

107TH CONGRESS
2D SESSION

S. 2624

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2002

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

A BILL

To amend part A of title IV of the Social Security Act to require a comprehensive strategic plan for the State temporary assistance to needy families program.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Self Sufficiency and
5 Accountability Act of 2002”.

6 **SEC. 2. COMPREHENSIVE STRATEGIC TANF PLAN.**

7 (a) IN GENERAL.—Section 402 of the Social Security
8 Act (42 U.S.C. 602) is amended to read as follows:

1 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

2 “(a) IN GENERAL.—As used in this part, the term
3 ‘eligible State’ means, with respect to a fiscal year, a State
4 that, during the 27-month period ending with the close
5 of the 1st quarter of the fiscal year, has submitted to the
6 Secretary, and revised when necessary in accordance with
7 subsection (b), a written plan that the Secretary has found
8 includes the following:

9 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
10 GRAM.—

11 “(A) PROGRAMMATIC INFORMATION.—In-
12 formation relating to the State program, includ-
13 ing the following:

14 “(i) With respect to each program
15 that will be funded under this part, or with
16 qualified State expenditures claimed by the
17 State to meet the requirements of section
18 409(a)(7), over the 2-year period for which
19 the plan is being submitted—

20 “(I) the name of the program;

21 “(II) the goals of the program;

22 “(III) a description of the bene-
23 fits and services provided in the pro-
24 gram;

25 “(IV) a description of principal
26 eligibility rules and populations served

1 under the program, including the cir-
2 cumstances under which the State
3 provides benefits or services to indi-
4 viduals who are not citizens of the
5 United States;

6 “(V) a description of how the
7 State will ensure fair and equitable
8 treatment among program applicants
9 and recipients and how the State will
10 provide opportunities for applicants
11 and recipients who have been ad-
12 versely affected to be heard in a State
13 administrative or appeal process, in-
14 cluding a description of the steps that
15 the State has taken (or will take) to
16 ensure—

17 “(aa) compliance with non-
18 discrimination, civil rights, and
19 employment laws throughout the
20 process of providing services
21 under this part, including at the
22 time of application for benefits,
23 during the applicant assessment
24 process, when determining avail-
25 ability of an eligibility for bene-

1 fits and services, during the ac-
2 tual delivery of services or bene-
3 fits, and when deciding to termi-
4 nate benefits in full or in part;
5 and

6 “(bb) that program appli-
7 cants and recipients are aware of
8 their rights and the process for
9 enforcing their rights; and

10 “(VI) a description of how the
11 program meets 1 or more of the pur-
12 poses described in section 401 or, in
13 the case of a program funded with
14 qualified State expenditures, how the
15 program meets the criteria in section
16 409(a)(7)(B).

17 “(ii) With respect to each program
18 that will be funded under this part, or with
19 qualified State expenditures claimed by the
20 State to meet the requirements of section
21 409(a)(7), over the 2-year period for which
22 the plan is being submitted and that pro-
23 vides assistance—

24 “(I) a description of the applica-
25 ble financial and nonfinancial eligi-

1 bility rules including, income eligibility
2 thresholds, the treatment of earnings,
3 asset eligibility rules, and excluded
4 forms of income;

5 “(II) a description of applicable
6 work-related requirements, including
7 which adults are required to partici-
8 pate in such activities, the activities in
9 which they can participate, the cri-
10 teria for determining the activity an
11 adult is assigned to, and the proce-
12 dures used to screen and assess par-
13 ticipants for barriers to employment
14 including physical or mental impair-
15 ments, substance abuse, learning dis-
16 abilities, domestic violence, inadequate
17 or unstable housing and very low
18 basic skills;

19 “(III) a description of applicable
20 time limit policies, including the
21 length of the time limit, exemption
22 and extension policies, and procedures
23 and policies for providing services to
24 families reaching time limits and who

