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[Report No. 108-210]

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, Mr. KENNEDY, Mr. GREGG, Mr. BINGAMAN, Mr. DURBIN, Mr. KERRY, Mr. LIEBERMAN, Mr. PRYOR, Ms. STABENOW, Ms. COLLINS, and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

NOVEMBER 24, 2003

Reported by Mr. GREGG, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

4 (b) **TABLE OF CONTENTS.**—The table of contents of
5 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
11 improve and revitalize the communities in which low-
12 income Americans live, by providing resources to
13 States for support of local eligible entities and their
14 partners to—

15 “(A) plan, coordinate, and mobilize a
16 broad range of Federal, State, local, and pri-
17 vate assistance or investment in such a manner
18 as to use these resources effectively to reduce
19 poverty and in initiatives that are responsive to
20 specific local needs and conditions;

21 “(B) organize multiple services that meet
22 the needs of low-income families and individ-
23 uals, especially low-wage workers and their fam-
24 ilies, and that assist them in developing the as-
25 sets and skills needed to become self sustaining

1 while ensuring that these services are provided
2 efficiently, in appropriate combinations, and in
3 effective sequence; and

4 “(C) design and implement comprehensive
5 approaches to assist individuals transitioning
6 from the Temporary Assistance to Needy Fami-
7 lies Program to work;

8 “(2) by improving and revitalizing the commu-
9 nities in which low-income Americans live by pro-
10 viding resources to—

11 “(A) broaden the financial resource base of
12 initiatives and projects directed to the elimi-
13 nation of poverty and the re-development of the
14 low-income community, including partnerships
15 with non-governmental and governmental insti-
16 tutions to develop the community assets and
17 services that reduce poverty, such as—

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

20 “(ii) individual citizens, and busi-
21 nesses, labor, and professional groups, who
22 are able to influence the quantity and qual-
23 ity of opportunities and services for the
24 poor; and

25 “(iii) local government leadership; and

1 “(B) coordinate or create community-wide
2 assets and services that will have a significant,
3 measurable impact on the causes of poverty in
4 the community and that will help families and
5 individuals to achieve economic self-sufficiency,
6 and test innovative, community-based ap-
7 proaches to attacking the causes and effects of
8 poverty and of community breakdown, includ-
9 ing—

10 “(i) innovative initiatives to prevent
11 and reverse loss of investment, jobs, public
12 services, and infrastructure in low- and
13 moderate-income communities; and

14 “(ii) innovative partnerships to de-
15 velop the assets and services that reduce
16 poverty, as provided for in subparagraph
17 (A); and

18 “(3) by ensuring maximum participation of
19 residents of low-income communities and of mem-
20 bers of the groups served by programs under this
21 subtitle in guiding the eligible entities and in their
22 programs funded under this subtitle to ameliorate
23 the particular problems and needs of low-income
24 residents of their communities and to develop the
25 permanent social and economic assets of the low-in-

1 come community in order to reduce the incidence of
2 poverty.”.

3 **SEC. 102. DEFINITIONS.**

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

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

8 (2) in paragraph (2)—

9 (A) in the first sentence—

10 (i) by striking “Office of Management
11 and Budget” and inserting “Department
12 of Health and Human Services”; and

13 (ii) by inserting before the period the
14 following: “and increased, as the Secretary
15 determines appropriate, to take into ac-
16 count higher costs-of-living for a State”;
17 and

18 (B) by striking the last sentence and in-
19 serting the following: “Whenever a State deter-
20 mines that it has served the objectives of the
21 block grant program established under this sub-
22 title, the State may revise the poverty line,
23 while placing a priority in serving those who are
24 most in need, so that 125 percent of the official
25 poverty line is the minimum level that a State

1 shall be permitted to set as its maximum eligi-
 2 bility requirement and 60 percent of the State's
 3 median income is the maximum level that a
 4 State shall be permitted to set as its maximum
 5 eligibility requirement. The State may revise
 6 the poverty line only upon a determination that
 7 eligible entities are providing, coordinating, or
 8 partnering with means-tested support services
 9 for low and moderate-income individuals and
 10 families above the official poverty line. Nothing
 11 in this paragraph shall be construed to prevent
 12 eligible entities from continuing to support indi-
 13 viduals and families during their transition
 14 from program eligibility to achieve specific goals
 15 for their economic security and long-term self-
 16 sufficiency as long as priority is given to serv-
 17 ing the lowest income individuals who seek serv-
 18 ices.”.

19 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

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

- 22 (1) in subsection (a), by striking “1999 through
 23 2003” and inserting “2004 through 2009”; and
 24 (2) in subsection (b)(2)—

1 (A) in subparagraph (A), by striking “or
2 associations” and inserting “and associations”;
3 and

4 (B) in subparagraph (B)—

5 (i) by striking “ $\frac{1}{2}$ of the remain-
6 der” and inserting “not less than $\frac{1}{2}$ of the
7 remainder”; and

8 (ii) by striking “evaluation and” and
9 inserting “evaluation and training and
10 technical assistance activities and”.

