

–CITE–

42 USC Sec. 434 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER II – FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

BENEFITS

–HEAD–

Sec. 434. Demonstration project authority

–STATUTE–

(a) Authority

(1) In general

The Commissioner of Social Security (in this section referred to as the "Commissioner") shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of –

(A) various alternative methods of treating the work activity of individuals entitled to disability insurance benefits under section 423 of this title or to monthly insurance benefits under section 402 of this title based on such individual's disability (as defined in section 423(d) of this title), including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of such individuals;

(B) altering other limitations and conditions applicable to

such individuals (including lengthening the trial work period (as defined in section 422(c) of this title), altering the 24-month waiting period for hospital insurance benefits under section 426 of this title, altering the manner in which the program under this subchapter is administered, earlier referral of such individuals for rehabilitation, and greater use of employers and others to develop, perform, and otherwise stimulate new forms of rehabilitation); and

(C) implementing sliding scale benefit offsets using variations in –

(i) the amount of the offset as a proportion of earned income;

(ii) the duration of the offset period; and

(iii) the method of determining the amount of income earned by such individuals,

to the end that savings will accrue to the Trust Funds, or to otherwise promote the objectives or facilitate the administration of this subchapter.

(2) Authority for expansion of scope

The Commissioner may expand the scope of any such experiment or demonstration project to include any group of applicants for benefits under the program established under this subchapter with impairments that reasonably may be presumed to be disabling for purposes of such demonstration project, and may limit any such demonstration project to any such group of applicants, subject to the terms of such demonstration project which shall define the

extent of any such presumption.

(b) Requirements

The experiments and demonstration projects developed under subsection (a) of this section shall be of sufficient scope and shall be carried out on a wide enough scale to permit a thorough evaluation of the alternative methods under consideration while giving assurance that the results derived from the experiments and projects will obtain generally in the operation of the disability insurance program under this subchapter without committing such program to the adoption of any particular system either locally or nationally.

(c) Authority to waive compliance with benefits requirements

In the case of any experiment or demonstration project conducted under subsection (a) of this section, the Commissioner may waive compliance with the benefit requirements of this subchapter and the requirements of section 1320b-19 of this title as they relate to the program established under this subchapter, and the Secretary may (upon the request of the Commissioner) waive compliance with the benefits requirements of subchapter XVIII of this chapter, insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of

Representatives and to the Committee on Finance of the Senate.

Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a) of this section.

(d) Reports

(1) Interim reports

On or before June 9 of each year, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate an annual interim report on the progress of the experiments and demonstration projects carried out under this subsection (!) together with any related data and materials that the Commissioner may consider appropriate.

(2) Termination and final report

The authority under the preceding provisions of this section (including any waiver granted pursuant to subsection (c) of this section) shall terminate 5 years after December 17, 1999. Not later than 90 days after the termination of any experiment or demonstration project carried out under this section, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a final report with respect to that experiment or demonstration project.

–SOURCE–

(Aug. 14, 1935, ch. 531, title II, Sec. 234, as added Pub. L. 106–170, title III, Sec. 301(a), Dec. 17, 1999, 113 Stat. 1900.)

–COD–

CODIFICATION

December 17, 1999, referred to in subsec. (d)(2), was in the original "the date of the enactment of this Act", which was translated as meaning the date of enactment of Pub. L. 106–170, which enacted this section, to reflect the probable intent of Congress.

–MISC1–

DEMONSTRATION PROJECTS PROVIDING FOR REDUCTIONS IN DISABILITY INSURANCE BENEFITS BASED ON EARNINGS

Pub. L. 106–170, title III, Sec. 302, Dec. 17, 1999, 113 Stat. 1902, provided that:

"(a) Authority. – The Commissioner of Social Security shall conduct demonstration projects for the purpose of evaluating, through the collection of data, a program for title II disability beneficiaries (as defined in section 1148(k)(3) of the Social Security Act [section 1320b–19(k)(3) of this title]) under which benefits payable under section 223 of such Act [section 423 of this title], or under section 202 of such Act [section 402 of this title] based on the beneficiary's disability, are reduced by \$1 for each \$2 of the beneficiary's earnings that is above a level to be determined by the Commissioner. Such projects shall be conducted at a number of localities which the Commissioner shall determine is

sufficient to adequately evaluate the appropriateness of national implementation of such a program. Such projects shall identify reductions in Federal expenditures that may result from the permanent implementation of such a program.

"(b) Scope and Scale and Matters To Be Determined. –

"(1) In general. – The demonstration projects developed under subsection (a) shall be of sufficient duration, shall be of sufficient scope, and shall be carried out on a wide enough scale to permit a thorough evaluation of the project to determine –

"(A) the effects, if any, of induced entry into the project and reduced exit from the project;

"(B) the extent, if any, to which the project being tested is affected by whether it is in operation in a locality within an area under the administration of the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act [section 1320b–19 of this title]; and

"(C) the savings that accrue to the Federal Old–Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and other Federal programs under the project being tested.

The Commissioner shall take into account advice provided by the Ticket to Work and Work Incentives Advisory Panel pursuant to section 101(f)(2)(B)(ii) of this Act [set out as a note under section 1320b–19 of this title].

"(2) Additional matters. – The Commissioner shall also determine with respect to each project –

"(A) the annual cost (including net cost) of the project and the annual cost (including net cost) that would have been incurred in the absence of the project;

"(B) the determinants of return to work, including the characteristics of the beneficiaries who participate in the project; and

"(C) the employment outcomes, including wages, occupations, benefits, and hours worked, of beneficiaries who return to work as a result of participation in the project.

The Commissioner may include within the matters evaluated under the project the merits of trial work periods and periods of extended eligibility.

"(c) Waivers. – The Commissioner may waive compliance with the benefit provisions of title II of the Social Security Act (42 U.S.C. 401 et seq.), and the Secretary of Health and Human Services may waive compliance with the benefit requirements of title XVIII of such Act (42 U.S.C. 1395 et seq.), insofar as is necessary for a thorough evaluation of the alternative methods under consideration.

No such project shall be actually placed in operation unless at least 90 days prior thereto a written report, prepared for purposes of notification and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate.

Periodic reports on the progress of such projects shall be submitted by the Commissioner to such committees. When appropriate,

such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in subsection (a).

"(d) Interim Reports. – Not later than 2 years after the date of the enactment of this Act [Dec. 17, 1999], and annually thereafter, the Commissioner of Social Security shall submit to the Congress an interim report on the progress of the demonstration projects carried out under this subsection together with any related data and materials that the Commissioner of Social Security may consider appropriate.

"(e) Final Report. – The Commissioner of Social Security shall submit to the Congress a final report with respect to all demonstration projects carried out under this section not later than 1 year after their completion.

"(f) Expenditures. – Expenditures made for demonstration projects under this section shall be made from the Federal Disability Insurance Trust Fund and the Federal Old–Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of Social Security, and from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services, to the extent provided in advance in appropriation Acts."

STUDY BY GENERAL ACCOUNTING OFFICE OF THE IMPACT OF THE SUBSTANTIAL GAINFUL ACTIVITY LIMIT ON RETURN TO WORK

Pub. L. 106–170, title III, Sec. 303(c), Dec. 17, 1999, 113 Stat. 1904, provided that:

"(1) Study. – As soon as practicable after the date of the enactment of this Act [Dec. 17, 1999], the Comptroller General of the United States shall undertake a study of the substantial gainful activity level applicable as of that date to recipients of benefits under section 223 of the Social Security Act (42 U.S.C. 423) and under section 202 of such Act (42 U.S.C. 402) on the basis of a recipient having a disability, and the effect of such level as a disincentive for those recipients to return to work. In the study, the Comptroller General also shall address the merits of increasing the substantial gainful activity level applicable to such recipients of benefits and the rationale for not yearly indexing that level to inflation.

"(2) Report. – Not later than 2 years after the date of the enactment of this Act [Dec. 17, 1999], the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate."

STUDY BY THE GENERAL ACCOUNTING OFFICE OF SOCIAL SECURITY
ADMINISTRATION'S DISABILITY INSURANCE PROGRAM DEMONSTRATION
AUTHORITY

Pub. L. 106–170, title III, Sec. 303(e), Dec. 17, 1999, 113 Stat. 1905, provided that:

"(1) Study. – As soon as practicable after the date of the

enactment of this Act [Dec. 17, 1999], the Comptroller General of the United States shall undertake a study to assess the results of the Social Security Administration's efforts to conduct disability demonstrations authorized under prior law as well as under section 234 of the Social Security Act [this section] (as added by section 301 of this Act).

"(2) Report. – Not later than 5 years after the date of the enactment of this Act [Dec. 17, 1999], the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the Comptroller General's study conducted pursuant to this section, together with a recommendation as to whether the demonstration authority authorized under section 234 of the Social Security Act [this section] (as added by section 301 of this Act) should be made permanent."

–SECFEF–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 401 of this title.

–FOOTNOTE–

(!1) So in original. Probably should be "section".

–End–

–CITE–

42 USC SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT

COMPENSATION ADMINISTRATION 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION
ADMINISTRATION

–HEAD–

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION
ADMINISTRATION

–SECREf–

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in title 5 section 8505; title 29
section 2943.

–End–

–CITE–

42 USC Sec. 501 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION
ADMINISTRATION

–HEAD–

Sec. 501. Use of available funds

–STATUTE–

The amounts made available pursuant to section 1101(c)(1)(A) of
this title for the purpose of assisting the States in the
administration of their unemployment compensation laws shall be
used as hereinafter provided.

–SOURCE–

(Aug. 14, 1935, ch. 531, title III, Sec. 301, 49 Stat. 626; Apr.

19, 1939, ch. 73, 53 Stat. 581; Pub. L. 86–778, title V, Sec.

524(a), Sept. 13, 1960, 74 Stat. 982.)

–MISC1–

AMENDMENTS

1960 – Pub. L. 86–778 struck out provisions prescribing specific sums for fiscal years 1936–1939 and for each fiscal year thereafter and inserted provisions relating to amounts made available pursuant to section 1101(c)(1)(A) of this title.

1939 – Act Apr. 19, 1939, provided increased appropriation for fiscal year ending June 30, 1939, and for each fiscal year thereafter.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 45 section 363.

–End–

–CITE–

42 USC Sec. 502 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION

ADMINISTRATION

–HEAD–

Sec. 502. Payments to States; computation of amounts

–STATUTE–

(a) Certification of amounts

The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act, such amounts as the Secretary of Labor determines to be necessary for the proper and efficient administration of such law during the fiscal year for which such payment is to be made, including 100 percent of so much of the reasonable expenditures of the State as are attributable to the costs of the implementation and operation of the immigration status verification system described in section 1320b-7(d) of this title. The Secretary of Labor's determination shall be based on (1) the population of the State; (2) an estimate of the number of persons covered by the State law and of the cost of proper and efficient administration of such law; and (3) such other factors as the Secretary of Labor finds relevant. The Secretary of Labor shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year.

(b) Payment of amounts

Out of the sums appropriated therefor, the Secretary of the Treasury shall, upon receiving a certification under subsection (a) of this section, pay, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, to the State agency charged with the administration of such law the amount so certified.

(c) Mailing costs

No portion of the cost of mailing a statement under section 6050B(b) of the Internal Revenue Code of 1986 (relating to unemployment compensation) shall be treated as not being a cost for the proper and efficient administration of the State unemployment compensation law by reason of including with such statement information about the earned income credit provided by section 32 of the Internal Revenue Code of 1986. The preceding sentence shall not apply if the inclusion of such information increases the postage required to mail such statement.

–SOURCE–

(Aug. 14, 1935, ch. 531, title III, Sec. 302, 49 Stat. 626; Aug. 10, 1939, ch. 666, title III, Sec. 301, 53 Stat. 1378; 1946 Reorg. Plan No. 2, Sec. 4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095; 1949 Reorg. Plan No. 2, Sec. 1, eff. Aug. 20, 1949, 14 F.R. 5225, 63 Stat. 1065; Pub. L. 98–369, div. B, title VI, Sec. 2663(b)(1), July 18, 1984, 98 Stat. 1165; Pub. L. 99–603, title I, Sec. 121(b)(3), Nov. 6, 1986, 100 Stat. 3390; Pub. L. 102–318, title III, Sec. 302(a), July 3, 1992, 106 Stat. 297.)

–REFTEXT–

REFERENCES IN TEXT

The Federal Unemployment Tax Act, referred to in subsec. (a), comprised subchapter C (Secs. 1600 to 1611) of chapter 9 of the Internal Revenue Code of 1939. Chapter 9 of the 1939 Code was repealed (subject to certain exceptions) by section 7851(a)(3) of Title 26, Internal Revenue Code of 1954 (act Aug. 16, 1954, ch.

736, 68A Stat. 3). The I.R.C. 1954 was redesignated I.R.C. 1986 by Pub. L. 99-514, Sec. 2, Oct. 22, 1986, 100 Stat. 2095. The Federal Unemployment Tax Act also comprises chapter 23 (Sec. 3301 et seq.) of the Internal Revenue Code of 1986.

For provision deeming a reference in other laws to a provision of the 1939 Code as a reference to the corresponding provisions of the 1986 Code, see section 7852(b) of the 1986 Code. For table of comparisons of the 1939 Code to the 1986 Code, see table preceding section 1 of Title 26, Internal Revenue Code. The Internal Revenue Code of 1986 is classified generally to Title 26.

-MISC1-

AMENDMENTS

1992 – Subsec. (c). Pub. L. 102-318 added subsec. (c).

1986 – Subsec. (a). Pub. L. 99-603 inserted at end of first sentence ", including 100 percent of so much of the reasonable expenditures of the State as are attributable to the costs of the implementation and operation of the immigration status verification system described in section 1320b-7(d) of this title".

1984 – Subsec. (b). Pub. L. 98-369 substituted "the Fiscal Service of the Department of the Treasury" for "the Division of Disbursement of the Treasury Department".

1939 – Subsec. (a). Act Aug. 10, 1939, substituted "Federal Unemployment Tax Act" for "sections 1101-1110 of this title," and inserted "efficient" before "administration".

EFFECTIVE DATE OF 1992 AMENDMENT

Section 302(b) of Pub. L. 102-318 provided that: "The amendment

made by subsection (a) [amending this section] shall take effect on the date of the enactment of this Act [July 3, 1992]."

EFFECTIVE DATE OF 1986 AMENDMENT

Section 121(c)(2) of Pub. L. 99-603 provided that: "The amendments made by subsection (b) [enacting section 1437r of this title, amending this section and sections 303, 603, 1203, 1353, and 1396b of this title, section 2025 of Title 7, Agriculture, and section 1096 of Title 20, Education, and amending provisions set out as a Puerto Rico, Guam, and Virgin Islands note under section 1383 of this title] take effect on October 1, 1987."

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective July 18, 1984, but not to be construed as changing or affecting any right, liability, status, or interpretation which existed (under the provisions of law involved) before that date, see section 2664(b) of Pub. L. 98-369, set out as a note under section 401 of this title.

-TRANS-

TRANSFER OF FUNCTIONS

For transfer of functions of other officers, employees, and agencies of Department of Labor, with certain exceptions, to Secretary of Labor, with power to delegate, see Reorg. Plan No. 6 of 1950, Secs. 1, 2, eff. May 24, 1950, 15 F.R. 3174, 64 Stat. 1263, set out in the Appendix to Title 5, Government Organization and Employees.

Functions of Federal Security Administrator with respect to unemployment compensation transferred to Secretary of Labor by

Reorg. Plan No. 2 of 1949, set out in the Appendix to Title 5.

Section 1 of Reorg. Plan No. 2 of 1949, also provided that functions transferred by this section shall be performed by Secretary of Labor, or subject to his direction and control, by such officers, agencies, and employees of Department of Labor as he shall designate.

"Administrator" substituted for "Board" by section 4 of Reorg.

Plan No. 2 of 1946, set out in the Appendix to Title 5.

–MISC2–

REPORT ON METHOD OF ALLOCATING ADMINISTRATIVE FUNDS AMONG STATES

Pub. L. 102–164, title III, Sec. 304, Nov. 15, 1991, 105 Stat.

1061, as amended by Pub. L. 102–318, title V, Sec. 533, July 3, 1992, 106 Stat. 317, provided that:

"(a) In General. – The Secretary of Labor shall submit to the Congress, before December 31, 1994, a comprehensive report setting forth a proposal for revising the method of allocating grants among the States under section 302 of the Social Security Act [this section].

"(b) Specific Requirements. – The report required by subsection (a) shall include an analysis of –

"(1) the use of unemployment insurance workload levels as the primary factor in allocating grants among the States under section 302 of the Social Security Act [this section],

"(2) ways to ensure that each State receive not less than a minimum grant amount for each fiscal year,

"(3) the use of nationally available objective data to

determine the unemployment compensation administrative costs of each State, with consideration of legitimate cost differences among the States,

"(4) ways to simplify the method of allocating such grants among the States,

"(5) ways to eliminate the disincentives to productivity and efficiency which exist in the current method of allocating such grants among the States,

"(6) ways to promote innovation and cost-effective practices in the method of allocating such grants among the States, and

"(7) the effect of the proposal set forth in such report on the grant amounts allocated to each State.

"(c) Congressional Review Period. – The Secretary of Labor may not revise the method in effect on the date of the enactment of this Act [Nov. 15, 1991] for allocating grants among the States under section 302 of the Social Security Act [this section], until after the expiration of the 12-month period beginning on the date on which the report required by subsection (a) is submitted to the Congress."

–SECRET–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 503, 504 of this title; title 45 section 363.

–End–

–CITE–

42 USC Sec. 503 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION

ADMINISTRATION

–HEAD–

Sec. 503. State laws

–STATUTE–

(a) Provisions required

The Secretary of Labor shall make no certification for payment to any State unless he finds that the law of such State, approved by the Secretary of Labor under the Federal Unemployment Tax Act [26 U.S.C. 3301 et seq.], includes provision for –

- (1) Such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due; and
- (2) Payment of unemployment compensation solely through public employment offices or such other agencies as the Secretary of Labor may approve; and
- (3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment

compensation are denied; and

(4) The payment of all money received in the unemployment fund of such State (except for refunds of sums erroneously paid into such fund and except for refunds paid in accordance with the provisions of section 3305(b) of the Federal Unemployment Tax Act [26 U.S.C. 3305(b)]), immediately upon such receipt, to the Secretary of the Treasury to the credit of the unemployment trust fund (!1) established by section 1104 of this title; and

(5) Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation, exclusive of expenses of administration, and for refunds of sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 3305(b) of the Federal Unemployment Tax Act [26 U.S.C. 3305(b)]: Provided, That an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration: Provided further, That the amounts specified by section 1103(c)(2) or 1103(d)(4) of this title may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices: Provided further, That nothing in this paragraph shall be construed to prohibit deducting an amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance, or the

withholding of Federal, State, or local individual income tax, if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor: Provided further, That amounts may be deducted from unemployment benefits and used to repay overpayments as provided in subsection (g) of this section: Provided further, That amounts may be withdrawn for the payment of short-time compensation under a plan approved by the Secretary of Labor: Provided further, That amounts may be withdrawn for the payment of allowances under a self-employment assistance program (as defined in section 3306(t) of the Internal Revenue Code of 1986 [26 U.S.C. 3306(t)]; and

(6) The making of such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and compliance with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports; and

(7) Making available upon request to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law; and

(8) Effective July 1, 1941, the expenditure of all moneys received pursuant to section 502 of this title solely for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of such State

law; and

(9) Effective July 1, 1941, the replacement, within a reasonable time, of any moneys received pursuant to section 502 of this title, which, because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Secretary of Labor for the proper administration of such State law; and

(10) A requirement that, as a condition of eligibility for regular compensation for any week, any claimant who has been referred to reemployment services pursuant to the profiling system under subsection (j)(1)(B) of this section participate in such services or in similar services unless the State agency charged with the administration of the State law determines –

(A) such claimant has completed such services; or

(B) there is justifiable cause for such claimant's failure to participate in such services.

(b) Failure to comply; payments stopped

Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is –

(1) a denial, in a substantial number of cases, of unemployment compensation to individuals entitled thereto under such law; or

(2) a failure to comply substantially with any provision specified in subsection (a) of this section;

the Secretary of Labor shall notify such State agency that further

payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such denial or failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State: Provided, That there shall be no finding under clause (1) until the question of entitlement shall have been decided by the highest judicial authority given jurisdiction under such State law: Provided further, That any costs may be paid with respect to any claimant by a State and included as costs of administration of its law.

(c) Denial of certification; availability of records to Railroad Retirement Board; cooperation with Federal agencies

The Secretary of Labor shall make no certification for payment to any State if he finds, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law –

(1) that such State does not make its records available to the Railroad Retirement Board, and furnish to the Railroad Retirement Board at the expense of the Railroad Retirement Board such copies thereof as the Railroad Retirement Board deems necessary for its purposes;

(2) that such State is failing to afford reasonable cooperation with every agency of the United States charged with the administration of any unemployment insurance law; or

(3) that any interest required to be paid on advances under subchapter XII of this chapter has not been paid by the date on

which such interest is required to be paid or has been paid directly or indirectly (by an equivalent reduction in State unemployment taxes or otherwise) by such State from amounts in such State's unemployment fund, until such interest is properly paid.

(d) Disclosure of unemployment compensation information; deduction and withholding of amounts owed to State food stamp agencies; reimbursement of administrative costs; non-compliance of State agency

(1) The State agency charged with the administration of the State law –

(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Agriculture and to officers or employees of any State food stamp agency any of the following information contained in the records of such State agency –

(i) wage information,

(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual,

(iii) the current (or most recent) home address of such individual, and

(iv) whether an individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor, and

(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under the food stamp program established under the Food Stamp Act of 1977 [7 U.S.C. 2011 et seq.].

(2)(A) For purposes of this paragraph, the term "unemployment compensation" means any unemployment compensation payable under the State law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law).

(B) The State agency charged with the administration of the State law –

(i) may require each new applicant for unemployment compensation to disclose whether the applicant owes an uncollected overissuance (as defined in section 13(c)(1) of the Food Stamp Act of 1977 [7 U.S.C. 2022(c)(1)]) of food stamp coupons,

(ii) may notify the State food stamp agency to which the uncollected overissuance is owed that the applicant has been determined to be eligible for unemployment compensation if the applicant discloses under clause (i) that the applicant owes an uncollected overissuance and the applicant is determined to be so eligible,

(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual –

(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

(II) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under section 13(c)(3)(A) of the Food Stamp Act of 1977 [7 U.S.C. 2022(c)(3)(A)], or

(III) any amount otherwise required to be deducted and withheld from the unemployment compensation pursuant to section 13(c)(3)(B) of such Act [7 U.S.C. 2022(c)(3)(B)], and

(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State food stamp agency.

(C) Any amount deducted and withheld under subparagraph (B)(iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State food stamp agency to which the uncollected overissuance is owed as repayment of the individual's uncollected overissuance.

(D) A State food stamp agency to which an uncollected overissuance is owed shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph that are attributable to repayment of uncollected overissuance to the State food stamp agency to which the uncollected overissuance is owed.

(3) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the

administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

(4) For purposes of this subsection, the term "State food stamp agency" means any agency described in section 3(n)(1) of the Food Stamp Act of 1977 [7 U.S.C. 2012(n)(1)] which administers the food stamp program established under such Act.

(e) Disclosure of wage information; non-compliance of State agency

(1) The State agency charged with the administration of the State law –

(A) shall disclose, upon request and on a reimbursable basis, directly to officers or employees of any State or local child support enforcement agency any wage information contained in the records of such State agency, and

(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of establishing and collecting child support obligations from, and locating, individuals owing such obligations.

For purposes of this subsection, the term "child support obligations" only includes obligations which are being enforced

pursuant to a plan described in section 654 of this title which has been approved by the Secretary of Health and Human Services under part D of subchapter IV of this chapter.

(2)(A) The State agency charged with the administration of the State law –

(i) shall require each new applicant for unemployment compensation to disclose whether or not such applicant owes child support obligations (as defined in the last sentence of paragraph (1)),

(ii) shall notify the State or local child support enforcement agency enforcing such obligations, if any applicant discloses under clause (i) that he owes child support obligations and he is determined to be eligible for unemployment compensation, that such applicant has been so determined to be eligible,

(iii) shall deduct and withhold from any unemployment compensation otherwise payable to an individual –

(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

(II) the amount (if any) determined pursuant to an agreement submitted to the State agency under section 654(19)(B)(i) of this title, or

(III) any amount otherwise required to be so deducted and withheld from such unemployment compensation through legal process (as defined in section 662(e) (!2) of this title), and

(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State or local child support enforcement

agency.

Any amount deducted and withheld under clause (iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by such individual to the State or local child support enforcement agency in satisfaction of his child support obligations.

(B) For purposes of this paragraph, the term "unemployment compensation" means any compensation payable under the State law (including amounts payable pursuant to agreements under any Federal unemployment compensation law).

(C) Each State or local child support enforcement agency shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by such State agency under this paragraph which are attributable to child support obligations being enforced by the State or local child support enforcement agency.

(3) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1) or (2), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

(4) For purposes of this subsection, the term "State or local

child support enforcement agency" means any agency of a State or political subdivision thereof operating pursuant to a plan described in the last sentence of paragraph (1).

(5) A State or local child support enforcement agency may disclose to any agent of the agency that is under contract with the agency to carry out the purposes described in paragraph (1)(B) wage information that is disclosed to an officer or employee of the agency under paragraph (1)(A). Any agent of a State or local child support agency that receives wage information under this paragraph shall comply with the safeguards established pursuant to paragraph (1)(B).

(f) Income and eligibility verification system

The State agency charged with the administration of the State law shall provide that information shall be requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1320b-7 of this title.

(g) Recovery of unemployment benefit payments

(1) A State may deduct from unemployment benefits otherwise payable to an individual an amount equal to any overpayment made to such individual under an unemployment benefit program of the United States or of any other State, and not previously recovered. The amount so deducted shall be paid to the jurisdiction under whose program such overpayment was made. Any such deduction shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of overpayments

of regular unemployment compensation paid by such State.

(2) Any State may enter into an agreement with the Secretary of Labor under which –

(A) the State agrees to recover from unemployment benefits otherwise payable to an individual by such State any overpayments made under an unemployment benefit program of the United States to such individual and not previously recovered, in accordance with paragraph (1), and to pay such amounts recovered to the United States for credit to the appropriate account, and

(B) the United States agrees to allow the State to recover from unemployment benefits otherwise payable to an individual under an unemployment benefit program of the United States any overpayments made by such State to such individual under a State unemployment benefit program and not previously recovered, in accordance with the same procedures as apply under paragraph (1).

(3) For purposes of this subsection, "unemployment benefits" means unemployment compensation, trade adjustment allowances, and other unemployment assistance.

(h) Disclosure to Secretary of Health and Human Services of wage and unemployment compensation claims information; suspension by Secretary of Labor of payments to State for noncompliance

(1) The State agency charged with the administration of the State law shall, on a reimbursable basis –

(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 653(i)(1) of this title, contained in the records of such

agency;

(B) ensure that information provided pursuant to subparagraph

(A) meets such standards relating to correctness and verification

as the Secretary of Health and Human Services, with the

concurrence of the Secretary of Labor, may find necessary; and

(C) establish such safeguards as the Secretary of Labor

determines are necessary to insure that information disclosed

under subparagraph (A) is used only for purposes of subsections

(i)(1), (i)(3), and (j) of section 653 of this title.

(2) Whenever the Secretary of Labor, after reasonable notice and

opportunity for hearing to the State agency charged with the

administration of the State law, finds that there is a failure to

comply substantially with the requirements of paragraph (1), the

Secretary of Labor shall notify such State agency that further

payments will not be made to the State until the Secretary of Labor

is satisfied that there is no longer any such failure. Until the

Secretary of Labor is so satisfied, the Secretary shall make no

future certification to the Secretary of the Treasury with respect

to the State.

(3) For purposes of this subsection –

(A) the term "wage information" means information regarding

wages paid to an individual, the social security account number

of such individual, and the name, address, State, and the Federal

employer identification number of the employer paying such wages

to such individual; and

(B) the term "claim information" means information regarding

whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.

(i) Access to State employment records

(1) The State agency charged with the administration of the State law –

(A) shall disclose, upon request and on a reimbursable basis, only to officers and employees of the Department of Housing and Urban Development and to representatives of a public housing agency, any of the following information contained in the records of such State agency with respect to individuals applying for or participating in any housing assistance program administered by the Department who have signed an appropriate consent form approved by the Secretary of Housing and Urban Development –

(i) wage information, and

(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual, and

(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to ensure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under a housing assistance

program of the Department of Housing and Urban Development.

(2) The Secretary of Labor shall prescribe regulations governing how often and in what form information may be disclosed under paragraph (1)(A).

(3) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he or she is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he or she shall make no future certification to the Secretary of the Treasury with respect to such State.

(4) For purposes of this subsection, the term "public housing agency" means any agency described in section 1437a(b)(6) of this title.

(j) Worker profiling

(1) The State agency charged with the administration of the State law shall establish and utilize a system of profiling all new claimants for regular compensation that –

(A) identifies which claimants will be likely to exhaust regular compensation and will need job search assistance services to make a successful transition to new employment;

(B) refers claimants identified pursuant to subparagraph (A) to reemployment services, such as job search assistance services, available under any State or Federal law;

(C) collects follow-up information relating to the services received by such claimants and the employment outcomes for such claimants subsequent to receiving such services and utilizes such information in making identifications pursuant to subparagraph

(A); and

(D) meets such other requirements as the Secretary of Labor determines are appropriate.

(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

–SOURCE–

(Aug. 14, 1935, ch. 531, title III, Sec. 303, 49 Stat. 626; June 25, 1938, ch. 680, Sec. 13(g), 52 Stat. 1112; June 20, 1939, ch. 227, Sec. 18, 53 Stat. 848; Aug. 10, 1939, ch. 666, title III, Sec. 302, 53 Stat. 1378; 1946 Reorg. Plan No. 2, Sec. 4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095; Aug. 10, 1946, ch. 951, title IV, Sec. 416(c), 60 Stat. 991; 1949 Reorg. Plan No. 2, Sec. 1, eff. Aug. 20, 1949, 14 F.R. 5225, 63 Stat. 1065; Aug. 28, 1950, ch. 809, title IV, Sec. 405(b), 64 Stat. 560; Aug. 5, 1954, ch. 657, Sec. 5(a)(1), 68 Stat. 673; Pub. L. 96–249, title I, Sec. 127(b)(1), May

26, 1980, 94 Stat. 366; Pub. L. 96–265, title IV, Sec. 408(b)(1),
June 9, 1980, 94 Stat. 468; Pub. L. 96–473, Sec. 6(e)(1), Oct. 19,
1980, 94 Stat. 2265; Pub. L. 97–35, title XXIII, Sec. 2335(b), Aug.
13, 1981, 95 Stat. 863; Pub. L. 97–248, title I, Secs. 171(b)(3),
175(a)(2), Sept. 3, 1982, 96 Stat. 401, 403; Pub. L. 98–21, title
V, Secs. 515(a), 523(b), Apr. 20, 1983, 97 Stat. 147, 148; Pub. L.
98–369, div. B, title VI, Secs. 2651(d), 2663(b)(2)–(5), July 18,
1984, 98 Stat. 1149, 1165; Pub. L. 99–198, title XV, Sec.
1535(b)(3), Dec. 23, 1985, 99 Stat. 1584; Pub. L. 99–272, title
XII, Sec. 12401(a), Apr. 7, 1986, 100 Stat. 297; Pub. L. 100–485,
title I, Sec. 124(b)(1), Oct. 13, 1988, 102 Stat. 2353; Pub. L.
100–628, title IX, Sec. 904(c)(1)(A), Nov. 7, 1988, 102 Stat. 3260;
Pub. L. 102–318, title IV, Sec. 401(a)(3), July 3, 1992, 106 Stat.
298; Pub. L. 103–152, Sec. 4(a)(1), (b), Nov. 24, 1993, 107 Stat.
1517; Pub. L. 103–182, title V, Sec. 507(b)(3), Dec. 8, 1993, 107
Stat. 2154; Pub. L. 103–465, title VII, Sec. 702(c)(3), Dec. 8,
1994, 108 Stat. 4997; Pub. L. 104–193, title III, Secs. 313(d),
316(g)(3), Aug. 22, 1996, 110 Stat. 2212, 2219; Pub. L. 105–33,
title V, Sec. 5201, Aug. 5, 1997, 111 Stat. 597; Pub. L. 105–65,
title V, Sec. 542(a)(1), Oct. 27, 1997, 111 Stat. 1412; Pub. L.
107–147, title II, Sec. 209(d)(2), Mar. 9, 2002, 116 Stat. 33.)

–REFTEXT–

REFERENCES IN TEXT

The Federal Unemployment Tax Act, referred to in subsec. (a), is
act Aug. 16, 1954, ch. 736, Secs. 3301–3311, 68A Stat. 439, as
amended, which is classified generally to chapter 23 (Sec. 3301 et

seq.) of Title 26, Internal Revenue Code. For complete classification of this Act to the Code, see section 3311 of Title 26 and Tables.

The Food Stamp Act of 1977, referred to in subsec. (d)(1)(B), is Pub. L. 88–525, Aug. 31, 1964, 78 Stat. 703, as amended, which is classified generally to chapter 51 (Sec. 2011 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 2011 of Title 7 and Tables.

Part D of subchapter IV of this chapter, referred to in subsec. (e)(1), is classified to section 651 et seq. of this title.

Section 662 of this title, referred to in subsec.

(e)(2)(A)(iii)(III), was repealed by Pub. L. 104–193, title III, Sec. 362(b)(1), Aug. 22, 1996, 110 Stat. 2246.

–MISC1–

AMENDMENTS

2002 – Subsec. (a)(5). Pub. L. 107–147 substituted "section 1103(c)(2) or 1103(d)(4) of this title" for "section 1103(c)(2) of this title".

1997 – Subsec. (h)(1)(C). Pub. L. 105–33 substituted "subsections (i)(1), (i)(3), and (j) of section 653 of this title" for "section 653(i)(1) of this title in carrying out the child support enforcement program under subchapter IV of this chapter".