1 have lost assistance due to time limits;
2 and
3 “(IV) a description of applicable
4 sanction policies and procedures, in-
5 cluding the program requirements for
6 which a sanction can be applied for
7 failure to comply, the amount and du-
8 ration of sanctions, the State-defined
9 criteria that constitute good cause for
10 failing to meet each program require-
11 ment for which a sanction may be im-
12 posed, how the State will comply with
13 the requirement in section 407(e)(2),
14 and the procedures in place to identify
15 families who are unable to comply
16 with program requirements due to
17 various barriers (such as physical or
18 mental impairments, domestic vio-
19 lence, unavailable or inaccessible child
20 care, illiteracy, lack of English pro-
21 ficiency) and procedures for providing
22 services to those families rather than
23 imposing a sanction on them.
24 “(iii) A description of—

1 “(I) the primary problems that
2 families receiving assistance, and fam-
3 ilies who have recently stopped receiv-
4 ing assistance, under the State pro-
5 gram funded under this part, or under
6 a program funded with qualified State
7 expenditures as defined in section
8 407(a)(7), experience in securing and
9 retaining adequate, affordable housing
10 and the estimated extent of each such
11 problem, including the price of such
12 housing in various parts of the State
13 that include a large proportion of re-
14 cipients of assistance under the State
15 program, and the steps that have been
16 and will be taken by the State and
17 other public or private entities that
18 administer housing programs to ad-
19 dress these problems; and

20 “(II) the methods the State has
21 adopted to identify barriers to work
22 posed by the living arrangement,
23 housing cost, and housing location of
24 individuals eligible for participation in
25 the State program funded under this

1 part and the services and benefits
2 that have been or will be provided by
3 the State and other public or private
4 entities to help families overcome such
5 barriers.

6 “(iv) A description of the steps the
7 State will take to restrict the use and dis-
8 closure of information about individuals
9 and families applying for or receiving as-
10 sistance under a program funded under
11 this part, or with qualified State expendi-
12 tures as defined in section 409(a)(7).

13 “(v) A description of how the State
14 will ensure the availability of a stable and
15 professional workforce in the administra-
16 tion of the State program under this part
17 with the resources, skills, and expertise
18 necessary to successfully carry out the pro-
19 gram, including a description of the plan
20 of the State to provide program staff with
21 training on the following:

22 “(I) Program information and
23 services.

24 “(II) The rights of recipients of
25 assistant under all laws applicable to

1 the activities of the program, includ-
2 ing nondiscrimination and employ-
3 ment laws.

4 “(III) Cultural diversity and sen-
5 sitivity.

6 “(IV) Referral of recipients of as-
7 sistance to all appropriate programs
8 and services for which such recipients
9 are eligible.

10 “(V) Screening of recipients of
11 assistance for serious barriers to em-
12 ployment and referral to qualified spe-
13 cialists.

14 “(vi) A description of the steps that
15 the State has taken to inform applicants
16 for and recipients of assistance under the
17 State program under this part of their
18 rights and obligations under such program.
19 Such description shall include—

20 “(I) an explanation of the man-
21 ner in which the State will ensure that
22 such information is communicated ef-
23 fectively to all such individuals, in-
24 cluding how the State will provide ap-

1 appropriate translation or interpretation
2 services where necessary; and

3 “(II) an assurance that the com-
4 munication of such information will
5 take place throughout the service de-
6 livery and processing.

7 “(B) INFORMATION ABOUT PROGRAMS DE-
8 SIGNED OR IMPLEMENTED AT SUB-STATE LEV-
9 ELS.—With respect to any program described
10 in clauses (i) or (ii) of subparagraph (A) in
11 which the State permits counties or other sub-
12 state entities to design their own rules with re-
13 spect to any of the information required under
14 such clauses, the State plan shall be designed to
15 reflect the policies of each such county or sub-
16 state entity.

17 “(C) STATE GOALS AND BENCHMARKS.—
18 For each purpose contained in section 401(a),
19 the State plan shall provide the following infor-
20 mation:

21 “(i) A description of specific goals the
22 State will attempt to achieve over the suc-
23 ceeding 5-year period to further that pur-
24 pose.

1 “(ii) A description of how the State
2 intends to meet the goals described in
3 clause (i) over such 5-year period and a de-
4 scription of the steps the State will take
5 during such period to work toward achiev-
6 ing such goals.

