

108TH CONGRESS
1ST SESSION

S. 1786

To revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2003

Mr. ALEXANDER (for himself, Mr. DODD, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Poverty Reduction and Prevention Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT

- Sec. 101. Purposes.
- Sec. 102. Definitions.
- Sec. 103. Authorization of appropriations.
- Sec. 104. Establishment of program.
- Sec. 105. Use of funds.
- Sec. 106. Application and plan.
- Sec. 107. Designation of eligible entities in underserved areas.
- Sec. 108. Tripartite boards.
- Sec. 109. Training, technical assistance, and other activities.
- Sec. 110. Monitoring.
- Sec. 111. Corrective action; termination and reduction of funding.
- Sec. 112. Fiscal controls, audits, and withholding.
- Sec. 113. Accountability and reporting requirement.
- Sec. 114. Limitations on use of funds.
- Sec. 115. Operational rule.
- Sec. 116. Discretionary authority of the secretary.
- Sec. 117. Community food and nutrition programs.
- Sec. 118. National or regional programs designed to provide instructional activities for low-income youth.
- Sec. 119. Short title and conforming amendments.

TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE

- Sec. 201. Short title.
- Sec. 202. Reauthorization.
- Sec. 203. Natural disasters and other emergencies.
- Sec. 204. Residential Energy Assistance Challenge option.
- Sec. 205. Report to Congress.

TITLE III—ASSETS FOR INDEPENDENCE ACT

- Sec. 301. Short title.
- Sec. 302. Reauthorization of the Assets for Independence Act.

1 **TITLE I—COMMUNITY SERVICES** 2 **BLOCK GRANT ACT**

3 **SEC. 101. PURPOSES.**

4 Section 672 of the Community Services Block Grant
5 Act (42 U.S.C. 9901) is amended to read as follows:

6 **“SEC. 672. PURPOSES.**

7 “The purpose of this subtitle is to reduce poverty—

8 “(1) by strengthening and coordinating local ef-

9 forts to expand opportunities for individuals and

10 families to become economically self-sufficient and to

1 improve and revitalize the communities in which low-
2 income Americans live, by providing resources to
3 States for support of local eligible entities and their
4 partners to—

5 “(A) plan, coordinate, and mobilize a
6 broad range of Federal, State, local, and pri-
7 vate assistance or investment in such a manner
8 as to use these resources effectively to reduce
9 poverty and in initiatives that are responsive to
10 specific local needs and conditions;

11 “(B) organize multiple services that meet
12 the needs of low-income families and individ-
13 uals, especially low-wage workers and their fam-
14 ilies, and that assist them in developing the as-
15 sets and skills needed to become self sustaining
16 while ensuring that these services are provided
17 efficiently, in appropriate combinations, and in
18 effective sequence; and

19 “(C) design and implement comprehensive
20 approaches to assist individuals transitioning
21 from the Temporary Assistance to Needy Fami-
22 lies Program to work;

23 “(2) by improving and revitalizing the commu-
24 nities in which low-income Americans live by pro-
25 viding resources to—

1 “(A) broaden the financial resource base of
2 initiatives and projects directed to the elimi-
3 nation of poverty and the re-development of the
4 low-income community, including partnerships
5 with non-governmental and governmental insti-
6 tutions to develop the community assets and
7 services that reduce poverty, such as—

8 “(i) other private, charitable, neigh-
9 borhood-based, and religious organizations;

10 “(ii) individual citizens, and busi-
11 nesses, labor, and professional groups, who
12 are able to influence the quantity and qual-
13 ity of opportunities and services for the
14 poor; and

15 “(iii) local government leadership; and

16 “(B) coordinate or create community-wide
17 assets and services that will have a significant,
18 measurable impact on the causes of poverty in
19 the community and that will help families and
20 individuals to achieve economic self-sufficiency,
21 and test innovative, community-based ap-
22 proaches to attacking the causes and effects of
23 poverty and of community breakdown, includ-
24 ing—

1 “(i) innovative initiatives to prevent
2 and reverse loss of investment, jobs, public
3 services, and infrastructure in low- and
4 moderate-income communities; and

5 “(ii) innovative partnerships to de-
6 velop the assets and services that reduce
7 poverty, as provided for in subparagraph
8 (A); and

9 “(3) by ensuring maximum participation of
10 residents of low-income communities and of mem-
11 bers of the groups served by programs under this
12 subtitle in guiding the eligible entities and in their
13 programs funded under this subtitle to ameliorate
14 the particular problems and needs of low-income
15 residents of their communities and to develop the
16 permanent social and economic assets of the low-in-
17 come community in order to reduce the incidence of
18 poverty.”.

19 **SEC. 102. DEFINITIONS.**

20 Section 673 of the Community Services Block Grant
21 Act (42 U.S.C. 9902) is amended—

22 (1) in paragraph (1)(A)(ii), by striking “or
23 other mechanism”; and

24 (2) in paragraph (2)—

25 (A) in the first sentence—

1 (i) by striking “Office of Management
2 and Budget” and inserting “Department
3 of Health and Human Services”; and

4 (ii) by inserting before the period the
5 following: “and increased, as the Secretary
6 determines appropriate, to take into ac-
7 count higher costs-of-living for a State”;
8 and

9 (B) by striking the last sentence and in-
10 sserting the following: “Whenever a State deter-
11 mines that is has served the objectives of the
12 block grant program established under this sub-
13 title, the State may revise the poverty line,
14 while placing a priority in serving those who are
15 most in need, so that 125 percent of the official
16 poverty line is the minimum level that a State
17 shall be permitted to set as its maximum eligi-
18 bility requirement and 60 percent of the State’s
19 median income is the maximum level that a
20 State shall be permitted to set as its maximum
21 eligibility requirement. The State may revise
22 the poverty line only upon a determination that
23 eligible entities are providing, coordinating, or
24 partnering with means-tested support services
25 for low and moderate-income individuals and

1 families above the official poverty line. Nothing
2 in this paragraph shall be construed to prevent
3 eligible entities from continuing to support indi-
4 viduals and families during their transition
5 from program eligibility to achieve specific goals
6 for their economic security and long-term self-
7 sufficiency as long as priority is given to serv-
8 ing the lowest income individuals who seek serv-
9 ices.”.

10 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 674 of the Community Services Block Grant
12 Act (42 U.S.C. 9903) is amended—

13 (1) in subsection (a), by striking “1999 through
14 2003” and inserting “2004 through 2009”; and

15 (2) in subsection (b)(2)—

16 (A) in subparagraph (A), by striking “or
17 associations” and inserting “and associations”;

18 and

19 (B) in subparagraph (B)—

20 (i) by striking “ $\frac{1}{2}$ of the remainder”

21 and inserting “not less than $\frac{1}{2}$ of the re-
22 mainder”; and

23 (ii) by striking “evaluation and” and
24 inserting “evaluation and training and
25 technical assistance activities and”.

1 **SEC. 104. ESTABLISHMENT OF PROGRAM.**

2 Section 675 of the Community Services Block Grant
3 Act (42 U.S.C. 9904) is amended by striking “through
4 the program” and all that follows through the period and
5 inserting “to States for the purpose of ameliorating the
6 causes of poverty and the conditions caused by poverty
7 in their communities.”.