Subsec. (i)(5). Pub. L. 105–65 struck out par. (5) which read as follows: "The provisions of this subsection shall cease to be effective beginning on October 1, 1994."

1996 – Subsec. (e)(5). Pub. L. 104–193, Sec. 313(d), added par.

(5).

Subsec. (h). Pub. L. 104–193, Sec. 316(g)(3), amended subsec. (h)

generally. Prior to amendment, subsec. (h) read as follows:

"(1) The State agency charged with the administration of the State law shall take such actions (in such manner as may be provided in the agreement between the Secretary of Health and Human Services and the Secretary of Labor under section 653(e)(3) of this title) as may be necessary to enable the Secretary of Health and Human Services to obtain prompt access to any wage and unemployment compensation claims information (including any information that might be useful in locating an absent parent or such parent's employer) for use by the Secretary of Health and Human Services, for purposes of section 653 of this title, in carrying out the child support enforcement program under subchapter IV of this chapter.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirement of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until such Secretary is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, such Secretary shall make no further certification to the Secretary of the Treasury with respect to such State."

1994 – Subsec. (a)(5). Pub. L. 103–465 inserted ", or the withholding of Federal, State, or local individual income tax," after "health insurance".

1993 – Subsec. (a)(5). Pub. L. 103–182 substituted ": Provided further, That amounts may be withdrawn for the payment of allowances under a self–employment assistance program (as defined in section 3306(t) of the Internal Revenue Code of 1986); and" for "; and" at end.

Subsec. (a)(10). Pub. L. 103–152, Sec. 4(b), added par. (10).

Subsec. (j). Pub. L. 103–152, Sec. 4(a)(1), added subsec. (j).

1992 – Subsec. (a)(5). Pub. L. 102–318 inserted ": Provided further, That amounts may be withdrawn for the payment of short–time compensation under a plan approved by the Secretary of Labor" before "; and" at end.

1988 – Subsec. (h). Pub. L. 100–485 added subsec. (h).

Subsec. (i). Pub. L. 100–628 added subsec. (i).

1986 – Subsec. (a)(5). Pub. L. 99–272, Sec. 12401(a)(1), inserted provision at end that amounts may be deducted from unemployment benefits and used to repay overpayments as provided in subsection (g) of this section.

Subsec. (g). Pub. L. 99–272, Sec. 12401(a)(2), added subsec. (g).

1985 – Subsec. (d)(2) to (4). Pub. L. 99–198 added par. (2) and redesignated former pars. (2) and (3) as (3) and (4), respectively.

1984 – Subsec. (a)(4). Pub. L. 98–369, Sec. 2663(b)(2), substituted "section 3305(b)" for "section 1606(b)".

Subsec. (a)(5). Pub. L. 98–369, Sec. 2663(b)(3), substituted

"section 3305(b)" for "section 1606(b)" and before last proviso substituted a colon for erroneous punctuation.

Subsec. (c)(1), (2). Pub. L. 98–369, Sec. 2663(b)(4), substituted "that" for "That".

Subsec. (e)(2)(A)(i). Pub. L. 98–369, Sec. 2663(b)(5), substituted "child support obligations" for "child support obligatons".

Subsec. (f). Pub. L. 98–369, Sec. 2651(d), added subsec. (f).

1983 – Subsec. (a)(5). Pub. L. 98–21, Sec. 523(b), inserted provision that nothing in this paragraph shall be construed to prohibit deducting an amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor.

Subsec. (c)(3). Pub. L. 98–21, Sec. 515(a), added par. (3).

1982 – Subsec. (e)(2)(A)(i). Pub. L. 97–248, Sec. 175(a)(2), substituted "of paragraph (1)" for "of this subsection".

Subsec. (e)(2)(A)(iii)(II). Pub. L. 97–248, Sec. 171(b)(3), substituted "(19)" for "(20)".

1981 – Subsec. (e)(1). Pub. L. 97–35, Sec. 2335(b)(3), in provision following subpar. (B) substituted "this subsection" for "the preceding sentence".

Subsec. (e)(2). Pub. L. 97–35, Sec. 2335(b)(1), added par. (2) and redesignated former par. (2) as (3).

Subsec. (e)(3), (4). Pub. L. 97–35, Sec. 2335(b)(1), (2),

redesignated former par. (2) as (3) and substituted "paragraph (1) or (2)" for "paragraph (1)". Former par. (3) redesignated (4).

1980 – Subsec. (d). Pub. L. 96–249 added subsec. (d). Another subsec. (d), as added by Pub. L. 96–265, was redesignated (e) by Pub. L. 96–473.

Subsec. (e). Pub. L. 96–473 redesignated former subsec. (d) as added by Pub. L. 96–265 as subsec. (e).

1954 – Subsec. (a)(5). Act Aug. 5, 1954, made it clear that the funds credited to the State account may, subject to certain restrictions, be used for administrative expenses of the State in connection with its unemployment compensation law.

1950 – Subsec. (b). Act Aug. 28, 1950, inserted provisos.

1946 – Subsec. (a)(5). Act Aug. 10, 1946, inserted proviso allowing payment of disability benefits.

1939 – Subsec. (a). Act Aug. 10, 1939, substituted "Federal Unemployment Tax Act" for "sections 1101–1110 of this title", amended pars. (1), (4), and (5) generally, and added pars. (8) and (9).

Subsec. (c)(2). Act June 20, 1939, substituted "unemployment" for "employment".

1938 – Subsec. (c). Act June 25, 1938, added subsec. (c).

EFFECTIVE DATE OF 1997 AMENDMENT

Section 542(a)(2) of Pub. L. 105–65 provided that: "The amendment made by this subsection [amending this section] shall apply to any request for information made after the date of the enactment of this Act [Oct. 27, 1997]."

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date of amendment by Pub. L. 104–193, see section 395(a)–(c) of Pub. L. 104–193, set out as a note under section 654 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–465 applicable to payments made after Dec. 31, 1996, see section 702(d) of Pub. L. 103–465, set out as a note under section 3304 of Title 26, Internal Revenue Code.

EFFECTIVE DATE OF 1993 AMENDMENT

Section 4(f) of Pub. L. 103–152 provided that:

"(1) The amendments made by subsections (a) and (b) [amending this section and section 504 of this title] shall take effect on the date one year after the date of the enactment of this Act [Nov. 24, 1993].

"(2) The provisions of subsections (c), (d), and (e) [enacting provisions set out as notes below and repealing provisions set out as a note under section 3304 of Title 26, Internal Revenue Code] shall take effect on the date of enactment of this Act."

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by Pub. L. 100–628 effective Sept. 30, 1989, with provision for optional early implementation and provision for States whose legislatures have not been in session for at least 30 days between Nov. 7, 1988, and Sept. 30, 1989, see section 3544(d) of this title.

Amendment by Pub. L. 100–485 effective on first day of first calendar quarter beginning one year or more after Oct. 13, 1988,

see section 124(c)(1) of Pub. L. 100–485, set out as a note under section 653 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Section 12401(c) of Pub. L. 99–272 provided that: "The amendments made by this section [amending this section and sections 3304 and 3306 of Title 26, Internal Revenue Code] shall apply to recoveries made on or after the date of the enactment of this Act [Apr. 7, 1986] and shall apply with respect to overpayments made before, on, or after such date."

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 2651(d) of Pub. L. 98–369 effective Apr. 1, 1985, except as otherwise provided, see section 2651(l)(2) of Pub. L. 98–369, set out as an Effective Date note under section 1320b–7 of this title.

Amendment by section 2663(b)(2)–(5) of Pub. L. 98–369 effective July 18, 1984, but not to be construed as changing or affecting any right, liability, status, or interpretation which existed (under the provisions of law involved) before that date, see section 2664(b) of Pub. L. 98–369, set out as a note under section 401 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by section 523(b) of Pub. L. 98–21 effective Apr. 20, 1983, see section 523(c) of Pub. L. 98–21 set out as a note under section 3304 of Title 26, Internal Revenue Code.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 171(c) of Pub. L. 97–248 provided that: "The amendments

made by this section [amending this section and sections 653, 654, and 655 of this title] shall be effective on and after August 13, 1981."

Section 175(b) of Pub. L. 97-248 provided that: "The amendments made by this section [amending this section and section 652 of this title] shall be effective as of October 1, 1981."

EFFECTIVE DATE OF 1981 AMENDMENT

Section 2335(c) of Pub. L. 97-35 provided that: "The amendments made by this section [amending this section and section 654 of this title] shall take effect on the date of the enactment of this Act [Aug. 13, 1981], except that such amendments shall not be requirements under section 454 or 303 of the Social Security Act [section 654 or 503 of this title] before October 1, 1982."

EFFECTIVE DATE OF 1980 AMENDMENTS

Section 408(b)(3) of Pub. L. 96-265 provided that: "The amendments made by this subsection [amending this section and section 504 of this title] shall take effect July 1, 1980."

Section 127(b)(3) of Pub. L. 96-249 provided that: "The amendments made by this subsection [amending this section and section 504 of this title] shall take effect on January 1, 1983."

-TRANS-

TRANSFER OF FUNCTIONS

Functions, powers, and duties of Secretary of Labor under subsec. (a)(1) of this section, insofar as relates to the prescription of personnel standards on a merit basis, transferred to Office of Personnel Management, see section 4728(a)(2)(B) of this title.

For transfer of functions of other officers, employees, and agencies of Department of Labor, with certain exceptions, to Secretary of Labor, with to delegate, see Reorg. Plan No. 6 of 1950, Secs. 1, 2, eff. May 24, 1950, 15 F.R. 3174, 64 Stat. 1263, set out in the Appendix to Title 5, Government Organization and Employees.

Functions of Federal Security Administrator with respect to unemployment compensation transferred to Secretary of Labor by section 1 of Reorg. Plan No. 2 of 1949 set out in the Appendix to Title 5.

Section 1 of Reorg. Plan No. 2 of 1949 also provided that functions transferred by this section shall be performed by Secretary of Labor, or subject to his direction and control, by such officers, agencies, and employees of Department of Labor as he shall designate.

"Administrator" substituted for "Board" by section 2 of Reorg. Plan No. 2 of 1946, set out in the Appendix to Title 5.

–MISC2–

CLARIFYING PROVISION RELATING TO BASE PERIODS

Section 5401 of Pub. L. 105–33 provided that:

"(a) In General. – No provision of a State law under which the base period for such State is defined or otherwise determined shall, for purposes of section 303(a)(1) of the Social Security Act (42 U.S.C. 503(a)(1)), be considered a provision for a method of administration.

"(b) Definitions. – For purposes of this section, the terms

'State law', 'base period', and 'State' shall have the meanings given them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 [Pub. L. 91-373] (26 U.S.C. 3304 note).

"(c) Effective Date. – This section shall apply for purposes of any period beginning before, on, or after the date of the enactment of this Act [Aug. 5, 1997]."

PROFILING SYSTEM TECHNICAL ASSISTANCE

Section 4(c) of Pub. L. 103-152 provided that: "The Secretary of Labor shall provide technical assistance and advice to assist the States in implementing the profiling system required under the amendments made by subsection (a) [amending this section and section 504 of this title]. Such assistance shall include the development and identification of model profiling systems."

PROFILING SYSTEM REPORT TO CONGRESS

Section 4(d) of Pub. L. 103-152 provided that: "Not later than the date 3 years after the date of enactment of this Act [Nov. 24, 1993], the Secretary of Labor shall report to the Congress on the operation and effectiveness of the profiling system required under the amendments made by subsection (a) [amending this section and section 504 of this title] and the participation requirement provided by the amendments made under subsection (b) [amending this section]. Such report shall include such recommendations as the Secretary of Labor determines are appropriate."

–SECRET–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 504, 1103, 3544, 4728 of this title; title 5 section 8506; title 7 section 2020; title 19 section 2291; title 26 section 3306; title 29 section 49d; title 45 section 363.

–FOOTNOTE–

(1) So in original. Probably should be "Unemployment Trust Fund".

(!2) See References in Text note below.

–End–

–CITE–

42 USC Sec. 504 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER III – GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION
ADMINISTRATION

–HEAD–

Sec. 504. Judicial review

–STATUTE–

(a) Finding by Secretary of Labor; petition for review; filing of record

Whenever the Secretary of Labor –

(1) finds that a State law does not include any provision specified in section 503(a) of this title, or

(2) makes a finding with respect to a State under subsection

(b), (c), (d), (e), (h), (i), or (j) of section 503 of this

title,

such State may, within 60 days after the Governor of the State has been notified of such action, file with the United States court of appeals for the circuit in which such State is located or with the United States Court of Appeals for the District of Columbia, a petition for review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary of Labor. The Secretary of Labor thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28.

(b) Findings of fact by Secretary of Labor; new or modified findings

The findings of fact by the Secretary of Labor, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary of Labor to take further evidence and the Secretary of Labor may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) Affirmance or setting aside of Secretary's action; review by Supreme Court

The court shall have jurisdiction to affirm the action of the Secretary of Labor or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28.

(d) Stay of Secretary's action

(1) The Secretary of Labor shall not withhold any certification for payment to any State under section 502 of this title until the expiration of 60 days after the Governor of the State has been notified of the action referred to in paragraph (1) or (2) of subsection (a) of this section or until the State has filed a petition for review of such action, whichever is earlier.

(2) The commencement of judicial proceedings under this section shall stay the Secretary's action for a period of 30 days, and the court may thereafter grant interim relief if warranted, including a further stay of the Secretary's action and including such other relief as may be necessary to preserve status or rights.

–SOURCE–

(Aug. 14, 1935, ch. 531, title III, Sec. 304, as added Pub. L. 91–373, title I, Sec. 131(a), Aug. 10, 1970, 84 Stat. 703; amended Pub. L. 96–249, title I, Sec. 127(b)(2), May 26, 1980, 94 Stat. 367; Pub. L. 96–265, title IV, Sec. 408(b)(2), June 9, 1980, 94 Stat. 469; Pub. L. 96–473, Sec. 6(e)(2), Oct. 19, 1980, 94 Stat. 2265; Pub. L. 98–620, title IV, Sec. 402(39), Nov. 8, 1984, 98 Stat. 3360; Pub. L. 100–485, title I, Sec. 124(b)(2), Oct. 13, 1988, 102 Stat. 2353; Pub. L. 100–628, title IX, Sec. 904(c)(1)(B), Nov. 7, 1988, 102 Stat. 3261; Pub. L. 103–152, Sec. 4(a)(2), Nov. 24, 1993, 107 Stat. 1517.)

–MISC1–

AMENDMENTS

1993 – Subsec. (a)(2). Pub. L. 103–152 substituted "(i), or (j)"

for "or (i)".

1988 – Subsec. (a)(2). Pub. L. 100–628 substituted "(e), (h), or (i)" for "(e), or (h)".

Pub. L. 100–485 substituted "(e), or (h)" for "or (e)".

1984 – Subsec. (e). Pub. L. 98–620 struck out subsec. (e) which provided that any judicial proceedings under this section were entitled to, and upon request of the Secretary or the State would receive, a preference and be heard and determined as expeditiously as possible.

1980 – Subsec. (a)(2). Pub. L. 96–473 inserted reference to subsec. (e) of section 503 of this title.

Pub. L. 96–249 and Pub. L. 96–265 made identical amendments, substituting "subsection (b), (c), or (d)" for "subsection (b) or (c)".

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103–152 effective on the date one year after Nov. 24, 1993, see section 4(f)(1) of Pub. L. 103–152, set out as a note under section 503 of this title.

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by Pub. L. 100–628 effective Sept. 30, 1989, with provision for optional early implementation and provision for States whose legislatures have not been in session for at least 30 days between Nov. 7, 1988, and Sept. 30, 1989, see section 3544(d) of this title.

Amendment by Pub. L. 100–485 effective on first day of first calendar quarter beginning one year or more after Oct. 13, 1988,

see section 124(c)(1) of Pub. L. 100–485, set out as a note under section 653 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98–620 not applicable to cases pending on Nov. 8, 1984, see section 403 of Pub. L. 98–620, set out as an Effective Date note under section 1657 of Title 28, Judiciary and Judicial Procedure.

EFFECTIVE DATE OF 1980 AMENDMENTS

Amendment by Pub. L. 96–265 effective July 1, 1980, see section 408(b)(3) of Pub. L. 96–265, set out as a note under section 503 of this title.

Amendment by Pub. L. 96–249 effective Jan. 1, 1983, see section 127(b)(3) of Pub. L. 96–249, set out as a note under section 503 of this title.

–End–

–CITE–

42 USC SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE SERVICES 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE SERVICES

–HEAD–

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY
FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE SERVICES

–MISC1–

AMENDMENTS

1968 – Pub. L. 90–248, title II, Sec. 240(a), Jan. 2, 1968, 81

Stat. 911, provided for grants for child–welfare services in
subchapter heading.

1962 – Pub. L. 87–543, title I, Sec. 104(a)(1), July 25, 1962, 76

Stat. 185, substituted "AID AND SERVICES TO NEEDY FAMILIES WITH
CHILDREN" for "AID TO DEPENDENT CHILDREN" in subchapter heading.

–SECREf–

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 280c–6, 1301, 1306a,
1320b–2, 1396b, 3020d, 6862, 9432, 9433, 9452 of this title; title
7 sections 2014, 2015, 2017, 2026, 2029; title 8 section 1611;
title 26 sections 42, 6334.

–End–

–CITE–

42 USC Part A – Block Grants to States for Temporary

Assistance for Needy Families 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY
FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE
SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

PART A – BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY

FAMILIES

–MISC1–

PRIOR PROVISIONS

A prior part A relating to aid to families with dependent children and consisting of sections 601 to 618 of this title was repealed, except for section 618, by Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2112.

–SECREf–

PART REFERRED TO IN OTHER SECTIONS

This part is referred to in sections 405, 428, 622, 651, 652, 653, 654, 654a, 657, 658a, 666, 669, 670, 671, 672, 673, 674, 1202, 1306, 1311, 1314a, 1315, 1320b–7, 1320b–20, 1352, 1382, 1383f, 1395v, 1396a, 1396b, 1396d, 1396r–1a, 1396r–6, 1396u–1, 1397a, 1437a, 1437j, 1758, 1786, 3056, 8622, 8624, 9846, 9858c, 9858i, 9901, 9908, 9926 of this title; title 7 sections 2014, 2015, 2017, 2020, 2025, 2026, 2030, 2031, 2035; title 8 sections 1160, 1255a, 1522, 1612; title 12 section 1701z–11; title 15 section 636; title 20 sections 1070a–24, 1087vv, 2302, 2327, 6143, 6313, 6333, 6381a, 6381g, 6537, 7283b, 9271; title 21 section 862a; title 25 section 13d–1; title 26 sections 32, 51, 3304, 6103, 7523; title 29 sections 49b, 2822, 2841, 2864; title 31 section 3803; title 40 section 14502.

–End–

–CITE–

42 USC Sec. 601 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 601. Purpose

–STATUTE–

(a) In general

The purpose of this part is to increase the flexibility of States

in operating a program designed to –

(1) provide assistance to needy families so that children may

be cared for in their own homes or in the homes of relatives;

(2) end the dependence of needy parents on government benefits

by promoting job preparation, work, and marriage;

(3) prevent and reduce the incidence of out–of–wedlock

pregnancies and establish annual numerical goals for preventing

and reducing the incidence of these pregnancies; and

(4) encourage the formation and maintenance of two–parent

families.

(b) No individual entitlement

This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 401, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2112; amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–MISC1–

PRIOR PROVISIONS

A prior section 601, acts Aug. 14, 1935, ch. 531, title IV, Sec. 401, 49 Stat. 627; 1946 Reorg. Plan No. 2, Sec. 4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095; 1953 Reorg. Plan No. 1, Secs. 5, 8, eff. Apr. 11, 1953, 18 F.R. 2053, 67 Stat. 631; Aug. 1, 1956, ch. 836, title III, Sec. 312(a), 70 Stat. 848; July 25, 1962, Pub. L. 87–543, title I, Sec. 104(a)(4), (c)(2), 76 Stat. 185, 186; Jan. 2, 1968, Pub. L. 90–248, title II, Sec. 241(b)(1), 81 Stat. 916, related to authorization of appropriations for Aid to Families With Dependent Children program prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section 116 of title I of Pub. L. 104–193, as amended by Pub. L. 104–327, Sec. 1(a), (c), Oct. 19, 1996, 110 Stat. 4002, 4003; Pub. L. 105–33, title V, Secs. 5516(b), 5517, Aug. 5, 1997, 111 Stat. 620, 621, provided that:

"(a) Effective Dates. –

"(1) In general. – Except as otherwise provided in this title [see Tables for classification], this title and the amendments made by this title shall take effect on July 1, 1997.

"(2) Delayed effective date for certain provisions. –

Notwithstanding any other provision of this section (but subject to subsection (b)(1)(A)(ii)), paragraphs (2), (3), (4), (5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act [sections 609(a) and 611(a) of this title] (as added by the amendments made by section 103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of –

"(A) July 1, 1997; or

"(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act [section

602(a) of this title] (as added by such amendment).

"(3) Grants to outlying areas. – The amendments made by section 103(b) [amending section 1308 of this title] shall take effect on October 1, 1996.

"(4) Elimination of child care programs. – The amendments made by section 103(c) [amending sections 602 and 603 of this title] shall take effect on October 1, 1996.

"(5) Definitions applicable to new child care entitlement. – Sections 403(a)(1)(C), 403(a)(1)(D), and 419(4) of the Social Security Act [sections 603(a)(1)(C), (D) and 619(4) of this title], as added by the amendments made by section 103(a) of this Act, shall take effect on October 1, 1996.

"(6) Research, evaluations, and national studies. – Section 413 of the Social Security Act [section 613 of this title], as added by the amendment made by section 103(a) of this Act, shall take effect on the date of the enactment of this Act [Aug. 22, 1996].

"(b) Transition Rules. – Effective on the date of the enactment of this Act [Aug. 22, 1996]:

"(1) State option to accelerate effective date; limitation on fiscal years 1996 and 1997 payments. –

"(A) In general. – If the Secretary of Health and Human Services receives from a State a plan described in section 402(a) of the Social Security Act [section 602(a) of this title] (as added by the amendment made by section 103(a)(1) of this Act), then –

"(i) on and after the date of such receipt –

"(I) except as provided in clause (ii), this title and the amendments made by this title (other than by section 103(c) of this Act [amending sections 602 and 603 of this title]) shall apply with respect to the State; and

"(II) the State shall be considered an eligible State for purposes of part A of title IV of the Social Security Act [this part] (as in effect pursuant to the amendments made by such section 103(a)); and

"(ii) during the period that begins on the date of such receipt and ends on the later of June 30, 1997, or the day before the date described in subsection (a)(2)(B) of this section, there shall remain in effect with respect to the State –

"(I) section 403(h) of the Social Security Act [section 603(h) of this title] (as in effect on September 30, 1995); and

"(II) all State reporting requirements under parts A and F of title IV of the Social Security Act [this part and part F of this subchapter] (as in effect on September 30, 1995), modified by the Secretary as appropriate, taking into account the State program under part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 103(a)).

"(B) Limitations on federal obligations. –

"(i) Under afdc program. – The total obligations of the Federal Government to a State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with

respect to expenditures in fiscal year 1997 shall not exceed an amount equal to the State family assistance grant.

"(ii) Under temporary family assistance program. –

Notwithstanding section 403(a)(1) of the Social Security Act [section 603(a)(1) of this title] (as in effect pursuant to the amendments made by section 103(a) of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1) –

"(I) for fiscal year 1996, shall be an amount equal to –

"(aa) the State family assistance grant; multiplied by

"(bb) $1/366$ of the number of days during the period

that begins on the date the Secretary of Health and Human

Services first receives from the State a plan described in

section 402(a) of the Social Security Act [section 602(a)

of this title] (as added by the amendment made by section

103(a)(1) of this Act) and ends on September 30, 1996; and

"(II) for fiscal year 1997, shall be an amount equal to the

lesser of –

"(aa) the amount (if any) by which the sum of the State

family assistance grant and the amount, if any, that the

State would have been eligible to be paid under the

Contingency Fund for State Welfare Programs established

under section 403(b) of the Social Security Act [section

603(b) of this title] (as amended by section 103(a)(1) of

this Act), during the period beginning on October 1, 1996,

and ending on the date the Secretary of Health and Human

Services first receives from the State a plan described in section 402(a) of the Social Security Act [section 602(a) of this title] (as so amended) if, with respect to such State, the effective date of this Act [title] under subsection (a)(1) were August 22, 1996, exceeds the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act [this part] (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997; or

"(bb) the sum of the State family assistance grant, multiplied by $1/365$ of the number of days during the period that begins on October 1, 1996, or the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 103(a)(1) of this Act), whichever is later, and ends on September 30, 1997, and the amount, if any, that the State would have been eligible to be paid under the Contingency Fund for State Welfare Programs established under section 403(b) of the Social Security Act (as amended by section 103(a)(1) of this Act), during the period beginning on October 1, 1996, and ending on the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as so amended) if, with respect to such State, the effective date of this Act [title] under subsection (a)(1)

were August 22, 1996.

"(iii) Child care obligations excluded in determining federal afdc obligations. – As used in this subparagraph, the term 'obligations of the Federal Government to the State under part A of title IV of the Social Security Act' does not include any obligation of the Federal Government with respect to child care expenditures by the State.

"(C) Submission of state plan for fiscal year 1996 or 1997 deemed acceptance of grant limitations and formula and termination of afdc entitlement. – The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute –

"(i) the State's acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and

"(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.

"(D) Definitions. – As used in this paragraph:

"(i) State afdc program. – The term 'State AFDC program' means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

"(ii) State. – The term 'State' means the 50 States and the District of Columbia.

"(iii) State family assistance grant. – The term 'State family assistance grant' means the State family assistance grant (as defined in section 403(a)(1)(B) of the Social

Security Act [section 603(a)(1)(B) of this title], as added by the amendment made by section 103(a)(1) of this Act).

"(2) Claims, actions, and proceedings. – The amendments made by this title [see Tables for classification] shall not apply with respect to –

"(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

"(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

"(3) Closing out account for those programs terminated or substantially modified by this title. – In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act [this part] (as in effect on September 30, 1995) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) within 2 years after the date of the enactment of this Act [Aug. 22, 1996]. The head of each Federal department shall –

"(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

"(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this title.

"(4) Continuance in office of assistant secretary for family support. – The individual who, on the day before the effective date of this title, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position –

"(A) continue to serve in such position; and

"(B) except as otherwise provided by law –

"(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act [section 617 of this title] (as in effect before such effective date); and

"(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act [section 616 of this title] (as in effect pursuant to the amendment made by section 103(a)(1) of this Act).

"(c) Termination of Entitlement Under AFDC Program. – Effective October 1, 1996, no individual or family shall be entitled to any benefits or services under any State plan approved under part A or F of title IV of the Social Security Act [this part or part F of

this subchapter] (as in effect on September 30, 1995)."

CONGRESSIONAL FINDINGS

Section 101 of Pub. L. 104–193 provided that: "The Congress makes the following findings:

"(1) Marriage is the foundation of a successful society.

"(2) Marriage is an essential institution of a successful society which promotes the interests of children.

"(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

"(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

"(5) The number of individuals receiving aid to families with dependent children (in this section referred to as 'AFDC') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

"(A)(i) The average monthly number of children receiving AFDC benefits –

"(I) was 3,300,000 in 1965;

"(II) was 6,200,000 in 1970;

"(III) was 7,400,000 in 1980; and

"(IV) was 9,300,000 in 1992.

"(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

"(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

"(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

"(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

"(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

"(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the

current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

"(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

"(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

"(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

"(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

"(8) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

"(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of 'younger and longer' increase total AFDC costs per household by 25 percent to 30 percent for 17-year-olds.

"(B) Children born out-of-wedlock have a substantially higher

risk of being born at a very low or moderately low birth weight.

"(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

"(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

"(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

"(9) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

"(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

"(B) Among single-parent families, nearly 1/2 of the

mothers who never married received AFDC while only 1/5 of divorced mothers received AFDC.

"(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

"(D) Mothers under 20 years of age are at the greatest risk of bearing low birth weight babies.

"(E) The younger the single-parent mother, the less likely she is to finish high school.

"(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

"(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at \$120,000,000,000.

"(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

"(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

"(K) Children from single-parent homes are almost 4 times

more likely to be expelled or suspended from school.

"(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

"(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

"(10) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in part A of title IV of the Social Security Act [this part] (as amended by section 103(a) of this Act) is intended to address the crisis."

APPROPRIATION BY STATE LEGISLATURES

Section 901 of Pub. L. 104-193 provided that:

"(a) In General. – Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

"(b) Provisions of Law. – The provisions of law specified in this subsection are the following:

"(1) Part A of title IV of the Social Security Act [this part] (relating to block grants for temporary assistance for needy

families).

"(2) The Child Care and Development Block Grant Act of 1990 [42 U.S.C. 9858 et seq.] (relating to block grants for child care)."

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 603 of this title.

–End–

–CITE–

42 USC Sec. 602 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 602. Eligible States; State plan

–STATUTE–

(a) In general

As used in this part, the term "eligible State" means, with respect to a fiscal year, a State that, during the 27–month period ending with the close of the 1st quarter of the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

(1) Outline of family assistance program

(A) General provisions

A written document that outlines how the State intends to do the following:

- (i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.
- (ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier, consistent with section 607(e)(2) of this title.
- (iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 607 of this title.
- (iv) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.
- (v) Establish goals and take action to prevent and reduce

the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 603(a)(2)(C)(iii) of this title) for calendar years 1996 through 2005.

(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

(B) Special provisions

(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

(iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process.

(iv) Not later than 1 year after August 22, 1996, unless the

chief executive officer of the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 607(e)(2) of this title, require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 607(c) of this title, to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

(2) Certification that the State will operate a child support enforcement program

A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D of this subchapter.

(3) Certification that the State will operate a foster care and adoption assistance program

A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E of this subchapter, and that the State will take such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under subchapter XIX of this chapter.

(4) Certification of the administration of the program

A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations –

(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

(B) have had at least 45 days to submit comments on the plan and the design of such services.

(5) Certification that the State will provide Indians with equitable access to assistance

A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under section 612 of this title, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

(6) Certification of standards and procedures to ensure against program fraud and abuse

A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and

supervision of the State program, kickbacks, and the use of political patronage.

(7) Optional certification of standards and procedures to ensure that the State will screen for and identify domestic violence

(A) In general

At the option of the State, a certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to –

(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

(ii) refer such individuals to counseling and supportive services; and

(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

(B) "Domestic violence" defined

For purposes of this paragraph, the term "domestic violence" has the same meaning as the term "battered or subjected to

extreme cruelty", as defined in section 608(a)(7)(C)(iii) of this title.

(b) Plan amendments

Within 30 days after a State amends a plan submitted pursuant to subsection (a) of this section, the State shall notify the Secretary of the amendment.

(c) Public availability of State plan summary

The State shall make available to the public a summary of any plan or plan amendment submitted by the State under this section.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 402, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2113; amended Pub. L. 105–33, title V, Secs. 5501, 5514(c), Aug. 5, 1997, 111 Stat. 606, 620; Pub. L. 106–169, title IV, Sec. 401(a), Dec. 14, 1999, 113 Stat. 1858.)

–REFTEXT–

REFERENCES IN TEXT

Parts D and E of this subchapter, referred to in subsec. (a)(2), (3), are classified to sections 651 et seq. and 670 et seq., respectively, of this title.