7 “(iii) A description of performance
8 measures that will be used to measure
9 progress made by the State toward achiev-
10 ing each such goal, including the method-
11 ology for computing such measures. Each
12 performance and outcome measure de-
13 scribed in the State plan under this sub-
14 paragraph shall be reported by the State
15 annually in a form prescribed by the Sec-
16 retary.

17 “(iv) An identification of those key
18 factors external to the program and be-
19 yond the control of the State that could
20 significantly affect the attainment of the
21 goals.

22 “(v) A description of any additional
23 evaluation methods the State will use to
24 measure progress made by the State to-
25 ward achieving such goals.

1 “(2) MINIMUM PARTICIPATION RATES.—A de-
2 scription of how the minimum participation rates
3 specified in section 407 will be satisfied.

4 “(3) ESTIMATE OF EXPENDITURES.—An esti-
5 mate of the total amount of State or local expendi-
6 tures under all programs described in clauses (i) or
7 (ii) of paragraph (1)(A) for the fiscal year in which
8 the plan is submitted.

9 “(4) SPECIAL PROVISIONS.—

10 “(A) CERTIFICATION REGARDING ASSESS-
11 MENT OF REGIONAL ECONOMIES AND INFORM-
12 ING LOCALITIES OF SECTORAL LABOR SHORT-
13 AGES AND IDENTIFICATION OF SELF-SUFFI-
14 CIENCY STANDARD.—

15 “(i) IN GENERAL.—A certification by
16 the chief executive officer of the State that,
17 during the fiscal year, the State will—

18 “(I) assess its regional economies
19 and provide information to political
20 subdivisions of the State about the in-
21 dustrial sectors that are experiencing
22 a labor shortage and that provide
23 higher entry-level wage opportunities
24 for unemployed and underemployed

1 job seekers identified in accordance
2 with section 411(e); and

3 “(II) identify the self-sufficiency
4 standards for families after the fami-
5 lies cease to receive assistance under
6 the State program funded under this
7 part in accordance with clause (ii).

8 “(ii) REQUIREMENTS FOR IDENTI-
9 FICATION OF SELF-SUFFICIENCY STAND-
10 ARDS.—

11 “(I) IN GENERAL.—The State
12 shall provide to the Secretary a docu-
13 ment adopted or developed by the
14 State, that—

15 “(aa) describes the income
16 needs of families (in this part re-
17 ferred to as ‘State self-sufficiency
18 standards’) based on family size,
19 the number and ages of children
20 in the family, and sub-State geo-
21 graphical considerations; and

22 “(bb) if the State has a size-
23 able Native American population,
24 includes information specific to
25 the needs of that population.

1 “(II) CRITERIA.—The State self-
2 sufficiency standards shall separately
3 specify the monthly costs of housing,
4 food, child care, transportation, health
5 care, other basic needs, and taxes (in-
6 cluding tax benefits), and shall be de-
7 termined using national, State and
8 local data on the cost of purchasing
9 goods and services in the marketplace.

10 “(III) CATEGORIES OF FAMI-
11 LIES.—The State self-sufficiency
12 standards shall categorize families—

13 “(aa) by whether there are 1
14 or 2 adults in the family;

15 “(bb) by whether there are
16 0, 1, 2, 3, or more than 3 chil-
17 dren in the family; and

18 “(cc) by the age of each
19 child in the family, according to
20 whether a child is an infant, of
21 pre-school age, of school age, or a
22 teenager.

23 “(IV) REGULATIONS.—The Sec-
24 retary shall prescribe the protocols,
25 criteria, cost categories, definitions,

1 and means of making inflation adjust-
2 ments to be used in developing self-
3 sufficiency standards pursuant to this
4 clause, which shall be based on com-
5 monly accepted definitions of ade-
6 quacy, such as those used for estab-
7 lishing fair market rents, and that re-
8 flect, to the extent possible, consensus
9 and use among those calculating fam-
10 ily budgets and self-sufficiency stand-
11 ards.