8 **SEC. 105. USE OF FUNDS.**

9 Section 675C(b) of the Community Services Block
10 Grant Act (42 U.S.C. 9907) is amended—

11 (1) in paragraph (1)—

12 (A) in subparagraph (A), by striking “enti-
13 ties in need of such training and assistance”
14 and inserting “eligible entities and their state-
15 wide associations that strengthens their mana-
16 gerial or programmatic capabilities to reduce
17 poverty”; and

18 (B) by striking subparagraphs (B) through
19 (H), and inserting the following:

20 “(B) supporting statewide coordination
21 and communication among eligible entities and
22 State-operated or supported programs and serv-
23 ices, and other locally-operated programs and
24 services targeted to low-income individuals and
25 their children and families, so as to ensure that
26 local eligible entities’ services are integrated in

1 a manner that allows such low-income indi-
2 vidual and their families to have access to as
3 many sources of assistance as are appropriate
4 to support their progress to economic stability
5 and self-sufficiency;

6 “(C) supporting innovative partnerships,
7 programs, and activities conducted by commu-
8 nity action agencies and their partners includ-
9 ing other community-based organizations to
10 eliminate poverty, promote self-sufficiency, and
11 promote community revitalization, including
12 asset-building programs for low-income individ-
13 uals, such as programs supporting individual
14 development accounts, and home or business
15 ownership;

16 “(D) analyzing the distribution of funds
17 made available under this subtitle within the
18 State to determine if such funds have been tar-
19 geted to the areas of greatest need;

20 “(E) supporting State charity tax credits
21 as described in subsection (c);

22 “(F) supporting the identification of exem-
23 plary grantee agencies or programs as Centers
24 of Innovation and methodology for dissemi-

1 nating innovative programs and other best
2 practices from those agencies statewide;

3 “(G) supporting the development of eligible
4 entities’ partnerships with local law enforce-
5 ment agencies, local housing authorities, private
6 foundations, and other public and private part-
7 ners; and

8 “(H) supporting other activities, consistent
9 with the purposes of this subtitle.”;

10 (2) in paragraph (2), by adding at the end the
11 following: “. The State shall also ensure that all
12 funds distributed under subsection (a) are not used
13 for excessive administrative expenses and that all
14 funds distributed under such subsection used for sal-
15 aries by a local entity are fair and equitable. The
16 State has the authority to determine the appropriate
17 level of funds distributed under subsection (a) that
18 an eligible entity shall use for administrative ex-
19 penses.”.

20 **SEC. 106. APPLICATION AND PLAN.**

21 Section 676 of the Community Services Block Grant
22 Act (42 U.S.C. 9908) is amended—

23 (1) in subsection (b)—

1 (A) in the matter preceding paragraph (1),
2 by inserting “for the Secretary’s approval”
3 after “to the Secretary”;

4 (B) by striking paragraphs (1) through (6)
5 and inserting the following:

6 “(1) an assurance that funds made available
7 through the grant or allotment will be used—

8 “(A) to support activities directly and
9 through eligible entities that are designed to ex-
10 pand opportunities for and assist low-income in-
11 dividuals and their families (including low-in-
12 come workers) to become self-sufficient, includ-
13 ing low-income workers, families, and individ-
14 uals receiving assistance under part A of title
15 IV of the Social Security Act (42 U.S.C. 601 et
16 seq.), homeless families and individuals, mi-
17 grant or seasonal farmworkers, and elderly low-
18 income individuals and families, and a descrip-
19 tion of how such activities will enable the fami-
20 lies and individuals—

21 “(i) to remove obstacles and solve
22 problems that block the achievement of
23 self-sufficiency by organizing and coordi-
24 nating support for those served under
25 paragraph (3);

1 “(ii) to secure and retain employment
2 that provides adequate income with essen-
3 tial benefits;

4 “(iii) to attain an adequate education,
5 with particular attention toward improving
6 literacy and communications and technical
7 skills of the low-income families in the
8 communities involved;

9 “(iv) to make better use of available
10 income and build household assets;

11 “(v) to obtain and maintain adequate
12 housing and a suitable living environment;

13 “(vi) to obtain assistance that is need-
14 ed to resolve family emergencies and indi-
15 vidual needs, to prevent further hardships,
16 and to secure economic independence; and

17 “(vii) to participate fully in the public
18 affairs and management of their commu-
19 nities and the governance of eligible enti-
20 ties; and

21 “(B) to make more effective use of, and to
22 coordinate with, other programs related to the
23 purposes of this subtitle (including State wel-
24 fare reform efforts);

1 “(2) a description of how the State intends to
2 use discretionary funds made available from the re-
3 mainder of the grant or allotment described in sec-
4 tion 675C(b) in accordance with this subtitle, includ-
5 ing a description of how the State will support inno-
6 vative community-based initiatives of eligible entities
7 and their partners related to the purposes of this
8 subtitle;

9 “(3) an assurance that the State has integrated
10 programs of general relevance in its plan, to the ex-
11 tent appropriate to the needs of low-income commu-
12 nities served by the eligible entities, including a de-
13 scription of innovative community and neighborhood-
14 based initiatives such as—

15 “(A) initiatives with the goal of strength-
16 ening families and encouraging effective par-
17 enting, including fatherhood initiatives;

18 “(B) initiatives to assist those moving
19 from welfare to work to obtain jobs at decent
20 wages with benefits, including those low-income
21 individuals and their families who are attempt-
22 ing to transition off a State program carried
23 out under part A of title IV of the Social Secu-
24 rity Act;

1 “(C) programs for the establishment of vi-
2 olence-free zones that would involve youth de-
3 velopment and intervention models that pro-
4 mote youth success (such as models involving
5 youth mediation, youth mentoring, life skills
6 training, job creation, and entrepreneurship
7 programs);

8 “(D) family literacy initiatives;

9 “(E) initiatives to increase the develop-
10 ment of household assets of individuals such as
11 individual development accounts and home-
12 ownership opportunities;

13 “(F) public and private partnerships to
14 foster community development, affordable hous-
15 ing, job creation, and other means of building
16 the assets of low-income communities;

17 “(G) partnerships with local law enforce-
18 ment agencies, which may include participation
19 in community policing, and activities to assist
20 community residents and public safety officials
21 in the event of emergencies, including threats to
22 national security;

23 “(H) initiatives to improve economic condi-
24 tions and mobilize new resources in rural areas
25 and other at-risk areas to eliminate obstacles to

1 the self sufficiency of families and individuals in
2 those communities;

3 “(I) initiatives to help reduce the con-
4 centration of poverty in cities and inner suburbs
5 and provide economic opportunities for individ-
6 uals and families in those areas; and

7 “(J) partnerships with nonprofit or com-
8 munity-based organizations that demonstrate
9 effectiveness in child abuse prevention, includ-
10 ing with programs that are school-based and
11 that focus on adolescent victims, and victim-
12 izers;