–MISC1–

PRIOR PROVISIONS

A prior section 602, acts Aug. 14, 1935, ch. 531, title IV, Sec. 402, 49 Stat. 627; Aug. 10, 1939, ch. 666, title IV, Sec. 401, 53 Stat. 1379; Aug. 28, 1950, ch. 809, title III, pt. 2, Sec. 321, pt. 6, Sec. 361(c), (d), 64 Stat. 549, 558; Aug. 1, 1956, ch. 836,

title III, Sec. 312(b), 70 Stat. 849; July 25, 1962, Pub. L. 87–543, title I, Secs. 103, 104(a)(2), (3)(A), (B), (5)(A), 106(b), 76 Stat. 185, 188; July 30, 1965, Pub. L. 89–97, title IV, Secs. 403(b), 410, 79 Stat. 418, 423; Jan. 2, 1968, Pub. L. 90–248, title II, Secs. 201(a), (b), 202(a), (b), 204(b), (e), 205(a), 210(a)(2), 211(a), 213(b), 81 Stat. 877, 879, 881, 890, 892, 895, 896, 898; Dec. 28, 1971, Pub. L. 92–223, Sec. 3(a)(1)–(7), 85 Stat. 803, 804; Oct. 30, 1972, Pub. L. 92–603, title II, Sec. 299E(c), title IV, Sec. 414(a), 86 Stat. 1462, 1492; Jan. 4, 1975, Pub. L. 93–647, Secs. 3(a)(1), (2), (8), 101(c)(2)–(5), (8), 88 Stat. 2348, 2349, 2359, 2360; Aug. 9, 1975, Pub. L. 94–88, title II, Secs. 202, 207, 208(a), 209, 89 Stat. 434, 436, 437; Dec. 20, 1977, Pub. L. 95–216, title IV, Sec. 403(c), 91 Stat. 1561; Apr. 1, 1980, Pub. L. 96–222, title I, Sec. 101(a)(2)(A), 94 Stat. 195; June 9, 1980, Pub. L. 96–265, title IV, Secs. 401(a)–(f), 403(a), 406(b), 94 Stat. 460–462, 465, 466; June 17, 1980, Pub. L. 96–272, title I, Sec. 101(a)(3)(A), title III, Sec. 302(a), 94 Stat. 512, 528; Oct. 19, 1980, Pub. L. 96–473, Sec. 6(f), 94 Stat. 2266; Aug. 13, 1981, Pub. L. 97–35, title XXIII, Secs. 2301–2306(a), 2310, 2313(b), (c)(1), 2314, 2315(a), 2316, 2318, 2320(a), (b)(1), 2353(b)(1), (c), 95 Stat. 843–846, 852, 854–857, 872; Sept. 3, 1982, Pub. L. 97–248, title I, Secs. 151(a), 152(a), 154(a), 96 Stat. 395, 396; Oct. 13, 1982, Pub. L. 97–300, title VI, Sec. 603, formerly title V, Sec. 503, 96 Stat. 1398, renumbered title VI, Sec. 603, Nov. 7, 1988, Pub. L. 100–628, title VII, Sec. 712(a)(1), (2), 102 Stat. 3248; Jan. 6, 1983, Pub. L. 97–424, title V, Sec. 545(b), 96 Stat. 2198;

Apr. 20, 1983, Pub. L. 98–21, title IV, Sec. 404(b), 97 Stat. 140;
July 18, 1984, Pub. L. 98–369, div. B, title VI, Secs.
2621–2624(a), 2625(a), 2626, 2628, 2629, 2631–2634, 2636, 2639(a),
(c), 2640(a), (c), 2642(a), (b), 2651(b)(1), (2), 2663(c)(1),
(3)(B), (1)(1), 98 Stat. 1134–1137, 1141, 1142, 1144–1146, 1149,
1165, 1166, 1171; Aug. 16, 1984, Pub. L. 98–378, Sec. 9(a)(2), 98
Stat. 1316; Apr. 7, 1986, Pub. L. 99–272, title XII, Secs.
12303(a), 12304(a), 100 Stat. 292; Oct. 22, 1986, Pub. L. 99–514,
Sec. 2, title XVIII, Sec. 1883(a)(5)(B), (b)(1)(A), (2)(A), (B),
(3)(A), (4), (5), 100 Stat. 2095, 2916, 2917; Nov. 6, 1986, Pub. L.
99–603, title II, Sec. 201(b)(1), title III, Secs. 302(b)(1),
303(e)(1), 100 Stat. 3403, 3422, 3431; Dec. 22, 1987, Pub. L.
100–203, title IX, Secs. 9102(b), 9133(b)(1), 101 Stat. 1330–300,
1330–314; Oct. 13, 1988, Pub. L. 100–485, title I, Secs. 102(a),
123(d), title II, Secs. 201(a), 202(b)(1)–(3), title III, Secs.
301, 302(a), (b)(1), (c), 303(b)(3), (f)(2)(B), (C), 304(b)(2),
title IV, Secs. 401(a)(1), (2)(A), (b)(2), (f), (h), 402(a)–(c),
403(a), 404(a), title VI, Secs. 604(a), 605(a), 102 Stat. 2346,
2353, 2356, 2377, 2382–2384, 2392, 2393, 2395–2398, 2409; Dec. 19,
1989, Pub. L. 101–239, title X, Sec. 10403(a)(1)(B)(i), (C)(i), 103
Stat. 2487; Nov. 5, 1990, Pub. L. 101–508, title V, Secs. 5051(a),
(b), 5053(a), 5054(a), 5055(a), 5060(a), 5081(a), (c), (d), title
XI, Sec. 11115(a), 104 Stat. 1388–227 to 1388–229, 1388–231,
1388–233, 1388–236, 1388–414; Aug. 10, 1993, Pub. L. 103–66, title
XIII, Sec. 13742(a), 107 Stat. 663; Oct. 20, 1994, Pub. L. 103–382,
title III, Sec. 394(k), 108 Stat. 4029; Oct. 31, 1994, Pub. L.

103–432, title II, Secs. 235(a), 264(c), 108 Stat. 4466, 4468; Aug. 22, 1996, Pub. L. 104–193, title I, Sec. 103(c)(1), (2)(A), 110 Stat. 2161, related to State plans for aid and services to needy families with children prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620, effective July 1, 1997.

AMENDMENTS

1999 – Subsec. (a)(1)(B)(iv). Pub. L. 106–169 made technical amendment to reference in original act which appears in text as reference to August 22, 1996.

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a). Pub. L. 105–33, Sec. 5501(a), substituted "27–month period ending with the close of the 1st quarter of" for "2–year period immediately preceding" in introductory provisions.

Subsec. (a)(1)(A)(ii). Pub. L. 105–33, Sec. 5501(b), inserted ", consistent with section 607(e)(2) of this title" before period at end.

Subsec. (a)(1)(A)(v). Pub. L. 105–33, Sec. 5501(c), substituted "section 603(a)(2)(C)(iii)" for "section 603(a)(2)(B)".

Subsec. (b). Pub. L. 105–33, Sec. 5501(d)(1), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 105–34, Sec. 5501(d)(2), inserted "or plan amendment" after "plan".

Pub. L. 105–33, Sec. 5501(d)(1), redesignated subsec. (b) as (c).

EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106–169, title IV, Sec. 401(q), Dec. 14, 1999, 113 Stat. 1859, provided that: "Except as provided in subsection (l) [amending section 604 of this title and enacting provisions set out as a note under section 604 of this title], the amendments made by this section [amending this section and sections 604, 609, 613, 616, 629a, 652, 654, 655, 657, 666, 671, and 1320b–7 of this title] shall take effect as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105)."

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs. Section 5518(a) of title V of Pub. L. 105–33 provided that: "The amendments made by this chapter to a provision of part A of title IV of the Social Security Act [chapter 1 (Secs. 5501–5518) of subtitle F of title V of Pub. L. 105–33, amending this section and sections 603, 604, 607, 608, 609, 611, 612, 613, and 616 of this title] shall take effect as if the amendments had been included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104–193] at the time such section became law."

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to

State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

DEMONSTRATION OF FAMILY INDEPENDENCE PROGRAM

Section 9121 of Pub. L. 100–203 authorized State of Washington, upon application of State and approval by Secretary of Health and Human Services, to conduct demonstration project for purpose of testing whether operation of its Family Independence Program enacted in May 1987, as alternative to AFDC program under this subchapter, would more effectively break the cycle of poverty and provide families with opportunities for economic independence and strengthened family functioning, prior to repeal by Pub. L.

104–193, title I, Sec. 110(b), Aug. 22, 1996, 110 Stat. 2171.

CHILD SUPPORT DEMONSTRATION PROGRAM IN NEW YORK STATE

Section 9122 of Pub. L. 100–203 authorized State of New York, upon application by State and approval by Secretary of Health and Human Services, to conduct demonstration program in accordance with this section for purpose of testing State's Child Support

Supplemental Program as alternative to the program of Aid to Families with Dependent Children under this subchapter, prior to repeal by Pub. L. 104–193, title I, Sec. 110(c), Aug. 22, 1996, 110 Stat. 2171.

UTILITY PAYMENTS MADE BY TENANTS IN ASSISTED HOUSING

Pub. L. 98–181, title II, Sec. 221, Nov. 30, 1983, 97 Stat. 1188, as amended by Pub. L. 98–479, title I, Sec. 102(g)(3), Oct. 17, 1984, 98 Stat. 2222, provided that notwithstanding any other provision of law, for purposes of determining eligibility, or amount of benefits payable, under this part, any utility payment made in lieu of any rental payment by person living in dwelling unit in lower income housing project assisted under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) or section 1715z–1 of Title 12, Banks and Banking, was to be considered to be shelter payment, prior to repeal by Pub. L. 104–193, title I, Sec. 110(d), Aug. 22, 1996, 110 Stat. 2171.

EXCLUSION FROM INCOME

Section 159 of Pub. L. 97–248 provided that payments made under statutorily established State program to meet certain needs of children receiving aid under State's plan approved under this part were to be excluded from income of such children and their families for purposes of section 602(a)(17) of this title and for all other purposes of this part and of such plan, effective Sept. 3, 1982, if the payments were made to such children by State agency administering such plan, but were made without Federal financial participation under section 603(a) of this title or otherwise, and if State program had been continuously in effect since before Jan. 1, 1979, prior to repeal by Pub. L. 104–193, title I, Sec. 110(e), Aug. 22, 1996, 110 Stat. 2171.

STATE PLANS TO DISREGARD EARNED INCOME OF INDIVIDUALS IN

DETERMINATION OF NEED FOR AID; EFFECTIVE DATE

Section 202(d) of Pub. L. 90–248 provided that effective with respect to quarters beginning after June 30, 1968, in determining need of individuals claiming aid under State plan approved under this part, State was to apply provisions of this part notwithstanding any provisions of law other than this chapter requiring State to disregard earned income of such individuals in determining need under such State plan, prior to repeal by Pub. L. 104–193, title I, Sec. 110(f), Aug. 22, 1996, 110 Stat. 2171.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 603, 608, 609, 610, 618, 657, 672, 673, 1308, 1315, 1396a, 1396b, 1396r–6, 1396v, 4728 of this title; title 7 sections 2015, 2026, 2031; title 25 sections 683, 686, 689, 996; title 26 section 6402.

–End–

–CITE–

42 USC Sec. 603 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 603. Grants to States

–STATUTE–

(a) Grants

(1) Family assistance grant

(A) In general

Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, a grant in an amount equal to the State family assistance grant.

(B) "State family assistance grant" defined

As used in this part, the term "State family assistance grant" means the greatest of –

(i) 1/3 of the total amount required to be paid to the State under former section 603 of this title (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 602 of this title (as so in effect));

(ii)(I) the total amount required to be paid to the State under former section 603 of this title for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 602 of this title (as so in effect)); plus

(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State

under former section 603(a)(5) of this title for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 603(a)(5) of this title for fiscal year 1994, if, during fiscal year 1994 or 1995, the Secretary approved under former section 602 of this title an amendment to the former State plan with respect to the provision of emergency assistance;

or

(iii) 4/3 of the total amount required to be paid to the State under former section 603 of this title (as in effect on September 30, 1995) for the 1st 3 quarters of fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F of this subchapter (as so in effect) or for child care under subsection (g) or (i) of former section 602 of this title (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 603(l) of this title (as so in effect).

(C) "Total amount required to be paid to the State under former section 603" defined

As used in this part, the term "total amount required to be paid to the State under former section 603 of this title" means, with respect to a fiscal year –

(i) in the case of a State to which section 1308 of this title does not apply, the sum of –

(I) the Federal share of maintenance assistance

expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 603(b)(2) of this title (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 602 of this title (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

(V) the Federal obligations made to the State under section 603 of this title for the fiscal year with respect to the State program operated under part F of this subchapter (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

(ii) in the case of a State to which section 1308 of this title applies, the lesser of –

(I) the sum described in clause (i); or

(II) the total amount certified by the Secretary under former section 603 of this title (as in effect during the fiscal year) with respect to the territory.

(D) Information to be used in determining amounts

(i) For fiscal years 1992 and 1993

(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

(ii) For fiscal year 1994

In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

(iii) For fiscal year 1995

(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

(II) In determining the amounts described in subclauses (I) through (III) of subparagraph (C)(i) for any State for fiscal

year 1995, the Secretary shall use information available as of October 2, 1995.

(III) In determining the amount described in subparagraph (C)(i)(IV) for any State for fiscal year 1995, the Secretary shall use information available as of February 28, 1996.

(IV) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

(E) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for grants under this paragraph.

(2) Bonus to reward decrease in illegitimacy ratio

(A) In general

Each eligible State shall be entitled to receive from the Secretary a grant for each bonus year.

(B) Amount of grant

(i) In general

If, for a bonus year, none of the eligible States is Guam, the Virgin Islands, or American Samoa, then the amount of the grant shall be –

(I) \$20,000,000 if there are 5 eligible States; or

(II) \$25,000,000 if there are fewer than 5 eligible States.

(ii) Amount if certain territories are eligible

If, for a bonus year, Guam, the Virgin Islands, or American Samoa is an eligible State, then the amount of the grant shall be –

(I) in the case of such a territory, 25 percent of the mandatory ceiling amount (as defined in section 1308(c)(4) of this title) with respect to the territory; and

(II) in the case of a State that is not such a territory

–

(aa) if there are 5 eligible States other than such territories, \$20,000,000, minus 1/5 of the total amount of the grants payable under this paragraph to such territories for the bonus year; or

(bb) if there are fewer than 5 such eligible States, \$25,000,000, or such lesser amount as may be necessary to ensure that the total amount of grants payable under this paragraph for the bonus year does not exceed \$100,000,000.

(C) Definitions

As used in this paragraph:

(i) Eligible State

(I) In general

The term "eligible State" means a State that the Secretary determines meets the following requirements:

(aa) The State demonstrates that the illegitimacy ratio of the State for the most recent 2–year period for which such information is available decreased as compared to

the illegitimacy ratio of the State for the previous 2-year period, and the magnitude of the decrease for the State for the period is not exceeded by the magnitude of the corresponding decrease for 5 or more other States for the period. In the case of a State that is not a territory specified in subparagraph (B), the comparative magnitude of the decrease for the State shall be determined without regard to the magnitude of the corresponding decrease for any such territory.

(bb) The rate of induced pregnancy terminations in the State for the calendar year for which the most recent data are available is less than the rate of induced pregnancy terminations in the State for calendar year 1995.

(II) Disregard of changes in data due to changed reporting methods

In making the determination required by subclause (I), the Secretary shall disregard –

(aa) any difference between the illegitimacy ratio of a State for a calendar year and the illegitimacy ratio of a State for calendar year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

(bb) any difference between the rate of induced pregnancy terminations in a State for a calendar year and such rate for calendar year 1995 which is attributable to

a change in State methods of reporting data used to calculate such rate.

(ii) Bonus year

The term "bonus year" means calendar years 1999, 2000, 2001, and 2002.

(iii) Illegitimacy ratio

The term "illegitimacy ratio" means, with respect to a State and a period –

(I) the number of out-of-wedlock births to mothers residing in the State that occurred during the period; divided by

(II) the number of births to mothers residing in the State that occurred during the period.

(D) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2002, such sums as are necessary for grants under this paragraph.

(3) Supplemental grant for population increases in certain States

(A) In general

Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary –

(i) for fiscal year 1998 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 603 of this title (as in effect during fiscal year 1994) for fiscal year 1994; and

(ii) for each of fiscal years 1999, 2000, and 2001, a grant

in an amount equal to the sum of –

(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

(II) 2.5 percent of the sum of –

(aa) the total amount required to be paid to the State under former section 603 of this title (as in effect during fiscal year 1994) for fiscal year 1994; and

(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

(B) Preservation of grant without increases for States failing to remain qualifying States

Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

(C) Qualifying State

(i) In general

For purposes of this paragraph, a State is a qualifying State for a fiscal year if –

(I) the level of welfare spending per poor person by the

State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

(II) the population growth rate of the State (as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

(ii) State must qualify in fiscal year 1998

Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1998 by reason of clause (i) if the State is not a qualifying State for fiscal year 1998 by reason of clause (i).

(iii) Certain States deemed qualifying States

For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1998, 1999, 2000, and 2001 if –

(I) the level of welfare spending per poor person by the State for fiscal year 1994 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1994; or

(II) the population of the State increased by more than 10 percent from April 1, 1990 to July 1, 1994, according to the population estimates in publication CB94–204 of the Bureau of the Census.

(D) Definitions

As used in this paragraph:

(i) Level of welfare spending per poor person

The term "level of State welfare spending per poor person"

means, with respect to a State and a fiscal year –

(I) the sum of –

(aa) the total amount required to be paid to the State

under former section 603 of this title (as in effect

during fiscal year 1994) for fiscal year 1994; and

(bb) the amount (if any) paid to the State under this

paragraph for the immediately preceding fiscal year;

divided by

(II) the number of individuals, according to the 1990

decennial census, who were residents of the State and whose

income was below the poverty line.

(ii) National average level of State welfare spending per

poor person

The term "national average level of State welfare spending

per poor person" means, with respect to a fiscal year, an

amount equal to –

(I) the total amount required to be paid to the States

under former section 603 of this title (as in effect during

fiscal year 1994) for fiscal year 1994; divided by

(II) the number of individuals, according to the 1990

decennial census, who were residents of any State and whose

income was below the poverty line.

(iii) State

The term "State" means each of the 50 States of the United States and the District of Columbia.

(E) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph, in a total amount not to exceed \$800,000,000.

(F) Grants reduced pro rata if insufficient appropriations

If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

(G) Budget scoring

Notwithstanding section 907(b)(2) of title 2, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2001.

(H) Reauthorization of grants for fiscal year 2002

Notwithstanding any other provision of this paragraph –

(i) any State that was a qualifying State under this paragraph for fiscal year 2001 or any prior fiscal year shall be entitled to receive from the Secretary for fiscal year 2002 a grant in an amount equal to the amount required to be

paid to the State under this paragraph for the most recent fiscal year in which the State was a qualifying State;

(ii) subparagraph (G) shall be applied as if "2002" were substituted for "2001"; and

(iii) out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 2002 such sums as are necessary for grants under this subparagraph.

(4) Bonus to reward high performance States

(A) In general

The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is a high performing State.

(B) Amount of grant

(i) In general

Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State for a bonus year, which shall be based on the score assigned to the State under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

(ii) Limitation

The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

(C) Formula for measuring State performance

Not later than 1 year after August 22, 1996, the Secretary, in consultation with the National Governors' Association and the American Public Welfare Association, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals set forth in section 601(a) of this title.

(D) Scoring of State performance; setting of performance thresholds

For each bonus year, the Secretary shall –

(i) use the formula developed under subparagraph (C) to assign a score to each eligible State for the fiscal year that immediately precedes the bonus year; and

(ii) prescribe a performance threshold in such a manner so as to ensure that –

(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals \$200,000,000; and

(II) the total amount of grants to be made under this paragraph for all bonus years equals \$1,000,000,000.

(E) Definitions

As used in this paragraph:

(i) Bonus year

The term "bonus year" means fiscal years 1999, 2000, 2001, 2002, and 2003.

(ii) High performing State

The term "high performing State" means, with respect to a

bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed under subparagraph (D)(ii) for such preceding fiscal year.

(F) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 \$1,000,000,000 for grants under this paragraph.

(5) Welfare-to-work grants

(A) Formula grants

(i) Entitlement

A State shall be entitled to receive from the Secretary of Labor a grant for each fiscal year specified in subparagraph

(H) of this paragraph for which the State is a

welfare-to-work State, in an amount that does not exceed the lesser of –

(I) 2 times the total of the expenditures by the State

(excluding qualified State expenditures (as defined in section 609(a)(7)(B)(i) of this title) and any expenditure described in subclause (I), (II), or (IV) of section

609(a)(7)(B)(iv) of this title) during the period permitted under subparagraph (C)(vii) of this paragraph for the expenditure of funds under the grant for activities described in subparagraph (C)(i) of this paragraph; or

(II) the allotment of the State under clause (iii) of this subparagraph for the fiscal year.

(ii) Welfare-to-work State

A State shall be considered a welfare-to-work State for a fiscal year for purposes of this paragraph if the Secretary of Labor determines that the State meets the following requirements:

(I) The State has submitted to the Secretary of Labor and the Secretary of Health and Human Services (in the form of an addendum to the State plan submitted under section 602 of this title) a plan which –

(aa) describes how, consistent with this subparagraph, the State will use any funds provided under this subparagraph during the fiscal year;

(bb) specifies the formula to be used pursuant to clause (vi) to distribute funds in the State, and describes the process by which the formula was developed;

(cc) contains evidence that the plan was developed in consultation and coordination with appropriate entities

(!1) in sub-State areas;

(dd) contains assurances by the Governor of the State that the private industry council (and any alternate agency designated by the Governor under item (ee)) for a service delivery area in the State will coordinate the expenditure of any funds provided under this subparagraph for the benefit of the service delivery area with the

expenditure of the funds provided to the State under paragraph (1);

(ee) if the Governor of the State desires to have an agency other than a private industry council administer the funds provided under this subparagraph for the benefit of 1 or more service delivery areas in the State, contains an application to the Secretary of Labor for a waiver of clause (vii)(I) with respect to the area or areas in order to permit an alternate agency designated by the Governor to so administer the funds; and

(ff) describes how the State will ensure that a private industry council to which information is disclosed pursuant to section 603(a)(5)(K) (!2) or 654A(f)(5) of this title has procedures for safeguarding the information and for ensuring that the information is used solely for the purpose described in that section.

(II) The State has provided to the Secretary of Labor an estimate of the amount that the State intends to expend during the period permitted under subparagraph (C)(vii) of this paragraph for the expenditure of funds under the grant (excluding expenditures described in section 609(a)(7)(B)(iv) of this title (other than subclause (III) thereof)) pursuant to this paragraph.

(III) The State has agreed to negotiate in good faith with the Secretary of Health and Human Services with respect to the substance and funding of any evaluation

under section 613(j) of this title, and to cooperate with the conduct of any such evaluation.

(IV) The State is an eligible State for the fiscal year.

(V) The State certifies that qualified State expenditures (within the meaning of section 609(a)(7) of this title) for the fiscal year will be not less than the applicable percentage of historic State expenditures (within the meaning of section 609(a)(7) of this title) with respect to the fiscal year.

(iii) Allotments to welfare-to-work States

(I) In general

Subject to this clause, the allotment of a welfare-to-work State for a fiscal year shall be the available amount for the fiscal year, multiplied by the State percentage for the fiscal year.

(II) Minimum allotment

The allotment of a welfare-to-work State (other than Guam, the Virgin Islands, or American Samoa) for a fiscal year shall not be less than 0.25 percent of the available amount for the fiscal year.

(III) Pro rata reduction

Subject to subclause (II), the Secretary of Labor shall make pro rata reductions in the allotments to States under this clause for a fiscal year as necessary to ensure that the total of the allotments does not exceed the available amount for the fiscal year.

(iv) Available amount

As used in this subparagraph, the term "available amount" means, for a fiscal year, the sum of –

(I) 75 percent of the sum of –

(aa) the amount specified in subparagraph (H) for the fiscal year, minus the total of the amounts reserved pursuant to subparagraphs (E), (F), and (G) for the fiscal year; and

(bb) any amount reserved pursuant to subparagraph (E) for the immediately preceding fiscal year that has not been obligated; and

(II) any available amount for the immediately preceding fiscal year that has not been obligated by a State, other than funds reserved by the State for distribution under clause (vi)(III) and funds distributed pursuant to clause (vi)(I) in any State in which the service delivery area is the State.

(v) State percentage

As used in clause (iii), the term "State percentage" means, with respect to a fiscal year, 1/2 of the sum of –

(I) the percentage represented by the number of individuals in the State whose income is less than the poverty line divided by the number of such individuals in the United States; and

(II) the percentage represented by the number of adults who are recipients of assistance under the State program

funded under this part divided by the number of adults in the United States who are recipients of assistance under any State program funded under this part.

(vi) Procedure for distribution of funds within States

(I) Allocation formula

A State to which a grant is made under this subparagraph shall devise a formula for allocating not less than 85 percent of the amount of the grant among the service delivery areas in the State, which –

(aa) determines the amount to be allocated for the benefit of a service delivery area in proportion to the number (if any) by which the population of the area with an income that is less than the poverty line exceeds 7.5 percent of the total population of the area, relative to such number for all such areas in the State with such an excess, and accords a weight of not less than 50 percent to this factor;

(bb) may determine the amount to be allocated for the benefit of such an area in proportion to the number of adults residing in the area who have been recipients of assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first applied to the State) for at least 30 months (whether or not consecutive) relative to the number of such adults

residing in the State; and

(cc) may determine the amount to be allocated for the benefit of such an area in proportion to the number of unemployed individuals residing in the area relative to the number of such individuals residing in the State.

(II) Distribution of funds

(aa) In general

If the amount allocated by the formula to a service delivery area is at least \$100,000, the State shall distribute the amount to the entity administering the grant in the area.

(bb) Special rule

If the amount allocated by the formula to a service delivery area is less than \$100,000, the sum shall be available for distribution in the State under subclause

(III) during the fiscal year.

(III) Projects to help long-term recipients of assistance enter unsubsidized jobs

The Governor of a State to which a grant is made under this subparagraph may distribute not more than 15 percent of the grant funds (plus any amount required to be distributed under this subclause by reason of subclause (II)(bb)) to projects that appear likely to help long-term recipients of assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103(a) of the Personal

Responsibility and Work Opportunity Reconciliation Act of 1996 first applied to the State) enter unsubsidized employment.

(vii) Administration

(I) Private industry councils

The private industry council for a service delivery area in a State shall have sole authority, in coordination with the chief elected official (as defined in section 101 of the Workforce Investment Act of 1998 [29 U.S.C. 2801]) of the area, to expend the amounts distributed under clause (vi)(II)(aa) for the benefit of the service delivery area, in accordance with the assurances described in clause (ii)(I)(dd) provided by the Governor of the State.

(II) Enforcement of coordination of expenditures with other expenditures under this part

Notwithstanding subclause (I) of this clause, on a determination by the Governor of a State that a private industry council (or an alternate agency described in clause (ii)(I)(dd)) has used funds provided under this subparagraph in a manner inconsistent with the assurances described in clause (ii)(I)(dd) –

(aa) the private industry council (or such alternate agency) shall remit the funds to the Governor; and
(bb) the Governor shall apply to the Secretary of Labor for a waiver of subclause (I) of this clause with respect to the service delivery area or areas involved in order

to permit an alternate agency designated by the Governor to administer the funds in accordance with the assurances.

(III) Authority to permit use of alternate administering agency

The Secretary of Labor shall approve an application submitted under clause (ii)(I)(ee) or subclause (II)(bb) of this clause to waive subclause (I) of this clause with respect to 1 or more service delivery areas if the Secretary determines that the alternate agency designated in the application would improve the effectiveness or efficiency of the administration of amounts distributed under clause (vi)(II)(aa) for the benefit of the area or areas.

(viii) Data to be used in determining the number of adult TANF recipients

For purposes of this subparagraph, the number of adult recipients of assistance under a State program funded under this part for a fiscal year shall be determined using data for the most recent 12-month period for which such data is available before the beginning of the fiscal year.

(ix) Reversion of unallotted formula funds

If at the end of any fiscal year any funds available under this subparagraph have not been allotted due to a determination by the Secretary that any State has not met the requirements of clause (ii), such funds shall be transferred

to the General Fund of the Treasury of the United States.

(B) Competitive grants

(i) In general

The Secretary of Labor shall award grants in accordance with this subparagraph, in fiscal years 1998 and 1999, for projects proposed by eligible applicants, based on the following:

(I) The effectiveness of the proposal in –

(aa) expanding the base of knowledge about programs aimed at moving recipients of assistance under State programs funded under this part who are least job ready into unsubsidized employment.

(bb) moving recipients of assistance under State programs funded under this part who are least job ready into unsubsidized employment; and

(cc) moving recipients of assistance under State programs funded under this part who are least job ready into unsubsidized employment, even in labor markets that have a shortage of low-skill jobs.

(II) At the discretion of the Secretary of Labor, any of the following:

(aa) The history of success of the applicant in moving individuals with multiple barriers into work.

(bb) Evidence of the applicant's ability to leverage private, State, and local resources.

(cc) Use by the applicant of State and local resources

beyond those required by subparagraph (A).

(dd) Plans of the applicant to coordinate with other organizations at the local and State level.

(ee) Use by the applicant of current or former recipients of assistance under a State program funded under this part as mentors, case managers, or service providers.

(ii) Eligible applicants

As used in clause (i), the term "eligible applicant" means a private industry council for a service delivery area in a State, a political subdivision of a State, or a private entity applying in conjunction with the private industry council for such a service delivery area or with such a political subdivision, that submits a proposal developed in consultation with the Governor of the State.

(iii) Determination of grant amount

In determining the amount of a grant to be made under this subparagraph for a project proposed by an applicant, the Secretary of Labor shall provide the applicant with an amount sufficient to ensure that the project has a reasonable opportunity to be successful, taking into account the number of long-term recipients of assistance under a State program funded under this part, the level of unemployment, the job opportunities and job growth, the poverty rate, and such other factors as the Secretary of Labor deems appropriate, in the area to be served by the project.

(iv) Consideration of needs of rural areas and cities with large concentrations of poverty

In making grants under this subparagraph, the Secretary of Labor shall consider the needs of rural areas and cities with large concentrations of residents with an income that is less than the poverty line.

(v) Funding

For grants under this subparagraph for each fiscal year specified in subparagraph (H), there shall be available to the Secretary of Labor an amount equal to the sum of –

(I) 25 percent of the sum of –

(aa) the amount specified in subparagraph (H) for the fiscal year, minus the total of the amounts reserved pursuant to subparagraphs (E), (F), and (G) for the fiscal year; and

(bb) any amount reserved pursuant to subparagraph (E) for the immediately preceding fiscal year that has not been obligated; and

(II) any amount available for grants under this subparagraph for the immediately preceding fiscal year that has not been obligated.

(C) Limitations on use of funds

(i) Allowable activities

An entity to which funds are provided under this paragraph shall use the funds to move individuals into and keep individuals in lasting unsubsidized employment by means of

any of the following:

(I) The conduct and administration of community service or work experience programs.

(II) Job creation through public or private sector employment wage subsidies.

(III) On-the-job training.

(IV) Contracts with public or private providers of readiness, placement, and post-employment services, or if the entity is not a private industry council or workforce investment board, the direct provision of such services.

(V) Job vouchers for placement, readiness, and postemployment services.

(VI) Job retention or support services if such services are not otherwise available.

(VII) Not more than 6 months of vocational educational or job training.

Contracts or vouchers for job placement services supported by such funds must require that at least 1/2 of the payment occur after an eligible individual placed into the workforce has been in the workforce for 6 months.

(ii) General eligibility

An entity that operates a project with funds provided under this paragraph may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located who –

(I) has received assistance under the State program funded under this part (whether in effect before or after the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 first apply to the State) for at least 30 months (whether or not consecutive); or

(II) within 12 months, will become ineligible for assistance under the State program funded under this part by reason of a durational limit on such assistance, without regard to any exemption provided pursuant to section 608(a)(7)(C) of this title that may apply to the individual.

(iii) Noncustodial parents

An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of

item (aa)):

(aa) The minor child or the custodial parent of the minor child meets the requirements of subclause (I) or (II) of clause (ii).

(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977 [7 U.S.C. 2011 et seq.], benefits under the supplemental security income program under subchapter XVI of this chapter, medical assistance under subchapter XIX of this chapter, or child health assistance under subchapter XXI of this chapter.

(III) In the case of a noncustodial parent who becomes enrolled in the project on or after November 29, 1999, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D of this subchapter, which was developed taking into account

the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial

parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.

(iv) Targeting of hard to employ individuals with characteristics associated with long-term welfare dependence

An entity that operates a project with funds provided under this paragraph may expend not more than 30 percent of all funds provided to the project for programs that provide assistance in a form described in clause (i) –

(I) to recipients of assistance under the program funded under this part of the State in which the entity is located who have characteristics associated with long–term welfare dependence (such as school dropout, teen pregnancy, or poor work history), including, at the option of the State, by providing assistance in such form as a condition of receiving assistance under the State program funded under this part;

(II) to children –

(aa) who have attained 18 years of age but not 25 years of age; and

(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 675(4) of this title) under part E of this subchapter or were in foster care under the responsibility of a State;

(III) to recipients of assistance under the State program funded under this part, determined to have significant barriers to self–sufficiency, pursuant to criteria established by the local private industry council; or

(IV) to custodial parents with incomes below 100 percent of the poverty line (as defined in section 9902(2) of this

title, including any revision required by such section, applicable to a family of the size involved).

To the extent that the entity does not expend such funds in accordance with the preceding sentence, the entity shall expend such funds in accordance with clauses (ii) and (iii) and, as appropriate, clause (v).

(v) Authority to provide work-related services to individuals who have reached the 5-year limit

An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) of this subparagraph to, or for the benefit of, individuals who (but for section 608(a)(7) of this title) would be eligible for assistance under the program funded under this part of the State in which the entity is located.

(vi) Relationship to other provisions of this part

(I) Rules governing use of funds

The rules of section 604 of this title, other than subsections (b), (f), and (h) of section 604 of this title, shall not apply to a grant made under this paragraph.

(II) Rules governing payments to States

The Secretary of Labor shall carry out the functions otherwise assigned by section 605 of this title to the Secretary of Health and Human Services with respect to the grants payable under this paragraph.

(III) Administration

Section 616 of this title shall not apply to the programs under this paragraph.

(vii) Prohibition against use of grant funds for any other fund matching requirement

An entity to which funds are provided under this paragraph shall not use any part of the funds, nor any part of State expenditures made to match the funds, to fulfill any obligation of any State, political subdivision, or private industry council to contribute funds under subsection (b) of this section or section 618 of this title or any other provision of this chapter or other Federal law.

(viii) Deadline for expenditure

An entity to which funds are provided under this paragraph shall remit to the Secretary of Labor any part of the funds that are not expended within 5 years after the date the funds are so provided.

(ix) Regulations

Within 90 days after August 5, 1997, the Secretary of Labor, after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, shall prescribe such regulations as may be necessary to implement this paragraph.

(x) Reporting requirements

The Secretary of Labor, in consultation with the Secretary of Health and Human Services, States, and organizations that represent State or local governments, shall establish

requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.

(D) Definitions

(i) Individuals with income less than the poverty line

For purposes of this paragraph, the number of individuals with an income that is less than the poverty line shall be determined for a fiscal year –

(I) based on the methodology used by the Bureau of the Census to produce and publish intercensal poverty data for States and counties (or, in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa, other poverty data selected by the Secretary of Labor); and

(II) using data for the most recent year for which such data is available before the beginning of the fiscal year.

(ii) Private industry council

As used in this paragraph, the term "private industry council" means, with respect to a service delivery area, the private industry council or local workforce investment board established for the service delivery area pursuant to title I of the Workforce Investment Area (13) of 1998 [29 U.S.C. 2801 et seq.], as appropriate.

(iii) Service delivery area

As used in this paragraph, the term "service delivery area" shall have the meaning given such term for purposes of the

Job Training Partnership Act or.(14)

(E) Funding for Indian tribes

1 percent of the amount specified in subparagraph (H) for fiscal year 1998 and \$15,000,000 of the amount so specified for fiscal year 1999 shall be reserved for grants to Indian tribes under section 612(a)(3) of this title.

(F) Funding for evaluations of welfare-to-work programs

0.6 percent of the amount specified in subparagraph (H) for fiscal year 1998 and \$9,000,000 of the amount so specified for fiscal year 1999 shall be reserved for use by the Secretary to carry out section 613(j) of this title.

(G) Funding for evaluation of abstinence education programs

(i) In general

0.2 percent of the amount specified in subparagraph (H) for fiscal year 1998 and \$3,000,000 of the amount so specified for fiscal year 1999 shall be reserved for use by the Secretary to evaluate programs under section 710 of this title, directly or through grants, contracts, or interagency agreements.