11 **SEC. 104. ESTABLISHMENT OF PROGRAM.**

12 Section 675 of the Community Services Block Grant
13 Act (42 U.S.C. 9904) is amended by striking “through
14 the program” and all that follows through the period and
15 inserting “to States for the purpose of ameliorating the
16 causes of poverty and the conditions caused by poverty
17 in their communities.”.

18 **SEC. 105. USE OF FUNDS.**

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

21 (1) in paragraph (1)—

22 (A) in subparagraph (A), by striking “enti-
23 ties in need of such training and assistance”
24 and inserting “eligible entities and their state-
25 wide associations that strengthens their mana-

1 gerial or programmatic capabilities to reduce
2 poverty”; and

3 (B) by striking subparagraphs (B) through
4 (H); and inserting the following:

5 “(B) supporting statewide coordination
6 and communication among eligible entities and
7 State-operated or supported programs and serv-
8 ices, and other locally-operated programs and
9 services targeted to low-income individuals and
10 their children and families, so as to ensure that
11 local eligible entities’ services are integrated in
12 a manner that allows such low-income indi-
13 vidual and their families to have access to as
14 many sources of assistance as are appropriate
15 to support their progress to economic stability
16 and self-sufficiency;

17 “(C) supporting innovative partnerships,
18 programs, and activities conducted by commu-
19 nity action agencies and their partners includ-
20 ing other community-based organizations to
21 eliminate poverty, promote self-sufficiency, and
22 promote community revitalization, including
23 asset-building programs for low-income individ-
24 uals, such as programs supporting individual

1 development accounts, and home or business
2 ownership;

3 “(D) analyzing the distribution of funds
4 made available under this subtitle within the
5 State to determine if such funds have been tar-
6 geted to the areas of greatest need;

7 “(E) supporting State charity tax credits
8 as described in subsection (c);

9 “(F) supporting the identification of exem-
10 plary grantee agencies or programs as Centers
11 of Innovation and methodology for dissemi-
12 nating innovative programs and other best
13 practices from those agencies statewide;

14 “(G) supporting the development of eligible
15 entities’ partnerships with local law enforce-
16 ment agencies, local housing authorities, private
17 foundations, and other public and private part-
18 ners; and

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

21 (2) in paragraph (2), by adding at the end the
22 following: “. The State shall also ensure that all
23 funds distributed under subsection (a) are not used
24 for excessive administrative expenses and that all
25 funds distributed under such subsection used for sal-

1 aries by a local entity are fair and equitable. The
 2 State has the authority to determine the appropriate
 3 level of funds distributed under subsection (a) that
 4 an eligible entity shall use for administrative ex-
 5 penses.”.

6 **SEC. 106. APPLICATION AND PLAN.**

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

9 (1) in subsection (b)—

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

13 (B) by striking paragraphs (1) through (6)
 14 and inserting the following:

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

17 “(A) to support activities directly and
 18 through eligible entities that are designed to ex-
 19 pand opportunities for and assist low-income in-
 20 dividuals and their families (including low-in-
 21 come workers) to become self-sufficient, includ-
 22 ing low-income workers, families, and individ-
 23 uals receiving assistance under part A of title
 24 IV of the Social Security Act (42 U.S.C. 601 et
 25 seq.); homeless families and individuals, mi-

1 grant or seasonal farmworkers, and elderly low-
2 income individuals and families, and a descrip-
3 tion of how such activities will enable the fami-
4 lies and individuals—

5 “(i) to remove obstacles and solve
6 problems that block the achievement of
7 self-sufficiency by organizing and coordi-
8 nating support for those served under
9 paragraph (3);

10 “(ii) to secure and retain employment
11 that provides adequate income with essen-
12 tial benefits;

13 “(iii) to attain an adequate education,
14 with particular attention toward improving
15 literacy and communications and technical
16 skills of the low-income families in the
17 communities involved;

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

20 “(v) to obtain and maintain adequate
21 housing and a suitable living environment;

22 “(vi) to obtain assistance that is need-
23 ed to resolve family emergencies and indi-
24 vidual needs, to prevent further hardships,
25 and to secure economic independence; and

1 “(vii) to participate fully in the public
2 affairs and management of their commu-
3 nities and the governance of eligible enti-
4 ties; and

5 “(B) to make more effective use of, and to
6 coordinate with, other programs related to the
7 purposes of this subtitle (including State wel-
8 fare reform efforts);