12 “(V) DATA.—The self-sufficiency
13 standards developed pursuant to this
14 clause shall be—

15 “(aa) recalculated on adop-
16 tion if the data on which the
17 standards are based is more than
18 3 years old;

19 “(bb) recalculated every 5
20 years after adoption; and

21 “(cc) updated for inflation
22 each year after adoption in which
23 the standards are not be recal-
24 culated pursuant to item (bb).

1 “(VI) TECHNICAL ASSISTANCE IN
2 DEVELOPING STANDARDS.—The Sec-
3 retary may provide financial or tech-
4 nical assistance to an eligible State to
5 enable the State to develop or improve
6 the State self-sufficiency standards
7 and produce State reports required by
8 section 411(d). The Secretary shall
9 carry out this paragraph by making a
10 grant to, or entering into a contract
11 with an organization or institution
12 with substantial experience in calcu-
13 lating and implementing on the State
14 level family budgets and self-suffi-
15 ciency standards. An organization or
16 institution desiring to provide tech-
17 nical assistance described in this sub-
18 clause shall submit to the Secretary
19 an application at such time, in such
20 manner, and accompanied by such in-
21 formation as the Secretary may re-
22 quire.

23 “(B) CERTIFICATION THAT THE STATE
24 WILL OPERATE A CHILD SUPPORT ENFORCE-
25 MENT PROGRAM.—A certification by the chief

1 executive officer of the State that, during the
2 fiscal year, the State will operate a child sup-
3 port enforcement program under the State plan
4 approved under part D.

5 “(C) CERTIFICATION THAT THE STATE
6 WILL OPERATE A FOSTER CARE AND ADOPTION
7 ASSISTANCE PROGRAM.—A certification by the
8 chief executive officer of the State that, during
9 the fiscal year, the State will operate a foster
10 care and adoption assistance program under the
11 State plan approved under part E, and that the
12 State will take such actions as are necessary to
13 ensure that children receiving assistance under
14 such part are eligible for medical assistance
15 under the State plan under title XIX.

16 “(D) CERTIFICATION OF THE ADMINISTRA-
17 TION OF THE PROGRAM.—A certification by the
18 chief executive officer of the State specifying
19 which State agency or agencies will administer
20 and supervise the family assistance program re-
21 ferred to in paragraph (1) for the fiscal year,
22 which shall include assurances that local gov-
23 ernments and private sector organizations—

24 “(i) have been consulted regarding the
25 plan and design of welfare services in the

1 State so that services are provided in a
2 manner appropriate to local populations;
3 and

4 “(ii) have had at least 45 days to sub-
5 mit comments on the plan and the design
6 of such services.

7 “(E) CERTIFICATION THAT THE STATE
8 WILL PROVIDE INDIANS WITH EQUITABLE AC-
9 CESS TO ASSISTANCE.—A certification by the
10 chief executive officer of the State that, during
11 the fiscal year, the State will provide each mem-
12 ber of an Indian tribe, who is domiciled in the
13 State and is not eligible for assistance under a
14 tribal family assistance plan approved under
15 section 412, with equitable access to assistance
16 under the State program.

17 “(F) CERTIFICATION OF STANDARDS AND
18 PROCEDURES TO ENSURE AGAINST PROGRAM
19 FRAUD AND ABUSE.—A certification by the
20 chief executive officer of the State that the
21 State has established and is enforcing stand-
22 ards and procedures to ensure against program
23 fraud and abuse, including standards and pro-
24 cedures concerning nepotism, conflicts of inter-
25 est among individuals responsible for the ad-

1 ministration and supervision of the State pro-
2 gram, kickbacks, and the use of political pa-
3 tronage.