(ii) Authority to use funds for evaluations of welfare-to-work programs

Any such amount not required for such evaluations shall be available for use by the Secretary to carry out section 613(j) of this title.

(iii) Deadline for outlays

Outlays from funds used pursuant to clause (i) for

evaluation of programs under section 710 of this title shall not be made after fiscal year 2005.

(iv) Interim report

Not later than January 1, 2002, the Secretary shall submit to the Congress an interim report on the evaluations referred to in clause (i).

(H) Appropriations

(i) In general

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for grants under this paragraph –

(I) \$1,500,000,000 for fiscal year 1998; and

(II) \$1,400,000,000 for fiscal year 1999.

(ii) Availability

The amounts made available pursuant to clause (i) shall remain available for such period as is necessary to make the grants provided for in this paragraph.

(I) Worker protections

(i) Nondisplacement in work activities

(I) General prohibition

Subject to this clause, an adult in a family receiving assistance attributable to funds provided under this paragraph may fill a vacant employment position in order to engage in a work activity.

(II) Prohibition against violation of contracts

A work activity engaged in under a program operated with

funds provided under this paragraph shall not violate an existing contract for services or a collective bargaining agreement, and such a work activity that would violate a collective bargaining agreement shall not be undertaken without the written concurrence of the labor organization and employer concerned.

(III) Other prohibitions

An adult participant in a work activity engaged in under a program operated with funds provided under this paragraph shall not be employed or assigned –

(aa) when any other individual is on layoff from the same or any substantially equivalent job;

(bb) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy so created with the participant; or

(cc) if the employer has caused an involuntary reduction to less than full time in hours of any employee in the same or a substantially equivalent job.

(ii) Health and safety

Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of other participants engaged in a work activity under a program operated with funds provided under this paragraph.

(iii) Nondiscrimination

In addition to the protections provided under the provisions of law specified in section 608(c) of this title, an individual may not be discriminated against by reason of gender with respect to participation in work activities engaged in under a program operated with funds provided under this paragraph.

(iv) Grievance procedure

(I) In general

Each State to which a grant is made under this paragraph shall establish and maintain a procedure for grievances or complaints from employees alleging violations of clause (i) and participants in work activities alleging violations of clause (i), (ii), or (iii).

(II) Hearing

The procedure shall include an opportunity for a hearing.

(III) Remedies

The procedure shall include remedies for violation of clause (i), (ii), or (iii), which may continue during the pendency of the procedure, and which may include –

(aa) suspension or termination of payments from funds provided under this paragraph;

(bb) prohibition of placement of a participant with an employer that has violated clause (i), (ii), or (iii);

(cc) where applicable, reinstatement of an employee, payment of lost wages and benefits, and reestablishment of other relevant terms, conditions and privileges of

employment; and

(dd) where appropriate, other equitable relief.

(IV) Appeals

(aa) Filing

Not later than 30 days after a grievant or complainant receives an adverse decision under the procedure established pursuant to subclause (I), the grievant or complainant may appeal the decision to a State agency designated by the State which shall be independent of the State or local agency that is administering the programs operated with funds provided under this paragraph and the State agency administering, or supervising the administration of, the State program funded under this part.

(bb) Final determination

Not later than 120 days after the State agency designated under item (aa) receives a grievance or complaint made under the procedure established by a State pursuant to subclause (I), the State agency shall make a final determination on the appeal.

(v) Rule of interpretation

This subparagraph shall not be construed to affect the authority of a State to provide or require workers' compensation.

(vi) Nonpreemption of State law

The provisions of this subparagraph shall not be construed

to preempt any provision of State law that affords greater protections to employees or to other participants engaged in work activities under a program funded under this part than is afforded by such provisions of this subparagraph.

(J) Information disclosure

If a State to which a grant is made under this section establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing to a private industry council the names, addresses, telephone numbers, and identifying case number information in the State program funded under this part, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under this paragraph.

(b) Contingency Fund

(1) Establishment

There is hereby established in the Treasury of the United States a fund which shall be known as the "Contingency Fund for State Welfare Programs" (in this section referred to as the "Fund").

(2) Deposits into Fund

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years

1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed \$2,000,000,000, reduced by the sum of the dollar amounts specified in paragraph (6)(C)(ii).

(3) Grants

(A) Provisional payments

If an eligible State submits to the Secretary a request for funds under this paragraph during an eligible month, the Secretary shall, subject to this paragraph, pay to the State, from amounts appropriated pursuant to paragraph (2), an amount equal to the amount of funds so requested.

(B) Payment priority

The Secretary shall make payments under subparagraph (A) in the order in which the Secretary receives requests for such payments.

(C) Limitations

(i) Monthly payment to a State

The total amount paid to a single State under subparagraph (A) during a month shall not exceed 1/12 of 20 percent of the State family assistance grant.

(ii) Payments to all States

The total amount paid to all States under subparagraph (A) during fiscal years 1997 through 2002 shall not exceed the total amount appropriated pursuant to paragraph (2).

(4) "Eligible month" defined

As used in paragraph (3)(A), the term "eligible month" means,

with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

(5) Needy State

For purposes of paragraph (4), a State is a needy State for a month if –

(A) the average rate of –

(i) total unemployment in such State (seasonally adjusted)

for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent; and

(ii) total unemployment in such State (seasonally adjusted)

for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding

3-month periods ending in the 2 preceding calendar years; or

(B) as determined by the Secretary of Agriculture (in the discretion of the Secretary of Agriculture), the monthly

average number of individuals (as of the last day of each month) participating in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by not less than 10 percent the lesser of

–

(i) the monthly average number of individuals (as of the

last day of each month) in the State that would have

participated in the food stamp program in the corresponding

3-month period in fiscal year 1994 if the amendments made by titles IV and VIII of the Personal Responsibility and Work

Opportunity Reconciliation Act of 1996 had been in effect throughout fiscal year 1994; or

(ii) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1995 if the amendments made by titles IV and VIII of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 had been in effect throughout fiscal year 1995.

(6) Annual reconciliation

(A) In general

Notwithstanding paragraph (3), if the Secretary makes a payment to a State under this subsection in a fiscal year, then the State shall remit to the Secretary, within 1 year after the end of the first subsequent period of 3 consecutive months for which the State is not a needy State, an amount equal to the amount (if any) by which –

(i) the total amount paid to the State under paragraph (3) of this subsection in the fiscal year; exceeds

(ii) the product of –

(I) the Federal medical assistance percentage for the State (as defined in section 1396d(b) of this title, as such section was in effect on September 30, 1995);

(II) the State's reimbursable expenditures for the fiscal year; and

(III) 1/12 times the number of months during the fiscal

year for which the Secretary made a payment to the State under such paragraph (3).

(B) Definitions

As used in subparagraph (A):

(i) Reimbursable expenditures

The term "reimbursable expenditures" means, with respect to a State and a fiscal year, the amount (if any) by which –

(I) countable State expenditures for the fiscal year; exceeds

(II) historic State expenditures (as defined in section 609(a)(7)(B)(iii) of this title), excluding any amount expended by the State for child care under subsection (g) or (i) of section 602 of this title (as in effect during fiscal year 1994) for fiscal year 1994.

(ii) Countable State expenditures

The term "countable expenditures" means, with respect to a State and a fiscal year –

(I) the qualified State expenditures (as defined in section 609(a)(7)(B)(i) of this title (other than the expenditures described in subclause (I)(bb) of such section)) under the State program funded under this part for the fiscal year; plus

(II) any amount paid to the State under paragraph (3) during the fiscal year that is expended by the State under the State program funded under this part.

(C) Adjustment of State remittances

(i) In general

The amount otherwise required by subparagraph (A) to be remitted by a State for a fiscal year shall be increased by the lesser of –

(I) the total adjustment for the fiscal year, multiplied by the adjustment percentage for the State for the fiscal year; or

(II) the unadjusted net payment to the State for the fiscal year.

(ii) Total adjustment

As used in clause (i), the term "total adjustment" means –

(I) in the case of fiscal year 1998, \$2,000,000;

(II) in the case of fiscal year 1999, \$9,000,000;

(III) in the case of fiscal year 2000, \$16,000,000; and

(IV) in the case of fiscal year 2001, \$13,000,000.

(iii) Adjustment percentage

As used in clause (i), the term "adjustment percentage" means, with respect to a State and a fiscal year –

(I) the unadjusted net payment to the State for the fiscal year; divided by

(II) the sum of the unadjusted net payments to all States for the fiscal year.

(iv) Unadjusted net payment

As used in this subparagraph, the term, "unadjusted net payment" means with respect to a State and a fiscal year –

(I) the total amount paid to the State under paragraph

(3) in the fiscal year; minus

(II) the amount that, in the absence of this

subparagraph, would be required by subparagraph (A) or by section 609(a)(10) of this title to be remitted by the State in respect of the payment.

(7) "State" defined

As used in this subsection, the term "State" means each of the 50 States and the District of Columbia.

(8) Annual reports

The Secretary shall annually report to the Congress on the status of the Fund.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 403, as added Pub. L.

104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2115;

amended Pub. L. 104–327, Sec. 1(b), Oct. 19, 1996, 110 Stat. 4002;

Pub. L. 105–33, title V, Secs. 5001(a)(1), 5502, 5514(c), Aug. 5,

1997, 111 Stat. 577, 606, 620; Pub. L. 105–78, title VI, Sec. 608,

Nov. 13, 1997, 111 Stat. 1522; Pub. L. 105–89, title IV, Sec.

404(a), (b), Nov. 19, 1997, 111 Stat. 2134; Pub. L. 105–200, title

IV, Sec. 408, July 16, 1998, 112 Stat. 672; Pub. L. 105–277, div.

A, Sec. 101(f) [title I, Sec. 102, title VIII, Sec. 405(d)(30),

(f)(22)], Oct. 21, 1998, 112 Stat. 2681–337, 2681–346, 2681–425,

2681–432; Pub. L. 105–306, Sec. 6(a), Oct. 28, 1998, 112 Stat.

2928; Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Secs.

801(a), (b)(1), (c), 802, 803, 804(b), 805(a)(2), (b), 806], Nov.

29, 1999, 113 Stat. 1535, 1501A–280, 1501A–281, 1501A–283 to

1501A–286; Pub. L. 106–246, div. B, title II, Sec. 2402, July 13, 2000, 114 Stat. 555; Pub. L. 106–554, Sec. 1(a)(1) [title I, Secs. 103, 107(a)–(b)(4), (c), title V, Sec. 513], Dec. 21, 2000, 114 Stat. 2763, 2763A–11, 2763A–12, 2763A–71; Pub. L. 107–147, title VI, Secs. 616, 617, Mar. 9, 2002, 116 Stat. 62.)

–REFTEXT–

REFERENCES IN TEXT

Part F of this subchapter, referred to in subsec. (a)(1)(B)(iii), (C)(i)(V), was classified to section 681 et seq. of this title, prior to repeal by Pub. L. 104–193, title I, Sec. 108(e), Aug. 22, 1996, 110 Stat. 2167.

Section 603(a)(5)(K) of this title, referred to in subsec.

(a)(5)(A)(ii)(I)(ff), was redesignated as section 603(a)(5)(J) by Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A–12.

Section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec.

(a)(5)(A)(vi)(I)(bb), (III), (C)(ii)(I), is section 103 of Pub. L. 104–193, which enacted this part, amended sections 602, 603, and 1308 of this title, and repealed provisions formerly set out as this part. For complete classification of section 103 to the Code, see Tables.

The Food Stamp Act of 1977, referred to in subsec.

(a)(5)(C)(iii)(II)(dd), is Pub. L. 88–525, Aug. 31, 1964, 78 Stat. 703, as amended, which is classified generally to chapter 51 (Sec. 2011 et seq.) of Title 7, Agriculture. For complete classification

of this Act to the Code, see Short Title note set out under section 2011 of Title 7 and Tables.

Parts D and E of this subchapter, referred to in subsec.

(a)(5)(C)(iii)(III), (iv)(II)(bb), are classified to sections 651 et seq. and 670 et seq., respectively, of this title.

The Job Training Partnership Act, referred to in subsec.

(a)(5)(D)(iii), is Pub. L. 97–300, Oct. 13, 1982, 96 Stat. 1322, as amended, which was classified generally to chapter 19 (Sec. 1501 et seq.) of Title 29, Labor, prior to repeal by Pub. L. 105–220, title I, Sec. 199(b)(2), (c)(2)(B), Aug. 7, 1998, 112 Stat. 1059, effective July 1, 2000. For complete classification of this Act to the Code, see Tables.

The Workforce Investment Act of 1998, referred to in subsec.

(a)(5)(D)(ii), is Pub. L. 105–220, Aug. 7, 1998, 112 Stat. 936, as amended. Title I of the Act is classified principally to chapter 30 (Sec. 2801 et seq.) of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 9201 of Title 20, Education, and Tables.

Titles IV and VIII of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec.

(b)(5)(B), are titles IV (Sec. 400 et seq.) and VIII (Sec. 801 et seq.) of Pub. L. 104–193, Aug. 22, 1996, 110 Stat. 2260, 2308. For complete classification of these titles to the Code, see Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 603, acts Aug. 14, 1935, ch. 531, title IV, Sec.

403, 49 Stat. 628; Aug. 10, 1939, ch. 666, title IV, Sec. 402, 53 Stat. 1380; Aug. 10, 1946, ch. 951, title V, Sec. 502, 60 Stat. 992; June 14, 1948, ch. 468, Sec. 3(b), 62 Stat. 439; Aug. 28, 1950, ch. 809, title III, pt. 2, Sec. 322(a), pt. 6, Sec. 361(c), (d), 64 Stat. 550, 558; July 18, 1952, ch. 945, Sec. 8(b), 66 Stat. 778; Sept. 1, 1954, ch. 1206, title III, Sec. 303(a), 68 Stat. 1097; Aug. 1, 1956, ch. 836, title III, Secs. 302, 312(c), 342, 351(a), 70 Stat. 847, 849, 852, 854; Aug. 28, 1958, Pub. L. 85–840, title V, Sec. 502, 72 Stat. 1048; July 25, 1962, Pub. L. 87–543, title I, Secs. 101(a)(2), (b)(2)(A)–(C), 104(a)(3)(C), 108(b), (c), 76 Stat. 174, 180, 185, 190; July 30, 1965, Pub. L. 89–97, title I, Sec. 122, title IV, Sec. 401(c), 79 Stat. 353, 415; Jan. 2, 1968, Pub. L. 90–248, title II, Secs. 201(c)–(e)(3), 205(b), 206(a), 207(b), 208, 241(b)(2), (3), 81 Stat. 879, 880, 892–894, 916; June 28, 1968, Pub. L. 90–364, title III, Sec. 301, 82 Stat. 273; July 9, 1969, Pub. L. 91–41, Sec. 3, 83 Stat. 45; Dec. 28, 1971, Pub. L. 92–223, Sec. 3(a)(8), (9), 85 Stat. 805; Oct. 20, 1972, Pub. L. 92–512, title III, Sec. 301(b)–(d), 86 Stat. 946, 947; Oct. 30, 1972, Pub. L. 92–603, title II, Secs. 299E(d), 299F, 86 Stat. 1462, 1463; Jan. 4, 1975, Pub. L. 93–647, Secs. 3(a)(3), (4), (e)(2), 5(b), 101(c)(6)(A), 88 Stat. 2348–2350, 2360; Aug. 9, 1975, Pub. L. 94–88, title II, Sec. 204, 89 Stat. 435; Nov. 12, 1977, Pub. L. 95–171, Sec. 3(a)(1), 91 Stat. 1354; Dec. 20, 1977, Pub. L. 95–216, title IV, Secs. 401, 402(a), 91 Stat. 1559, 1560; June 9, 1980, Pub. L. 96–265, title IV, Secs. 401(g), (h), 406(a), 407(c), 94 Stat. 462, 465, 467; Aug. 13, 1981, Pub. L. 97–35, title XXI, Secs.

2181(a)(1), 2184(b)(1), title XXIII, Secs. 2307(b), 2315(b),
2317(a), 2319(a)–(c), 2353(b)(1), (d), 95 Stat. 815, 817, 848,
855–857, 872; Sept. 3, 1982, Pub. L. 97–248, title I, Secs. 154(b),
156(a)–(c), 157(a), 96 Stat. 397–399; July 18, 1984, Pub. L.
98–369, div. B, title VI, Sec. 2663(c)(2), (j)(2)(B)(i), (3)(B)(i),
98 Stat. 1166, 1170, 1171; Aug. 16, 1984, Pub. L. 98–378, Sec.
9(b), 98 Stat. 1316; Nov. 6, 1986, Pub. L. 99–603, title I, Sec.
121(b)(1), 100 Stat. 3390; Dec. 22, 1987, Pub. L. 100–203, title
IX, Sec. 9102(c), 101 Stat. 1330–300; Oct. 13, 1988, Pub. L.
100–485, title II, Secs. 201(c), (d), 202(b)(4)–(6), 204(b)(2),
title III, Secs. 302(b)(2), 304(b)(2), title VI, Secs. 601(c)(1),
606, 609(a), 102 Stat. 2372, 2377, 2381, 2384, 2393, 2407, 2410,
2424; Dec. 19, 1989, Pub. L. 101–239, title VIII, Sec. 8004(b), 103
Stat. 2460; Nov. 5, 1990, Pub. L. 101–508, title V, Sec. 5081(b),
104 Stat. 1388–235; Aug. 10, 1993, Pub. L. 103–66, title XIII, Sec.
13741(a), 107 Stat. 663; July 27, 1995, Pub. L. 104–19, title I,
109 Stat. 215; Apr. 26, 1996, Pub. L. 104–134, title III, 110 Stat.
1321–355; Aug. 22, 1996, Pub. L. 104–193, title I, Sec.
103(c)(2)(B), 110 Stat. 2161; June 12, 1997, Pub. L. 105–18, title
II, 111 Stat. 204, related to payments to States with approved
plans for aid and services to needy families with children, prior
to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L.
105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620,
effective July 1, 1997.

AMENDMENTS

2002 – Subsec. (a)(3)(H). Pub. L. 107–147, Sec. 616, added

subpar. (H).

Subsec. (b)(2). Pub. L. 107–147, Sec. 617(1), substituted "2001, and 2002" for "and 2001".

Subsec. (b)(3)(C)(ii). Pub. L. 107–147, Sec. 617(2), substituted "2002" for "2001".

2000 – Subsec. (a)(5)(A)(i). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(1)], substituted "subparagraph (H)" for "subparagraph (I)" in introductory provisions.

Subsec. (a)(5)(A)(iv)(I)(aa). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(2)(A)], substituted "(H)" for "(I)" and "and (G)" for "(G), and (H)".

Subsec. (a)(5)(A)(iv)(I)(bb). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(2)(B)], substituted "subparagraph (E)" for "subparagraph (F)".

Subsec. (a)(5)(B)(v). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(3)], substituted "subparagraph (H)" for "subparagraph (I)" in introductory provisions.

Subsec. (a)(5)(B)(v)(I)(aa). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(2)(A)], substituted "(H)" for "(I)" and "and (G)" for "(G), and (H)".

Subsec. (a)(5)(B)(v)(I)(bb). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(2)(B)], substituted "subparagraph (E)" for "subparagraph (F)".

Subsec. (a)(5)(C)(viii). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 103], substituted "5 years" for "3 years".

Subsec. (a)(5)(E). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec.

107(a), (b)(4)], redesignated subpar. (F) as (E), substituted "subparagraph (H)" for "subparagraph (I)", and struck out former subpar. (E), which established a set-aside for successful performance bonuses.

Subsec. (a)(5)(F). Pub. L. 106-554, Sec. 1(a)(1) [title I, Sec. 107(a), (b)(4)], redesignated subpar. (G) as (F) and substituted "subparagraph (H)" for "subparagraph (I)". Former subpar. (F) redesignated (E).

Pub. L. 106-246, Sec. 2402(1), substituted "\$15,000,000" for "\$1,500,000".

Subsec. (a)(5)(G). Pub. L. 106-554, Sec. 1(a)(1) [title V, Sec. 513], which directed the amendment of subpar. (H) by substituting "2005" for "2001" in cl. (iii) and adding cl. (iv), was executed by making amendments to subpar. (G), to reflect the probable intent of Congress and the redesignation of subpar. (H) as (G) by Pub. L. 106-554, Sec. 1(a)(1) [title V, Sec. 107(a)]. See below.

Pub. L. 106-554, Sec. 1(a)(1) [title I, Sec. 107(a), (b)(4)], redesignated subpar. (H) as (G) and substituted "subparagraph (H)" for "subparagraph (I)" in cl. (i). Former subpar. (G) redesignated (F).

Pub. L. 106-246, Sec. 2402(2), substituted "\$9,000,000" for "\$900,000".

Subsec. (a)(5)(H). Pub. L. 106-554, Sec. 1(a)(1) [title I, Sec. 107(a), (c)], redesignated subpar. (I) as (H) and substituted "\$1,400,000,000" for "\$1,450,000,000" in cl. (i)(II). Former subpar. (H) redesignated (G).

Pub. L. 106–246, Sec. 2402(3), substituted "\$3,000,000" for "\$300,000" in cl. (i).

Subsec. (a)(5)(I) to (K). Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(a)], redesignated subpars. (J) and (K) as (I) and (J), respectively. Former subpar. (I) redesignated (H).

1999 – Subsec. (a)(5)(A)(ii)(I)(ff). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 805(b)], added item (ff).

Subsec. (a)(5)(C)(i)(IV). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 803], inserted before period at end ", or if the entity is not a private industry council or workforce investment board, the direct provision of such services".

Subsec. (a)(5)(C)(i)(VII). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 802], added subcl. (VII).

Subsec. (a)(5)(C)(ii). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 801(a)], amended heading and text of cl. (ii) generally, substituting provisions relating to general eligibility for provisions relating to required beneficiaries.

Subsec. (a)(5)(C)(iii). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 801(b)(1)(B)], added cl. (iii). Former cl. (iii) redesignated (iv).

Subsec. (a)(5)(C)(iv). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 801(c)], inserted "hard to employ" before "individuals" in heading, substituted "clauses (ii) and (iii) and, as appropriate, clause (v)" for "clause (ii)" before period at end of concluding provisions, added subcls. (II) to (IV), and struck out former subcl. (II) which read as follows: "to individuals –

"(aa) who are noncustodial parents of minors whose custodial parent is such a recipient; and

"(bb) who have such characteristics."

Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 801(b)(1)(A)], redesignated cl. (iii) as (iv). Former cl. (iv) redesignated (v).

Subsec. (a)(5)(C)(v) to (ix). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 801(b)(1)(A)], redesignated cls. (iv) to (viii) as (v) to (ix), respectively.

Subsec. (a)(5)(C)(x). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 804(b)], added cl. (x).

Subsec. (a)(5)(E)(i). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(c)], substituted "award" for "make" and inserted ", but shall not make any outlay to pay any such grant before October 1, 2000" before period at end.

Subsec. (a)(5)(E)(iv)(I)(bb), (vi). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(a)], substituted "\$50,000,000" for "\$100,000,000".

Subsec. (a)(5)(F). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(b)(1)], inserted "\$1,500,000" before "of the amount so specified for fiscal year 1999".

Subsec. (a)(5)(G). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(b)(2)], inserted "\$900,000" before "of the amount so specified for fiscal year 1999".

Subsec. (a)(5)(H)(i). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(b)(3)], inserted "\$300,000" before "of the amount so specified for fiscal year 1999".

Subsec. (a)(5)(I)(i). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 806(b)(4)], substituted "for grants under this paragraph – " and subcls. (I) and (II) for "\$1,500,000,000 for each of fiscal years 1998 and 1999 for grants under this paragraph."

Subsec. (a)(5)(K). Pub. L. 106–113, Sec. 1000(a)(4) [title VIII, Sec. 805(a)(2)], added subpar. (K).

1998 – Subsec. (a)(5)(A)(iv)(II). Pub. L. 105–306 substituted ", other than funds reserved by the State for distribution under clause (vi)(III) and funds distributed pursuant to clause (vi)(I) in any State in which the service delivery area is the State" for "or sub–State entity".

Subsec. (a)(5)(A)(vii)(I). Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(f)(22)(A)], struck out "described in section 103(c) of the Job Training Partnership Act or" before "defined in section 101 of the Workforce".

Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(d)(30)(A)], substituted "(as described in section 103(c) of the Job Training Partnership Act or defined in section 101 of the Workforce Investment Act of 1998)" for "(as described in section 103(c) of the Job Training Partnership Act)".

Subsec. (a)(5)(A)(ix). Pub. L. 105–277, Sec. 101(f) [title I, Sec. 102], added cl. (ix).

Subsec. (a)(5)(C)(ii). Pub. L. 105–200, Sec. 408(1), struck out "of minors whose custodial parent is such a recipient" after "noncustodial parents" in introductory provisions.

Subsec. (a)(5)(C)(ii)(I). Pub. L. 105–200, Sec. 408(2), inserted

"or the noncustodial parent" after "recipient" in introductory provisions.

Subsec. (a)(5)(C)(ii)(II). Pub. L. 105–200, Sec. 408(3), substituted "The recipient or the minor children of the noncustodial parent – " for "The individual – " in introductory provisions.

Subsec. (a)(5)(D)(ii). Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(f)(22)(B)(i)], struck out "the Job Training Partnership Act or" before "title I of the Workforce Investment".

Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(d)(30)(B)(i)], substituted "means, with respect to a service delivery area, the private industry council or local workforce investment board established for the service delivery area pursuant to the Job Training Partnership Act or title I of the Workforce Investment Area of 1998, as appropriate" for "means, with respect to a service delivery area, the private industry council (or successor entity) established for the service delivery area pursuant to the Job Training Partnership Act".

Subsec. (a)(5)(D)(iii). Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(f)(22)(B)(ii)], struck out before period at end "shall mean a local area as defined in section 101 of the Workforce Investment Act of 1998, as appropriate".

Pub. L. 105–277, Sec. 101(f) [title VIII, Sec. 405(d)(30)(B)(ii)], substituted "shall have the meaning given such term for purposes of the Job Training Partnership Act or shall mean a local area as defined in section 101 of the Workforce Investment

Act of 1998, as appropriate" for "shall have the meaning given such term (or the successor to such term) for purposes of the Job Training Partnership Act".

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(2). Pub. L. 105–33, Sec. 5502(b)(1), inserted "ratio" after "illegitimacy" in heading.

Subsec. (a)(2)(A). Pub. L. 105–33, Sec. 5502(b)(2), struck out "for which the State demonstrates a net decrease in out-of-wedlock births" after "bonus year".

Subsec. (a)(2)(B). Pub. L. 105–33, Sec. 5502(a)(1), amended heading and text of subpar. (B) generally. Prior to amendment, text read as follows:

"(i) If 5 eligible States. – If there are 5 eligible States for a bonus year, the amount of the grant shall be \$20,000,000.

"(ii) If fewer than 5 eligible States. – If there are fewer than 5 eligible States for a bonus year, the amount of the grant shall be \$25,000,000."

Subsec. (a)(2)(C)(i)(I)(aa). Pub. L. 105–33, Sec. 5502(b)(3)(A)(i), substituted "illegitimacy ratio of the State for" for "number of out-of-wedlock births that occurred in the State during" and "illegitimacy ratio of the State for" for "number of such births that occurred during".

Pub. L. 105–33, Sec. 5502(a)(2), inserted at end "In the case of a State that is not a territory specified in subparagraph (B), the

comparative magnitude of the decrease for the State shall be determined without regard to the magnitude of the corresponding decrease for any such territory."

Subsec. (a)(2)(C)(i)(I)(bb). Pub. L. 105-33, Sec. 5502(c)(1)(A), substituted "the calendar year for which the most recent data are available" for "the fiscal year" and "calendar year 1995" for "fiscal year 1995".

Subsec. (a)(2)(C)(i)(II). Pub. L. 105-33, Sec. 5502(c)(1)(B), substituted "calendar" for "fiscal" wherever appearing.

Subsec. (a)(2)(C)(i)(II)(aa). Pub. L. 105-33, Sec. 5502(b)(3)(A)(ii), substituted "illegitimacy ratio of" for "number of out-of-wedlock births that occurred in" in two places and "calculate the illegitimacy ratio" for "calculate the number of out-of-wedlock births".

Subsec. (a)(2)(C)(ii). Pub. L. 105-33, Sec. 5502(c)(2), substituted "calendar years" for "fiscal years".

Subsec. (a)(2)(C)(iii). Pub. L. 105-33, Sec. 5502(b)(3)(B), added cl. (iii).

Subsec. (a)(3)(C)(ii). Pub. L. 105-33, Sec. 5502(d), substituted "1998" for "1997" in heading.

Subsec. (a)(5). Pub. L. 105-33, Sec. 5001(a)(1), added par. (5).

Subsec. (a)(5)(A)(i)(I), (ii)(II). Pub. L. 105-78 substituted "during the period permitted under subparagraph (C)(vii) of this paragraph for the expenditure of funds under the grant" for "during the fiscal year".

Subsec. (b)(2). Pub. L. 105-89, Sec. 404(a), inserted ", reduced

by the sum of the dollar amounts specified in paragraph (6)(C)(ii)" before period.

Subsec. (b)(4), (5). Pub. L. 105–33, Sec. 5502(e)(2), redesignated pars. (5) and (6) as (4) and (5), respectively, and struck out former par. (4) which required each State to remit to the Secretary at the end of each fiscal year certain excess amounts paid to the State under par. (3) during the fiscal year.

Subsec. (b)(6). Pub. L. 105–33, Sec. 5502(e)(3), added par. (6).

Pub. L. 105–33, Sec. 5502(e)(2), redesignated par. (6) as (5).

Pub. L. 105–33, Sec. 5502(e)(1), substituted "paragraph (4)" for "paragraph (5)" in introductory provisions.

Subsec. (b)(6)(C). Pub. L. 105–89, Sec. 404(b), added subpar. (C).

Subsec. (b)(7). Pub. L. 105–33, Sec. 5502(f), amended heading and text of par. (7) generally. Prior to amendment, text read as follows: "As used in this subsection:

"(A) State. – The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(B) Secretary. – The term 'Secretary' means the Secretary of the Treasury."

1996 – Subsec. (b)(4)(A)(i)(II). Pub. L. 104–327, Sec. 1(b)(1), struck out "minus any Federal payment with respect to such child care expenditures" after "for fiscal year 1994".

Subsec. (b)(4)(A)(ii)(I). Pub. L. 104–327, Sec. 1(b)(2), inserted "the sum of" before "the expenditures" and ", and any additional qualified State expenditures, as defined in section 609(a)(7)(B)(i)

of this title, for child care assistance made under the Child Care and Development Block Grant Act of 1990" before "; exceeds".

EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(d)], Dec. 21, 2000, 114 Stat. 2763, 2763A–12, provided that: "The amendments made by subsections (a), (b), and (c) of this section [amending this section and section 612 of this title] shall take effect on October 1, 2000."

EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 801(e)], Nov. 29, 1999, 113 Stat. 1535, 1501A–283, provided that: "The amendments made by this section [amending this section and sections 604 and 612 of this title] –

"(1) shall be effective January 1, 2000, with respect to the determination of eligible individuals for purposes of section 403(a)(5)(B) of the Social Security Act [subsec. (a)(5)(B) of this section] (relating to competitive grants);

"(2) shall be effective July 1, 2000, except that expenditures from allotments to the States shall not be made before October 1, 2000 –

"(A) with respect to the determination of eligible individuals for purposes of section 403(a)(5)(A) of the Social Security Act [subsec. (a)(5)(A) of this section] (relating to formula grants) in the case of those individuals who may be determined to be so eligible, but would not have been eligible before July 1, 2000; or

"(B) for allowable activities described in section 403(a)(5)(C)(i)(VII) of the Social Security Act [subsec. (a)(5)(C)(i)(VII) of this section] (as added by section 802 of this title) provided to any individuals determined to be eligible for purposes of section 403(a)(5)(A) of the Social Security Act (relating to formula grants)."

EFFECTIVE DATE OF 1998 AMENDMENTS

Pub. L. 105–306, Sec. 6(b), Oct. 28, 1998, 112 Stat. 2928, provided that: "The amendment made by subsection (a) [amending this section] shall take effect as if included in the enactment of section 5001 of the Balanced Budget Act of 1997 [Pub. L. 105–33]." Amendment by section 101(f) [title VIII, Sec. 405(d)(30)] of Pub. L. 105–277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, Sec. 405(f)(22)] of Pub. L. 105–277 effective July 1, 2000, see section 101(f) [title VIII, Sec. 405(g)(1), (2)(B)] of Pub. L. 105–277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

EFFECTIVE DATE OF 1997 AMENDMENTS

Amendment by Pub. L. 105–89 effective Nov. 19, 1997, except as otherwise provided, with delay permitted if State legislation is required, see section 501 of Pub. L. 105–89, set out as a note under section 622 of this title.

Amendment by section 5502 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L.

105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE OF 1996 AMENDMENT

Section 1(d) of Pub. L. 104–327 provided that: "The amendments made by this section [amending this section and provisions set out as a note under section 601 of this title] shall take effect as if included in the provisions of and the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104–193]."

EFFECTIVE DATE

Subsec. (a)(1)(C), (D) of this section effective Oct. 1, 1996, and remainder of this section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

REGULATIONS

Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 801(f)], Nov. 29, 1999, 113 Stat. 1535, 1501A–284, provided that:

"Interim final regulations shall be prescribed to implement the amendments made by this section [amending this section and sections 604 and 612 of this title] not later than January 1, 2000. Final regulations shall be prescribed within 90 days after the date of the enactment of this Act [Nov. 29, 1999] to implement the amendments made by this Act to section 403(a)(5) of the Social Security Act [subsec. (a)(5) of this section], in the same manner as described in section 403(a)(5)(C)(ix) of the Social Security Act (as so redesignated by subsection (b)(1)(A) of this section)."

–SECRET–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 602, 604, 605, 606, 607, 608, 609, 611, 611a, 612, 613, 615, 618, 654a, 673, 1308 of this title; title 7 section 2025; title 29 sections 2841, 2864.

–FOOTNOTE–

(1) So in original. Probably should be "entities".

(2) See References in Text note below.

(3) So in original. Probably should be "Act".

(4) So in original.