9 “(2) a description of how the State intends to
10 use discretionary funds made available from the re-
11 mainder of the grant or allotment described in sec-
12 tion 675C(b) in accordance with this subtitle, includ-
13 ing a description of how the State will support inno-
14 vative community-based initiatives of eligible entities
15 and their partners related to the purposes of this
16 subtitle;

17 “(3) an assurance that the State has integrated
18 programs of general relevance in its plan, to the ex-
19 tent appropriate to the needs of low-income commu-
20 nities served by the eligible entities, including a de-
21 scription of innovative community and neighborhood-
22 based initiatives such as—

23 “(A) initiatives with the goal of strength-
24 ening families and encouraging effective par-
25 enting, including fatherhood initiatives;

1 “(B) initiatives to assist those moving
2 from welfare to work to obtain jobs at decent
3 wages with benefits, including those low-income
4 individuals and their families who are attempt-
5 ing to transition off a State program carried
6 out under part A of title IV of the Social Secu-
7 rity Act;

8 “(C) programs for the establishment of vi-
9 olence-free zones that would involve youth de-
10 velopment and intervention models that pro-
11 mote youth success (such as models involving
12 youth mediation, youth mentoring, life skills
13 training, job creation, and entrepreneurship
14 programs);

15 “(D) family literacy initiatives;

16 “(E) initiatives to increase the develop-
17 ment of household assets of individuals such as
18 individual development accounts and home-
19 ownership opportunities;

20 “(F) public and private partnerships to
21 foster community development, affordable hous-
22 ing, job creation, and other means of building
23 the assets of low-income communities;

24 “(G) partnerships with local law enforce-
25 ment agencies, which may include participation

1 in community policing, and activities to assist
2 community residents and public safety officials
3 in the event of emergencies, including threats to
4 national security;

5 “(H) initiatives to improve economic condi-
6 tions and mobilize new resources in rural areas
7 and other at-risk areas to eliminate obstacles to
8 the self sufficiency of families and individuals in
9 those communities;

10 “(I) initiatives to help reduce the con-
11 centration of poverty in cities and inner suburbs
12 and provide economic opportunities for individ-
13 uals and families in those areas; and

14 “(J) partnerships with nonprofit or com-
15 munity-based organizations that demonstrate
16 effectiveness in child abuse prevention, includ-
17 ing with programs that are school-based and
18 that focus on adolescent victims, and victim-
19 izers;

20 “(4) an assurance that the State will provide
21 information, including—

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

1 “(B) a description of the service delivery
2 system, for services provided or coordinated
3 with funds made available through grants made
4 under section 675C(a), targeted to low-income
5 individuals and families in communities within
6 the State;

7 “(C) a description of how linkages will be
8 developed to fill identified gaps in the services,
9 through the provision of information, referrals,
10 case management, and followup consultations,
11 and to support mobilization of new resources
12 and partnerships;

13 “(D) a description of how funds made
14 available through grants made under section
15 675C(a) will be coordinated with other public
16 and private resources; and

17 “(E) a description of how the local entity
18 will use the funds to support innovative commu-
19 nity and neighborhood-based initiatives related
20 to the purposes of this subtitle;

21 “(5) an assurance that eligible entities in the
22 State will provide, on an emergency basis, for the
23 provision of such supplies and services, nutritious
24 foods, and related services, as may be necessary to

1 counteract conditions of starvation and malnutrition
2 among low-income individuals;

3 “(6) an assurance that the State has, to avoid
4 duplication of such services, and to ensure that pro-
5 gram gaps are addressed, identified and coordinated
6 with eligible entity programs, with State and local
7 agencies, and with programs that assist low-income
8 individuals and their families, including—

9 “(A) programs carried out under part A of
10 title IV of the Social Security Act, the Work-
11 force Investment Act, and other programs de-
12 signed to coordinate work-related supportive
13 services for families;

14 “(B) programs for expanding housing op-
15 portunities, reducing homelessness, and devel-
16 oping community investment projects;

17 “(C) education programs, including those
18 for preschool and school-aged children and for
19 adults to obtain an adequate education; and

20 “(D) programs designed to support youth,
21 the homeless, migrants, senior citizens, and in-
22 dividuals with disabilities, including programs
23 under the Low-Income Home Energy Assist-
24 ance Act of 1981;”;

1 (C) in paragraph (12), by striking “not
2 later than fiscal year 2001” and inserting “an-
3 nually”;

4 (D) in paragraph (13), by striking the pe-
5 riod and inserting “in sufficient detail to permit
6 verification; and”;

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

8 “(14) beginning with fiscal year 2006, and in
9 each fiscal year thereafter, an assurance that the
10 State is using the procedures described in section
11 678B(b) to monitor eligible entities.”; and

12 (2) by striking subsection (f).