4 “(G) OPTIONAL CERTIFICATION OF STAND-
5 ARDS AND PROCEDURES TO ENSURE THAT THE
6 STATE WILL SCREEN FOR AND IDENTIFY DO-
7 MESTIC VIOLENCE.—

8 “(i) IN GENERAL.—At the option of
9 the State, a certification by the chief exec-
10 utive officer of the State that the State has
11 established and is enforcing standards and
12 procedures to—

13 “(I) screen and identify individ-
14 uals receiving assistance under this
15 part with a history of domestic vio-
16 lence while maintaining the confiden-
17 tiality of such individuals;

18 “(II) refer such individuals to
19 counseling and supportive services;
20 and

21 “(III) waive, pursuant to a deter-
22 mination of good cause, other pro-
23 gram requirements such as time limits
24 (for so long as necessary) for individ-
25 uals receiving assistance, residency re-

1 requirements, child support cooperation
2 requirements, and family cap provi-
3 sions, in cases where compliance with
4 such requirements would make it
5 more difficult for individuals receiving
6 assistance under this part to escape
7 domestic violence or unfairly penalize
8 such individuals who are or have been
9 victimized by such violence, or individ-
10 uals who are at risk of further domes-
11 tic violence.

12 “(ii) DOMESTIC VIOLENCE DE-
13 FINED.—For purposes of this subpara-
14 graph, the term ‘domestic violence’ has the
15 same meaning as the term ‘battered or
16 subjected to extreme cruelty’, as defined in
17 section 408(a)(7)(C)(iii).

18 “(b) PROCEDURES FOR SUBMITTING AND AMENDING
19 STATE PLANS.—

20 “(1) STANDARD STATE PLAN FORMAT.—The
21 Secretary shall, after notice and public comment, de-
22 velop a proposed Standard State Plan Form to be
23 used by States under subsection (a). Such form shall
24 be finalized by the Secretary for use by the State
25 not later than February 1, 2003.

1 “(2) REQUIREMENT FOR COMPLETED PLAN
2 USING STANDARD STATE PLAN FORMAT BY FISCAL
3 YEAR 2004.—Notwithstanding any other provision
4 of law, each State shall submit a complete State
5 plan, using the Standard State Plan Form developed
6 under paragraph (1), not later than October 1,
7 2003.

8 “(3) PUBLIC NOTICE AND COMMENT.—Prior to
9 submitting a State plan to the Secretary under this
10 section, the State shall—

11 “(A) make the proposed State plan avail-
12 able to the public through an appropriate State
13 maintained Internet web site and through other
14 means as the State determines appropriate;

15 “(B) allow for a reasonable public com-
16 ment period of not less than 45 days; and

17 “(C) make comments received concerning
18 such plan or, at the discretion of the State, a
19 summary of the comments received available to
20 the public through such web site and through
21 other means as the State determines appro-
22 priate.

23 “(4) PUBLIC AVAILABILITY OF STATE PLAN.—
24 A State shall ensure that the State plan, that is in
25 effect for any fiscal year, is available to the public

1 through an appropriate State maintained Internet
2 web site and through other means as the State de-
3 termines appropriate.

4 “(5) AMENDING THE STATE PLAN.—A State
5 shall file an amendment to the State plan with the
6 Secretary if the State determines that there has
7 been a material change in any information required
8 to be included in the State plan or any other infor-
9 mation the State has included in the plan, including
10 substantial changes in the use of funding. Prior to
11 submitting an amendment to the State plan to the
12 Secretary, the State shall—

13 “(A) make the proposed amendment avail-
14 able to the public as provided for in paragraph
15 (3)(A);

16 “(B) allow for a reasonable public com-
17 ment period of not less than 45 days; and

18 “(C) make the comments available as pro-
19 vided for in paragraph (3)(C).”.

20 (b) CONFORMING AMENDMENT.—Section
21 408(5)(B)(i) of the Social Security Act (42 U.S.C.
22 608(5)(B)(i)) is amended by striking “referred to in sec-
23 tion 402(a)(4)”.

1 **SEC. 3. MONITORING OF FEDERAL AND STATE EFFORTS;**
2 **ASSESSMENT OF REGIONAL ECONOMIES.**

3 (a) **GENERAL REPORTING REQUIREMENT.**—Section
4 411(a) of the Social Security Act (42 U.S.C. 611(a)) is
5 amended—

6 (1) by redesignating paragraph (7) as para-
7 graph (9); and

8 (2) by inserting after paragraph (6), the fol-
9 lowing:

10 “(7) **SELF-SUFFICIENCY STANDARD.**—The re-
11 port required by paragraph (1) for a fiscal quarter
12 shall include a description of the self-sufficiency
13 standard identified for families in accordance with
14 section 402(a)(4)(A)(ii).