–End–

–CITE–

42 USC Sec. 603a 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 603a. Transferred

–COD–

CODIFICATION

Section, Pub. L. 94–566, title V, Sec. 508(b), Oct. 20, 1976, 90 Stat. 2689; Pub. L. 104–193, title I, Sec. 110(a), Aug. 22, 1996, 110 Stat. 2171, which related to reimbursement to State employment offices for expenses incurred for furnishing information requested of such offices by State or local agency administering this part, was transferred to section 655a of this title.

–End–

–CITE–

42 USC Sec. 604 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 604. Use of grants

–STATUTE–

(a) General rules

Subject to this part, a State to which a grant is made under section 603 of this title may use the grant –

(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

(2) in any manner that the State was authorized to use amounts received under part A or F of this subchapter, as such parts were in effect on September 30, 1995, or (at the option of the State) August 21, 1996.

(b) Limitation on use of grant for administrative purposes

(1) Limitation

A State to which a grant is made under section 603 of this title shall not expend more than 15 percent of the grant for administrative purposes.

(2) Exception

Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

(c) Authority to treat interstate immigrants under rules of former State

A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded

under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

(d) Authority to use portion of grant for other purposes

(1) In general

Subject to paragraph (2), a State may use not more than 30 percent of the amount of any grant made to the State under section 603(a) of this title for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

(A) Subchapter XX of this chapter.

(B) The Child Care and Development Block Grant Act of 1990 [42 U.S.C. 9858 et seq.].

(2) Limitation on amount transferable to subchapter XX programs

(A) In general

A State may use not more than the applicable percent of the amount of any grant made to the State under section 603(a) of this title for a fiscal year to carry out State programs pursuant to subchapter XX of this chapter.

(B) Applicable percent

For purposes of subparagraph (A), the applicable percent is 4.25 percent in the case of fiscal year 2001 and each succeeding fiscal year.

(3) Applicable rules

(A) In general

Except as provided in subparagraph (B) of this paragraph, any

amount paid to a State under this part that is used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program, and the expenditure of any amount so used shall not be considered to be an expenditure under this part.

(B) Exception relating to subchapter XX programs

All amounts paid to a State under this part that are used to carry out State programs pursuant to subchapter XX of this chapter shall be used only for programs and services to children or their families whose income is less than 200 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 9902(2) of this title) applicable to a family of the size involved.

(e) Authority to reserve certain amounts for assistance

A State or tribe may reserve amounts paid to the State or tribe under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State or tribal program funded under this part.

(f) Authority to operate employment placement program

A State to which a grant is made under section 603 of this title may use the grant to make payments (or provide job placement vouchers) to State–approved public and private job placement

agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

(g) Implementation of electronic benefit transfer system

A State to which a grant is made under section 603 of this title is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

(h) Use of funds for individual development accounts

(1) In general

A State to which a grant is made under section 603 of this title may use the grant to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program funded under this part.

(2) Individual development accounts

(A) Establishment

Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds for a qualified purpose described in subparagraph (B).

(B) Qualified purpose

A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity

providing assistance to the individual under this subsection:

(i) Postsecondary educational expenses

Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

(ii) First home purchase

Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

(iii) Business capitalization

Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

(C) Contributions to be from earned income

An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

(D) Withdrawal of funds

The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

(3) Requirements

(A) In general

An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph

(2)(B)).

(B) "Qualified entity" defined

As used in this subsection, the term "qualified entity" means

—

- (i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or
- (ii) a State or local government agency acting in cooperation with an organization described in clause (i).

(4) No reduction in benefits

Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or

makes contributions into such an account.

(5) Definitions

As used in this subsection –

(A) Eligible educational institution

The term "eligible educational institution" means the following:

(i) An institution described in section 1088(a)(1) or 1141(a) of title 20, as such sections are in effect on August 22, 1996.

(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 2471(4) of title 20) which is in any State (as defined in section 2471(33) of title 20), as such sections are in effect on August 22, 1996.

(B) Post–secondary educational expenses

The term "post–secondary educational expenses" means –

(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

(C) Qualified acquisition costs

The term "qualified acquisition costs" means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

(D) Qualified business

The term "qualified business" means any business that does not contravene any law or public policy (as determined by the Secretary).

(E) Qualified business capitalization expenses

The term "qualified business capitalization expenses" means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

(F) Qualified expenditures

The term "qualified expenditures" means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

(G) Qualified first-time homebuyer

(i) In general

The term "qualified first-time homebuyer" means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

(ii) Date of acquisition

The term "date of acquisition" means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

(H) Qualified plan

The term "qualified plan" means a business plan which –

- (i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,
- (ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and
- (iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

(I) Qualified principal residence

The term "qualified principal residence" means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

- (i) Sanction welfare recipients for failing to ensure that minor dependent children attend school

A State to which a grant is made under section 603 of this title shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 2012(h) of title 7, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

- (j) Requirement for high school diploma or equivalent

A State to which a grant is made under section 603 of this title

shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 2012(h) of title 7, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(k) Limitations on use of grant for matching under certain Federal transportation program

(1) Use limitations

A State to which a grant is made under section 603 of this title may not use any part of the grant to match funds made available under section 3037 of the Transportation Equity Act for the 21st Century, unless –

(A) the grant is used for new or expanded transportation services (and not for construction) that benefit individuals described in subparagraph (C), and not to subsidize current operating costs;

(B) the grant is used to supplement and not supplant other State expenditures on transportation;

(C) the preponderance of the benefits derived from such use of the grant accrues to individuals who are –

(i) recipients of assistance under the State program funded

under this part;

(ii) former recipients of such assistance;

(iii) noncustodial parents who are described in section

603(a)(5)(C)(iii) of this title; and

(iv) low-income individuals who are at risk of qualifying

for such assistance; and

(D) the services provided through such use of the grant

promote the ability of such recipients to engage in work

activities (as defined in section 607(d) of this title).

(2) Amount limitation

From a grant made to a State under section 603(a) of this

title, the amount that a State uses to match funds described in

paragraph (1) of this subsection shall not exceed the amount (if

any) by which 30 percent of the total amount of the grant exceeds

the amount (if any) of the grant that is used by the State to

carry out any State program described in subsection (d)(1) of

this section.

(3) Rule of interpretation

The provision by a State of a transportation benefit under a

program conducted under section 3037 of the Transportation Equity

Act for the 21st Century, to an individual who is not otherwise a

recipient of assistance under the State program funded under this

part, using funds from a grant made under section 603(a) of this

title, shall not be considered to be the provision of assistance

to the individual under the State program funded under this part.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 404, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2124; amended Pub. L. 105–33, title V, Secs. 5002(a), 5503, 5514(c), Aug. 5, 1997, 111 Stat. 593, 609, 620; Pub. L. 105–178, title VIII, Sec. 8401(b), June 9, 1998, 112 Stat. 499; Pub. L. 105–200, title IV, Sec. 403(a), July 16, 1998, 112 Stat. 670; Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 801(d)], Nov. 29, 1999, 113 Stat. 1535, 1501A–283; Pub. L. 106–169, title IV, Sec. 401(l), Dec. 14, 1999, 113 Stat. 1858.)

–REFTEXT–

REFERENCES IN TEXT

Part F of this subchapter, referred to in subsec. (a)(2), was classified to section 681 et seq. of this title, prior to repeal by Pub. L. 104–193, title I, Sec. 108(e), Aug. 22, 1996, 110 Stat. 2167.

The Child Care and Development Block Grant Act of 1990, referred to in subsec. (d)(1)(B), is subchapter C (Sec. 658A et seq.) of chapter 8 of subtitle A of title VI of Pub. L. 97–35, as added by Pub. L. 101–508, title V, Sec. 5082(2), Nov. 5, 1990, 104 Stat. 1388–236, as amended, which is classified generally to subchapter II–B (Sec. 9858 et seq.) of chapter 105 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 9801 of this title and Tables.

The Internal Revenue Code of 1986, referred to in subsec. (h)(2)(C), (3)(B)(i), (4), (5)(I), is classified generally to Title

26, Internal Revenue Code.

Section 1088(a) of title 20, referred to in subsec. (h)(5)(A)(i), was repealed and section 1088(d) was redesignated section 1088(a), by Pub. L. 105–244, title I, Sec. 101(c), Oct. 7, 1998, 112 Stat.

1617. Provisions similar to those in former section 1088(a)(1) are now contained in section 1002(a)(1) of Title 20, Education.

Section 1141(a) of title 20, referred to in subsec. (h)(5)(A)(i), was repealed by Pub. L. 105–244, Sec. 3, title I, Sec. 101(b), title VII, Sec. 702, Oct. 7, 1998, 112 Stat. 1585, 1616, 1803, effective Oct. 1, 1998.

Section 2471 of title 20, referred to in subsec. (h)(5)(A)(ii), was omitted in the general amendment of chapter 44 (Sec. 2301 et seq.) of Title 20, Education, by Pub. L. 105–332, Sec. 1(b), Oct. 31, 1998, 112 Stat. 3076.

Section 3037 of the Transportation Equity Act for the 21st Century, referred to in subsec. (k)(1), (3), is section 3037 of Pub. L. 105–178, title III, June 9, 1998, 112 Stat. 387, which is set out as a note under section 5309 of Title 49, Transportation.

–MISC1–

PRIOR PROVISIONS

A prior section 604, acts Aug. 14, 1935, ch. 531, title IV, Sec. 404, 49 Stat. 628; Aug. 28, 1950, ch. 809, title III, pt. 6, Sec. 361(c), (d), 64 Stat. 558; May 8, 1961, Pub. L. 87–31, Sec. 4, 75 Stat. 77; July 25, 1962, Pub. L. 87–543, title I, Secs. 104(a)(5)(B), 107(b), 76 Stat. 185, 189; Jan. 2, 1968, Pub. L. 90–248, title II, Secs. 241(b)(4), 245, 81 Stat. 916, 918; Jan. 4,

1975, Pub. L. 93–647, Sec. 101(c)(6)(B), 88 Stat. 2360; July 18, 1984, Pub. L. 98–369, title VI, Sec. 2663(1)(1), 98 Stat. 1171, related to deviation from State plan, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1999 – Subsec. (e). Pub. L. 106–169 inserted "or tribe" after "A State" and "to the State" and inserted "or tribal" after "under the State".

Subsec. (k)(1)(C)(iii). Pub. L. 106–113 substituted "section 603(a)(5)(C)(iii) of this title" for "item (aa) or (bb) of section 603(a)(5)(C)(ii)(II) of this title".

1998 – Subsec. (d)(2). Pub. L. 105–178 amended heading and text of par. (2) generally. Prior to amendment, text read as follows: "A State may use not more than 10 percent of the amount of any grant made to the State under section 603(a) of this title for a fiscal year to carry out State programs pursuant to subchapter XX of this chapter."

Subsec. (k). Pub. L. 105–200 added subsec. (k).

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(2). Pub. L. 105–33, Sec. 5503, inserted ", or (at the option of the State) August 21, 1996" before period.

Subsec. (d)(1). Pub. L. 105–33, Sec. 5002(a)(1), substituted "Subject to paragraph (2), a State may" for "A State may".

Subsec. (d)(2). Pub. L. 105–33, Sec. 5002(a)(2), amended heading and text of par. (2) generally. Prior to amendment, text read as follows: "Notwithstanding paragraph (1), not more than 1/3 of the total amount paid to a State under this part for a fiscal year that is used to carry out State programs pursuant to provisions of law specified in paragraph (1) may be used to carry out State programs pursuant to subchapter XX of this chapter."

EFFECTIVE DATE OF 1999 AMENDMENTS

Pub. L. 106–169, title IV, Sec. 401(l), Dec. 14, 1999, 113 Stat. 1858, provided that the amendment made by section 401(l) is effective Dec. 14, 1999.

For effective date of amendment by Pub. L. 106–113, see section 1000(a)(4) [title VIII, Sec. 801(e)] of Pub. L. 106–113, set out as a note under section 603 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105–178, title VIII, Sec. 8401(c), June 9, 1998, 112 Stat. 499, provided that: "The amendments made by this section [amending this section and section 1397b of this title] take effect on October 1, 1998."

EFFECTIVE DATE OF 1997 AMENDMENT

Section 5002(b) of Pub. L. 105–33 provided that: "The amendments made by subsection (a) of this section [amending this section] shall take effect as if included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104–193]."

Amendment by section 5503 of Pub. L. 105–33 effective as if

included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

ASSETS FOR INDEPENDENCE

Pub. L. 105–285, title IV, Oct. 27, 1998, 112 Stat. 2759, as amended by Pub. L. 106–554, Sec. 1(a)(1) [title VI, Secs. 602–607(a), 608(a), 609, 610], Dec. 21, 2000, 114 Stat. 2763, 2763A–74 to 2763A–76; Pub. L. 107–110, title VII, Sec. 702(h), Jan. 8, 2002, 115 Stat. 1947, provided that:

"SEC. 401. SHORT TITLE.

"This title may be cited as the 'Assets for Independence Act'.

"SEC. 402. FINDINGS.

"Congress makes the following findings:

"(1) Economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets because assets can improve economic independence and stability, connect individuals with a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of offspring.

"(2) Fully 1/2 of all Americans have either no, negligible, or negative assets available for investment, just as the price of entry to the economic mainstream, the cost of a house, an adequate education, and starting a business, is increasing.

Further, the household savings rate of the United States lags far behind other industrial nations, presenting a barrier to economic growth.

"(3) In the current tight fiscal environment, the United States should invest existing resources in high-yield initiatives. There is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance, resulting from individual development accounts will far exceed the cost of investment in those accounts.

"(4) Traditional public assistance programs concentrating on income and consumption have rarely been successful in promoting and supporting the transition to increased economic self-sufficiency. Income-based domestic policy should be complemented with asset-based policy because, while income-based policies ensure that consumption needs (including food, child

care, rent, clothing, and health care) are met, asset-based policies provide the means to achieve greater independence and economic well-being.

"SEC. 403. PURPOSES.

"The purposes of this title are to provide for the establishment of demonstration projects designed to determine –

"(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets by saving a portion of their earned income;

"(2) the extent to which an asset-based policy that promotes saving for postsecondary education, homeownership, and microenterprise development may be used to enable individuals and families with limited means to increase their economic self-sufficiency; and

"(3) the extent to which an asset-based policy stabilizes and improves families and the community in which the families live.

"SEC. 404. DEFINITIONS.

"In this title:

"(1) Applicable period. – The term 'applicable period' means, with respect to amounts to be paid from a grant made for a project year, the calendar year immediately preceding the calendar year in which the grant is made.

"(2) Eligible individual. – The term 'eligible individual' means an individual who is selected to participate in a demonstration project by a qualified entity under section 409.

"(3) Emergency withdrawal. – The term 'emergency withdrawal'

means a withdrawal by an eligible individual that –

"(A) is a withdrawal of only those funds, or a portion of those funds, deposited by the individual in the individual development account of the individual;

"(B) is permitted by a qualified entity on a case–by–case basis; and

"(C) is made for –

"(i) expenses for medical care or necessary to obtain medical care, for the individual or a spouse or dependent of the individual described in paragraph (8)(D);

"(ii) payments necessary to prevent the eviction of the individual from the residence of the individual, or foreclosure on the mortgage for the principal residence of the individual, as defined in paragraph (8)(B); or

"(iii) payments necessary to enable the individual to meet necessary living expenses following loss of employment.

"(4) Household. – The term 'household' means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

"(5) Individual development account. –

"(A) In general. – The term 'individual development account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified expenses of an eligible individual, or enabling the eligible individual to make an emergency withdrawal, but only if the written governing

instrument creating the trust contains the following requirements:

"(i) No contribution will be accepted unless the contribution is in cash or by check.

"(ii) The trustee is a federally insured financial institution, or a State insured financial institution if no federally insured financial institution is available.

"(iii) The assets of the trust will be invested in accordance with the direction of the eligible individual after consultation with the qualified entity providing deposits for the individual under section 410.

"(iv) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(v) Except as provided in clause (vi), any amount in the trust that is attributable to a deposit provided under section 410 may be paid or distributed out of the trust only for the purpose of paying the qualified expenses of the eligible individual.

"(vi) Any balance in the trust on the day after the date on which the individual for whose benefit the trust is established dies shall be distributed within 30 days of that date as directed by that individual to another individual development account established for the benefit of an eligible individual.

"(B) Custodial accounts. – For purposes of subparagraph (A),

a custodial account shall be treated as a trust if the assets of the custodial account are held by a bank (as defined in section 408(n) of the Internal Revenue Code of 1986 [26 U.S.C. 408(n)]) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the custodial account will be consistent with the requirements of this title, and if the custodial account would, except for the fact that it is not a trust, constitute an individual development account described in subparagraph (A). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of that custodial account shall be treated as the trustee of the account.

"(6) Project year. – The term 'project year' means, with respect to a demonstration project, any of the 5 consecutive 12-month periods beginning on the date the project is originally authorized to be conducted.

"(7) Qualified entity. –

"(A) In general. – The term 'qualified entity' means –

"(i) one or more not-for-profit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 [26 U.S.C. 501(c)(3)] and exempt from taxation under section 501(a) of such Code;

"(ii) a State or local government agency, or a tribal government, submitting an application under section 405 jointly with an organization described in clause (i); or

(iii) an entity that –

(I) is –

(aa) a credit union designated as a low-income credit union by the National Credit Union Administration (NCUA);

or

(bb) an organization designated as a community development financial institution by the Secretary of the Treasury (or the Community Development Financial Institutions Fund); and

(II) can demonstrate a collaborative relationship with a local community-based organization whose activities are designed to address poverty in the community and the needs of community members for economic independence and stability.

"(B) Rule of construction. – Nothing in this paragraph shall be construed as preventing an organization described in subparagraph (A)(i) from collaborating with a financial institution or for-profit community development corporation to carry out the purposes of this title.

"(8) Qualified expenses. – The term 'qualified expenses' means one or more of the following, as provided by a qualified entity:

"(A) Postsecondary educational expenses. – Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. In this subparagraph:

"(i) Postsecondary educational expenses. – The term 'postsecondary educational expenses' means the following:

"(I) Tuition and fees. – Tuition and fees required for the enrollment or attendance of a student at an eligible educational institution.

"(II) Fees, books, supplies, and equipment. – Fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

"(ii) Eligible educational institution. – The term 'eligible educational institution' means the following:

"(I) Institution of higher education. – An institution described in section 101 or 102 of the Higher Education Act of 1965 [20 U.S.C. 1001, 1002].

"(II) Postsecondary vocational education school. – An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of enactment of this title [Oct. 27, 1998].

"(B) First-home purchase. – Qualified acquisition costs with respect to a principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due. In this subparagraph:

"(i) Principal residence. – The term 'principal residence' means a main residence, the qualified acquisition costs of which do not exceed 120 percent of the average area purchase

price applicable to such residence.

"(ii) Qualified acquisition costs. – The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

"(iii) Qualified first–time homebuyer. –

"(I) In general. – The term 'qualified first–time homebuyer' means an individual participating in the project involved (and, if married, the individual's spouse) who has no present ownership interest in a principal residence during the 3–year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

"(II) Date of acquisition. – The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

"(C) Business capitalization. – Amounts paid from an individual development account directly to a business capitalization account that is established in a federally insured financial institution (or in a State insured financial institution if no federally insured financial institution is available) and is restricted to use solely for qualified business capitalization expenses. In this subparagraph:

"(i) Qualified business capitalization expenses. – The term 'qualified business capitalization expenses' means qualified

expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(ii) Qualified expenditures. – The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(iii) Qualified business. – The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(iv) Qualified plan. – The term 'qualified plan' means a business plan, or a plan to use a business asset purchased, which –

"(I) is approved by a financial institution, a microenterprise development organization, or a nonprofit loan fund having demonstrated fiduciary integrity;

"(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

"(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial adviser.

"(D) Transfers to idas of family members. – Amounts paid from an individual development account directly into another such account established for the benefit of an eligible individual who is –

"(i) the individual's spouse; or

"(ii) any dependent of the individual with respect to whom the individual is allowed a deduction under section 151 of

the Internal Revenue Code of 1986 [26 U.S.C. 151].

"(9) Qualified savings of the individual for the period. – The term 'qualified savings of the individual for the period' means the aggregate of the amounts contributed by an individual to the individual development account of the individual during the period.

"(10) Secretary. – The term 'Secretary' means the Secretary of Health and Human Services, acting through the Director of Community Services.

"(11) Tribal government. – The term 'tribal government' means a tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) or a Native Hawaiian organization, as defined in section 7207 of the Native Hawaiian Education Act [20 U.S.C. 7517].

"SEC. 405. APPLICATIONS.

"(a) Announcement of Demonstration Projects. – Not later than 3 months after the date of enactment of this title [Oct. 27, 1998], the Secretary shall publicly announce the availability of funding under this title for demonstration projects and shall ensure that applications to conduct the demonstration projects are widely available to qualified entities.

"(b) Submission. – Not later than 6 months after the date of enactment of this title, a qualified entity may submit to the Secretary an application to conduct a demonstration project under this title.

"(c) Criteria. – In considering whether to approve an application

to conduct a demonstration project under this title, the Secretary shall assess the following:

"(1) Sufficiency of project. – The degree to which the project described in the application appears likely to aid project participants in achieving economic self-sufficiency through activities requiring one or more qualified expenses.

"(2) Administrative ability. – The experience and ability of the applicant to responsibly administer the project.

"(3) Ability to assist participants. – The experience and ability of the applicant in recruiting, educating, and assisting project participants to increase their economic independence and general well-being through the development of assets.

"(4) Commitment of non-federal funds. – The aggregate amount of direct funds from non-Federal public sector and from private sources that are formally committed to the project as matching contributions.

"(5) Adequacy of plan for providing information for evaluation. – The adequacy of the plan for providing information relevant to an evaluation of the project.

"(6) Other factors. – Such other factors relevant to the purposes of this title as the Secretary may specify.

"(d) Preferences. – In considering an application to conduct a demonstration project under this title, the Secretary shall give preference to an application that –

"(1) demonstrates the willingness and ability to select individuals described in section 408 who are predominantly from

households in which a child (or children) is living with the child's biological or adoptive mother or father, or with the child's legal guardian;

"(2) provides a commitment of non-Federal funds with a proportionately greater amount of such funds committed from private sector sources; and

"(3) targets such individuals residing within one or more relatively well-defined neighborhoods or communities (including rural communities) that experience high rates of poverty or unemployment.

"(e) Approval. – Not later than 9 months after the date of enactment of this title [Oct. 27, 1998], the Secretary shall, on a competitive basis, approve such applications to conduct demonstration projects under this title as the Secretary considers to be appropriate, taking into account the assessments required by subsections (c) and (d). The Secretary shall ensure, to the maximum extent practicable, that the applications that are approved involve a range of communities (both rural and urban) and diverse populations.

"(f) Contracts With Nonprofit Entities. – The Secretary may contract with an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 [26 U.S.C. 501(c)(3)] and exempt from taxation under section 501(a) of such Code to carry out any responsibility of the Secretary under this section or section 412 if –

"(1) such entity demonstrates the ability to carry out such

responsibility; and

"(2) the Secretary can demonstrate that such responsibility would not be carried out by the Secretary at a lower cost.

"(g) Grandfathering of Existing Statewide Programs. – Any statewide individual asset–building program that is carried out in a manner consistent with the purposes of this title, that is established under State law as of the date of enactment of this Act [Oct. 27, 1998], and that as of such date is operating with an annual State appropriation of not less than \$1,000,000 in non–Federal funds, shall be deemed to meet the eligibility requirements of this subtitle [title], and the entity carrying out the program shall be deemed to be a qualified entity. The Secretary shall consider funding the statewide program as a demonstration project described in this subtitle [title]. In considering the statewide program for funding, the Secretary shall review an application submitted by the entity carrying out such statewide program under this section, notwithstanding the preference requirements listed in subsection (d). Any program requirements under sections 407 through 411 that are inconsistent with State statutory requirements in effect on the date of enactment of this Act, governing such statewide program, shall not apply to the program.

"SEC. 406. DEMONSTRATION AUTHORITY; ANNUAL GRANTS.

"(a) Demonstration Authority. – If the Secretary approves an application to conduct a demonstration project under this title, the Secretary shall, not later than 10 months after the date of

enactment of this title [Oct. 27, 1998], authorize the applicant to conduct the project for 5 project years in accordance with the approved application and the requirements of this title.

"(b) Grant Authority. – For each project year of a demonstration project conducted under this title, the Secretary may make a grant to the qualified entity authorized to conduct the project. In making such a grant, the Secretary shall make the grant on the first day of the project year in an amount not to exceed the lesser of –

"(1) the aggregate amount of funds committed as matching contributions from non–Federal public or private sector sources; or

"(2) \$1,000,000.

"SEC. 407. RESERVE FUND.

"(a) Establishment. – A qualified entity under this title, other than a State or local government agency or a tribal government, shall establish a Reserve Fund that shall be maintained in accordance with this section.

"(b) Amounts in Reserve Fund. –

"(1) In general. – As soon after receipt as is practicable, a qualified entity shall deposit in the Reserve Fund established under subsection (a) –

"(A) all funds provided to the qualified entity from any public or private source in connection with the demonstration project; and

"(B) the proceeds from any investment made under subsection

(c)(2).

"(2) Uniform accounting regulations. – The Secretary shall prescribe regulations with respect to accounting for amounts in the Reserve Fund established under subsection (a).

"(c) Use of Amounts in the Reserve Fund. –

"(1) In general. – A qualified entity shall use the amounts in the Reserve Fund established under subsection (a) to –

"(A) assist participants in the demonstration project in obtaining the skills (including economic literacy, budgeting, credit, and counseling skills) and information necessary to achieve economic self-sufficiency through activities requiring qualified expenses;

"(B) provide deposits in accordance with section 410 for individuals selected by the qualified entity to participate in the demonstration project;

"(C) administer the demonstration project; and

"(D) provide the research organization evaluating the demonstration project under section 414 with such information with respect to the demonstration project as may be required for the evaluation.

"(2) Authority to invest funds. –

"(A) Guidelines. – The Secretary shall establish guidelines for investing amounts in the Reserve Fund established under subsection (a) in a manner that provides an appropriate balance between return, liquidity, and risk.

"(B) Investment. – A qualified entity shall invest the

amounts in its Reserve Fund that are not immediately needed to carry out the provisions of paragraph (1), in accordance with the guidelines established under subparagraph (A).

"(3) Limitation on uses. – Not more than 15 percent of the amounts provided to a qualified entity under section 406(b) shall be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1), of which not less than 2 percent of the amounts shall be used by the qualified entity for the purposes described in paragraph (1)(D). Of the total amount specified in this paragraph, not more than 7.5 percent shall be used for administrative functions under paragraph (1)(C), including program management, reporting requirements, recruitment and enrollment of individuals, and monitoring. The remainder of the total amount specified in this paragraph (not including the amount specified for use for the purposes described in paragraph (1)(D)) shall be used for nonadministrative functions described in paragraph (1)(A), including case management, budgeting, economic literacy, and credit counseling. If the cost of nonadministrative functions described in paragraph (1)(A) is less than 5.5 percent of the total amount specified in this paragraph, such excess funds may be used for administrative functions. If two or more qualified entities are jointly administering a project, no qualified entity shall use more than its proportional share for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1).

"(d) Unused Federal Grant Funds Transferred to the Secretary When

Project Terminates. – Notwithstanding subsection (c), upon the termination of any demonstration project authorized under this section, the qualified entity conducting the project shall transfer to the Secretary an amount equal to –

"(1) the amounts in its Reserve Fund at the time of the termination; multiplied by

"(2) a percentage equal to –

"(A) the aggregate amount of grants made to the qualified entity under section 406(b); divided by

"(B) the aggregate amount of all funds provided to the qualified entity from all sources to conduct the project.

"SEC. 408. ELIGIBILITY FOR PARTICIPATION.

"(a) In General. – Any individual who is a member of a household that is eligible for assistance under the State temporary assistance for needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or that meets each of the following requirements shall be eligible to participate in a demonstration project conducted under this title:

"(1) Income test. – The adjusted gross income of the household is equal to or less than 200 percent of the poverty line (as determined by the Office of Management and Budget) or the earned income amount described in section 32 of the Internal Revenue Code of 1986 [26 U.S.C. 32] (taking into account the size of the household).

"(2) Net worth test. –

"(A) In general. – The net worth of the household, as of the

end of the calendar year preceding the determination of eligibility, does not exceed \$10,000.

"(B) Determination of net worth. – For purposes of subparagraph (A), the net worth of a household is the amount equal to –

"(i) the aggregate market value of all assets that are owned in whole or in part by any member of the household; minus

"(ii) the obligations or debts of any member of the household.

"(C) Exclusions. – For purposes of determining the net worth of a household, a household's assets shall not be considered to include the primary dwelling unit and one motor vehicle owned by a member of the household.

"(b) Individuals Unable To Complete the Project. – The Secretary shall establish such regulations as are necessary to ensure compliance with this title if an individual participating in the demonstration project moves from the community in which the project is conducted or is otherwise unable to continue participating in that project, including regulations prohibiting future eligibility to participate in any other demonstration project conducted under this title.

"SEC. 409. SELECTION OF INDIVIDUALS TO PARTICIPATE.

"From among the individuals eligible to participate in a demonstration project conducted under this title, each qualified entity shall select the individuals –

"(1) that the qualified entity determines to be best suited to participate; and

"(2) to whom the qualified entity will provide deposits in accordance with section 410.

"SEC. 410. DEPOSITS BY QUALIFIED ENTITIES.

"(a) In General. – Not less than once every 3 months during each project year, each qualified entity under this title shall deposit in the individual development account of each individual participating in the project, or into a parallel account maintained by the qualified entity –

"(1) from the non–Federal funds described in section 405(c)(4), a matching contribution of not less than \$0.50 and not more than \$4 for every \$1 of earned income (as defined in section 911(d)(2) of the Internal Revenue Code of 1986 [26 U.S.C. 911(d)(2)]) deposited in the account by a project participant during that period;

"(2) from the grant made under section 406(b), an amount equal to the matching contribution made under paragraph (1); and

"(3) any interest that has accrued on amounts deposited under paragraph (1) or (2) on behalf of that individual into the individual development account of the individual or into a parallel account maintained by the qualified entity.

"(b) Limitation on Deposits for an Individual. – Not more than \$2,000 from a grant made under section 406(b) shall be provided to any one individual over the course of the demonstration project.

"(c) Limitation on Deposits for a Household. – Not more than

\$4,000 from a grant made under section 406(b) shall be provided to any one household over the course of the demonstration project.

"(d) Withdrawal of Funds. – The Secretary shall establish such guidelines as may be necessary to ensure that funds held in an individual development account are not withdrawn, except for one or more qualified expenses, or for an emergency withdrawal. Such guidelines shall include a requirement that a responsible official of the qualified entity conducting a project approve a withdrawal from such an account in writing. The guidelines shall provide that no individual may withdraw funds from an individual development account earlier than 6 months after the date on which the individual first deposits funds in the account.

"(e) Reimbursement. – An individual shall reimburse an individual development account for any funds withdrawn from the account for an emergency withdrawal, not later than 12 months after the date of the withdrawal. If the individual fails to make the reimbursement, the qualified entity administering the account shall transfer the funds deposited into the account or a parallel account under this section to the Reserve Fund of the qualified entity, and use the funds to benefit other individuals participating in the demonstration project involved.

"SEC. 411. LOCAL CONTROL OVER DEMONSTRATION PROJECTS.

"A qualified entity under this title, other than a State or local government agency or a tribal government, shall, subject to the provisions of section 413, have sole authority over the administration of the project. The Secretary may prescribe only

such regulations or guidelines with respect to demonstration projects conducted under this title as are necessary to ensure compliance with the approved applications and the requirements of this title.

"SEC. 412. ANNUAL PROGRESS REPORTS.

"(a) In General. – Each qualified entity under this title shall prepare an annual report on the progress of the demonstration project. Each report shall include both program and participant information and shall specify for the period covered by the report the following information:

"(1) The number and characteristics of individuals making a deposit into an individual development account.

"(2) The amounts in the Reserve Fund established with respect to the project.

"(3) The amounts deposited in the individual development accounts.

"(4) The amounts withdrawn from the individual development accounts and the purposes for which such amounts were withdrawn.

"(5) The balances remaining in the individual development accounts.

"(6) The savings account characteristics (such as threshold amounts and match rates) required to stimulate participation in the demonstration project, and how such characteristics vary among different populations or communities.

"(7) What service configurations of the qualified entity (such as configurations relating to peer support, structured planning

exercises, mentoring, and case management) increased the rate and consistency of participation in the demonstration project and how such configurations varied among different populations or communities.

"(8) Such other information as the Secretary may require to evaluate the demonstration project.

"(b) Submission of Reports. – The qualified entity shall submit each report required to be prepared under subsection (a) to –

"(1) the Secretary; and

"(2) the Treasurer (or equivalent official) of the State in which the project is conducted, if the State or a local government or a tribal government committed funds to the demonstration project.

"(c) Timing. – The first report required by subsection (a) shall be submitted not later than 60 days after the end of the project year in which the Secretary authorized the qualified entity to conduct the demonstration project, and subsequent reports shall be submitted every 12 months thereafter, until the conclusion of the project.

"SEC. 413. SANCTIONS.

"(a) Authority To Terminate Demonstration Project. – If the Secretary determines that a qualified entity under this title is not operating a demonstration project in accordance with the entity's approved application under section 405 or the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall

terminate such entity's authority to conduct the demonstration project.

"(b) Actions Required Upon Termination. – If the Secretary terminates the authority to conduct a demonstration project, the Secretary –

"(1) shall suspend the demonstration project;

"(2) shall take control of the Reserve Fund established pursuant to section 407;

"(3) shall make every effort to identify another qualified entity (or entities) willing and able to conduct the project in accordance with the approved application (or, if modification is necessary to incorporate the recommendations, the application as modified) and the requirements of this title;

"(4) shall, if the Secretary identifies an entity (or entities) described in paragraph (3) –

"(A) authorize the entity (or entities) to conduct the project in accordance with the approved application (or, if modification is necessary to incorporate the recommendations, the application as modified) and the requirements of this title;

"(B) transfer to the entity (or entities) control over the Reserve Fund established pursuant to section 407; and

"(C) consider, for purposes of this title –

"(i) such other entity (or entities) to be the qualified entity (or entities) originally authorized to conduct the demonstration project; and

"(ii) the date of such authorization to be the date of the original authorization; and

"(5) if, by the end of the 1-year period beginning on the date of the termination, the Secretary has not found a qualified entity (or entities) described in paragraph (3), shall –

"(A) terminate the project; and

"(B) from the amount remaining in the Reserve Fund established as part of the project, remit to each source that provided funds under section 405(c)(4) to the entity originally authorized to conduct the project, an amount that bears the same ratio to the amount so remaining as the amount provided from the source under section 405(c)(4) bears to the amount provided from all such sources under that section.