13 “(4) an assurance that the State will provide
14 information, including—

15 “(A) a description of the State measure-
16 ment system and results for the performance
17 goals established under section 678E(a)(1)(C);

18 “(B) a description of the service delivery
19 system, for services provided or coordinated
20 with funds made available through grants made
21 under section 675C(a), targeted to low-income
22 individuals and families in communities within
23 the State;

24 “(C) a description of how linkages will be
25 developed to fill identified gaps in the services,

1 through the provision of information, referrals,
2 case management, and followup consultations,
3 and to support mobilization of new resources
4 and partnerships;

5 “(D) a description of how funds made
6 available through grants made under section
7 675C(a) will be coordinated with other public
8 and private resources; and

9 “(E) a description of how the local entity
10 will use the funds to support innovative commu-
11 nity and neighborhood-based initiatives related
12 to the purposes of this subtitle;

13 “(5) an assurance that eligible entities in the
14 State will provide, on an emergency basis, for the
15 provision of such supplies and services, nutritious
16 foods, and related services, as may be necessary to
17 counteract conditions of starvation and malnutrition
18 among low-income individuals;

19 “(6) an assurance that the State has, to avoid
20 duplication of such services, and to ensure that pro-
21 gram gaps are addressed, identified and coordinated
22 with eligible entity programs, with State and local
23 agencies, and with programs that assist low-income
24 individuals and their families, including—

1 “(A) programs carried out under part A of
2 title IV of the Social Security Act, the Work-
3 force Investment Act, and other programs de-
4 signed to coordinate work-related supportive
5 services for families;

6 “(B) programs for expanding housing op-
7 portunities, reducing homelessness, and devel-
8 oping community investment projects;

9 “(C) education programs, including those
10 for preschool and school-aged children and for
11 adults to obtain an adequate education; and

12 “(D) programs designed to support youth,
13 the homeless, migrants, senior citizens, and in-
14 dividuals with disabilities, including programs
15 under the Low-Income Home Energy Assist-
16 ance Act of 1981;”;

17 (C) in paragraph (12), by striking “not
18 later than fiscal year 2001” and inserting “an-
19 nually”;

20 (D) in paragraph (13), by striking the pe-
21 riod and inserting “in sufficient detail to permit
22 verification; and”;

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

24 “(14) beginning with fiscal year 2006, and in
25 each fiscal year thereafter, an assurance that the

1 State is using the procedures described in section
2 678B(b) to monitor eligible entities.”; and

3 (2) by striking subsection (f).

4 **SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDER-**
5 **SERVED AREAS.**

6 Section 676A(b) of the Community Services Block
7 Grant Act (42 U.S.C. 9909(b)) is amended by adding at
8 the end the following: “In granting such designation, the
9 State shall deem private nonprofit eligible entities that are
10 providing related services in the unserved area to be of
11 demonstrated effectiveness, consistent with the needs iden-
12 tified by a community needs assessment.”.

13 **SEC. 108. TRIPARTITE BOARDS.**

14 Section 676B(b) of the Community Services Block
15 Grant Act (42 U.S.C. 9910(b)) is amended—

16 (1) by striking “through—” and all that follows
17 through “a tripartite” in paragraph (1) and insert-
18 ing “through a tripartite”;

19 (2) by striking paragraph (2);

20 (3) in subparagraph (C), by striking “; or” and
21 inserting a period; and

22 (4) by redesignating subparagraphs (A) through
23 (C) as paragraph (1) through (3), respectively and
24 realigning the margins of such paragraphs accord-
25 ingly.

1 **SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER**
2 **ACTIVITIES.**

3 Section 678A of the Community Services Block
4 Grant Act (42 U.S.C. 9913) is amended—

5 (1) in subsection (a)(1)—

6 (A) in subparagraph (A), by striking “cor-
7 rective action” and all that follows through “;
8 and” and inserting “monitoring and such addi-
9 tional corrective actions as may be needed to
10 strengthen the management and programmatic
11 practices of eligible entities;”;

12 (B) by striking subparagraph (B) and in-
13 serting the following:

14 “(B) for State and local performance re-
15 porting and program data collection activities
16 related to programs carried out under this sub-
17 title;

18 “(C) for the preparation of reports pro-
19 vided for in section 678F;

20 “(D) for the development and promulga-
21 tion of a common State Financial and Organi-
22 zational Protocol that is required to be used by
23 States under section 678B(b); and

24 “(E) to distribute amounts in accordance
25 with subsection (c).”;

1 (2) in subsection (b)(2), by striking “an ongoing
2 ing procedure for obtaining input from the national
3 and State networks of eligible entities” and inserting
4 “a strategic plan for annual technical assistance developed
5 in consultation with the national and State
6 networks of eligible entities regarding their management
7 support needs”; and

8 (3) in subsection (c)(1), by striking “management
9 information” and all that follows through the
10 period, and inserting “improving management information
11 and reporting systems, measuring of program results,
12 ensuring responsiveness to identified local needs, and reporting
13 and disseminating successful practices and initiatives”.

15 **SEC. 110. MONITORING.**

16 Section 678B of the Community Services Block
17 Grant Act (42 U.S.C. 9914) is amended—

18 (1) in the section heading by striking “**OF EL-**
19 **IGIBLE ENTITIES**”;

20 (2) in subsection (a)—

21 (A) by striking the subsection heading and
22 inserting “**MONITORING OF ELIGIBLE ENTITIES**”;
23 **TIES**”;

24 (B) in paragraph (1)—

1 (i) by inserting “biennial” after “on-
2 site”; and

3 (ii) by striking “at least once during
4 each 3 year period”;

5 (C) by striking paragraph (2);

6 (D) by redesignating paragraphs (3) and
7 (4) as paragraphs (2) and (3), respectively; and

8 (E) in paragraph (2) (as so redesignated),
9 by inserting “annual” after “Follow-up”;

10 (3) by redesignating subsections (b) and (c) as
11 subsection (c) and (d), respectively;

12 (4) by inserting after subsection (a) the fol-
13 lowing:

14 “(b) FINANCIAL AND ORGANIZATIONAL ASSESSMENT
15 PROTOCOL.—Beginning in fiscal year 2006, States shall
16 implement a financial and organizational assessment pro-
17 tocol to monitor and evaluate the compliance of eligible
18 entities with the financial and administrative requirements
19 of this section. Such protocol shall incorporate the fiscal
20 and organizational review procedures and standards ap-
21 propriate to the management of Federal funds under this
22 subtitle and the governance of the eligible private non-
23 profit corporations or other eligible entities. The Secretary
24 shall require the protocol to be developed jointly by the
25 States and eligible entities and shall assist States in devel-

1 oping appropriate training for personnel monitoring the
 2 uses of funds under this subtitle according to the require-
 3 ments of this section.”; and

4 (5) in subsection (d), as so redesignated, strike
 5 the last sentence and insert the following: “The Sec-
 6 retary shall annually submit a report including the
 7 results of the evaluations conducted under this sub-
 8 title, the State performance reports provided for
 9 pursuant to section 678E(a)(1)(C), and other mate-
 10 rial as provided by section 678E(b)(2) to the Com-
 11 mittee on Education and the Workforce of the
 12 House of Representatives and the Committee on
 13 Health, Education, Labor, and Pensions of the Sen-
 14 ate.”.