15 “(8) **INFORMATION REGARDING CIVIL**
16 **RIGHTS.**—As part of the information collected and
17 reported under paragraph (1), the State shall in-
18 clude information on the number of complaints filed
19 by applicants for or recipients of assistance under
20 the State program under this part that allege civil
21 rights or employment law violations and the status
22 of such complaints, including the number of com-
23 plaints pending at the time the report is prepared.
24 Such information shall be delineated by alleged vio-
25 lation, the number of resolutions during the report-
26 ing period in favor of and against the complainants,

1 and the average length of time to process com-
2 plaints.”.

3 (b) ANNUAL REPORTS TO CONGRESS.—Section
4 411(b) of the Social Security Act (42 U.S.C. 611(b)) is
5 amended—

6 (1) in paragraph (3), by striking “and” at the
7 end;

8 (2) in paragraph (4), by striking the period and
9 inserting ; and”; and

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

11 “(5) the status of civil rights complaints filed
12 under this part with the Office of Civil Rights of the
13 Department of Health and Human Services by ap-
14 plicants for or recipients of assistance under a State
15 program, including the number of complaints pend-
16 ing at the time the report is prepared delineated by
17 alleged violation, the number of resolutions during
18 the reporting period in favor of and against the com-
19 plainants, and the average length of time to process
20 complaints.”.

21 (c) ANNUAL ASSESSMENT OF REGIONAL ECONO-
22 MIES; ANNUAL REPORT ON PROGRAMS AND SERVICES
23 LEADING TO SELF-SUFFICIENCY.—Section 411 of the So-
24 cial Security Act (42 U.S.C. 611) is amended by adding
25 at the end the following:

1 “(c) ASSESSMENT OF REGIONAL ECONOMIES TO
2 IDENTIFY HIGHER ENTRY LEVEL WAGE OPPORTUNITIES
3 IN INDUSTRIES EXPERIENCING LABOR SHORTAGES.—

4 “(1) IN GENERAL.—An eligible State annually
5 shall conduct an assessment of its regional econo-
6 mies to identify higher entry level wage opportunities
7 in industries experiencing labor market shortages.

8 “(2) MATTERS TO BE ASSESSED.—

9 “(A) LABOR MARKET.—The assessment
10 shall—

11 “(i) identify industries or occupations
12 that have or expect to grow, that have or
13 expect a loss of skilled workers, or that
14 have a need for workers;

15 “(ii) identify the entry-level education
16 and skills requirements for the industries
17 or occupations that have or expect a need
18 for workers; and

19 “(iii) analyze the entry-level wages
20 and benefits in identified industries or oc-
21 cupations.

22 “(B) JOB SEEKERS.—The assessment shall
23 create a profile in each regional economy in the
24 State, of the characteristics of the unemployed
25 and underemployed residents of such regional

1 economy, including educational attainment, bar-
2 riers to employment, geographic concentrations,
3 self-sufficiency needs, and availability and utili-
4 zation of need support services.

5 “(C) EDUCATION AND TRAINING INFRA-
6 STRUCTURE.—The assessment shall create a
7 profile, in each regional economy in the State of
8 the education, training, and support services in
9 place in such regional economy to prepare work-
10 ers for the industries or occupations identified
11 pursuant to subparagraph (A).

12 “(D) ALIGNING INDUSTRIES AND JOB
13 SEEKERS.—The assessment shall compare the
14 characteristics of the industries or occupations
15 identified pursuant to subparagraph (A) to the
16 profile of the job seekers in the State and the
17 profile of the education and training infrastruc-
18 ture in the State.

19 “(3) SHARING OF INFORMATION WITH LOCAL-
20 TIES.—The State shall share with all counties, mu-
21 nicipalities, local workforce investment boards estab-
22 lished under section 117 of the Workforce Invest-
23 ment Act of 1998 (29 U.S.C. 2832), and other ap-
24 propriate political subdivisions of the State, informa-
25 tion obtained pursuant to this subsection regarding

1 higher entry-wage job opportunities in industries ex-
2 periencing labor shortages, and information regard-
3 ing opportunities for collaboration with institutions
4 of higher education, community-based organizations,
5 and economic development and welfare agencies.