"SEC. 414. EVALUATIONS.

"(a) In General. – Not later than 10 months after the date of enactment of this title [Oct. 27, 1998], the Secretary shall enter into a contract with an independent research organization to evaluate the demonstration projects conducted under this title, individually and as a group, including evaluating all qualified entities participating in and sources providing funds for the demonstration projects conducted under this title.

"(b) Factors To Evaluate. – In evaluating any demonstration project conducted under this title, the research organization shall address the following factors:

"(1) The effects of incentives and organizational or institutional support on savings behavior in the demonstration

project.

"(2) The savings rates of individuals in the demonstration project based on demographic characteristics including gender, age, family size, race or ethnic background, and income.

"(3) The economic, civic, psychological, and social effects of asset accumulation, and how such effects vary among different populations or communities.

"(4) The effects of individual development accounts on savings rates, homeownership, level of postsecondary education attained, and self-employment, and how such effects vary among different populations or communities.

"(5) The potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time.

"(6) The lessons to be learned from the demonstration projects conducted under this title and if a permanent program of individual development accounts should be established.

"(7) Such other factors as may be prescribed by the Secretary.

"(c) Methodological Requirements. – In evaluating any demonstration project conducted under this title, the research organization shall –

"(1) for at least one site, use control groups to compare participants with nonparticipants;

"(2) before, during, and after the project, obtain such quantitative data as are necessary to evaluate the project

thoroughly; and

"(3) develop a qualitative assessment, derived from sources such as in-depth interviews, of how asset accumulation affects individuals and families.

"(d) Reports by the Secretary. –

"(1) Interim reports. – Not later than 90 days after the end of the project year in which the Secretary first authorizes a qualified entity to conduct a demonstration project under this title, and every 12 months thereafter until all demonstration projects conducted under this title are completed, the Secretary shall submit to Congress an interim report setting forth the results of the reports submitted pursuant to section 412(b).

"(2) Final reports. – Not later than 12 months after the conclusion of all demonstration projects conducted under this title, the Secretary shall submit to Congress a final report setting forth the results and findings of all reports and evaluations conducted pursuant to this title.

"(e) Evaluation Expenses. – Of the amount appropriated under section 416 for a fiscal year, the Secretary may expend not more than \$500,000 for such fiscal year to carry out the objectives of this section.

"SEC. 415. NO REDUCTION IN BENEFITS.

"Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986 [26 U.S.C. 1 et seq.]) that requires consideration of one or more financial circumstances of an individual, for the purpose of determining eligibility to receive,

or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this Act [see Short Title of 1998 Amendment note set out under section 9801 of this title] shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

"SEC. 416. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this title, \$25,000,000 for each of fiscal years 1999, 2000, 2001, 2002, and 2003, to remain available until expended."

[Pub. L. 106-554, Sec. 1(a)(1) [title VI, Sec. 607(b)], Dec. 21, 2000, 114 Stat. 2763, 2763A-76, provided that: "Notwithstanding the amendment made by subsection (a) [amending section 412(c) of Pub. L. 105-285, set out above], the submission of the initial report of a qualified entity under section 412(c) [section 412(c) of Pub. L. 105-285, set out above] shall not be required prior to the date that is 90 days after the date of enactment of this title [Dec. 21, 2000]."]

[Pub. L. 106-554, Sec. 1(a)(1) [title VI, Sec. 608(b)], Dec. 21, 2000, 114 Stat. 2763, 2763A-76, provided that: "Notwithstanding the amendment made by subsection (a) [amending section 414(d)(1) of Pub. L. 105-285, set out above], the submission of the initial interim report of the Secretary under section 412(c) [section 412(c) of Pub. L. 105-285, set out above] shall not be required prior to the date that is 90 days after the date of enactment of

this title [Dec. 21, 2000]."]

~~–SECRET–~~

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 603, 609, 1308 of this title; title 5 section 552a.

~~–End–~~

~~–CITE–~~

42 USC Sec. 604a 01/06/03

~~–EXPCITE–~~

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

~~–HEAD–~~

Sec. 604a. Services provided by charitable, religious, or private organizations

~~–STATUTE–~~

(a) In general

(1) State options

A State may –

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private

organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) Programs described

The programs described in this paragraph are the following programs:

(A) A State program funded under this part (as amended by section 103(a) of this Act).

(B) Any other program established or modified under title I or II of this Act, that –

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) Religious organizations

The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2) of this section, on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) Nondiscrimination against religious organizations

In the event a State exercises its authority under subsection (a) of this section, religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) of this section so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution.

Except as provided in subsection (k) of this section, neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) Religious character and freedom

(1) Religious organizations

A religious organization with a contract described in subsection (a)(1)(A) of this section, or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B) of this section, shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional safeguards

Neither the Federal Government nor a State shall require a religious organization to –

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols; in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2) of this section.

(e) Rights of beneficiaries of assistance

(1) In general

If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2) of this section, the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) Individual described

An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2) of this section.

(f) Employment practices

A religious organization's exemption provided under section 2000e-1 of this title regarding employment practices shall not be affected by its participation in, or receipt of funds from,

programs described in subsection (a)(2) of this section.

(g) Nondiscrimination against beneficiaries

Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) of this section on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) Fiscal accountability

(1) In general

Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) of this section shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) Limited audit

If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) Compliance

Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) Limitations on use of funds for certain purposes

No funds provided directly to institutions or organizations to

provide services and administer programs under subsection (a)(1)(A) of this section shall be expended for sectarian worship, instruction, or proselytization.

(k) Preemption

Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

–SOURCE–

(Pub. L. 104–193, title I, Sec. 104, Aug. 22, 1996, 110 Stat. 2161.)

–REFTEXT–

REFERENCES IN TEXT

Section 103(a) of this Act, referred to in subsec. (a)(2)(A), means section 103(a) of Pub. L. 104–193, which enacted this part and struck out former part A of this subchapter, except for section 618. For complete classification of section 103(a) to the Code, see Tables.

Titles I and II of this Act, referred to in subsec. (a)(2)(B), means titles I and II of Pub. L. 104–193, Aug. 22, 1996, 110 Stat. 2110, 2185. For complete classification of these titles to the Code, see Tables.

–COD–

CODIFICATION

Section was enacted as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and not as part of the

Social Security Act which comprises this chapter.

–MISC1–

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–End–

–CITE–

42 USC Sec. 605 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 605. Administrative provisions

–STATUTE–

(a) Quarterly

The Secretary shall pay each grant payable to a State under section 603 of this title in quarterly installments, subject to this section.

(b) Notification

Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 612(a)(1)(B) of this title with respect to the State.

(c) Computation and certification of payments to States

(1) Computation

The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

(2) Certification

The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

(d) Payment method

Upon receipt of a certification under subsection (c)(2) of this

section with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 405, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2128; amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–MISC1–

PRIOR PROVISIONS

A prior section 605, acts Aug. 14, 1935, ch. 531, title IV, Sec. 405, 49 Stat. 629; July 25, 1962, Pub. L. 87–543, title I, Sec. 107(a), 76 Stat. 188, related to use of payments for benefit of children, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a

note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–End–

–CITE–

42 USC Sec. 606 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 606. Federal loans for State welfare programs

–STATUTE–

(a) Loan authority

(1) In general

The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

(2) Loan-eligible State

As used in paragraph (1), the term "loan-eligible State" means a State against which a penalty has not been imposed under section 609(a)(1) of this title.

(b) Rate of interest

The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

(c) Use of loan

A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 603(a) of this title may be used, including –

(1) welfare anti-fraud activities; and

(2) the provision of assistance under the State program to

Indian families that have moved from the service area of an

Indian tribe with a tribal family assistance plan approved under section 612 of this title.

(d) Limitation on total amount of loans to State

The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2002 shall not exceed 10 percent of the State family assistance grant.

(e) Limitation on total amount of outstanding loans

The total dollar amount of loans outstanding under this section may not exceed \$1,700,000,000.

(f) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 406, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2128; amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–MISC1–

PRIOR PROVISIONS

A prior section 606, acts Aug. 14, 1935, ch. 531, title IV, Sec. 406, 49 Stat. 629; Aug. 10, 1939, ch. 666, title IV, Sec. 403, 53 Stat. 1380; Aug. 28, 1950, ch. 809, title III, pt. 2, Sec. 323(a), 64 Stat. 551; Aug. 1, 1956, ch. 836, title III, Secs. 321, 322, 351(b), 70 Stat. 850, 855; July 25, 1962, Pub. L. 87–543, title I, Secs. 104(a)(3)(D), 108(a), 109, 152, 156(b), 76 Stat. 185, 189, 190, 206, 207; Oct. 13, 1964, Pub. L. 88–641, Sec. 2(a), 78 Stat. 1042; July 30, 1965, Pub. L. 89–97, title IV, Sec. 409, 79 Stat. 422; Jan. 2, 1968, Pub. L. 90–248, title II, Secs. 201(f), 206(b), 207(a), 241(b)(5), 81 Stat. 880, 893, 916; Jan. 4, 1975, Pub. L. 93–647, Secs. 3(a)(5), 101(c)(7), 88 Stat. 2348, 2360; Nov. 12, 1977, Pub. L. 95–171, Sec. 3(a)(2), 91 Stat. 1354; Dec. 28, 1980, Pub. L. 96–611, Sec. 4, 94 Stat. 3567; Aug. 13, 1981, Pub. L.

97–35, title XXI, Sec. 2184(b)(2), title XXIII, Secs. 2311, 2312, 2317(b), 2353(b)(1), 95 Stat. 817, 852, 853, 856, 872; Sept. 3, 1982, Pub. L. 97–248, title I, Sec. 153(a), 96 Stat. 396; July 18, 1984, Pub. L. 98–369, div. B, title III, Sec. 2361(c), title VI, Sec. 2663(c)(3)(A), (B)(i), 98 Stat. 1104, 1166; Aug. 16, 1984, Pub. L. 98–378, Sec. 20(a), 98 Stat. 1322, related to definitions used in this part, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193,

as amended, set out as a note under section 601 of this title.

~~–SECRET–~~

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 609, 612, 672, 673, 1308, 1396a, 1396d, 1396u–1, 1396v of this title.

~~–End–~~

~~–CITE–~~

42 USC Sec. 607 01/06/03

~~–EXPCITE–~~

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

~~–HEAD–~~

Sec. 607. Mandatory work requirements

~~–STATUTE–~~

(a) Participation rate requirements

(1) All families

A State to which a grant is made under section 603 of this title for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

If the fiscal year is: e minimum

participation

rate is:

1997 25

1998 30

1999 35

2000 40

2001 45

2002 or thereafter 50.

(2) 2-parent families

A State to which a grant is made under section 603 of this title for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

If the fiscal year is: e minimum

participation

rate is:

1997 75

1998 75

1999 or thereafter 90.

(b) Calculation of participation rates

(1) All families

(A) Average monthly rate

For purposes of subsection (a)(1) of this section, the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

(B) Monthly participation rates

The participation rate of a State for all families of the State for a month, expressed as a percentage, is –

(i) the number of families receiving assistance under the State program funded under this part that include an adult or a minor child head of household who is engaged in work for the month; divided by

(ii) the amount by which –

(I) the number of families receiving such assistance during the month that include an adult or a minor child head of household receiving such assistance; exceeds

(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) of this section but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

(2) 2-parent families

(A) Average monthly rate

For purposes of subsection (a)(2) of this section, the participation rate for 2-parent families of a State for a

fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

(B) Monthly participation rates

The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term "number of 2-parent families" shall be substituted for the term "number of families" each place such latter term appears.

(C) Family with a disabled parent not treated as a 2-parent family

A family that includes a disabled parent shall not be considered a 2-parent family for purposes of subsections (a) and (b) of this section.

(3) Pro rata reduction of participation rate due to caseload reductions not required by Federal law and not resulting from changes in State eligibility criteria

(A) In general

The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which –

- (i) the average monthly number of families receiving assistance during the immediately preceding fiscal year under the State program funded under this part is less than
- (ii) the average monthly number of families that received

aid under the State plan approved under part A of this subchapter (as in effect on September 30, 1995) during fiscal year 1995.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

(B) Eligibility changes not counted

The regulations required by subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A of this subchapter (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

(4) State option to include individuals receiving assistance under a tribal family assistance plan or tribal work program

For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families in the State that are receiving assistance under a tribal family assistance plan approved under section 612 of this title or under a tribal work program to which funds are provided under this part.

(5) State option for participation requirement exemptions

For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work, and may disregard such an individual in determining the participation rates under subsection (a) of this section for not more than 12 months.

(c) Engaged in work

(1) General rules

(A) All families

For purposes of subsection (b)(1)(B)(i) of this section, a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section, subject to this subsection:

The minimum

If the month is average number

of

in fiscal year: hours per week

is:

1997 20

1998 20

1999 25

2000 or thereafter 30.

(B) 2–parent families

For purposes of subsection (b)(2)(B) of this section, an individual is engaged in work for a month in a fiscal year if –

(i) the individual and the other parent in the family are participating in work activities for a total of at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section, subject to this subsection; and

(ii) if the family of the individual receives federally–funded child care assistance and an adult in the family is not disabled or caring for a severely disabled child, the individual and the other parent in the family are participating in work activities for a total of at least 55 hours per week during the month, not fewer than 50 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) of this section.

(2) Limitations and special rules

(A) Number of weeks for which job search counts as work

(i) Limitation

Notwithstanding paragraph (1) of this subsection, an individual shall not be considered to be engaged in work by virtue of participation in an activity described in subsection (d)(6) of this section of a State program funded

under this part, after the individual has participated in such an activity for 6 weeks (or, if the unemployment rate of the State is at least 50 percent greater than the unemployment rate of the United States or the State is a needy State (within the meaning of section 603(b)(6) of this title), 12 weeks), or if the participation is for a week that immediately follows 4 consecutive weeks of such participation.

(ii) Limited authority to count less than full week of participation

For purposes of clause (i) of this subparagraph, on not more than 1 occasion per individual, the State shall consider participation of the individual in an activity described in subsection (d)(6) of this section for 3 or 4 days during a week as a week of participation in the activity by the individual.

(B) Single parent or relative with child under age 6 deemed to be meeting work participation requirements if parent or relative is engaged in work for 20 hours per week

For purposes of determining monthly participation rates under subsection (b)(1)(B)(i) of this section, a recipient who is the only parent or caretaker relative in the family of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

(C) Single teen head of household or married teen who maintains

satisfactory school attendance deemed to be meeting work

participation requirements

For purposes of determining monthly participation rates under subsection (b)(1)(B)(i) of this section, a recipient who is married or a head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient –

(i) maintains satisfactory attendance at secondary school or the equivalent during the month; or

(ii) participates in education directly related to employment for an average of at least 20 hours per week during the month.

(D) Limitation on number of persons who may be treated as engaged in work by reason of participation in educational activities

For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b) of this section, not more than 30 percent of the number of individuals in all families and in 2–parent families, respectively, in a State who are treated as engaged in work for a month may consist of individuals who are determined to be engaged in work for the month by reason of participation in vocational educational training, or (if the month is in fiscal year 2000 or thereafter) deemed to be engaged in work for the month by reason of subparagraph (C) of this paragraph.

(d) "Work activities" defined

As used in this section, the term "work activities" means –

- (1) unsubsidized employment;
- (2) subsidized private sector employment;
- (3) subsidized public sector employment;
- (4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
- (5) on–the–job training;
- (6) job search and job readiness assistance;
- (7) community service programs;
- (8) vocational educational training (not to exceed 12 months with respect to any individual);
- (9) job skills training directly related to employment;
- (10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency;
- (11) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; and
- (12) the provision of child care services to an individual who is participating in a community service program.

(e) Penalties against individuals

(1) In general

Except as provided in paragraph (2), if an individual in a family receiving assistance under the State program funded under

this part refuses to engage in work required in accordance with this section, the State shall –

(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the individual so refuses; or

(B) terminate such assistance, subject to such good cause and other exceptions as the State may establish.

(2) Exception

Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an individual to engage in work required in accordance with this section if the individual is a single custodial parent caring for a child who has not attained 6 years of age, and the individual proves that the individual has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

(C) Unavailability of appropriate and affordable formal child care arrangements.

(f) Nondisplacement in work activities

(1) In general

Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d) of this section.

(2) No filling of certain vacancies

No adult in a work activity described in subsection (d) of this section which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned –

(A) when any other individual is on layoff from the same or any substantially equivalent job; or

(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

(3) Grievance procedure

A State with a program funded under this part shall establish and maintain a grievance procedure for resolving complaints of alleged violations of paragraph (2).

(4) No preemption

Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

(g) Sense of Congress

It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part

is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

(h) Sense of Congress that States should impose certain requirements on noncustodial, nonsupporting minor parents

It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

(i) Review of implementation of State work programs

During fiscal year 1999, the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate shall hold hearings and engage in other appropriate activities to review the implementation of this section by the States, and shall invite the Governors of the States to testify before them regarding such implementation. Based on such hearings, such Committees may introduce such legislation as may be appropriate to remedy any problems with the State programs operated pursuant to this section.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 407, as added Pub. L.

104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2129;

amended Pub. L. 105–33, title V, Secs. 5003(a), 5504, 5514(c), Aug. 5, 1997, 111 Stat. 594, 609, 620.)

–MISC1–

PRIOR PROVISIONS

A prior section 607, act Aug. 14, 1935, ch. 531, title IV, Sec. 407, as added May 8, 1961, Pub. L. 87-31, Sec. 1, 75 Stat. 75; amended July 25, 1962, Pub. L. 87-543, title I, Secs. 104(a)(3)(E), 131(a), 134, 76 Stat. 185, 193, 196; Oct. 13, 1964, Pub. L. 88-641, Sec. 2(b), 78 Stat. 1042; June 29, 1967, Pub. L. 90-36, Sec. 2, 81 Stat. 94; Jan. 2, 1968, Pub. L. 90-248, title II, Sec. 203(a), 81 Stat. 882; June 28, 1968, Pub. L. 90-364, title III, Sec. 302, 82 Stat. 273; Dec. 28, 1971, Pub. L. 92-223, Sec. 3(a)(10), (11), 85 Stat. 805; Oct. 20, 1976, Pub. L. 94-566, title V, Sec. 507(a), (b), (d), 90 Stat. 2688; Aug. 13, 1981, Pub. L. 97-35, title XXIII, Secs. 2313(a), (c)(2), 2353(q), 95 Stat. 853, 854, 874; July 18, 1984, Pub. L. 98-369, div. B, title VI, Sec. 2663(c)(4), (j)(3)(B)(ii), 98 Stat. 1166, 1171; Oct. 13, 1988, Pub. L. 100-485, title II, Sec. 202(b)(7)-(11), title IV, Sec. 401(a)(2)(B), (C), (b)(1), (3), (c), (h), 102 Stat. 2377, 2378, 2394-2396; Nov. 10, 1988, Pub. L. 100-647, title VIII, Sec. 8105(1)-(3), (5), 102 Stat. 3797; Dec. 19, 1989, Pub. L. 101-239, title X, Sec. 10403(a)(1)(A)(i), (2), 103 Stat. 2487, 2488; Nov. 5, 1990, Pub. L. 101-508, title V, Secs. 5061(a), 5062(a), 104 Stat. 1388-231, 1388-232, related to dependent children of unemployed parents, prior to repeal by Pub. L. 104-193, Sec. 103(a)(1), as amended by Pub. L. 105-33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1997 – Pub. L. 105-33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104-193, Sec. 103(a)(1), which enacted this section.

Subsec. (b)(2)(C). Pub. L. 105–33, Sec. 5504(a), added subpar.

(C).

Subsec. (b)(3). Pub. L. 105–33, Sec. 5504(b), inserted "and not resulting from changes in State eligibility criteria" after "Federal law" in heading.

Subsec. (b)(4). Pub. L. 105–33, Sec. 5504(c), inserted "or tribal work program" after "assistance plan" in heading and "or under a tribal work program to which funds are provided under this part" before period at end of text.

Subsec. (c)(1)(B). Pub. L. 105–33, Sec. 5504(e), substituted "participating" for "making progress" in cls. (i) and (ii).

Subsec. (c)(1)(B)(i). Pub. L. 105–33, Sec. 5504(d)(1), substituted "and the other parent in the family are" for "is" and inserted "a total of" before "at least".

Subsec. (c)(1)(B)(ii). Pub. L. 105–33, Sec. 5504(d)(2), substituted "individual and the other parent in the family are" for "individual's spouse is", inserted "for a total of at least 55 hours per week" before "during the month", and substituted "50" for "20" and "(6), (7), (8), or (12)" for "or (7)".

Subsec. (c)(2)(A)(i). Pub. L. 105–33, Sec. 5504(f), inserted "or the State is a needy State (within the meaning of section 603(b)(6) of this title)" after "United States".

Subsec. (c)(2)(B). Pub. L. 105–33, Sec. 5504(g), inserted "or relative" after "parent" in two places in heading and substituted "who is the only parent or caretaker relative in the family" for "in a 1–parent family who is the parent".

Subsec. (c)(2)(C). Pub. L. 105–33, Sec. 5504(h), in heading substituted "Single teen head of household or married teen" for "Teen head of household" and, in introductory provisions, substituted "married or a" for "a single" and struck out ", subject to subparagraph (D) of this paragraph," after "is deemed".

Subsec. (c)(2)(C)(ii). Pub. L. 105–33, Sec. 5504(i), substituted "an average of at least 20 hours per week during the month" for "at least the minimum average number of hours per week specified in the table set forth in paragraph (1)(A) of this subsection".

Subsec. (c)(2)(D). Pub. L. 105–33, Sec. 5003(a), amended heading and text of subpar. (D) generally. Prior to amendment, text read as follows: "For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b) of this section, not more than 20 percent of individuals in all families and in 2–parent families may be determined to be engaged in work in the State for a month by reason of participation in vocational educational training or deemed to be engaged in work by reason of subparagraph (C) of this paragraph."

Subsec. (e)(2). Pub. L. 105–33, Sec. 5504(j), substituted "engage in work required in accordance with this section" for "work" in introductory provisions.

EFFECTIVE DATE OF 1997 AMENDMENT

Section 5003(b) of Pub. L. 105–33 provided that: "The amendment made by subsection (a) of this section [amending this section] shall take effect as if included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation

Act of 1996 [Pub. L. 104–193]."

Amendment by section 5504 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 602, 604, 609, 611, 612, 613, 615, 666, 672, 673, 1315, 1396d, 1396u–1, 1437j of this title; title 26 section 32.

–End–

–CITE–

~~–EXPCITE–~~

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

~~–HEAD–~~

Sec. 608. Prohibitions; requirements

~~–STATUTE–~~

(a) In general

(1) No assistance for families without a minor child

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to a family, unless the family includes a minor child who resides with the family (consistent with paragraph (10)) or a pregnant individual.

(2) Reduction or elimination of assistance for noncooperation in establishing paternity or obtaining child support

If the agency responsible for administering the State plan approved under part D of this subchapter determines that an individual is not cooperating with the State in establishing paternity or in establishing, modifying, or enforcing a support order with respect to a child of the individual, and the

individual does not qualify for any good cause or other exception established by the State pursuant to section 654(29) of this title, then the State –

(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part an amount equal to not less than 25 percent of the amount of such assistance; and

(B) may deny the family any assistance under the State program.

(3) No assistance for families not assigning certain support rights to the State

(A) In general

A State to which a grant is made under section 603 of this title shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family ceases to receive assistance under the program, which assignment, on and after such date, shall not apply with respect to any support (other than support collected pursuant to section 664 of this title) which accrued before the family received such assistance and which the State has not collected

by –

(i)(I) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

(II) the date the family ceases to receive assistance under the program, if the assignment is executed on or after October 1, 2000; or

(ii) if the State elects to distribute collections under section 657(a)(6) of this title, the date the family ceases to receive assistance under the program, if the assignment is executed on or after October 1, 1998.

(B) Limitation

A State to which a grant is made under section 603 of this title shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family ceases to receive assistance under the program.

(4) No assistance for teenage parents who do not attend high school or other equivalent training program

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in –

(A) educational activities directed toward the attainment of

a high school diploma or its equivalent; or

(B) an alternative educational or training program that has been approved by the State.

(5) No assistance for teenage parents not living in adult-supervised settings

(A) In general

(i) Requirement

Except as provided in subparagraph (B), a State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

(ii) Individual described

For purposes of clause (i), an individual described in this clause is an individual who –

(I) has not attained 18 years of age; and

(II) is not married, and has a minor child in his or her care.

(B) Exception

(i) Provision of, or assistance in locating, adult-supervised living arrangement

In the case of an individual who is described in clause

(ii), the State agency referred to in section 602(a)(4) of

this title shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

(ii) Individual described

For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and –

(I) the individual has no parent, legal guardian, or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live

in the home of such parent, guardian, or relative;

(III) the State agency determines that –

(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

(iii) Second–chance home

For purposes of this subparagraph, the term "second–chance home" means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long–term economic independence and the well–being of their children.

(6) No medical services

(A) In general

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide medical services.

(B) Exception for pre-pregnancy family planning services

As used in subparagraph (A), the term "medical services" does not include pre-pregnancy family planning services.

(7) No assistance for more than 5 years

(A) In general

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences, subject to this paragraph.

(B) Minor child exception

In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was –

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) Hardship exception

(i) In general

The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) Limitation

The average monthly number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part during the fiscal year or the immediately preceding fiscal year (but not both), as the State may elect.

(iii) Battered or subject to extreme cruelty defined

For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to –

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) Disregard of months of assistance received by adult while living in Indian country or an Alaskan Native village with 50 percent unemployment

(i) In general

In determining the number of months for which an adult has received assistance under a State or tribal program funded under this part, the State or tribe shall disregard any month during which the adult lived in Indian country or an Alaskan Native village if the most reliable data available with respect to the month (or a period including the month) indicate that at least 50 percent of the adults living in Indian country or in the village were not employed.

(ii) "Indian country" defined

As used in clause (i), the term "Indian country" has the meaning given such term in section 1151 of title 18.

(E) Rule of interpretation

Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

(F) Rule of interpretation

This part shall not be interpreted to prohibit any State from expending State funds not originating with the Federal Government on benefits for children or families that have become ineligible for assistance under the State program funded under this part by reason of subparagraph (A).

(G) Inapplicability to welfare-to-work grants and assistance

For purposes of subparagraph (A) of this paragraph, a grant made under section 603(a)(5) of this title shall not be considered a grant made under section 603 of this title, and noncash assistance from funds provided under section 603(a)(5) of this title shall not be considered assistance.

(8) Denial of assistance for 10 years to a person found to have fraudulently misrepresented residence in order to obtain assistance in 2 or more States

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this subchapter, subchapter XIX of this chapter, or the Food Stamp Act of 1977 [7 U.S.C. 2011 et seq.], or benefits in 2 or more States under the supplemental security income program under subchapter XVI of this chapter. The preceding sentence shall not apply with respect to a conviction of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct which was the subject of the conviction.

(9) Denial of assistance for fugitive felons and probation and parole violators

(A) In general

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to any individual who is –

(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

(ii) violating a condition of probation or parole imposed under Federal or State law.

The preceding sentence shall not apply with respect to conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

(B) Exchange of information with law enforcement agencies

If a State to which a grant is made under section 603 of this title establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name

of the recipient and notifies the agency that –

(i) the recipient –

(I) is described in subparagraph (A); or

(II) has information that is necessary for the officer to conduct the official duties of the officer; and

(ii) the location or apprehension of the recipient is within such official duties.

(10) Denial of assistance for minor children who are absent from the home for a significant period

(A) In general

A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 180 consecutive days as the State may provide for in the State plan submitted pursuant to section 602 of this title.

(B) State authority to establish good cause exceptions

The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 602 of this title.

(C) Denial of assistance for relative who fails to notify State agency of absence of child

A State to which a grant is made under section 603 of this

title shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

(11) Medical assistance required to be provided for certain families having earnings from employment or child support

(A) Earnings from employment

A State to which a grant is made under section 603 of this title and which has a State plan approved under subchapter XIX of this chapter shall provide that in the case of a family that is treated (under section 1396u-1(b)(1)(A) of this title for purposes of subchapter XIX of this chapter) as receiving aid under a State plan approved under this part (as in effect on July 16, 1996), that would become ineligible for such aid because of hours of or income from employment of the caretaker relative (as defined under this part as in effect on such date) or because of section 602(a)(8)(B)(ii)(II) of this title (as so in effect), and that was so treated as receiving such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall remain eligible for medical assistance under the State's plan approved

under subchapter XIX of this chapter for an extended period or periods as provided in section 1396r-6 or 1396a(e)(1) of this title (as applicable), and that the family will be appropriately notified of such extension as required by section 1396r-6(a)(2) of this title.

(B) Child support

A State to which a grant is made under section 603 of this title and which has a State plan approved under subchapter XIX of this chapter shall provide that in the case of a family that is treated (under section 1396u-1(b)(1)(A) of this title for purposes of subchapter XIX of this chapter) as receiving aid under a State plan approved under this part (as in effect on July 16, 1996), that would become ineligible for such aid as a result (wholly or partly) of the collection of child or spousal support under part D of this subchapter and that was so treated as receiving such aid in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall remain eligible for medical assistance under the State's plan approved under subchapter XIX of this chapter for an extended period or periods as provided in section 1396u-1(c)(1) of this title.

(b) Individual responsibility plans

(1) Assessment

The State agency responsible for administering the State program funded under this part shall make an initial assessment of the skills, prior work experience, and employability of each

recipient of assistance under the program who –

(A) has attained 18 years of age; or

(B) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school.

(2) Contents of plans

(A) In general

On the basis of the assessment made under subsection (a) of this section with respect to an individual, the State agency, in consultation with the individual, may develop an individual responsibility plan for the individual, which –

(i) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

(ii) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

(iii) to the greatest extent possible is designed to move the individual into whatever private sector employment the individual is capable of handling as quickly as possible, and to increase the responsibility and amount of work the individual is to handle over time;

(iv) describes the services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State; and

(v) may require the individual to undergo appropriate substance abuse treatment.

(B) Timing

The State agency may comply with paragraph (1) with respect to an individual –

(i) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A of this subchapter (as in effect immediately before such effective date); or

(ii) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such assistance, in the case of any other individual.

(3) Penalty for noncompliance by individual

In addition to any other penalties required under the State program funded under this part, the State may reduce, by such amount as the State considers appropriate, the amount of assistance otherwise payable under the State program to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the

individual.

(4) State discretion

The exercise of the authority of this subsection shall be within the sole discretion of the State.

(c) Sanctions against recipients not considered wage reductions

A penalty imposed by a State against the family of an individual by reason of the failure of the individual to comply with a requirement under the State program funded under this part shall not be construed to be a reduction in any wage paid to the individual.

(d) Nondiscrimination provisions

The following provisions of law shall apply to any program or activity which receives funds provided under this part:

(1) The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

(2) Section 794 of title 29.

(3) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(4) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

(e) Special rules relating to treatment of certain aliens

For special rules relating to the treatment of certain aliens, see title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) Special rules relating to treatment of non-213A aliens

The following rules shall apply if a State elects to take the

income or resources of any sponsor of a non-213A alien into account in determining whether the alien is eligible for assistance under the State program funded under this part, or in determining the amount or types of such assistance to be provided to the alien:

(1) Deeming of sponsor's income and resources

For a period of 3 years after a non-213A alien enters the United States:

(A) Income deeming rule

The income of any sponsor of the alien and of any spouse of the sponsor is deemed to be income of the alien, to the extent that the total amount of the income exceeds the sum of –

(i) the lesser of –

(I) 20 percent of the total of any amounts received by the sponsor or any such spouse in the month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by the sponsor and any such spouse in producing self-employment income in such month; or

(II) \$175;

(ii) the cash needs standard established by the State for purposes of determining eligibility for assistance under the State program funded under this part for a family of the same size and composition as the sponsor and any other individuals living in the same household as the sponsor who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability but whose

needs are not taken into account in determining whether the sponsor's family has met the cash needs standard;

(iii) any amounts paid by the sponsor or any such spouse to individuals not living in the household who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability; and

(iv) any payments of alimony or child support with respect to individuals not living in the household.

(B) Resource deeming rule

The resources of a sponsor of the alien and of any spouse of the sponsor are deemed to be resources of the alien to the extent that the aggregate value of the resources exceeds \$1,500.

(C) Sponsors of multiple non-213A aliens

If a person is a sponsor of 2 or more non-213A aliens who are living in the same home, the income and resources of the sponsor and any spouse of the sponsor that would be deemed income and resources of any such alien under subparagraph (A) shall be divided into a number of equal shares equal to the number of such aliens, and the State shall deem the income and resources of each such alien to include 1 such share.

(2) Ineligibility of non-213A aliens sponsored by agencies; exception

A non-213A alien whose sponsor is or was a public or private agency shall be ineligible for assistance under a State program funded under this part, during a period of 3 years after the

alien enters the United States, unless the State agency administering the program determines that the sponsor either no longer exists or has become unable to meet the alien's needs.

(3) Information provisions

(A) Duties of non-213A aliens

A non-213A alien, as a condition of eligibility for assistance under a State program funded under this part during the period of 3 years after the alien enters the United States, shall be required to provide to the State agency administering the program –

(i) such information and documentation with respect to the alien's sponsor as may be necessary in order for the State agency to make any determination required under this subsection, and to obtain any cooperation from the sponsor necessary for any such determination; and

(ii) such information and documentation as the State agency may request and which the alien or the alien's sponsor provided in support of the alien's immigration application.

(B) Duties of Federal agencies

The Secretary shall enter into agreements with the Secretary of State and the Attorney General under which any information available to them and required in order to make any determination under this subsection will be provided by them to the Secretary (who may, in turn, make the information available, upon request, to a concerned State agency).