15 **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUC-**
 16 **TION OF FUNDING.**

17 Section 678C of the Community Services Block
 18 Grant Act (42 U.S.C. 9915) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (4), by striking “and” at
 21 the end; and

22 (B) by striking paragraph (5) and insert-
 23 ing the following:

24 “(5) if the eligible entity fails to correct the de-
 25 ficiency, notify the entity—

1 “(A) that the State intends to initiate pro-
2 ceedings to terminate the designation of the en-
3 tity as an eligible entity or to reduce, from the
4 previous year, the proportion of the total fund-
5 ing received by the State under this subtitle
6 that is allocated to the eligible entity;

7 “(B) that the eligible entity has the right
8 to a hearing on the record to determine if there
9 is cause for such termination or reduction in
10 funding, as defined in section 676(c), and that
11 the request for a hearing must be made in writ-
12 ing to the State within 30 days of receipt of the
13 notice from the State; and

14 “(C) of the legal basis for the proposed
15 termination or reduction in funding, the factual
16 findings on which the proposed termination or
17 reduction in funding is based or a reference to
18 specific findings in another document that form
19 the basis for the proposed termination or reduc-
20 tion in funding (such as a reference to item
21 numbers in an on-site review report or instru-
22 ment), and citation to any statutory provisions,
23 agreements, regulations, or State plan; and

24 “(6) if the eligible entity requests a hearing,
25 conduct a hearing on the record to determine if

1 there is cause for termination or a reduction in
2 funding, as defined in section 676(e).”;

3 (2) in subsection (b)—

4 (A) by striking “review such a determina-
5 tion” and inserting “review and either approve,
6 or disapprove and reverse, such a determina-
7 tion”;

8 (B) by striking “90 days” each place that
9 such appears and inserting “30 days”; and

10 (C) by striking “90th day” and inserting
11 “30th day”; and

12 (3) in subsection (c), by adding at the end the
13 following: “The Secretary shall continue to fund an
14 eligible entity, in an amount equal to the same pro-
15 portion of total funds received by the State under
16 this subtitle as was allocated to the eligible entity
17 the previous year, until the Secretary approves, or
18 disapproves and reverses, the determination of ter-
19 mination or reduction in funding with respect to the
20 State.”.

21 **SEC. 112. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

22 Section 678D of the Community Services Block
23 Grant Act (42 U.S.C. 9916) is amended—

24 (1) in subsection (a)(1)—

1 (A) in subparagraph (C), by striking
2 “and” at the end;

3 (B) by redesignating subparagraph (D) as
4 subparagraph (F); and

5 (C) by inserting after subparagraph (C),
6 the following:

7 “(D) notwithstanding paragraph (2)(B),
8 beginning in fiscal year 2005, and not less than
9 every 2 years thereafter, each State shall sub-
10 mit to the Secretary a separate audit of the
11 funds appropriated under this subtitle that
12 meets the standards in paragraph (2)(A); and

13 “(E) submit full financial reports to the
14 Secretary not later than 6 months following the
15 end of each fiscal year; and”;

16 (2) in subsection (b)(1), by adding at the end
17 the following: “The Secretary, after providing ade-
18 quate notice, shall withhold administrative funds de-
19 scribed in section 675C(b)(2) from any State that
20 fails to comply with the provisions of sections 678A
21 through 678D(a), and may, after an opportunity for
22 a hearing conducted within the affected State, with-
23 hold funds from the State and provide such funds
24 directly to the eligible entities in such State upon a

1 demonstration of the compliance by such entities
2 with the requirements of this subtitle.”

3 **SEC. 113. ACCOUNTABILITY AND REPORTING REQUIRE-**
4 **MENT.**

5 Section 678E of the Community Services Block
6 Grant Act (42 U.S.C. 9917) is amended to read as follows:

7 **“SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIRE-**
8 **MENTS.**

9 “(a) STATE ACCOUNTABILITY AND REPORTING RE-
10 QUIREMENTS.—

11 “(1) PERFORMANCE MEASUREMENT OF ELIGI-
12 BLE ENTITIES.—

13 “(A) IN GENERAL.—Each State that re-
14 ceives funds under this subtitle shall partici-
15 pate, and shall ensure that all eligible entities
16 in the State participate, in a performance meas-
17 urement system, which may be a performance
18 measurement system for which the Secretary
19 facilitated development pursuant to subsection
20 (b), or an alternative system that the Secretary
21 is satisfied meets the requirements of sub-
22 section (b).

23 “(B) LOCAL AGENCIES.—The State may
24 elect to have local agencies that are subcontractors
25 of the eligible entities under this subtitle

1 participate in the performance measurement
2 system. If the State makes that election, ref-
3 erences in this section to eligible entities shall
4 be considered to include the local agencies.

5 “(C) PERFORMANCE MEASUREMENT OF
6 STATES.—Not later than 1 year after the date
7 of enactment of the Poverty Reduction and Pre-
8 vention Act, the Secretary shall establish, in
9 consultation with States and eligible entities,
10 performance standards for the State adminis-
11 tration of block grant funds. Such standards
12 shall include standards relating to—

13 “(i) the timeliness of the availability
14 of State plans for public comment as re-
15 quired under section 676(a)(2)(B) and of
16 submission of such plans to the Secretary
17 as required in section 676(b);

18 “(ii) the utilization of the financial
19 and organizational assessment protocol es-
20 tablished under section 678B(b), including
21 the training and skills of State personnel
22 responsible for such oversight, the comple-
23 tion of annual monitoring, the identifica-
24 tion of opportunities for improvement, and
25 the implementation of plans to enhance the

1 management capacity and infrastructure of
2 eligible entities;

3 “(iii) the timeliness of the distribution
4 of block grants funds to eligible entities as
5 provided in section 675C(a);

6 “(iv) the resources made available for
7 management development at eligible enti-
8 ties, including monitoring, training, and
9 assistance with financial management and
10 program information and assessment sys-
11 tems;

12 “(v) the results of State efforts to co-
13 ordinate eligible entity programs with
14 other State programs for low-income indi-
15 viduals and their families, especially par-
16 ticipants in the Temporary Assistance for
17 Needy Families Program and other work-
18 ing families, and to ensure the participa-
19 tion of eligible entities in the development
20 of statewide strategies to reduce poverty;
21 and

22 “(vi) the assistance provided to eligi-
23 ble entities in securing private partnerships
24 as required in section 676(b).

1 “(2) ANNUAL REPORT.—Each State shall annu-
2 ally prepare and submit to the Secretary a report on
3 the measured performance of the State and the eligi-
4 ble entities in the State. The State shall include in
5 the report any information collected by the State re-
6 lating to such performance. Each State shall also in-
7 clude in the report an accounting of the expenditure
8 of funds received by the State through the commu-
9 nity services block grant program, including an ac-
10 counting of funds spent on administrative costs by
11 the State and the eligible entities, funds spent by eli-
12 gible entities on the direct delivery of local services,
13 and the achievement of national goals established
14 under the procedures described in this section, and
15 shall include information on the number of and
16 characteristics of clients served under this subtitle in
17 the State, based on data collected from the eligible
18 entities. The State shall also include in the report a
19 summary describing the training and technical as-
20 sistance offered by the State under section
21 678C(a)(3) during the year covered by the report.