13 **SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDER-**
14 **SERVED AREAS.**

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

22 **SEC. 108. TRIPARTITE BOARDS.**

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

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

4 (2) by striking paragraph (2);

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

7 (4) by redesignating subparagraphs (A) through
 8 (C) as paragraph (1) through (3), respectively and
 9 realigning the margins of such paragraphs accord-
 10 ingly.

11 **SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER**
 12 **ACTIVITIES.**

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

15 (1) in subsection (a)(1)—

16 (A) in subparagraph (A), by striking “cor-
 17 rective action” and all that follows through “;
 18 and” and inserting “monitoring and such addi-
 19 tional corrective actions as may be needed to
 20 strengthen the management and programmatic
 21 practices of eligible entities;”;

22 (B) by striking subparagraph (B) and in-
 23 sserting the following:

24 “(B) for State and local performance re-
 25 porting and program data collection activities

1 related to programs carried out under this sub-
2 title;

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

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

9 “(E) to distribute amounts in accordance
10 with subsection (e).”;

11 (2) in subsection (b)(2), by striking “an ongo-
12 ing procedure for obtaining input from the national
13 and State networks of eligible entities” and inserting
14 “a strategic plan for annual technical assistance de-
15 veloped in consultation with the national and State
16 networks of eligible entities regarding their manage-
17 ment support needs”; and

18 (3) in subsection (c)(1), by striking “manage-
19 ment information” and all that follows through the
20 period, and inserting “improving management infor-
21 mation and reporting systems; measuring of pro-
22 gram results; ensuring responsiveness to identified
23 local needs; and reporting and disseminating suc-
24 cessful practices and initiatives”.

1 **SEC. 110. MONITORING.**

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

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

6 (2) in subsection (a)—

7 (A) by striking the subsection heading and
8 inserting “**MONITORING OF ELIGIBLE ENTI-**
9 **THES**”;

10 (B) in paragraph (1)—

11 (i) by inserting “biennial” after “on-
12 site”; and

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

15 (C) by striking paragraph (2);

16 (D) by redesignating paragraphs (3) and
17 (4) as paragraphs (2) and (3), respectively; and

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

20 (3) by redesignating subsections (b) and (c) as
21 subsection (c) and (d), respectively;

22 (4) by inserting after subsection (a) the fol-
23 lowing:

24 “(b) **FINANCIAL AND ORGANIZATIONAL ASSESSMENT**
25 **PROTOCOL.**—Beginning in fiscal year 2006, States shall
26 implement a financial and organizational assessment pro-

1 protocol to monitor and evaluate the compliance of eligible
2 entities with the financial and administrative requirements
3 of this section. Such protocol shall incorporate the fiscal
4 and organizational review procedures and standards ap-
5 propriate to the management of Federal funds under this
6 subtitle and the governance of the eligible private non-
7 profit corporations or other eligible entities. The Secretary
8 shall require the protocol to be developed jointly by the
9 States and eligible entities and shall assist States in devel-
10 oping appropriate training for personnel monitoring the
11 uses of funds under this subtitle according to the require-
12 ments of this section.”; and

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

1 **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUC-**
2 **TION OF FUNDING.**

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

5 (1) in subsection (a)—

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

8 (B) by striking paragraph (5) and insert-
9 ing the following:

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

12 “(A) that the State intends to initiate pro-
13 ceedings to terminate the designation of the en-
14 tity as an eligible entity or to reduce, from the
15 previous year, the proportion of the total fund-
16 ing received by the State under this subtitle
17 that is allocated to the eligible entity;

18 “(B) that the eligible entity has the right
19 to a hearing on the record to determine if there
20 is cause for such termination or reduction in
21 funding, as defined in section 676(c), and that
22 the request for a hearing must be made in writ-
23 ing to the State within 30 days of receipt of the
24 notice from the State; and

25 “(C) of the legal basis for the proposed
26 termination or reduction in funding; the factual

1 findings on which the proposed termination or
 2 reduction in funding is based or a reference to
 3 specific findings in another document that form
 4 the basis for the proposed termination or reduc-
 5 tion in funding (such as a reference to item
 6 numbers in an on-site review report or instru-
 7 ment); and citation to any statutory provisions,
 8 agreements, regulations, or State plan; and

9 “(6) if the eligible entity requests a hearing,
 10 conduct a hearing on the record to determine if
 11 there is cause for termination or a reduction in
 12 funding, as defined in section 676(e).”;

13 (2) in subsection (b)—

14 (A) by striking “review such a determina-
 15 tion” and inserting “review and either approve,
 16 or disapprove and reverse, such a determina-
 17 tion”;

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

20 (C) by striking “90th day” and inserting
 21 “30th day”; and

22 (3) in subsection (c), by adding at the end the
 23 following: “The Secretary shall continue to fund an
 24 eligible entity, in an amount equal to the same pro-
 25 portion of total funds received by the State under

1 this subtitle as was allocated to the eligible entity
2 the previous year, until the Secretary approves, or
3 disapproves and reverses, the determination of ter-
4 mination or reduction in funding with respect to the
5 State.”.