(4) "Non-213A alien" defined

An alien is a non-213A alien for purposes of this subsection if the affidavit of support or similar agreement with respect to the alien that was executed by the sponsor of the alien's entry into the United States was executed other than pursuant to section 213A of the Immigration and Nationality Act [8 U.S.C. 1183a].

(5) Inapplicability to alien minor sponsored by a parent

This subsection shall not apply to an alien who is a minor child if the sponsor of the alien or any spouse of the sponsor is a parent of the alien.

(6) Inapplicability to certain categories of aliens

This subsection shall not apply to an alien who is –

(A) admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act [8 U.S.C. 1157];

(B) paroled into the United States under section 212(d)(5) of such Act [8 U.S.C. 1182(d)(5)] for a period of at least 1 year;

or

(C) granted political asylum by the Attorney General under section 208 of such Act [8 U.S.C. 1158].

(g) State required to provide certain information

Each State to which a grant is made under section 603 of this title shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is not lawfully present in the United States.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 408, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2134; amended Pub. L. 105–33, title V, Secs. 5001(d), (h)(1), 5505, 5514(c), 5532(b)(2), 5581(a), Aug. 5, 1997, 111 Stat. 591, 593, 610, 620, 626, 642.)

–REFTEXT–

REFERENCES IN TEXT

Part D of this subchapter, referred to in subsec. (a)(2), (11)(B), is classified to section 651 et seq. of this title.

The Food Stamp Act of 1977, referred to in subsec. (a)(8), is Pub. L. 88–525, Aug. 31, 1964, 78 Stat. 703, as amended, which is classified generally to chapter 51 (Sec. 2011 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 2011 of Title 7 and Tables.

For effective date of this part, referred to in subsec.

(b)(2)(B)(i), see Effective Date note set out below.

The Age Discrimination Act of 1975, referred to in subsec.

(d)(1), is title III of Pub. L. 94–135, Nov. 28, 1975, 89 Stat.

728, as amended, which is classified generally to chapter 76 (Sec.

6101 et seq.) of this title. For complete classification of this

Act to the Code, see Short Title note set out under section 6101 of this title and Tables.

The Americans with Disabilities Act of 1990, referred to in

subsec. (d)(3), is Pub. L. 101–336, July 26, 1990, 104 Stat. 327,

which is classified principally to chapter 126 (Sec. 12101 et seq.)

of this title. For complete classification of this Act to the Code, see Short Title note set out under section 12101 of this title and Tables.

The Civil Rights Act of 1964, referred to in subsec. (d)(4), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, as amended. Title VI of the Act is classified generally to subchapter V (Sec. 2000d et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec. (e), is title IV (Sec. 400 et seq.) of Pub. L. 104–193, Aug. 22, 1996, 110 Stat. 2260. For complete classification of title IV to the Code, see Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 608, act Aug. 14, 1935, ch. 531, title IV, Sec. 408, as added Dec. 19, 1989, Pub. L. 101–239, title VIII, Sec. 8004(a), 103 Stat. 2454; amended Oct. 31, 1994, Pub. L. 103–432, title II, Sec. 265(a), 108 Stat. 4469, related to AFDC quality control system, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

Another prior section 608, act Aug. 14, 1935, ch. 531, title IV, Sec. 408, as added May 8, 1961, Pub. L. 87–31, Sec. 2, 75 Stat. 76; amended July 25, 1962, Pub. L. 87–543, title I, Secs. 101(b)(2)(D),

104(a)(3)(F), (G), 131(b), 135(a)–(d), 155(a), 76 Stat. 180, 185, 193, 196, 197, 207; Jan. 2, 1968, Pub. L. 90–248, title II, Secs. 201(e)(4), 205(c), 81 Stat. 880, 892; June 17, 1980, Pub. L. 96–272, title I, Secs. 101(a)(5)(A), 102(b), 94 Stat. 513, 515, related to payment to States for foster home care of dependent children, prior to repeal by Pub. L. 96–272, title I, Sec. 101(a)(2), June 17, 1980, 94 Stat. 512, effective, with certain exceptions, to expenditures made after Sept. 30, 1980.

AMENDMENTS

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(1). Pub. L. 105–33, Sec. 5505(a), amended heading and text of par. (1) generally. Prior to amendment, text read as follows: "A State to which a grant is made under section 603 of this title shall not use any part of the grant to provide assistance to a family –

"(A) unless the family includes –

"(i) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(ii) a pregnant individual; and

"(B) if the family includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences (unless an exception

described in subparagraph (B), (C), or (D) of paragraph (7) applies)."

Subsec. (a)(3). Pub. L. 105–33, Sec. 5505(b), substituted "ceases to receive assistance under" for "leaves" in introductory provisions and cl. (ii) of subpar. (A) and in subpar. (B) and substituted "after such date" for "after the date the family leaves the program" in introductory provisions of subpar. (A).

Subsec. (a)(3)(A). Pub. L. 105–33, Sec. 5532(b)(2), redesignated cls. (i) and (ii) as subcls. (I) and (II), respectively, of cl. (i) and added a new cl. (ii).

Subsec. (a)(5)(A)(ii). Pub. L. 105–33, Sec. 5505(c), made technical correction to heading in original.

Subsec. (a)(7)(C)(ii). Pub. L. 105–33, Sec. 5505(d)(1), substituted "The average monthly number" for "The number" and inserted "during the fiscal year or the immediately preceding fiscal year (but not both), as the State may elect" before period at end.

Subsec. (a)(7)(D). Pub. L. 105–33, Sec. 5505(d)(2), amended heading and text of subpar. (D) generally. Prior to amendment, text read as follows: "In determining the number of months for which an adult has received assistance under the State program funded under this part, the State shall disregard any month during which the adult lived on an Indian reservation or in an Alaskan Native village if, during the month –
"(i) at least 1,000 individuals were living on the reservation or in the village; and

"(ii) at least 50 percent of the adults living on the reservation or in the village were unemployed."

Subsec. (a)(7)(G). Pub. L. 105–33, Sec. 5001(d), added subpar. (G).

Subsecs. (c), (d). Pub. L. 105–33, Sec. 5001(h)(1), added subsec. (c) and redesignated former subsec. (c) as (d). Former subsec. (d) redesignated (e).

Subsec. (e). Pub. L. 105–33, Sec. 5505(e), added subsec. (e) and struck out heading and text of former subsec. (e). Text read as follows: "For special rules relating to the treatment of aliens, see section 1612 of title 8."

Pub. L. 105–33, Sec. 5001(h)(1)(A), redesignated subsec. (d) as (e).

Subsec. (f). Pub. B. 105–33, Sec. 5505(e), added subsec. (f).

Subsec. (g). Pub. L. 105–33, Sec. 5581(a), added subsec. (g).

EFFECTIVE DATE OF 1997 AMENDMENT

Section 5001(h)(2) of Pub. L. 105–33 provided that: "The amendments made by paragraph (1) [amending this section] shall take effect as if included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104–193]."

Amendment by section 5505 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs. Pub. L. 105–33, title V, Sec. 5557, Aug. 5, 1997, 111 Stat. 637, as amended by Pub. L. 105–200, title IV, Sec. 410(e)(1), July 16, 1998, 112 Stat. 673, provided that:

"(a) In General. – Except as provided in subsection (b), the amendments made by this chapter [chapter 3 (Secs. 5531–5557) of subtitle F of title V of Pub. L. 105–33, amending this section, sections 652 to 654, 654b, 655, 656, 657 to 659, 663, 664, and 666 of this title, section 1738B of Title 28, Judiciary and Judicial Procedure, and provisions set out as a note under section 655 of this title] shall take effect as if included in the enactment of title III of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105).

"(b) Exception. – The amendments made by section 5532(b)(2) of this Act [amending this section] shall take effect as if the amendments had been included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2112). The amendment made by section 5536(1)(A) [amending section 666 of this title] shall not take effect with respect to a State until October 1, 2000, or such earlier date as the State may select."

[Pub. L. 105–200, title IV, Sec. 410(e)(2), July 16, 1998, 112 Stat. 673, provided that: "The amendment made by paragraph (1)

[amending section 5557 of Pub. L. 105–33, set out above] shall take effect as if included in the enactment of section 5557 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 637)."] Section 5581(a) of Pub. L. 105–33 provided that the amendment made by that section is effective July 1, 1997.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–TRANS–

ABOLITION OF IMMIGRATION AND NATURALIZATION SERVICE AND TRANSFER OF FUNCTIONS

For abolition of Immigration and Naturalization Service, transfer of functions, and treatment of related references, see note set out under section 1551 of Title 8, Aliens and Nationality.

–SECREP–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 602, 603, 609, 611, 652, 654, 664, 666 of this title; title 10 section 1408; title 11 section 523.

–End–

–CITE–

42 USC Sec. 608a 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 608a. Fraud under means–tested welfare and public assistance
programs

–STATUTE–

(a) In general

If an individual's benefits under a Federal, State, or local law relating to a means–tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means–tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) Welfare or public assistance programs for which Federal funds are appropriated

For purposes of subsection (a) of this section, the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and any State program funded under this part.

–SOURCE–

(Pub. L. 104–193, title IX, Sec. 911, Aug. 22, 1996, 110 Stat. 2353.)

–REFTEXT–

REFERENCES IN TEXT

The Food Stamp Act of 1977, referred to in subsec. (b), is Pub. L. 88–525, Aug. 31, 1964, 78 Stat. 703, as amended, which is classified generally to chapter 51 (Sec. 2011 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 2011 of Title 7 and Tables.

The United States Housing Act of 1937, referred to in subsec. (b), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93–383, title II, Sec. 201(a), Aug. 22, 1974, 88 Stat. 653, and amended. Title I of the Act is classified generally to subchapter I (Sec. 1437 et seq.) of chapter 8 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of this title and Tables.

–COD–

CODIFICATION

Section was enacted as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and not as part of the Social Security Act which comprises this chapter.

–End–

–CITE–

42 USC Sec. 609 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 609. Penalties

–STATUTE–

(a) In general

Subject to this section:

(1) Use of grant in violation of this part

(A) General penalty

If an audit conducted under chapter 75 of title 31 finds that an amount paid to a State under section 603 of this title for a fiscal year has been used in violation of this part, the Secretary shall reduce the grant payable to the State under

section 603(a)(1) of this title for the immediately succeeding fiscal year quarter by the amount so used.

(B) Enhanced penalty for intentional violations

If the State does not prove to the satisfaction of the Secretary that the State did not intend to use the amount in violation of this part, the Secretary shall further reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year quarter by an amount equal to 5 percent of the State family assistance grant.

(C) Penalty for misuse of competitive welfare-to-work funds

If the Secretary of Labor finds that an amount paid to an entity under section 603(a)(5)(B) of this title has been used in violation of subparagraph (B) or (C) of section 603(a)(5) of this title, the entity shall remit to the Secretary of Labor an amount equal to the amount so used.

(2) Failure to submit required report

(A) In general

If the Secretary determines that a State has not, within 45 days after the end of a fiscal quarter, submitted the report required by section 611(a) of this title for the quarter, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

(B) Rescission of penalty

The Secretary shall rescind a penalty imposed on a State

under subparagraph (A) with respect to a report if the State submits the report before the end of the fiscal quarter that immediately succeeds the fiscal quarter for which the report was required.

(3) Failure to satisfy minimum participation rates

(A) In general

If the Secretary determines that a State to which a grant is made under section 603 of this title for a fiscal year has failed to comply with section 607(a) of this title for the fiscal year, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to the applicable percentage of the State family assistance grant.

(B) "Applicable percentage" defined

As used in subparagraph (A), the term "applicable percentage" means, with respect to a State –

(i) if a penalty was not imposed on the State under subparagraph (A) for the immediately preceding fiscal year, 5 percent; or

(ii) if a penalty was imposed on the State under subparagraph (A) for the immediately preceding fiscal year, the lesser of –

(I) the percentage by which the grant payable to the State under section 603(a)(1) of this title was reduced for such preceding fiscal year, increased by 2 percentage points; or

(II) 21 percent.

(C) Penalty based on severity of failure

The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance, and may reduce the penalty if the noncompliance is due to circumstances that caused the State to become a needy State (as defined in section 603(b)(6) of this title) during the fiscal year or if the noncompliance is due to extraordinary circumstances such as a natural disaster or regional recession.

The Secretary shall provide a written report to Congress to justify any waiver or penalty reduction due to such extraordinary circumstances.

(4) Failure to participate in the income and eligibility verification system

If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1320b-7 of this title, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

(5) Failure to comply with paternity establishment and child support enforcement requirements under part D

Notwithstanding any other provision of this chapter, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties

requested by the agency administering part D of this subchapter against recipients of assistance under the State program who fail to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order in accordance with such part and who do not qualify for any good cause or other exception established by the State under section 654(29) of this title, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

(6) Failure to timely repay a Federal Loan Fund for State Welfare Programs

If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 606 of this title within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

(7) Failure of any State to maintain certain level of historic effort

(A) In general

The Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for fiscal year 1998, 1999, 2000, 2001, 2002, or 2003 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year are less than the applicable percentage of historic State expenditures with respect to such preceding fiscal year.

(B) Definitions

As used in this paragraph:

(i) Qualified State expenditures

(I) In general

The term "qualified State expenditures" means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

(aa) Cash assistance, including any amount collected by the State as support pursuant to a plan approved under part D of this subchapter, on behalf of a family receiving assistance under the State program funded under this part, that is distributed to the family under section 657(a)(1)(B) of this title and disregarded in determining the eligibility of the family for, and the amount of, such assistance.

(bb) Child care assistance.

(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any

expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of an eligible family.

(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

(ee) Any other use of funds allowable under section 604(a)(1) of this title.

(II) Exclusion of transfers from other State and local programs

Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that –

(aa) the expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before August 22, 1996; or

(bb) the State is entitled to a payment under former section 603 of this title (as in effect immediately before August 22, 1996) with respect to the expenditures.

(III) Exclusion of amounts expended to replace penalty grant reductions

Such term does not include any amount expended in order

to comply with paragraph (12).

(IV) Eligible families

As used in subclause (I), the term "eligible families" means families eligible for assistance under the State program funded under this part, families that would be eligible for such assistance but for the application of section 608(a)(7) of this title, and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(ii) Applicable percentage

The term "applicable percentage" means for fiscal years 1997 through 2002, 80 percent (or, if the State meets the requirements of section 607(a) of this title for the fiscal year, 75 percent).

(iii) Historic State expenditures

The term "historic State expenditures" means, with respect to a State, the lesser of –

(I) the expenditures by the State under parts A and F of this subchapter (as in effect during fiscal year 1994) for fiscal year 1994; or

(II) the amount which bears the same ratio to the amount described in subclause (I) as –

(aa) the State family assistance grant, plus the total amount required to be paid to the State under former

section 603 of this title for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 602 of this title (as in effect during fiscal year 1994); bears to (bb) the total amount required to be paid to the State under former section 603 of this title (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A of this subchapter (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 612 of this title, as determined by the Secretary.

(iv) Expenditures by the State

The term "expenditures by the State" does not include –

(I) any expenditure from amounts made available by the Federal Government;

(II) any State funds expended for the medicaid program under subchapter XIX of this chapter;

(III) any State funds which are used to match Federal funds provided under section 603(a)(5) of this title; or

(IV) any State funds which are expended as a condition of receiving Federal funds other than under this part.

Notwithstanding subclause (IV) of the preceding sentence, such term includes expenditures by a State for child care in a fiscal year to the extent that the total amount of the expenditures does not exceed the amount of State expenditures

in fiscal year 1994 or 1995 (whichever is the greater) that equal the non-Federal share for the programs described in section 618(a)(1)(A) of this title.

(v) Source of data

In determining expenditures by a State for fiscal years 1994 and 1995, the Secretary shall use information which was reported by the State on ACF Form 231 or (in the case of expenditures under part F of this subchapter) ACF Form 331, available as of the dates specified in clauses (ii) and (iii) of section 603(a)(1)(D) of this title.

(8) Noncompliance of State child support enforcement program with requirements of part D

(A) In general

If the Secretary finds, with respect to a State's program under part D of this subchapter, in a fiscal year beginning on or after October 1, 1997 –

(i)(I) on the basis of data submitted by a State pursuant to section 654(15)(B) of this title, or on the basis of the results of a review conducted under section 652(a)(4) of this title, that the State program failed to achieve the paternity establishment percentages (as defined in section 652(g)(2) of this title), or to meet other performance measures that may be established by the Secretary;

(II) on the basis of the results of an audit or audits conducted under section 652(a)(4)(C)(i) of this title that the State data submitted pursuant to section 654(15)(B) of

this title is incomplete or unreliable; or

(III) on the basis of the results of an audit or audits conducted under section 652(a)(4)(C) of this title that a State failed to substantially comply with 1 or more of the requirements of part D of this subchapter (other than paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 654 of this title); and

(ii) that, with respect to the succeeding fiscal year –

(I) the State failed to take sufficient corrective action to achieve the appropriate performance levels or compliance as described in subparagraph (A)(i); or

(II) the data submitted by the State pursuant to section 654(15)(B) of this title is incomplete or unreliable;

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program has achieved the paternity establishment percentages or other performance measures as described in subparagraph (A)(i)(I), or is in substantial compliance with 1 or more of the requirements of part D of this subchapter as described in subparagraph (A)(i)(III), as appropriate, shall be reduced by the percentage specified in subparagraph (B).

(B) Amount of reductions

The reductions required under subparagraph (A) shall be –

(i) not less than 1 nor more than 2 percent;

(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive finding made pursuant to subparagraph (A); or

(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding.

(C) Disregard of noncompliance which is of a technical nature For purposes of this section and section 652(a)(4) of this title, a State determined as a result of an audit –

(i) to have failed to have substantially complied with 1 or more of the requirements of part D of this subchapter shall be determined to have achieved substantial compliance only if the Secretary determines that the extent of the noncompliance is of a technical nature which does not adversely affect the performance of the State's program under part D of this subchapter; or

(ii) to have submitted incomplete or unreliable data pursuant to section 654(15)(B) of this title shall be determined to have submitted adequate data only if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's paternity establishment percentages (as defined under section 652(g)(2) of this title) or other performance measures that may be established by the Secretary.

(9) Failure to comply with 5–year limit on assistance

If the Secretary determines that a State has not complied with

section 608(a)(7) of this title during a fiscal year, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

(10) Failure of State receiving amounts from Contingency Fund to maintain 100 percent of historic effort

If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the qualified State expenditures (as defined in paragraph (7)(B)(i) (other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part for the fiscal year are less than 100 percent of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection), excluding any amount expended by the State for child care under subsection (g) or (i) of section 602 of this title (as in effect during fiscal year 1994) for fiscal year 1994, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by the total of the amounts so paid to the State that the State has not remitted under section 603(b)(6) of this title.

(11) Failure to maintain assistance to adult single custodial parent who cannot obtain child care for child under age 6

(A) In general

If the Secretary determines that a State to which a grant is

made under section 603 of this title for a fiscal year has violated section 607(e)(2) of this title during the fiscal year, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

(B) Penalty based on severity of failure

The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.

(12) Requirement to expend additional State funds to replace grant reductions; penalty for failure to do so

If the grant payable to a State under section 603(a)(1) of this title for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions. If the State fails during such succeeding fiscal year to make the expenditure required by the preceding sentence from its own funds, the Secretary may reduce the grant payable to the State under section 603(a)(1) of this title for the fiscal year that follows such succeeding fiscal year by an amount equal to the sum of –

(A) not more than 2 percent of the State family assistance grant; and

(B) the amount of the expenditure required by the preceding sentence.

(13) Penalty for failure of State to maintain historic effort during year in which welfare-to-work grant is received

If a grant is made to a State under section 603(a)(5)(A) of this title for a fiscal year and paragraph (7) of this subsection requires the grant payable to the State under section 603(a)(1) of this title to be reduced for the immediately succeeding fiscal year, then the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for such succeeding fiscal year by the amount of the grant made to the State under section 603(a)(5)(A) of this title for the fiscal year.

(14) Penalty for failure to reduce assistance for recipients refusing without good cause to work

(A) In general

If the Secretary determines that a State to which a grant is made under section 603 of this title in a fiscal year has violated section 607(e) of this title during the fiscal year, the Secretary shall reduce the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year by an amount equal to not less than 1 percent and not more than 5 percent of the State family assistance grant.

(B) Penalty based on severity of failure

The Secretary shall impose reductions under subparagraph (A) with respect to a fiscal year based on the degree of noncompliance.

(b) Reasonable cause exception

(1) In general

The Secretary may not impose a penalty on a State under subsection (a) of this section with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

(2) Exception

Paragraph (1) of this subsection shall not apply to any penalty under paragraph (6), (7), (8), (10), (12), or (13) of subsection (a) of this section.

(c) Corrective compliance plan

(1) In general

(A) Notification of violation

Before imposing a penalty against a State under subsection (a) of this section with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct or discontinue, as appropriate, the violation and how the State will insure continuing compliance with this part.

(B) 60-day period to propose a corrective compliance plan

During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct or discontinue, as appropriate, the violation.

(C) Consultation about modifications

During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

(D) Acceptance of plan

A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

(2) Effect of correcting or discontinuing violation

The Secretary may not impose any penalty under subsection (a) of this section with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects or discontinues, as appropriate (!1) the violation pursuant to the plan.

(3) Effect of failing to correct or discontinue violation

The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) of this section with respect to a violation if the State does not, in a timely manner, correct or discontinue, as appropriate, the violation pursuant to a State corrective compliance plan accepted by the Secretary.

(4) Inapplicability to certain penalties

This subsection shall not apply to the imposition of a penalty against a State under paragraph (6), (7), (8), (10), (12), or (13) of subsection (a) of this section.

(d) Limitation on amount of penalties

(1) In general

In imposing the penalties described in subsection (a) of this section, the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

(2) Carryforward of unrecovered penalties

To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 603(a)(1) of this title for the immediately succeeding fiscal year.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 409, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2142; amended Pub. L. 105–33, title V, Secs. 5001(a)(2), (g), 5004(a), 5506, 5514(c), Aug. 5, 1997, 111 Stat. 589, 592, 594, 613, 620; Pub. L. 105–200, title I, Sec. 101(b), July 16, 1998, 112 Stat. 647; Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 807(b)], Nov. 29, 1999, 113 Stat. 1535, 1501A–287; Pub. L. 106–169, title IV, Sec. 401(b), Dec. 14, 1999, 113 Stat. 1858.)

–REFTEXT–

REFERENCES IN TEXT

Part D of this subchapter, referred to in subsec. (a)(5), (7)(B)(i)(I)(aa), (8), is classified to section 651 et seq. of this

title.

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec.

(a)(7)(B)(i)(IV), is title IV (Sec. 400 et seq.) of Pub. L.

104–193, Aug. 22, 1996, 110 Stat. 2260. For complete classification of title IV to the Code, see Tables.

Part F of this subchapter, referred to in subsec.

(a)(7)(B)(iii)(I), (v), was classified to section 681 et seq. of this title, prior to repeal by Pub. L. 104–193, title I, Sec.

108(e), Aug. 22, 1996, 110 Stat. 2167.

–MISC1–

PRIOR PROVISIONS

A prior section 609, act Aug. 14, 1935, ch. 531, title IV, Sec. 409, as added Nov. 5, 1990, Pub. L. 101–508, title V, Sec. 5052(a), 104 Stat. 1388–228, related to exclusion from AFDC unit of child for whom Federal, State, or local foster care maintenance or adoption assistance payments were made, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

Another prior section 609, act Aug. 14, 1935, ch. 531, title IV, Sec. 409, as added and amended July 25, 1962, Pub. L. 87–543, title I, Secs. 101(b)(2)(E), 105(a), 76 Stat. 180, 186; Aug. 13, 1981, Pub. L. 97–35, title XXIII, Sec. 2307(a), 95 Stat. 846; Sept. 3, 1982, Pub. L. 97–248, title I, Sec. 154(c), 96 Stat. 397; July 18, 1984, Pub. L. 98–369, div. B, title VI, Secs. 2627, 2641(a), 2663(c)(5), 98 Stat. 1136, 1146, 1166, related to community work

experience programs, prior to repeal by Pub. L. 100–485, title II, Secs. 202(b)(12), 204(a), (b)(1)(A), Oct. 13, 1988, 102 Stat. 2378, 2381, effective Oct. 1, 1990, with provision for earlier effective dates in case of States making certain changes in their State plans and formally notifying the Secretary of Health and Human Services of their desire to become subject to the amendments by title II of Pub. L. 100–485 at such earlier effective dates.

AMENDMENTS

1999 – Subsec. (a)(7)(B)(i)(II). Pub. L. 106–169 made technical amendment to reference in original act which appears in text as reference to August 22, 1996.

Subsec. (a)(8)(A)(i)(III). Pub. L. 106–113 substituted "paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 654 of this title" for "section 654(24) of this title".

1998 – Subsec. (a)(8)(A)(i)(III). Pub. L. 105–200 inserted "(other than section 654(24) of this title)" before semicolon.

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(1)(C). Pub. L. 105–33, Sec. 5001(g)(2), added subpar. (C).

Subsec. (a)(2)(A). Pub. L. 105–33, Sec. 5506(a), substituted "45 days" for "1 month".

Subsec. (a)(3)(A). Pub. L. 105–33, Sec. 5506(n)(1), struck out "not more than" after "an amount equal to".

Subsec. (a)(3)(C). Pub. L. 105–33, Sec. 5506(n)(2), inserted

before period at end "or if the noncompliance is due to extraordinary circumstances such as a natural disaster or regional recession. The Secretary shall provide a written report to Congress to justify any waiver or penalty reduction due to such extraordinary circumstances".

Subsec. (a)(7)(B)(i)(I)(aa). Pub. L. 105–33, Sec. 5506(b), inserted before period at end ", including any amount collected by the State as support pursuant to a plan approved under part D of this subchapter, on behalf of a family receiving assistance under the State program funded under this part, that is distributed to the family under section 657(a)(1)(B) of this title and disregarded in determining the eligibility of the family for, and the amount of, such assistance".

Subsec. (a)(7)(B)(i)(III). Pub. L. 105–33, Sec. 5506(c), added subcl. (III). Former subcl. (III) redesignated (IV).

Subsec. (a)(7)(B)(i)(IV). Pub. L. 105–33, Sec. 5506(d), substituted "this part, families" for "this part, and families" and "section 608(a)(7) of this title, and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996" for "section 608(a)(7) of this title or section 1612 of title 8".

Pub. L. 105–33, Sec. 5506(c), redesignated subcl. (III) as (IV).

Subsec. (a)(7)(B)(ii). Pub. L. 105–33, Sec. 5506(e), struck out "reduced (if appropriate) in accordance with subparagraph (C)(ii)" after "75 percent".

Subsec. (a)(7)(B)(iv). Pub. L. 105–33, Sec. 5001(a)(2), amended heading and text of cl. (iv) generally. Prior to amendment, text read as follows: "The term 'expenditures by the State' does not include –

"(I) any expenditures from amounts made available by the Federal Government;

"(II) any State funds expended for the medicaid program under subchapter XIX of this chapter;

"(III) any State funds which are used to match Federal funds;

or

"(IV) any State funds which are expended as a condition of receiving Federal funds under Federal programs other than under this part.

Notwithstanding subclause (IV) of the preceding sentence, such term includes expenditures by a State for child care in a fiscal year to the extent that the total amount of such expenditures does not exceed an amount equal to the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equal the non–Federal share for the programs described in section 618(a)(1)(A) of this title."

Subsec. (a)(7)(B)(v). Pub. L. 105–33, Sec. 5506(f), added cl. (v).

Subsec. (a)(8). Pub. L. 105–33, Sec. 5506(g), amended heading and text of par. (8) generally. Prior to amendment, par. (8) provided that if a State program operated under part D of this subchapter was found to not have complied substantially with the requirements

of such part for any quarter, and was not complying substantially with such requirements at the time of the finding, the Secretary was to reduce the grant payable to the State under section 603(a)(1) of this title for certain quarters until the program was found to be in substantial compliance with such requirements.

Subsec. (a)(9). Pub. L. 105–33, Sec. 5506(h), substituted "608(a)(7)" for "608(a)(1)(B)".

Subsec. (a)(10). Pub. L. 105–33, Sec. 5506(i), substituted "the qualified State expenditures (as defined in paragraph (7)(B)(i) (other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part for the fiscal year" for "the expenditures under the State program funded under this part for the fiscal year (excluding any amounts made available by the Federal Government)", inserted "excluding any amount expended by the State for child care under subsection (g) or (i) of section 602 of this title (as in effect during fiscal year 1994) for fiscal year 1994," after "(as defined in paragraph (7)(B)(iii) of this subsection)", and inserted before period at end "that the State has not remitted under section 603(b)(6) of this title".

Subsec. (a)(12). Pub. L. 105–33, Sec. 5506(j), in heading substituted "Requirement" for "Failure" and "reductions; penalty for failure to do so" for "reductions" and in text inserted at end "If the State fails during such succeeding fiscal year to make the expenditure required by the preceding sentence from its own funds, the Secretary may reduce the grant payable to the State under

section 603(a)(1) of this title for the fiscal year that follows such succeeding fiscal year by an amount equal to the sum of –
"(A) not more than 2 percent of the State family assistance grant; and
"(B) the amount of the expenditure required by the preceding sentence."

Subsec. (a)(13). Pub. L. 105–33, Sec. 5001(g)(1)(A), added par. (13).

Subsec. (a)(14). Pub. L. 105–33, Sec. 5004(a), added par. (14).

Subsec. (b)(2). Pub. L. 105–33, Sec. 5506(k), substituted "(6), (7), (8), (10), or (12)" for "(7) or (8)".

Pub. L. 105–33, Sec. 5001(g)(1)(B), substituted "(12), or (13)" for "or (12)".

Subsec. (c)(1)(A), (B). Pub. L. 105–33, Sec. 5506(l)(1), inserted "or discontinue, as appropriate," after "correct".

Subsec. (c)(2). Pub. L. 105–33, Sec. 5506(l)(2), inserted "or discontinuing" after "correcting" in heading and "or discontinues, as appropriate" after "corrects" in text.

Subsec. (c)(3). Pub. L. 105–33, Sec. 5506(l)(3), inserted "or discontinue" after "correct" in heading and "or discontinue, as appropriate," before "the violation" in text.

Subsec. (c)(4). Pub. L. 105–33, Sec. 5506(m), amended heading and text of par. (4) generally. Prior to amendment, text read as follows: "This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6) of this section."

Pub. L. 105–33, Sec. 5001(g)(1)(C), substituted "(12), or (13)"

for "or (12)".

EFFECTIVE DATE OF 1999 AMENDMENTS

Amendment by Pub. L. 106–169 effective as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, see section 401(q) of Pub. L. 106–169, set out as a note under section 602 of this title.

Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 807(c)], Nov. 29, 1999, 113 Stat. 1535, 1501A–287, provided that: "The amendments made by this section [amending this section and section 655 of this title] shall take effect on October 1, 1999."

EFFECTIVE DATE OF 1997 AMENDMENT

Section 5004(b) of Pub. L. 105–33 provided that: "The amendment made by subsection (a) of this section [amending this section] shall take effect as if included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104–193]."

Amendment by section 5506 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with delayed effective date for subsec. (a)(2)–(5), (8), (10) of this section, and with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 603, 606, 610, 612, 652, 1308, 9858i of this title; title 7 section 2025.

–FOOTNOTE–

(11) So in original. Probably should be followed by a comma.

–End–

–CITE–

42 USC Sec. 610 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 610. Appeal of adverse decision

–STATUTE–

(a) In general

Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 602 of this title or the imposition of a penalty under section 609 of this title.

(b) Administrative review

(1) In general

Within 60 days after the date a State receives notice under subsection (a) of this section of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the "Board") by filing an appeal with the Board.

(2) Procedural rules

The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence.

The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

(c) Judicial review of adverse decision

(1) In general

Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in –

(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

(B) the United States District Court for the District of Columbia.

(2) Procedural rules

The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5. The review shall be on the basis of the documents and supporting data submitted to the Board.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 410, as added Pub. L.

104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2148;

amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–MISC1–

PRIOR PROVISIONS

A prior section 610, act Aug. 14, 1935, ch. 531, title IV, Sec. 410, as added Oct. 21, 1976, Pub. L. 94–585, Sec. 1(a), 90 Stat. 2901; amended July 18, 1984, Pub. L. 98–369, div. B, title VI, Sec. 2663(c)(6), 98 Stat. 1166, related to food stamp program coupons, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

Another prior section 610, act Aug. 14, 1935, ch. 531, title IV, Sec. 410, as added Jan. 2, 1968, Pub. L. 90–248, title II, Sec. 211(b), 81 Stat. 897, provided for furnishing by Secretary to Secretary of the Treasury the names of parents contained in reports from State agencies, for ascertainment of addresses, and authorization for appropriations for such purpose, prior to repeal by Pub. L. 93–647, Sec. 101(c)(8), Jan. 4, 1975, 88 Stat. 2360, eff. July 1, 1975.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a

note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–End–

–CITE–

42 USC Sec. 611 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 611. Data collection and reporting

–STATUTE–

(a) Quarterly reports by States

(1) General reporting requirement

(A) Contents of report

Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part (except for information relating to activities carried out under section 603(a)(5) of this title):

- (i) The county of residence of the family.
- (ii) Whether a child receiving such assistance or an adult in the family is receiving –
 - (I) Federal disability insurance benefits;
 - (II) benefits based on Federal disability status;
 - (III) aid under a State plan approved under subchapter XIV of this chapter (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972)); (!1)
 - (IV) aid or assistance under a State plan approved under subchapter XVI of this chapter (as in effect without regard to such amendment) by reason of being permanently and totally disabled; or
 - (V) supplemental security income benefits under subchapter XVI of this chapter (as in effect pursuant to such amendment) by reason of disability.
- (iii) The ages of the members of such families.
- (iv) The number of individuals in the family, and the relation of each family member to the head of the family.