22 “(b) LOCAL ENTITY ACCOUNTABILITY AND REPORT-
23 ING REQUIREMENTS.—

24 “(1) LOCAL ENTITY DETERMINED GOALS.—In
25 order to be designated as an eligible entity and to

1 receive a grant under this subtitle, a grantee shall
2 establish grantee determined goals for reducing pov-
3 erty in the community, including goals for—

4 “(A) leveraging community resources;

5 “(B) fostering coordination of Federal,
6 State, local, private, and other assistance; and

7 “(C) promoting community involvement.

8 “(2) DEMONSTRATION THAT GOALS WERE
9 MET.—In order to receive a grant subsequent to the
10 first grant that is provided to an eligible entity fol-
11 lowing the date of enactment of the Poverty Reduc-
12 tion and Prevention Act, the entity shall dem-
13 onstrate to the State that substantial progress has
14 been made in meeting the goals of the entity as de-
15 scribed in paragraph (1).

16 “(3) GOALS OR PERFORMANCE MEASURES.—
17 Any specific goals or performance measures, for an
18 individual eligible entity, that are used in any moni-
19 toring or review process under this subtitle, shall
20 be—

21 “(A) determined by the entity;

22 “(B) agreed on by the State involved and
23 the entity, during the planning process leading
24 to the grant involved; and

1 “(C) incorporated into the grant agree-
2 ment between the State and entity for each
3 subsequent award cycle.

4 “(c) SECRETARY’S ACCOUNTABILITY AND REPORT-
5 ING REQUIREMENTS.—

6 “(1) FEDERAL PERFORMANCE MEASURE-
7 MENT.—The Secretary shall establish goals for the
8 Department of Health and Human Services Office of
9 Community Services with respect to—

10 “(A) the timeliness of the distribution of
11 funds under this subtitle, including funds for
12 training and technical assistance;

13 “(B) the monitoring of States as provided
14 for in section 678D;

15 “(C) the coordination of other Office of
16 Community Service programs with the activities
17 of States and eligible entities under this sub-
18 title; and

19 “(D) the full and timely reporting as re-
20 quired in this section.

21 “(2) LOCAL PERFORMANCE MEASUREMENT.—

22 “(A) IN GENERAL.—To the maximum ex-
23 tent practicable, the Secretary shall coordinate
24 reporting requirements for all programs of the
25 Department of Health and Human Services

1 that are managed by eligible entities so as to
2 consolidate and reduce the number of reports
3 required relating to individuals, families, and
4 uses of grant funds, specifically funds under the
5 Head Start Act, the Low-Income Home Energy
6 Assistance Act of 1981, child care programs ad-
7 ministered by the Department, and health re-
8 lated service programs administered by the De-
9 partment.

10 “(B) TECHNICAL ASSISTANCE.—The Sec-
11 retary shall provide technical assistance, includ-
12 ing support for the enhancement of electronic
13 data systems, to States and to eligible entities
14 to enhance their capability to collect and report
15 data for such a system and to aid in their par-
16 ticipation in such a system.

17 “(C) LOCAL ENTITY PERFORMANCE MEAS-
18 UREMENT SYSTEM.—The Secretary shall assist
19 in the implementation of a local entity perform-
20 ance measurement system, and other voluntary
21 programmatic and results reporting systems,
22 developed by States, eligible entities, and their
23 national associations acting together. The Sec-
24 retary and the developers of such systems shall
25 ensure that the set of measures are numerous

1 enough to cover the full range of services of-
2 fered by all local eligible entities. Under such a
3 system, local eligible entities shall only be com-
4 pelled to collect data on the subset of perform-
5 ance measures that reflect their community-spe-
6 cific programs and services currently adopted.
7 Grantees shall not be required under this sub-
8 paragraph to alter the collection of data for any
9 reports provided for other programs within the
10 Department of Health and Human Services or
11 other Federal agencies. States shall compile an-
12 nual Results Oriented Management and Ac-
13 countability System reports for the Secretary
14 under this subparagraph.

15 “(3) REPORTING REQUIREMENTS.—For each
16 fiscal year the Secretary shall, directly or by grant
17 or contract, prepare a report containing—

18 “(A) a summary of the planned use of
19 funds by each State, and the eligible entities in
20 the State, under the community services block
21 grant program, as contained in each State plan
22 submitted pursuant to section 676;

23 “(B) a description of how funds were actu-
24 ally spent by the State and eligible entities in
25 the State, including a breakdown of funds spent

1 on administrative costs and on the direct deliv-
2 ery of local programs by eligible entities;

3 “(C) information on the number of entities
4 eligible for funds under this subtitle, the num-
5 ber of low-income persons served under this
6 subtitle, and such demographic data on the low-
7 income populations served by eligible entities as
8 is determined by the Secretary to be feasible;

9 “(D) a comparison of the planned uses of
10 funds for each State and the actual uses of the
11 funds;

12 “(E) a summary of each State’s perform-
13 ance results, and the results for the eligible en-
14 tities, as collected and submitted by the States
15 in accordance with subsection (a)(2); and

16 “(F) any additional information that the
17 Secretary considers to be appropriate to carry
18 out this subtitle, if the Secretary informs the
19 States of the need for such additional informa-
20 tion and allows a reasonable period of time for
21 the States to collect and provide the informa-
22 tion.

23 “(4) SUBMISSION.—The Secretary shall submit
24 to the Committee on Education and the Workforce
25 of the House of Representatives and the Committee

1 on Health, Education, Labor, and Pensions of the
2 Senate the report described in paragraph (2), and
3 any comments the Secretary may have with respect
4 to such report. The report shall include definitions
5 of direct and administrative costs used by the De-
6 partment of Health and Human Services for pro-
7 grams funded under this subtitle.

8 “(5) COSTS.—Of the funds reserved under sec-
9 tion 674(b)(3), not more than \$500,000 shall be
10 available to carry out the reporting requirements
11 contained in paragraph (3).”.

12 **SEC. 114. LIMITATIONS ON USE OF FUNDS.**

13 Section 678F(c)(1) of the Community Services Block
14 Grant Act (42 U.S.C. 9918(c)(1)) is amended by inserting
15 “religion,” after “race,”.