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

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

9 (1) in subsection (a)(1)—

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

12 (B) by redesignating subparagraph (D) as
13 subparagraph (F); and

14 (C) by inserting after subparagraph (C),
15 the following:

16 “(D) notwithstanding paragraph (2)(B),
17 beginning in fiscal year 2005, and not less than
18 every 2 years thereafter, each State shall sub-
19 mit to the Secretary a separate audit of the
20 funds appropriated under this subtitle that
21 meets the standards in paragraph (2)(A); and

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

1 urement system, which may be a performance
2 measurement system for which the Secretary
3 facilitated development pursuant to subsection
4 (b); or an alternative system that the Secretary
5 is satisfied meets the requirements of sub-
6 section (b).

7 “(B) LOCAL AGENCIES.—The State may
8 elect to have local agencies that are subcontractors
9 of the eligible entities under this subtitle
10 participate in the performance measurement
11 system. If the State makes that election, refer-
12 ences in this section to eligible entities shall
13 be considered to include the local agencies.

14 “(C) PERFORMANCE MEASUREMENT OF
15 STATES.—Not later than 1 year after the date
16 of enactment of the Poverty Reduction and Pre-
17 vention Act, the Secretary shall establish, in
18 consultation with States and eligible entities,
19 performance standards for the State adminis-
20 tration of block grant funds. Such standards
21 shall include standards relating to—

22 “(i) the timeliness of the availability
23 of State plans for public comment as re-
24 quired under section 676(a)(2)(B) and of

1 submission of such plans to the Secretary
2 as required in section 676(b);

3 “(ii) the utilization of the financial
4 and organizational assessment protocol es-
5 tablished under section 678B(b), including
6 the training and skills of State personnel
7 responsible for such oversight, the comple-
8 tion of annual monitoring, the identifica-
9 tion of opportunities for improvement, and
10 the implementation of plans to enhance the
11 management capacity and infrastructure of
12 eligible entities;

13 “(iii) the timeliness of the distribution
14 of block grants funds to eligible entities as
15 provided in section 675C(a);

16 “(iv) the resources made available for
17 management development at eligible enti-
18 ties, including monitoring, training, and
19 assistance with financial management and
20 program information and assessment sys-
21 tems;

22 “(v) the results of State efforts to co-
23 ordinate eligible entity programs with
24 other State programs for low-income indi-
25 viduals and their families, especially par-

1 participants in the Temporary Assistance for
2 Needy Families Program and other work-
3 ing families; and to ensure the participa-
4 tion of eligible entities in the development
5 of statewide strategies to reduce poverty;
6 and

7 “(vi) the assistance provided to eligi-
8 ble entities in securing private partnerships
9 as required in section 676(b).

10 “(2) ANNUAL REPORT.—Each State shall annu-
11 ally prepare and submit to the Secretary a report on
12 the measured performance of the State and the eligi-
13 ble entities in the State. The State shall include in
14 the report any information collected by the State re-
15 lating to such performance. Each State shall also in-
16 clude in the report an accounting of the expenditure
17 of funds received by the State through the commu-
18 nity services block grant program; including an ac-
19 counting of funds spent on administrative costs by
20 the State and the eligible entities; funds spent by eli-
21 gible entities on the direct delivery of local services;
22 and the achievement of national goals established
23 under the procedures described in this section; and
24 shall include information on the number of and
25 characteristics of clients served under this subtitle in

1 the State, based on data collected from the eligible
2 entities. The State shall also include in the report a
3 summary describing the training and technical as-
4 sistance offered by the State under section
5 678C(a)(3) during the year covered by the report.

6 “(b) LOCAL ENTITY ACCOUNTABILITY AND REPORT-
7 ING REQUIREMENTS.—

8 “(1) LOCAL ENTITY DETERMINED GOALS.—In
9 order to be designated as an eligible entity and to
10 receive a grant under this subtitle, a grantee shall
11 establish grantee determined goals for reducing pov-
12 erty in the community, including goals for—

13 “(A) leveraging community resources;

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

16 “(C) promoting community involvement.

17 “(2) DEMONSTRATION THAT GOALS WERE
18 MET.—In order to receive a grant subsequent to the
19 first grant that is provided to an eligible entity fol-
20 lowing the date of enactment of the Poverty Redue-
21 tion and Prevention Act, the entity shall dem-
22 onstrate to the State that substantial progress has
23 been made in meeting the goals of the entity as de-
24 scribed in paragraph (1).