- (v) The employment status and earnings of the employed adult in the family.
- (vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.
- (vii) The race and educational level of each adult in the family.
- (viii) The race and educational level of each child in the family.
- (ix) Whether the family received subsidized housing, medical assistance under the State plan approved under subchapter XIX of this chapter, food stamps, or subsidized child care, and if the latter 2, the amount received.
- (x) The number of months that the family has received each type of assistance under the program.
- (xi) If the adults participated in, and the number of hours per week of participation in, the following activities:
 - (I) Education.
 - (II) Subsidized private sector employment.
 - (III) Unsubsidized employment.
 - (IV) Public sector employment, work experience, or community service.
 - (V) Job search.
 - (VI) Job skills training or on-the-job training.
 - (VII) Vocational education.
- (xii) Information necessary to calculate participation

rates under section 607 of this title.

(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

(xiv) Any amount of unearned income received by any member of the family.

(xv) The citizenship of the members of the family.

(xvi) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to –

(I) employment;

(II) marriage;

(III) the prohibition set forth in section 608(a)(7) of this title;

(IV) sanction; or

(V) State policy.

(xvii) With respect to each individual in the family who has not attained 20 years of age, whether the individual is a parent of a child in the family.

(B) Use of samples

(i) Authority

A State may comply with subparagraph (A) by submitting disaggregated case record information on a sample of families selected through the use of scientifically acceptable sampling methods approved by the Secretary.

(ii) Sampling and other methods

The Secretary shall provide the States with such case

sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

(2) Report on use of Federal funds to cover administrative costs and overhead

The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead, with a separate statement of the percentage of such funds that are used to cover administrative costs or overhead incurred for programs operated with funds provided under section 603(a)(5) of this title.

(3) Report on State expenditures on programs for needy families

The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families, with a separate statement of the total amount expended by the State during the quarter on programs operated with funds provided under section 603(a)(5) of this title.

(4) Report on noncustodial parents participating in work activities

The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 607(d) of

this title) during the quarter, with a separate statement of the number of such parents who participated in programs operated with funds provided under section 603(a)(5) of this title.

(5) Report on transitional services

The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

(6) Report on families receiving assistance

The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter –

(A) the number of families and individuals receiving assistance under the State program funded under this part (including the number of 2–parent and 1–parent families);

(B) the total dollar value of such assistance received by all families; and

(C) with respect to families and individuals participating in a program operated with funds provided under section 603(a)(5) of this title –

(i) the total number of such families and individuals; and

(ii) the number of such families and individuals whose participation in such a program was terminated during a month.

(7) Regulations

The Secretary shall prescribe such regulations as may be

necessary to define the data elements with respect to which reports are required by this subsection, and shall consult with the Secretary of Labor in defining the data elements with respect to programs operated with funds provided under section 603(a)(5) of this title.

(b) Annual reports to Congress by Secretary

Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing –

(1) whether the States are meeting –

(A) the participation rates described in section 607(a) of this title; and

(B) the objectives of –

(i) increasing employment and earnings of needy families, and child support collections; and

(ii) decreasing out-of-wedlock pregnancies and child poverty;

(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

(3) the characteristics of each State program funded under this part; and

(4) the trends in employment and earnings of needy families with minor children living at home.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 411, as added Pub. L.

104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2148;
amended Pub. L. 105–33, title V, Secs. 5001(e), 5507, 5514(c), Aug.
5, 1997, 111 Stat. 591, 616, 620; Pub. L. 106–113, div. B, Sec.
1000(a)(4) [title VIII, Sec. 804(a)], Nov. 29, 1999, 113 Stat.
1535, 1501A–284.)

–REFTEXT–

REFERENCES IN TEXT

Section 301 of the Social Security Amendments of 1972, referred
to in subsec. (a)(1)(A)(ii)(III), is section 301 of Pub. L. 92–603,
title III, Oct. 30, 1972, 86 Stat. 1465, which enacted sections
1381 to 1382e and 1383 to 1383c of this title.

–MISC1–

PRIOR PROVISIONS

A prior section 611, act Aug. 14, 1935, ch. 531, title IV, Sec.
411, as added Dec. 20, 1977, Pub. L. 95–216, title IV, Sec. 403(a),
91 Stat. 1561, related to availability of wage information to
States and political subdivisions, prior to repeal by Pub. L.
98–369, div. B, title VI, Sec. 2651(b)(3), (l)(2), July 18, 1984,
98 Stat. 1149, 1151, effective Apr. 1, 1985, except as otherwise
provided. See section 1320b–7 of this title.

AMENDMENTS

1999 – Subsec. (a)(1)(A). Pub. L. 106–113, Sec. 1000(a)(4) [title
VIII, Sec. 804(a)(1)], in introductory provisions, inserted
"(except for information relating to activities carried out under
section 603(a)(5) of this title)" after "part".

Subsec. (a)(1)(A)(xviii). Pub. L. 106–113, Sec. 1000(a)(4) [title

VIII, Sec. 804(a)(2)], struck out cl. (xviii) which related to families participating in a program operated with funds provided under section 603(a)(5) of this title.

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(1)(A)(ii). Pub. L. 105–33, Sec. 5507(1)(A)(i), added cl. (ii) and struck out former cl. (ii) which read as follows:

"Whether a child receiving such assistance or an adult in the family is disabled."

Subsec. (a)(1)(A)(iv). Pub. L. 105–33, Sec. 5507(1)(A)(ii), substituted "head of" for "youngest child in".

Subsec. (a)(1)(A)(vii), (viii). Pub. L. 105–33, Sec. 5507(1)(A)(iii), substituted "level" for "status".

Subsec. (a)(1)(A)(xvii). Pub. L. 105–33, Sec. 5507(1)(A)(iv), added cl. (xvii).

Subsec. (a)(1)(A)(xviii). Pub. L. 105–33, Sec. 5001(e)(1), added cl. (xviii).

Subsec. (a)(1)(B). Pub. L. 105–33, Sec. 5507(1)(B), substituted "samples" for "estimates" in heading and "disaggregated case record information on a sample of families selected" for "an estimate which is obtained" in cl. (i).

Subsec. (a)(2). Pub. L. 105–33, Sec. 5001(e)(2), inserted before period at end ", with a separate statement of the percentage of such funds that are used to cover administrative costs or overhead incurred for programs operated with funds provided under section

603(a)(5) of this title".

Subsec. (a)(3). Pub. L. 105–33, Sec. 5001(e)(3), inserted before period at end ", with a separate statement of the total amount expended by the State during the quarter on programs operated with funds provided under section 603(a)(5) of this title".

Subsec. (a)(4). Pub. L. 105–33, Sec. 5001(e)(4), inserted before period at end ", with a separate statement of the number of such parents who participated in programs operated with funds provided under section 603(a)(5) of this title".

Subsec. (a)(6). Pub. L. 105–33, Sec. 5507(2), added par. (6).

Former par. (6) redesignated (7).

Subsec. (a)(6)(C). Pub. L. 105–33, Sec. 5001(e)(5), added subpar. (C).

Subsec. (a)(7). Pub. L. 105–33, Sec. 5507(2), redesignated par. (6) as (7).

Pub. L. 105–33, Sec. 5001(e)(6), inserted before period at end ", and shall consult with the Secretary of Labor in defining the data elements with respect to programs operated with funds provided under section 603(a)(5) of this title".

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 5507 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if

included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 609, 612 of this title.

–FOOTNOTE–

(!1) So in original. The second parenthesis probably should not appear.

–End–

–CITE–

42 USC Sec. 611a 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 611a. State required to provide certain information

–STATUTE–

Each State to which a grant is made under section 603 of this title shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 411A, as added Pub. L. 104–193, title IV, Sec. 404(b), Aug. 22, 1996, 110 Stat. 2267.)

–TRANS–

ABOLITION OF IMMIGRATION AND NATURALIZATION SERVICE AND TRANSFER OF FUNCTIONS

For abolition of Immigration and Naturalization Service, transfer of functions, and treatment of related references, see note set out under section 1551 of Title 8, Aliens and Nationality.

–End–

–CITE–

42 USC Sec. 612 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 612. Direct funding and administration by Indian tribes

–STATUTE–

(a) Grants for Indian tribes

(1) Tribal family assistance grant

(A) In general

For each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), which shall be reduced for a fiscal year, on a pro rata basis for each quarter, in the case of a tribal family assistance plan approved during a fiscal year for which the plan is to be in effect, and shall reduce the grant payable under section 603(a)(1) of this title to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

(B) Amount determined

(i) In general

The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 603 of this title (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F of this subchapter (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

(ii) Use of State submitted data

(I) In general

The Secretary shall use State submitted data to make each determination under clause (i).

(II) Disagreement with determination

If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

(2) Grants for Indian tribes that received jobs funds

(A) In general

For each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, the Secretary shall pay to each eligible Indian tribe

that proposes to operate a program described in subparagraph (C) a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 682(i) of this title (as in effect during fiscal year 1994).

(B) Eligible Indian tribe

For purposes of subparagraph (A), the term "eligible Indian tribe" means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 682(i) of this title (as in effect during fiscal year 1995).

(C) Use of grant

Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to such population and such service area or areas as the tribe specifies.

(D) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated \$7,633,287 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

(3) Welfare-to-work grants

(A) In general

The Secretary of Labor shall award a grant in accordance with this paragraph to an Indian tribe for each fiscal year specified in section 603(a)(5)(H) of this title for which the Indian tribe is a welfare-to-work tribe, in such amount as the

Secretary of Labor deems appropriate, subject to subparagraph

(B) of this paragraph.

(B) Welfare-to-work tribe

An Indian tribe shall be considered a welfare-to-work tribe for a fiscal year for purposes of this paragraph if the Indian tribe meets the following requirements:

(i) The Indian tribe has submitted to the Secretary of Labor a plan which describes how, consistent with section 603(a)(5) of this title, the Indian tribe will use any funds provided under this paragraph during the fiscal year. If the Indian tribe has a tribal family assistance plan, the plan referred to in the preceding sentence shall be in the form of an addendum to the tribal family assistance plan.

(ii) The Indian tribe is operating a program under a tribal family assistance plan approved by the Secretary of Health and Human Services, a program described in paragraph (2)(C), or an employment program funded through other sources under which substantial services are provided to recipients of assistance under a program funded under this part.

(iii) The Indian tribe has provided the Secretary of Labor with an estimate of the amount that the Indian tribe intends to expend during the fiscal year (excluding tribal expenditures described in section 609(a)(7)(B)(iv) (other than subclause (III) thereof) of this title) pursuant to this paragraph.

(iv) The Indian tribe has agreed to negotiate in good faith

with the Secretary of Health and Human Services with respect to the substance and funding of any evaluation under section 613(j) of this title, and to cooperate with the conduct of any such evaluation.

(C) Limitations on use of funds

(i) In general

Section 603(a)(5)(C) of this title shall apply to funds provided to Indian tribes under this paragraph in the same manner in which such section applies to funds provided under section 603(a)(5) of this title.

(ii) Waiver authority

The Secretary of Labor may waive or modify the application of a provision of section 603(a)(5)(C) (other than clause (viii) thereof) of this title with respect to an Indian tribe to the extent necessary to enable the Indian tribe to operate a more efficient or effective program with the funds provided under this paragraph.

(iii) Regulations

Within 90 days after August 5, 1997, the Secretary of Labor, after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, shall prescribe such regulations as may be necessary to implement this paragraph.

(b) 3-year tribal family assistance plan

(1) In general

Any Indian tribe that desires to receive a tribal family

assistance grant shall submit to the Secretary a 3–year tribal family assistance plan that –

(A) outlines the Indian tribe's approach to providing welfare–related services for the 3–year period, consistent with this section;

(B) specifies whether the welfare–related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

(C) identifies the population and service area or areas to be served by such plan;

(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self–Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single–agency audit report required by chapter 75 of title 31.

(2) Approval

The Secretary shall approve each tribal family assistance plan

submitted in accordance with paragraph (1).

(3) Consortium of tribes

Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

(c) Minimum work participation requirements and time limits

The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals –

(1) consistent with the purposes of this section;

(2) consistent with the economic conditions and resources available to each tribe; and

(3) similar to comparable provisions in section 607(e) of this title.

(d) Emergency assistance

Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

(e) Accountability

Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with –

(1) generally accepted accounting principles; and

(2) the requirements of the Indian Self-Determination and

Education Assistance Act (25 U.S.C. 450 et seq.).

(f) Eligibility for Federal loans

Section 606 of this title shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such section applies to a State, except that section 606(c) of this title shall be applied by substituting "section 612(a)" for "section 603(a)".

(g) Penalties

(1) Subsections (a)(1), (a)(6), (b), and (c) of section 609 of this title, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

(2) Section 609(a)(3) of this title shall apply to an Indian tribe with an approved tribal assistance plan by substituting "meet minimum work participation requirements established under section 612(c) of this title" for "comply with section 607(a) of this title".

(h) Data collection and reporting

Section 611 of this title shall apply to an Indian tribe with an approved tribal family assistance plan.

(i) Special rule for Indian tribes in Alaska

(1) In general

Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to

the program of the State of Alaska funded under this part.

Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

(2) Waiver

An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 412, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2150; amended Pub. L. 105–33, title V, Secs. 5001(c), 5508, 5514(c), Aug. 5, 1997, 111 Stat. 589, 617, 620; Pub. L. 106–113, div. B, Sec. 1000(a)(4) [title VIII, Sec. 801(b)(2)], Nov. 29, 1999, 113 Stat. 1535, 1501A–283; Pub. L. 106–554, Sec. 1(a)(1) [title I, Sec. 107(b)(5)], Dec. 21, 2000, 114 Stat. 2763, 2763A–12.)

–REFTEXT–

REFERENCES IN TEXT

Part F of this subchapter, referred to in subsec. (a)(1)(B)(i), was classified to section 681 et seq. of this title, prior to repeal by Pub. L. 104–193, title I, Sec. 108(e), Aug. 22, 1996, 110 Stat. 2167.

Section 682 of this title, referred to in subsec. (a)(2)(A), (B), was repealed by Pub. L. 104–193, title I, Sec. 108(e), Aug. 22, 1996, 110 Stat. 2167.

The Indian Self–Determination and Education Assistance Act,

referred to in subsec. (e)(2), is Pub. L. 93–638, Jan. 4, 1975, 88 Stat. 2203, as amended, which is classified principally to subchapter II (Sec. 450 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 450 of Title 25 and Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 612, act Aug. 14, 1935, ch. 531, title IV, Sec. 412, as added June 17, 1980, Pub. L. 96–272, title III, Sec. 303, 94 Stat. 528; amended Aug. 13, 1981, Pub. L. 97–35, title XXIII, Sec. 2306(b), 95 Stat. 846; Sept. 3, 1982, Pub. L. 97–248, title I, Sec. 155(a), 96 Stat. 397, related to prorating shelter allowance for AFDC family living with another household, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

2000 – Subsec. (a)(3)(A). Pub. L. 106–554 substituted

"603(a)(5)(H)" for "603(a)(5)(I)".

1999 – Subsec. (a)(3)(C)(ii). Pub. L. 106–113 substituted "clause (viii)" for "clause (vii)".

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a)(1)(A). Pub. L. 105–33, Sec. 5508(a), inserted "which shall be reduced for a fiscal year, on a pro rata basis for each quarter, in the case of a tribal family assistance plan approved

during a fiscal year for which the plan is to be in effect," before "and shall".

Subsec. (a)(2)(A). Pub. L. 105–33, Sec. 5508(b), substituted "For each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, the Secretary shall pay to each eligible Indian tribe that proposes to operate a program described in subparagraph (C)" for "The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002".

Subsec. (a)(2)(C). Pub. L. 105–33, Sec. 5508(c), substituted "such population and such service area or areas as the tribe specifies" for "members of the Indian tribe".

Subsec. (a)(2)(D). Pub. L. 105–33, Sec. 5508(d), substituted "\$7,633,287" for "\$7,638,474".

Subsec. (a)(3). Pub. L. 105–33, Sec. 5001(c), added par. (3).

Subsec. (f). Pub. L. 105–33, Sec. 5508(f), added subsec. (f).

Former subsec. (f) redesignated (g).

Subsec. (f)(1). Pub. L. 105–33, Sec. 5508(e), substituted "(b), and (c)" for "and (b)".

Subsecs. (g) to (i). Pub. L. 105–33, Sec. 5508(f), redesignated subsecs. (f) to (h) as (g) to (i), respectively.

EFFECTIVE DATE OF 2000 AMENDMENT

Amendment by Pub. L. 106–554 effective Oct. 1, 2000, see section 1(a)(1) [title I, Sec. 107(d)] of Pub. L. 106–554, set out as a note under section 603 of this title.

EFFECTIVE DATE OF 1999 AMENDMENT

For effective date of amendment by Pub. L. 106–113, see section

1000(a)(4) [title VIII, Sec. 801(e)] of Pub. L. 106–113, set out as a note under section 603 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 5508 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

~~–SECRET–~~

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 602, 603, 605, 606, 607, 609, 613 of this title.

~~–End–~~

–CITE–

42 USC Sec. 613 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 613. Research, evaluations, and national studies

–STATUTE–

(a) Research

The Secretary, directly or through grants, contracts, or interagency agreements, shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well–being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 607 of this title.

(b) Development and evaluation of innovative approaches to reducing welfare dependency and increasing child well–being

(1) In general

The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

(2) Evaluations

In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

(c) Dissemination of information

The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

(d) Annual ranking of States and review of most and least successful work programs

(1) Annual ranking of States

The Secretary shall rank annually the States to which grants are paid under section 603 of this title in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a

practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

(2) Annual review of most and least successful work programs

The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

(e) Annual ranking of States and review of issues relating to out-of-wedlock births

(1) In general

The Secretary shall annually rank States to which grants are made under section 603 of this title based on the following ranking factors:

(A) Absolute out-of-wedlock ratios

The ratio represented by –

(i) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent year for which information

is available; over

(ii) the total number of births in families receiving assistance under the State program under this part in the State for the year.

(B) Net changes in the out-of-wedlock ratio

The difference between the ratio described in subparagraph (A) with respect to a State for the most recent year for which such information is available and the ratio with respect to the State for the immediately preceding year.

(2) Annual review

The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

(f) State-initiated evaluations

A State shall be eligible to receive funding to evaluate the State program funded under this part if –

(1) the State submits a proposal to the Secretary for the evaluation;

(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

(g) Report on circumstances of certain children and families

(1) In general

Beginning 3 years after August 22, 1996, the Secretary of Health and Human Services shall prepare and submit to the Committees on Ways and Means and on Education and the Workforce of the House of Representatives and to the Committees on Finance and on Labor and Resources of the Senate annual reports that examine in detail the matters described in paragraph (2) with respect to each of the following groups for the period after August 22, 1996:

(A) Individuals who were children in families that have become ineligible for assistance under a State program funded under this part by reason of having reached a time limit on the provision of such assistance.

(B) Children born after August 22, 1996, to parents who, at the time of such birth, had not attained 20 years of age.

(C) Individuals who, after August 22, 1996, became parents before attaining 20 years of age.

(2) Matters described

The matters described in this paragraph are the following:

(A) The percentage of each group that has dropped out of secondary school (or the equivalent), and the percentage of each group at each level of educational attainment.

(B) The percentage of each group that is employed.

(C) The percentage of each group that has been convicted of a crime or has been adjudicated as a delinquent.

(D) The rate at which the members of each group are born, or

have children, out-of-wedlock, and the percentage of each group that is married.

(E) The percentage of each group that continues to participate in State programs funded under this part.

(F) The percentage of each group that has health insurance provided by a private entity (broken down by whether the insurance is provided through an employer or otherwise), the percentage that has health insurance provided by an agency of government, and the percentage that does not have health insurance.

(G) The average income of the families of the members of each group.

(H) Such other matters as the Secretary deems appropriate.

(h) Funding of studies and demonstrations

(1) In general

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated \$15,000,000 for each of fiscal years 1997 through 2002 for the purpose of paying

–

(A) the cost of conducting the research described in subsection (a) of this section;

(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b) of this section;

(C) the Federal share of any State-initiated study approved

under subsection (f) of this section; and

(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1315 of this title as of August 22, 1996, and are continued after such date.

(2) Allocation

Of the amount appropriated under paragraph (1) for a fiscal year –

(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

(3) Demonstrations of innovative strategies

The Secretary may implement and evaluate demonstrations of innovative and promising strategies which –

(A) provide one-time capital funds to establish, expand, or replicate programs;

(B) test performance-based grant-to-loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a prorated basis; and

(C) test strategies in multiple States and types of communities.

(i) Child poverty rates

(1) In general

Not later than May 31, 1998, and annually thereafter, the chief

executive officer of each State shall submit to the Secretary a statement of the child poverty rate in the State as of August 22, 1996, or the date of the most recent prior statement under this paragraph.

(2) Submission of corrective action plan

Not later than 90 days after the date a State submits a statement under paragraph (1) which indicates that, as a result of the amendments made by section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the child poverty rate of the State has increased by 5 percent or more since the most recent prior statement under paragraph (1), the State shall prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

(3) Contents of plan

A corrective action plan submitted under paragraph (2) shall outline the manner in which the State will reduce the child poverty rate in the State. The plan shall include a description of the actions to be taken by the State under such plan.

(4) Compliance with plan

A State that submits a corrective action plan that the Secretary has found contains the information required by this subsection shall implement the corrective action plan until the State determines that the child poverty rate in the State is less than the lowest child poverty rate on the basis of which the State was required to submit the corrective action plan.

(5) Methodology

The Secretary shall prescribe regulations establishing the methodology by which a State shall determine the child poverty rate in the State. The methodology shall take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and, to the extent available, county-by-county estimates of children in poverty as determined by the Census Bureau.

(j) Evaluation of welfare-to-work programs

(1) Evaluation

The Secretary, in consultation with the Secretary of Labor and the Secretary of Housing and Urban Development –

(A) shall develop a plan to evaluate how grants made under sections 603(a)(5) and 612(a)(3) of this title have been used;

(B) may evaluate the use of such grants by such grantees as the Secretary deems appropriate, in accordance with an agreement entered into with the grantees after good-faith negotiations; and

(C) is urged to include the following outcome measures in the plan developed under subparagraph (A):

(i) Placements in unsubsidized employment, and placements in unsubsidized employment that last for at least 6 months.

(ii) Placements in the private and public sectors.

(iii) Earnings of individuals who obtain employment.

(iv) Average expenditures per placement.

(2) Reports to the Congress

(A) In general

Subject to subparagraphs (B) and (C), the Secretary, in consultation with the Secretary of Labor and the Secretary of Housing and Urban Development, shall submit to the Congress reports on the projects funded under section (11) 603(a)(5) and 612(a)(3) of this title and on the evaluations of the projects.

(B) Interim report

Not later than January 1, 1999, the Secretary shall submit an interim report on the matter described in subparagraph (A).

(C) Final report

Not later than January 1, 2001,(12) (or at a later date, if the Secretary informs the Committees of the Congress with jurisdiction over the subject matter of the report) the Secretary shall submit a final report on the matter described in subparagraph (A).

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 413, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2153; amended Pub. L. 105–33, title V, Secs. 5001(f), 5509, 5514(c), Aug. 5, 1997, 111 Stat. 592, 618, 620; Pub. L. 105–200, title IV, Sec. 410(a), July 16, 1998, 112 Stat. 673; Pub. L. 106–169, title IV, Sec. 401(c), Dec. 14, 1999, 113 Stat. 1858.)

–REFTEXT–

REFERENCES IN TEXT

Section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec. (i)(2), is section 103 of Pub. L. 104–193, which enacted this part, amended

sections 602, 603, and 1308 of this title, and repealed provisions formerly set out as this part. For complete classification of section 103 to the Code, see Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 613, act Aug. 14, 1935, ch. 531, title IV, Sec. 413, as added June 9, 1980, Pub. L. 96–265, title IV, Sec. 406(c), 94 Stat. 467, related to technical assistance for developing management information systems, prior to repeal by Pub. L. 104–193, Sec. 103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1999 – Subsec. (g)(1). Pub. L. 106–169 made technical amendment to reference in original act which appears in text as reference to August 22, 1996.

1998 – Subsec. (g)(1). Pub. L. 105–200 substituted "Education and the Workforce" for "Economic and Educational Opportunities".

1997 – Pub. L. 105–33, Sec. 5514(c), made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

Subsec. (a). Pub. L. 105–33, Sec. 5509(a), inserted ", directly or through grants, contracts, or interagency agreements," before "shall conduct" and substituted "section 607" for "section 609".

Subsec. (e)(1). Pub. L. 105–33, Sec. 5509(b), amended heading and text of par. (1) generally. Prior to amendment, text read as follows:

"(A) In general. – The Secretary shall annually rank States to which grants are made under section 603 of this title based on the following ranking factors:

"(i) Absolute out-of-wedlock ratios. – The ratio represented by

–

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) Net changes in the out-of-wedlock ratio. – The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year."

Subsec. (h)(1)(D). Pub. L. 105–33, Sec. 5509(c), substituted

"August 22, 1996" for "September 30, 1995".

Subsec. (i)(1). Pub. L. 105–33, Sec. 5509(d)(1), substituted "May 31, 1998" for "90 days after August 22, 1996".

Subsec. (i)(5). Pub. L. 105–33, Sec. 5509(d)(2), substituted ", to the extent available, county-by-county" for "the county-by-county".

Subsec. (j). Pub. L. 105–33, Sec. 5001(f), added subsec. (j).

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106–169 effective as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, see section 401(q) of Pub. L. 106–169, set out as a note under section 602 of this title.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 5509 of Pub. L. 105–33 effective as if included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104–193, at the time such section 103(a) became law, see section 5518(a) of Pub. L. 105–33, set out as a note under section 602 of this title.

Amendment by section 5514(c) of Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective Aug. 22, 1996, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

COORDINATION OF SUBSTANCE ABUSE AND CHILD PROTECTION SERVICES

Pub. L. 105–89, title IV, Sec. 405, Nov. 19, 1997, 111 Stat.

2135, provided that: "Within 1 year after the date of the enactment

of this Act [Nov. 19, 1997], the Secretary of Health and Human Services, based on information from the Substance Abuse and Mental Health Services Administration and the Administration for Children and Families in the Department of Health of [sic] Human Services, shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report which describes the extent and scope of the problem of substance abuse in the child welfare population, the types of services provided to such population, and the outcomes resulting from the provision of such services to such population. The report shall include recommendations for any legislation that may be needed to improve coordination in providing such services to such population."

GAO STUDY OF EFFECT OF FAMILY VIOLENCE ON NEED FOR PUBLIC ASSISTANCE

Section 5001(i) of Pub. L. 105-33 provided that:

"(1) Study. – The Comptroller General shall conduct a study of the effect of family violence on the use of public assistance programs, and in particular the extent to which family violence prolongs or increases the need for public assistance.

"(2) Report. – Within 1 year after the date of the enactment of this Act [Aug. 5, 1997], the Comptroller General shall submit to the Committees on Ways and Means and Education and the Workforce of the House of Representatives and the Committee on Finance of the Senate a report that contains the findings of the study required by paragraph (1)."

STUDY ON ALTERNATIVE OUTCOMES MEASURES

Section 107 of Pub. L. 104–193, as amended by Pub. L. 105–33, title V, Sec. 5511, Aug. 5, 1997, 111 Stat. 619, provided that:

"(a) Study. – The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act [section 607 of this title]. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State–by–State basis and a preliminary assessment of the effects of section 408(a)(7)(C) of such Act [section 608(a)(7)(C) of this title].

"(b) Report. – Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a)."

–SECRET–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 603, 612, 1308 of this title.

–FOOTNOTE–

(!1) So in original. Probably should be "sections".

(!2) So in original.

–End–

–CITE–

42 USC Sec. 614 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 614. Study by Census Bureau

–STATUTE–

(a) In general

The Bureau of the Census shall continue to collect data on the 1992 and 1993 panels of the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low–income families, and in doing so, shall pay particular attention to the issues of out–of–wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells, and shall obtain information about the status of children participating in such

panels.

(b) Appropriation

Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated \$10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a) of this section.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 414, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2156; amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–REFTEXT–

REFERENCES IN TEXT

Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec. (a), is title I of Pub. L. 104–193, Aug. 22, 1996, 110 Stat. 2110. For complete classification of this title to the Code, see Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 614, act Aug. 14, 1935, ch. 531, title IV, Sec. 414, as added Aug. 13, 1981, Pub. L. 97–35, title XXIII, Sec. 2308, 95 Stat. 848; amended July 18, 1984, Pub. L. 98–369, div. B, title VI, Secs. 2638(a), 2663(c)(7)(A), 98 Stat. 1143, 1166, related to work supplementation program, prior to repeal by Pub. L. 100–485, title II, Secs. 202(b)(13), 204(a), (b)(1)(A), Oct. 13, 1988, 102

Stat. 2378, 2381, effective Oct. 1, 1990, with provision for earlier effective dates in case of States making certain changes in their State plans and formally notifying the Secretary of Health and Human Services of their desire to become subject to the amendments by title II of Pub. L. 100–485, at such earlier effective dates.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the provision of Pub. L. 104–193 amended at the time the provision became law, see section 5518(d) of Pub. L. 105–33, set out as a note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104–193, as amended, set out as a note under section 601 of this title.

–SECREf–

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 9844 of this title.

–End–

–CITE–

42 USC Sec. 615 01/06/03

–EXPCITE–

TITLE 42 – THE PUBLIC HEALTH AND WELFARE

CHAPTER 7 – SOCIAL SECURITY

SUBCHAPTER IV – GRANTS TO STATES FOR AID AND SERVICES TO NEEDY

FAMILIES WITH CHILDREN AND FOR CHILD–WELFARE

SERVICES

Part A – Block Grants to States for Temporary Assistance for Needy

Families

–HEAD–

Sec. 615. Waivers

–STATUTE–

(a) Continuation of waivers

(1) Waivers in effect on August 22, 1996

(A) In general

Except as provided in subparagraph (B), if any waiver granted to a State under section 1315 of this title or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is in effect as of August 22, 1996, the amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (other than by section 103(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) shall not

apply with respect to the State before the expiration
(determined without regard to any extensions) of the waiver to
the extent such amendments are inconsistent with the waiver.

(B) Financing limitation

Notwithstanding any other provision of law, beginning with
fiscal year 1996, a State operating under a waiver described in
subparagraph (A) shall be entitled to payment under section 603
of this title for the fiscal year, in lieu of any other payment
provided for in the waiver.

(2) Waivers granted subsequently

(A) In general

Except as provided in subparagraph (B), if any waiver granted
to a State under section 1315 of this title or otherwise which
relates to the provision of assistance under a State plan under
this part (as in effect on September 30, 1996) is submitted to
the Secretary before August 22, 1996, and approved by the
Secretary on or before July 1, 1997, and the State demonstrates
to the satisfaction of the Secretary that the waiver will not
result in Federal expenditures under subchapter IV of this
chapter (as in effect without regard to the amendments made by
the Personal Responsibility and Work Opportunity Reconciliation
Act of 1996) that are greater than would occur in the absence
of the waiver, the amendments made by the Personal
Responsibility and Work Opportunity Reconciliation Act of 1996
(other than by section 103(c) of the Personal Responsibility
and Work Opportunity Reconciliation Act of 1996) shall not

apply with respect to the State before the expiration
(determined without regard to any extensions) of the waiver to
the extent the amendments made by the Personal Responsibility
and Work Opportunity Reconciliation Act of 1996 are
inconsistent with the waiver.

(B) No effect on new work requirements

Notwithstanding subparagraph (A), a waiver granted under
section 1315 of this title or otherwise which relates to the
provision of assistance under a State program funded under this
part (as in effect on September 30, 1996) shall not affect the
applicability of section 607 of this title to the State.

(b) State option to terminate waiver

(1) In general

A State may terminate a waiver described in subsection (a) of
this section before the expiration of the waiver.

(2) Report

A State which terminates a waiver under paragraph (1) shall
submit a report to the Secretary summarizing the waiver and any
available information concerning the result or effect of the
waiver.

(3) Hold harmless provision

(A) In general

Notwithstanding any other provision of law, a State that, not
later than the date described in subparagraph (B) of this
paragraph, submits a written request to terminate a waiver
described in subsection (a) of this section shall be held

harmless for accrued cost neutrality liabilities incurred under the waiver.

(B) Date described

The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after August 22, 1996.

(c) Secretarial encouragement of current waivers

The Secretary shall encourage any State operating a waiver described in subsection (a) of this section to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

(d) Continuation of individual waivers

A State may elect to continue 1 or more individual waivers described in subsection (a) of this section.

–SOURCE–

(Aug. 14, 1935, ch. 531, title IV, Sec. 415, as added Pub. L. 104–193, title I, Sec. 103(a)(1), Aug. 22, 1996, 110 Stat. 2157; amended Pub. L. 105–33, title V, Sec. 5514(c), Aug. 5, 1997, 111 Stat. 620.)

–REFTEXT–

REFERENCES IN TEXT

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, referred to in subsec. (a)(1)(A), (2)(A), is Pub. L. 104–193, Aug. 22, 1996, 110 Stat. 2105. Section 103(c) of the Act amended sections 602 and 603 of this title. For complete

classification of this Act to the Code, see Short Title of 1996

Amendment note set out under section 1305 of this title and Tables.

–MISC1–

PRIOR PROVISIONS

A prior section 615, act Aug. 14, 1935, ch. 531, title IV, Sec.

415, as added Aug. 13, 1981, Pub. L. 97–35, title XXIII, Sec.

2320(b)(2), 95 Stat. 857; amended July 18, 1984, Pub. L. 98–369,

div. B, title VI, Secs. 2635, 2663(c)(7)(B), 98 Stat. 1142, 1166,

related to attribution of income and resources of sponsor and

spouse to alien, prior to repeal by Pub. L. 104–193, Sec.

103(a)(1), as amended by Pub. L. 105–33, title V, Sec. 5514(c),

Aug. 5, 1997, 111 Stat. 620.

AMENDMENTS

1997 – Pub. L. 105–33 made technical amendment to directory

language of Pub. L. 104–193, Sec. 103(a)(1), which enacted this

section.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–33 effective as if included in the

provision of Pub. L. 104–193 amended at the time the provision

became law, see section 5518(d) of Pub. L. 105–33, set out as a

note under section 862a of Title 21, Food and Drugs.

EFFECTIVE DATE

Section effective July 1, 1997, with transition rules relating to

State options to accelerate such date, rules relating to claims,

actions, and proceedings commenced before such date, rules relating

to closing out of accounts for terminated or substantially modified

programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, as amended, set out as a note under section 601 of this title.

-End-