16 **SEC. 115. OPERATIONAL RULE.**

17 Section 679(a) of the Community Services Block
18 Grant Act (42 U.S.C. 9920(a)) is amended by inserting
19 “and such organization meets the requirements of this
20 subtitle” before the first period;

21 **SEC. 116. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

22 Section 680 of the Community Services Block Grant
23 Act (42 U.S.C. 9921) is amended—

24 (1) in subsection (a)—

25 (A) in paragraph (2)—

1 (i) by redesignating subparagraphs
2 (B) through (E) as subparagraph (D)
3 through (G), respectively;

4 (ii) by striking subparagraph (A) and
5 inserting the following:

6 “(A) ECONOMIC DEVELOPMENT ACTIVI-
7 TIES.—The Secretary shall make grants de-
8 scribed in paragraph (1) on a competitive basis
9 to private, nonprofit organizations that are
10 community development corporations to provide
11 technical and financial assistance for economic
12 development activities, including business, eco-
13 nomic, and community development projects,
14 designed to address the economic needs of low-
15 income individuals and families by creating em-
16 ployment and business development opportuni-
17 ties. Such assistance shall include—

18 “(i) long term loans (up to 15 years)
19 or investments for private business enter-
20 prises;

21 “(ii) providing capital to businesses
22 owned by community development corpora-
23 tions; and

24 “(iii) marketing and management as-
25 sistance for businesses providing jobs and

1 business opportunities to low income indi-
2 viduals.

3 “(B) FEDERAL INTEREST.—

4 “(i) IN GENERAL.—The Secretary
5 shall establish procedures that permit a
6 grantee who receives funds under a grant
7 to carry out this paragraph, or intangible
8 assets acquired with such funds, to become
9 the sole owner of the funds or assets be-
10 fore the end of the 12-year period begin-
11 ning at the end of the fiscal year for which
12 the grant is made.

13 “(ii) CONDITIONS.—To be eligible to
14 become the sole owner, the grantee shall
15 agree—

16 “(I) to use the funds or assets
17 for the purposes and uses for which
18 the grant was made, or purposes and
19 uses consistent with this subtitle, dur-
20 ing and after the 12-year period de-
21 scribed in clause (i), whether or not
22 the grantee continues to be supported
23 by Federal funds; and

24 “(II) that, when the grantee no
25 longer needs the funds or assets for

1 purposes and uses described in sub-
2 clause (I), the grantee shall request
3 instructions from the Secretary about
4 the disposition of the funds or assets.

5 “(iii) ENCUMBERING.—The grantee
6 may not encumber the assets without the
7 approval of the Secretary.

8 “(C) ADMINISTRATIVE REQUIREMENTS.—
9 In a case in which an eligible project under
10 grant made under this section cannot, for good
11 cause, be implemented, the Secretary shall es-
12 tablish a policy to permit the substitution of
13 other eligible projects. Such policy shall require
14 that such project have the same impact area,
15 the same goals, and the same objectives as the
16 original project and outcomes that are substan-
17 tially the same as the original project.”;

18 (iii) in subparagraph (E) (as so reded-
19 icated), by striking “community” and in-
20 serting “service area”; and

21 (iv) in subparagraph (G) (as so reded-
22 icated), by striking “1 percent” and in-
23 serting “2 percent”; and

1 (B) in paragraph (3)(B), by striking “com-
2 munity” and inserting “water and waste
3 water”; and

4 (C) in paragraph (4), by striking “indi-
5 vidual and families” and inserting “individual
6 and their families”; and

7 (2) in subsection (c), by striking “Labor and
8 Human Resources” and inserting “Health, Edu-
9 cation, Labor, and Pensions”.

10 **SEC. 117. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

11 Section 681 of the Community Services Block Grant
12 Act (42 U.S.C. 9922) is amended—

13 (1) in subsection (c), by striking “Labor and
14 Human Resources” and inserting “Health, Edu-
15 cation, Labor, and Pensions”; and

16 (2) in subsection (d), by striking “1999 through
17 2003” and inserting “2004 through 2009”.

18 **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED**
19 **TO PROVIDE INSTRUCTIONAL ACTIVITIES**
20 **FOR LOW-INCOME YOUTH.**

21 Section 682 of the Community Services Block Grant
22 Act (42 U.S.C. 9923) is amended—

23 (1) in subsection (b)(2), by striking “or treat-
24 ment”; and

1 (2) in subsection (g), by striking “\$15,000,000
2 for each of fiscal years 1999 through 2003” and in-
3 serting “\$18,000,000 for each of fiscal years 2004
4 through 2009”.

5 **SEC. 119. SHORT TITLE AND CONFORMING AMENDMENTS.**

6 (a) IN GENERAL.—Section 671 of the Community
7 Services Block Grant Act (42 U.S.C. 9901 note) is amend-
8 ed by striking “Community Services Block Grant Act”
9 and inserting “Poverty Reduction and Prevention Act”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) COMMUNITY SERVICES BLOCK GRANT
12 ACT.—The heading for subtitle B of title VI of the
13 Omnibus Budget Reconciliation Act of 1981 is
14 amended to read as follows:

15 **“Subtitle B—Poverty Reduction**
16 **and Prevention Program”.**

17 (2) OTHER PROVISIONS OF LAW.—The fol-
18 lowing provisions of law are each amended by strik-
19 ing “Community Services Block Grant Act” each
20 place that such appears and inserting “Poverty Re-
21 duction and Prevention Act”:

22 (A) Section 307(a)(3)(A) of the Consoli-
23 dated Farm and Rural Development Act (7
24 U.S.C. 1927(a)(3)(A)).

1 (B) Section 5(c)(1) of the Food Stamp Act
2 of 1977 (7 U.S.C. 2014(c)(1)).

3 (C) Section 201A(7) of the Emergency
4 Food Assistance Act of 1983 (7 U.S.C.
5 7501(7)).

6 (D) Section 172(13) of the Program for
7 Investment in Microentrepreneurs Act of 1999
8 (15 U.S.C. 6901(13)).

9 (E) Sections 201(b)(3), 435(o)(1)(A)(ii),
10 and 435(o)(1)(B)(ii) of the Higher Education
11 Act of 1965 (20 U.S.C. 1021(b)(3),
12 1085(o)(1)(A)(ii), and 1085(o)(1)(B)(ii)).

13 (F) Section 131(b)(2) of the Carl D. Per-
14 kins Vocational and Applied Technology Edu-
15 cation Act (20 U.S.C. 2351(b)(2)).

16 (G) Section 9109(33) of the Elementary
17 and Secondary Education Act of 1965 (20
18 U.S.C. 7801(33)).

19 (H) Section 231(a)(2) of the Museum and
20 Library Services Act (20 U.S.C. 9141(a)(2)).

21 (I) Sections 101(36), 112(b)(8)(A)(vii),
22 121(b)(1)(B)(x), and 501(b)(2)(O) of the
23 Workforce Investment Act of 1998 (29 U.S.C.
24 2801(36), 2822(b)(8)(A)(vii), and

1 2841(b)(1)(B)(x), and 20 U.S.C.
2 9271((b)(2)(O)).

3 (J) Section 303(9) of the Early Learning
4 Opportunities Act (20 U.S.C. 9402(9)).

5 (K) Sections 6501(4)(B) and 6703(a)(2)
6 of title 31, United States Code.

7 (L) Section 549(c)(3)(B)(ii) of title 40,
8 United States Code.

9 (M) Section 317M(c)(3)(B)(ii) of the Pub-
10 lic Health Service Act (42 U.S.C. 247b-
11 14(c)(3)(B)(ii)).

12 (N) Section 2110(c)(5) of the Social Secu-
13 rity Act (42 U.S.C. 1397jj(c)(5)).