1 “(3) GOALS OR PERFORMANCE MEASURES.—

2 Any specific goals or performance measures, for an
3 individual eligible entity, that are used in any moni-
4 toring or review process under this subtitle, shall
5 be—

6 “(A) determined by the entity;

7 “(B) agreed on by the State involved and
8 the entity, during the planning process leading
9 to the grant involved; and

10 “(C) incorporated into the grant agree-
11 ment between the State and entity for each
12 subsequent award cycle.

13 “(e) SECRETARY’S ACCOUNTABILITY AND REPORT-
14 ING REQUIREMENTS.—

15 “(1) FEDERAL PERFORMANCE MEASURE-
16 MENT.—The Secretary shall establish goals for the
17 Department of Health and Human Services Office of
18 Community Services with respect to—

19 “(A) the timeliness of the distribution of
20 funds under this subtitle, including funds for
21 training and technical assistance;

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

24 “(C) the coordination of other Office of
25 Community Service programs with the activities

1 of States and eligible entities under this sub-
2 title; and

3 ~~“(D) the full and timely reporting as re-~~
4 ~~quired in this section.~~

5 ~~“(2) LOCAL PERFORMANCE MEASUREMENT.—~~

6 ~~“(A) IN GENERAL.—To the maximum ex-~~
7 ~~tent practicable, the Secretary shall coordinate~~
8 ~~reporting requirements for all programs of the~~
9 ~~Department of Health and Human Services~~
10 ~~that are managed by eligible entities so as to~~
11 ~~consolidate and reduce the number of reports~~
12 ~~required relating to individuals, families, and~~
13 ~~uses of grant funds, specifically funds under the~~
14 ~~Head Start Act, the Low-Income Home Energy~~
15 ~~Assistance Act of 1981, child care programs ad-~~
16 ~~ministered by the Department, and health re-~~
17 ~~lated service programs administered by the De-~~
18 ~~partment.~~

19 ~~“(B) TECHNICAL ASSISTANCE.—The Sec-~~
20 ~~retary shall provide technical assistance, includ-~~
21 ~~ing support for the enhancement of electronic~~
22 ~~data systems, to States and to eligible entities~~
23 ~~to enhance their capability to collect and report~~
24 ~~data for such a system and to aid in their par-~~
25 ~~ticipation in such a system.~~

1 “(C) LOCAL ENTITY PERFORMANCE MEAS-
2 UREMENT SYSTEM.—The Secretary shall assist
3 in the implementation of a local entity perform-
4 ance measurement system, and other voluntary
5 programmatic and results reporting systems,
6 developed by States, eligible entities, and their
7 national associations acting together. The Sec-
8 retary and the developers of such systems shall
9 ensure that the set of measures are numerous
10 enough to cover the full range of services of-
11 fered by all local eligible entities. Under such a
12 system, local eligible entities shall only be com-
13 pelled to collect data on the subset of perform-
14 ance measures that reflect their community-spe-
15 cific programs and services currently adopted.
16 Grantees shall not be required under this sub-
17 paragraph to alter the collection of data for any
18 reports provided for other programs within the
19 Department of Health and Human Services or
20 other Federal agencies. States shall compile an-
21 nual Results Oriented Management and Ac-
22 countability System reports for the Secretary
23 under this subparagraph.

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

4 “(A) a summary of the planned use of
5 funds by each State, and the eligible entities in
6 the State, under the community services block
7 grant program, as contained in each State plan
8 submitted pursuant to section 676;

9 “(B) a description of how funds were actu-
10 ally spent by the State and eligible entities in
11 the State, including a breakdown of funds spent
12 on administrative costs and on the direct deliv-
13 ery of local programs by eligible entities;

14 “(C) information on the number of entities
15 eligible for funds under this subtitle; the num-
16 ber of low-income persons served under this
17 subtitle; and such demographic data on the low-
18 income populations served by eligible entities as
19 is determined by the Secretary to be feasible;

20 “(D) a comparison of the planned uses of
21 funds for each State and the actual uses of the
22 funds;

23 “(E) a summary of each State’s perform-
24 ance results, and the results for the eligible en-

1 tities, as collected and submitted by the States
2 in accordance with subsection (a)(2); and

3 “(F) any additional information that the
4 Secretary considers to be appropriate to carry
5 out this subtitle, if the Secretary informs the
6 States of the need for such additional informa-
7 tion and allows a reasonable period of time for
8 the States to collect and provide the informa-
9 tion.

10 “(4) SUBMISSION.—The Secretary shall submit
11 to the Committee on Education and the Workforce
12 of the House of Representatives and the Committee
13 on Health, Education, Labor, and Pensions of the
14 Senate the report described in paragraph (2), and
15 any comments the Secretary may have with respect
16 to such report. The report shall include definitions
17 of direct and administrative costs used by the De-
18 partment of Health and Human Services for pro-
19 grams funded under this subtitle.