6 “(4) REPORTS OF ASSESSMENT OF REGIONAL
7 ECONOMIES.—Each eligible state shall submit to the
8 Secretary annually a report that contains the annual
9 assessment conducted pursuant to this subsection.

10 “(d) ANNUAL REPORT ON PROGRAMS AND SERVICES
11 LEADING TO SELF-SUFFICIENCY.—A State to which a
12 grant is made under section 403(a) for a fiscal year shall
13 submit to the Secretary a report that describes, with re-
14 spect to the preceding fiscal year—

15 “(1) a description of the ways in which the
16 State program funded under this part, and support
17 services provided by the State to recipients of assist-
18 ance under that program, moved families toward
19 self-sufficiency, and that highlights the programs
20 and services that appeared to have a particularly
21 positive effect on families achieving self-sufficiency;

22 “(2) the total family income for families that
23 left the State program funded under this part (in-
24 cluding earnings, unemployment compensation, and
25 child support); and

1 “(3) the benefits received by families that have
2 left the State program funded under this part (in-
3 cluding benefits under the food stamp program
4 under the Food Stamp Act of 1977, the medicaid
5 program under title XIX, the State children’s health
6 insurance program under title XXI, earned income
7 tax credits, and housing assistance).”.

8 (d) RESEARCH, EVALUATIONS, AND NATIONAL
9 STUDIES.—Section 413(h) of the Social Security Act (42
10 U.S.C. 613(h)) is amended by adding at the end the fol-
11 lowing:

12 “(4) TECHNICAL ASSISTANCE IN ASSESSING RE-
13 GIONAL ECONOMIES.—

14 “(A) IN GENERAL.—The Secretary may
15 provide technical assistance to an eligible State
16 to enable the State to conduct the assessments
17 required by section 411(c).

18 “(B) LIMITATIONS ON AUTHORIZATION OF
19 APPROPRIATIONS.—For the cost of providing
20 technical assistance under subparagraph (A),
21 there are authorized to be appropriated to the
22 Secretary not more than \$1,500,000 for each
23 fiscal year in which amounts are appropriated
24 to carry out the State programs funded under
25 this part.”.

1 **SEC. 4. PENALTY FOR FAILURE TO COMPLY WITH FAIR**
2 **TREATMENT REQUIREMENTS.**

3 Section 409(a)(7) of the Social Security Act (42
4 U.S.C. 609(a)(7)) is amended by adding at the end the
5 following:

6 “(C) INCREASE IN APPLICABLE PERCENT-
7 AGE FOR FAILURE TO COMPLY WITH FAIR
8 TREATMENT REQUIREMENTS.—The applicable
9 percent under subparagraph (B)(ii) with respect
10 to a State shall be increased by 5 percentage
11 points for any year in which the Secretary de-
12 termines that the State has failed to comply
13 with the State plan requirements of clause
14 (i)(V) or (vi) of section 402(a)(1)(A).”.

15 **SEC. 5. EFFECTIVE DATE.**

16 (a) IN GENERAL.—The amendments made by this
17 Act take effect on October 1, 2002.

18 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
19 QUIRED.—In the case of a State plan under section 402
20 of the Social Security Act which the Secretary of Health
21 and Human Services determines requires State legislation
22 (other than legislation appropriating funds) in order for
23 the plan to meet the additional requirements imposed by
24 the amendments made by this Act, the State plan shall
25 not be regarded as failing to comply with the requirements
26 of such section 402 solely on the basis of the failure of

1 the plan to meet such additional requirements before the
2 1st day of the 1st calendar quarter beginning after the
3 close of the 1st regular session of the State legislature that
4 begins after the date of the enactment of this Act. For
5 purposes of the previous sentence, in the case of a State
6 that has a 2-year legislative session, each year of such ses-
7 sion shall be deemed to be a separate regular session of
8 the State legislature.

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