14 (O) Sections 102(38), 203(b)(13), 213,
15 306(a)(6)(C), and 503(b)(2) of the Older Amer-
16 icans Act of 1965 (42 U.S.C. 3002(38),
17 3013(b)(13), 3020d, 3026(a)(6)(C), and
18 3056a(b)(2)).

19 (P) Sections 103(a)(6), 105(b)(2)(A),
20 211(e)(1), and 421(6) of the Domestic Volun-
21 teer Service Act of 1973 (42 U.S.C. 4953(a)(6),
22 4955(b)(2)(A), 5011(e)(1), and 5061(6)).

23 (Q) Sections 2603(8) and
24 2607B(e)(2)(B)(i) of the Low-Income Home

1 Energy Assistance Act of 1981 (42 U.S.C.
2 8622(8) and 8626b(e)(2)(B)(i)).

3 (R) Sections 407(b)(2) and 408(a)(1)(C)
4 of the Human Services Reauthorization of 1986
5 (42 U.S.C. 9812a(b)(2) and 9925(a)(1)(C)).

6 (S) Section 630(a) of the Community Eco-
7 nomic Development Act of 1981 (42 U.S.C.
8 9819(a)).

9 (T) Sections 158(b) and 178(i)(1) of the
10 National and Community Service Act of 1990
11 (42 U.S.C. 12618(b) and 12638(i)(1)).

12 (U) The 5th unnumbered paragraph (relat-
13 ing to poverty line) of section 30401 of the
14 Community Schools Youth Services and Super-
15 vision Grant Program Act of 1994 (42 U.S.C.
16 13791).

17 **TITLE II—LOW-INCOME HOME**
18 **ENERGY ASSISTANCE**

19 **SEC. 201. SHORT TITLE.**

20 This title may be cited as the “Low-Income Home
21 Energy Assistance Amendments of 2003”.

22 **SEC. 202. REAUTHORIZATION.**

23 (a) IN GENERAL.—Section 2602(b) of the Low-In-
24 come Home Energy Assistance Act of 1981 (42 U.S.C.
25 8621(b)) is amended in the first sentence by striking

1 “such sums” and all that follows through the period and
2 inserting “and \$3,400,000,000 for each of fiscal years
3 2004 through 2006, and such sums as may be necessary
4 for each fiscal year thereafter.”.

5 (b) PROGRAM YEAR.—Section 2602(c) of the Low-
6 Income Home Energy Assistance Act of 1981 (42 U.S.C.
7 8621(c)) is amended by inserting “authorized” after “pro-
8 grams and activities”.

9 (c) INCENTIVE PROGRAM FOR LEVERAGING NON-
10 FEDERAL RESOURCES.—Section 2602(d) of the Low-In-
11 come Home Energy Assistance Act of 1981 (42 U.S.C.
12 8621(d)) is amended—

13 (1) in paragraph (1), by striking “1994
14 through 2004” and inserting “2004 through 2010”;
15 and

16 (2) in paragraph (2), “1994 through 2004” and
17 inserting “2004 through 2010”.

18 **SEC. 203. NATURAL DISASTERS AND OTHER EMERGENCIES.**

19 Section 2604(e) of the Low-Income Home Energy
20 Assistance Act of 1981 (42 U.S.C. 8623(e)) is amended
21 by adding at the end the following flush sentences:

22 “Notwithstanding any other provision of this section, for
23 purposes of making determinations under section
24 2603(1)(C), if the Secretary determines that there is an
25 increase of at least 20 percent in the cost of home energy

1 over the previous 5-year average for a duration of a month
2 or more in one or more States or regions, the Secretary
3 shall declare an energy emergency in the affected area and
4 shall make available funds as provided in this subsection.
5 Notwithstanding any other provision of this section, for
6 purposes of making such determinations, if the Secretary
7 determines that the number of heating degree days or
8 cooling days for a month was more than 100 above the
9 30-year average in one or more States or regions, the Sec-
10 retary shall declare an energy emergency in the affected
11 area and shall make available funds as provided in this
12 subsection.”.

13 **SEC. 204. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE**

14 **OPTION.**

15 (a) **EVALUATION.**—The Comptroller General of the
16 United States shall conduct an evaluation of the Residen-
17 tial Energy Assistance Challenge program described in
18 section 2607B of the Low-Income Home Energy Assist-
19 ance Act of 1981 (42 U.S.C. 8626b).

20 (b) **REPORT.**—Not later than 2 years after the date
21 of enactment of this Act, the Comptroller General of the
22 United States shall prepare and submit to the Committee
23 on Education and the Workforce of the House of Rep-
24 resentatives and the Committee on Health, Education,
25 Labor, and Pensions of the Senate a report containing—

1 (1) the findings resulting from the evaluation
2 described in subsection (a); and

3 (2) the State evaluations described in para-
4 graphs (1) and (2) of section 2607B(b) of the Low-
5 Income Home Energy Assistance Act of 1981 (42
6 U.S.C. 8626b(b)).

7 **SEC. 205. REPORT TO CONGRESS.**

8 (a) STUDY.—

9 (1) IN GENERAL.—The Secretary of Health and
10 Human Services shall conduct a study on the Low-
11 Income Home Energy Assistance Act of 1981 (42
12 U.S.C. 8621 et seq.)

13 (2) REQUIREMENTS.—In conducting the study
14 under subparagraph (A), the Secretary of Health
15 and Human Services shall—

16 (A) evaluate the performance of the Low-
17 Income Home Energy Assistance Program, in-
18 cluding who the program is serving, the benefits
19 of the program to recipients, and the ability of
20 the program to reduce utility arrearage and
21 shut-offs among low-income households;

22 (B) develop a protocol for States to collect
23 information from energy distribution compa-
24 nies, including electric, natural gas, heating oil,

1 and propane companies, concerning the fol-
2 lowing residential customer statistics—

3 (i) the number of accounts certified as
4 eligible for energy assistance;

5 (ii) the number of accounts certified
6 as eligible for energy assistance and that
7 are past due;

8 (iii) the total revenue owed on ac-
9 counts eligible for energy assistance and
10 that are past due;

11 (iv) the number of disconnection no-
12 tices issued on accounts eligible for energy
13 assistance;

14 (v) the number of disconnections for
15 nonpayment;

16 (vi) the number of reconnections;

17 (vii) the number of accounts eligible
18 for energy assistance and determined
19 uncollectible; and

20 (viii) the energy burden of accounts
21 eligible for energy assistance;

22 (C) analyze the public health and safety
23 threats of hypothermia and hyperthermia due
24 to a lack of home heating or home cooling, in-

1 including mortality, morbidity, and decrease in
2 caloric intake;

3 (D) analyze the affect of the standard of
4 housing and housing age on energy costs to
5 low-income households;

6 (E) evaluate regional difference in cost-of-
7 living and the ability of low-income families to
8 meet home energy requirements; and

9 (F) determine the programmatic impacts
10 of using 60 percent of State median income to
11 determine low-income households.

12 (b) REPORT.—Not later than 24 months after the
13 date of enactment of this Act, the Secretary of Health and
14 Human Services shall submit to Congress a report con-
15 taining the results of the study conducted under sub-
16 section (a).