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

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

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

5 **SEC. 115. OPERATIONAL RULE.**

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

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

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

13 (1) in subsection (a)—

14 (A) in paragraph (2)—

15 (i) by redesignating subparagraphs
16 (B) through (E) as subparagraph (D)
17 through (G), respectively;

18 (ii) by striking subparagraph (A) and
19 inserting the following:

20 “(A) ECONOMIC DEVELOPMENT ACTIVI-
21 TIES.—The Secretary shall make grants de-
22 scribed in paragraph (1) on a competitive basis
23 to private, nonprofit organizations that are
24 community development corporations to provide
25 technical and financial assistance for economic
26 development activities, including business, eco-

1 nomic, and community development projects,
2 designed to address the economic needs of low-
3 income individuals and families by creating em-
4 ployment and business development opportuni-
5 ties. Such assistance shall include—

6 “(i) long term loans (up to 15 years)
7 or investments for private business enter-
8 prises;

9 “(ii) providing capital to businesses
10 owned by community development corpora-
11 tions; and

12 “(iii) marketing and management as-
13 sistance for businesses providing jobs and
14 business opportunities to low income indi-
15 viduals.

16 “(B) FEDERAL INTEREST.—

17 “(i) IN GENERAL.—The Secretary
18 shall establish procedures that permit a
19 grantee who receives funds under a grant
20 to carry out this paragraph, or intangible
21 assets acquired with such funds, to become
22 the sole owner of the funds or assets be-
23 fore the end of the 12-year period begin-
24 ning at the end of the fiscal year for which
25 the grant is made.

1 “(ii) CONDITIONS.—To be eligible to
2 become the sole owner, the grantee shall
3 agree—

4 “(I) to use the funds or assets
5 for the purposes and uses for which
6 the grant was made, or purposes and
7 uses consistent with this subtitle, dur-
8 ing and after the 12-year period de-
9 scribed in clause (i), whether or not
10 the grantee continues to be supported
11 by Federal funds; and

12 “(II) that, when the grantee no
13 longer needs the funds or assets for
14 purposes and uses described in sub-
15 clause (I), the grantee shall request
16 instructions from the Secretary about
17 the disposition of the funds or assets.

18 “(iii) ENCUMBERING.—The grantee
19 may not encumber the assets without the
20 approval of the Secretary.

21 “(C) ADMINISTRATIVE REQUIREMENTS.—
22 In a case in which an eligible project under
23 grant made under this section cannot, for good
24 cause, be implemented, the Secretary shall es-
25 tablish a policy to permit the substitution of

1 other eligible projects. Such policy shall require
 2 that such project have the same impact area,
 3 the same goals, and the same objectives as the
 4 original project and outcomes that are substan-
 5 tially the same as the original project.”;

6 (iii) in subparagraph (E) (as so reded-
 7 icated), by striking “community” and in-
 8 serting “service area”; and

9 (iv) in subparagraph (G) (as so reded-
 10 icated), by striking “1 percent” and in-
 11 serting “2 percent”; and

12 (B) in paragraph (3)(B), by striking “com-
 13 munity” and inserting “water and waste
 14 water”; and

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

18 (2) in subsection (c), by striking “Labor and
 19 Human Resources” and inserting “Health, Edu-
 20 cation, Labor, and Pensions”.

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

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

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

4 (2) in subsection (d), by striking “1999 through
5 2003” and inserting “2004 through 2009”.

6 **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED**
7 **TO PROVIDE INSTRUCTIONAL ACTIVITIES**
8 **FOR LOW-INCOME YOUTH.**

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

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

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

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

18 (a) **IN GENERAL.**—Section 671 of the Community
19 Services Block Grant Act (42 U.S.C. 9901 note) is amend-
20 ed by striking “Community Services Block Grant Act”
21 and inserting “Poverty Reduction and Prevention Act”.

22 (b) **CONFORMING AMENDMENTS.**—

23 (1) **COMMUNITY SERVICES BLOCK GRANT**
24 **ACT.**—The heading for subtitle B of title VI of the

1 Omnibus Budget Reconciliation Act of 1981 is
2 amended to read as follows:

3 **“Subtitle B—Poverty Reduction**
4 **and Prevention Program”.**

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

10 (A) Section 307(a)(3)(A) of the Consoli-
11 dated Farm and Rural Development Act (7
12 U.S.C. 1927(a)(3)(A)).

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

15 (C) Section 201A(7) of the Emergency
16 Food Assistance Act of 1983 (7 U.S.C.
17 7501(7)).

18 (D) Section 172(13) of the Program for
19 Investment in Microentrepreneurs Act of 1999
20 (15 U.S.C. 6901(13)).

