economic and so-  
12 cial costs of poverty, including, but not limited to  
13 the following:

14 (A) Macroeconomic costs (effects on pro-  
15 ductivity and economic output).

16 (B) Health costs (effects on health expend-  
17 itures and health status).

18 (C) Crime and other social costs.

19 (D) Direct Federal budget effects (e.g.,  
20 outlays for income support and other poverty  
21 reduction programs).

22 (E) Natural disaster related risks and  
23 costs.

24 (F) The workshop shall also consider pov-  
25 erty metrics (e.g., income poverty, food insecu-

1           rity, and other measures of deprivation), and  
2           their role in assessing the effects of poverty and  
3           the performance of anti-poverty programs.

4           The NAS shall commission experts to prepare pa-  
5           pers that summarize and critique the relevant lit-  
6           erature estimating monetary and non-monetary eco-  
7           nomic and social impacts of poverty. A workshop  
8           summary shall be produced that, along with the pa-  
9           pers, shall be available electronically on the NAS  
10          website. This workshop shall be convened within 6  
11          months of receipt of a contract, the papers posted  
12          immediately, and the summary released by the end  
13          of month.

14                 (2) The NAS steering committee shall organize,  
15                 plan, and conduct a second public workshop on what  
16                 is known about the economic and social costs and  
17                 benefits of a variety of programs and strategies to  
18                 reduce and prevent poverty. It shall take account of  
19                 such issues as the following:

20                         (A) Short-term versus long-term effects,  
21                         including budget implications.

22                         (B) Effects for different population  
23                         groups, such as children, the elderly, immi-  
24                         grants, long-term single-parent families, dis-  
25                         placed older workers, young people with large

1 loans, people in areas of concentrated poverty  
2 and other social ills (e.g., Indian reservations,  
3 some inner city areas, some rural areas).

4 (C) Effects by depth of poverty and near-  
5 poverty (e.g., income to poverty ratios of less  
6 than 50 percent, less than 100 percent, less  
7 than 200 percent).

8 This second workshop shall be convened within 9  
9 months of receipt of a contract, the papers posted  
10 immediately, and a summary released by the end of  
11 month 12.

12 (c) REPORT.—The relevant sections of the report  
13 shall be posted on each agency’s website on the plans and  
14 impacts specific to their agency.

15 (d) PUBLIC REPORT.—A version of each report sub-  
16 mitted under this section shall be made available to the  
17 public.

18 (e) LEGISLATIVE LANGUAGE.—The Working Group  
19 on Reducing Poverty shall submit, as necessary, legislative  
20 language, including specific legislative recommendations to  
21 the Congress of the United States towards achieving the  
22 national goals.

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