17 (c) DEFINITION.—In this section, the term “State”
18 means each of the 50 States and the District of Columbia.

19 (d) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this sub-
21 section such sums as may be necessary for each of fiscal
22 year 2004 and 2005.

23 (e) CONTRACTS.—Using amounts appropriated under
24 subsection (d), the Secretary of Health and Human Serv-
25 ices may enter into contracts or jointly financed coopera-

1 tive agreements or interagency agreements with States
 2 and public agencies and private nonprofit organizations to
 3 conduct the study under subsection (a).

4 **TITLE III—ASSETS FOR**
 5 **INDEPENDENCE ACT**

6 **SEC. 301. SHORT TITLE.**

7 This title may be cited as the “Assets for Independ-
 8 ence Reauthorization Act”.

9 **SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDE-**
 10 **PENDENCE ACT.**

11 (a) DEFINITION OF QUALIFIED EXPENSES.—Section
 12 404(8) of the Assets for Independence Act (42 U.S.C. 604
 13 note) is amended—

14 (1) in subparagraph (A)—

15 (A) in the matter preceding clause (i), by
 16 inserting “or to a vendor following approval by
 17 a qualified entity upon submission of an ap-
 18 proved qualified education purchase plan” be-
 19 fore the period; and

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

21 “(iii) QUALIFIED EDUCATION PUR-
 22 CHASE PLAN.—The term ‘qualified edu-
 23 cation purchase plan’ means a document
 24 that explains the education item to be pur-
 25 chased which—

1 “(I) is approved by a qualified
2 entity; and

3 “(II) includes a description of the
4 good to be purchased.”;

5 (2) in subparagraph (D), by striking “eligible”;

6 and

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

8 “(E) SAVING IN IDAS FOR DEPENDENTS.—
9 Amounts paid to an individual development ac-
10 count established for the benefit of a dependent
11 (as such terms is defined for purposes of sub-
12 paragraph (D)(ii)) of an eligible individual for
13 the purpose of post-secondary education.”.

14 (b) REPEAL OF PROVISION.—Section 405 of the As-
15 sets for Independence Act (42 U.S.C. 604 note) is amend-
16 ed by striking subsection (g).

17 (c) RESERVE FUND.—Section 407 of the Assets for
18 Independence Act (42 U.S.C. 604 note) is amended—

19 (1) in subsection (b)—

20 (A) in paragraph (1)—

21 (i) by redesignating subparagraphs
22 (A) and (B) as subparagraphs (B) and
23 (C), respectively; and

24 (ii) by inserting before subparagraph
25 (B) (as so redesignated) the following:

1 “(A) all grant funds provided to the quali-
2 fied entity from the Secretary for the purpose
3 of the demonstration project as described under
4 subsection (c)(1);” and

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

6 “(3) RULE OF CONSTRUCTION.—Nothing in
7 paragraph (1)(A) shall be construed to preclude a
8 qualified entity from depositing other demonstration
9 project funds into the Reserve Fund.”; and

10 (2) in subsection (d), by inserting “the date
11 that is 12 months after” after “upon the”.

12 (d) USE OF AMOUNTS.—Section 407(c) of the Assets
13 for Independence Act (42 U.S.C. 604 note) is amended
14 by adding at the end the following:

15 “(4) USE OF NONFEDERAL FUNDS.—

16 “(A) IN GENERAL.—Notwithstanding para-
17 graph (3), not more than 20 percent of the
18 amount of non-Federal funds committed to a
19 project as matching contributions in accordance
20 with the application submitted by the qualified
21 entity under section 405(c)(4) shall be used by
22 the qualified entity for the purposes described
23 in subparagraphs (A), (C), and (D) of para-
24 graph (1).

1 “(B) PRIORITY.—In awarding grants
2 under section 406(b), the Secretary shall give
3 priority to qualified entities that submit appli-
4 cations that, with respect to the commitment of
5 non-Federal funds under section 5(c)(4), pro-
6 vide assurances that are not to exceed 15 per-
7 cent of such non-Federal funds will be used by
8 the qualified entity for the purposes described
9 in subparagraphs (A), (C), and (D) of para-
10 graph (1).”.

11 (e) ELIGIBILITY FOR PARTICIPATION.—Section
12 408(a)(1) of the Assets for Independence Act (42 U.S.C.
13 604 note) is amended to read as follows:

14 “(1) INCOME TEST.—The—

15 “(A) gross income of the household is—

16 “(i) equal to or less than 200 percent
17 of the poverty line (as determined by the
18 Office of Management and Budget);

19 “(ii) the earned income amount de-
20 scribed in section 32 of the Internal Rev-
21 enue Code of 1986 (taking into account
22 the size of the household); or

23 “(iii) equal to or less than 80 percent
24 of the Area Median Income (as determined

1 by the Department of Housing and Urban
2 Development); or

3 “(B) the modified adjusted gross income of
4 the household for the previous year does not ex-
5 ceed \$18,000 for an individual filer, \$30,000
6 for a head of household, or \$38,000 for a joint
7 filer.”.

8 (f) DEPOSITS BY QUALIFIED ENTITIES.—Section
9 410 of the Assets for Independence Act (42 U.S.C. 604
10 note) is amended—

11 (1) in subsection (a), by striking “qualified en-
12 tity—” and all that follows through the end and in-
13 serting the following: “qualified entity, a matching
14 contribution of not less than \$0.50 and not more
15 than \$4 for every \$1 of earned income (as defined
16 in section 911(d)(2) of Internal Revenue Code of
17 1986) deposited in the account and interest earned
18 on that account by a project participant during that
19 period. Matching contributions shall be made—

20 “(1) from the non-Federal funds described in
21 section 405(c)(4); and

22 “(2) from the grant made under section 406(b);
23 “based on a ratio relating to the sources of funds de-
24 scribed in paragraph (1) and (2) as determined by the
25 qualified entity.”;

1 (2) by redesignating subsections (b) through (e)
2 as subsections (c) through (f), respectively; and

3 (3) by inserting after subsection (a), the fol-
4 lowing:

5 “(b) USE OF EXCESS INTEREST ON MATCHING
6 FUNDS EARNED ON THE RESERVE FUND.—Interest that
7 accrues on the matching funds earned and held in the Re-
8 serve Fund, over and above the interest required to match
9 an individuals deposits and interest earned in the indi-
10 vidual development account, shall be used by the qualified
11 entity to fund existing individual development accounts or
12 additional individual development accounts.”.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—Section
14 416 of the Assets for Independence Act (42 U.S.C. 604
15 note) is amended by striking “and 2003” and inserting
16 “and 2003, \$25,000,000 for fiscal year 2004, and such
17 sums as may be necessary for each of fiscal years 2005
18 through 2008,”.

19 (h) APPLICATION OF AMENDMENTS.—In admin-
20 istering the Assets for Independence Act (42 U.S.C. 604
21 note), the Secretary of Health and Human Services may
22 apply the amendments made by this section to individual
23 account holders and entities that received grants under

1 such Act either before or after the date of enactment of
2 this Act.

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