21 (E) Sections 201(b)(3), 435(o)(1)(A)(ii),
22 and 435(o)(1)(B)(ii) of the Higher Education
23 Act of 1965 (20 U.S.C. 1021(b)(3),
24 1085(o)(1)(A)(ii), and 1085(o)(1)(B)(ii)).

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

4 (G) Section 9109(33) of the Elementary
5 and Secondary Education Act of 1965 (20
6 U.S.C. 7801(33)).

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

9 (I) Sections 101(36), 112(b)(8)(A)(vii),
10 121(b)(1)(B)(x), and 501(b)(2)(O) of the
11 Workforce Investment Act of 1998 (29 U.S.C.
12 2801(36), 2822(b)(8)(A)(vii), and
13 2841(b)(1)(B)(x), and 20 U.S.C.
14 9271((b)(2)(O)).

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

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

19 (L) Section 549(e)(3)(B)(ii) of title 40,
20 United States Code.

21 (M) Section 317M(e)(3)(B)(ii) of the Pub-
22 lic Health Service Act (42 U.S.C. 247b-
23 14(e)(3)(B)(ii)).

24 (N) Section 2110(e)(5) of the Social Secu-
25 rity Act (42 U.S.C. 1397jj(e)(5)).

1 (O) Sections 102(38), 203(b)(13), 213,
2 306(a)(6)(C), and 503(b)(2) of the Older Amer-
3 icans Act of 1965 (42 U.S.C. 3002(38),
4 3013(b)(13), 3020d, 3026(a)(6)(C), and
5 3056a(b)(2)).

6 (P) Sections 103(a)(6), 105(b)(2)(A),
7 211(e)(1), and 421(6) of the Domestic Volun-
8 teer Service Act of 1973 (42 U.S.C. 4953(a)(6),
9 4955(b)(2)(A), 5011(e)(1), and 5061(6)).

10 (Q) Sections 2603(8) and
11 2607B(e)(2)(B)(i) of the Low-Income Home
12 Energy Assistance Act of 1981 (42 U.S.C.
13 8622(8) and 8626b(e)(2)(B)(i)).

14 (R) Sections 407(b)(2) and 408(a)(1)(C)
15 of the Human Services Reauthorization of 1986
16 (42 U.S.C. 9812a(b)(2) and 9925(a)(1)(C)).

17 (S) Section 630(a) of the Community Eco-
18 nomic Development Act of 1981 (42 U.S.C.
19 9819(a)).

20 (T) Sections 158(b) and 178(i)(1) of the
21 National and Community Service Act of 1990
22 (42 U.S.C. 12618(b) and 12638(i)(1)).

23 (U) The 5th unnumbered paragraph (relat-
24 ing to poverty line) of section 30401 of the
25 Community Schools Youth Services and Super-

1 vision Grant Program Act of 1994 (42 U.S.C.
2 13791).

3 **TITLE II—LOW-INCOME HOME**
4 **ENERGY ASSISTANCE**

5 **SEC. 201. SHORT TITLE.**

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

8 **SEC. 202. REAUTHORIZATION.**

9 (a) **IN GENERAL.**—Section 2602(b) of the Low-In-
10 come Home Energy Assistance Act of 1981 (42 U.S.C.
11 8621(b)) is amended in the first sentence by striking
12 “such sums” and all that follows through the period and
13 inserting “and \$3,400,000,000 for each of fiscal years
14 2004 through 2006, and such sums as may be necessary
15 for each fiscal year thereafter.”.

16 (b) **PROGRAM YEAR.**—Section 2602(c) of the Low-
17 Income Home Energy Assistance Act of 1981 (42 U.S.C.
18 8621(c)) is amended by inserting “authorized” after “pro-
19 grams and activities”.

20 (c) **INCENTIVE PROGRAM FOR LEVERAGING NON-**
21 **FEDERAL RESOURCES.**—Section 2602(d) of the Low-In-
22 come Home Energy Assistance Act of 1981 (42 U.S.C.
23 8621(d)) is amended—

1 (1) in paragraph (1), by striking “1994
2 through 2004” and inserting “2004 through 2010”;
3 and

4 (2) in paragraph (2), “1994 through 2004” and
5 inserting “2004 through 2010”.

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

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

10 “Notwithstanding any other provision of this section, for
11 purposes of making determinations under section
12 2603(1)(C), if the Secretary determines that there is an
13 increase of at least 20 percent in the cost of home energy
14 over the previous 5-year average for a duration of a month
15 or more in one or more States or regions, the Secretary
16 shall declare an energy emergency in the affected area and
17 shall make available funds as provided in this subsection.
18 Notwithstanding any other provision of this section, for
19 purposes of making such determinations, if the Secretary
20 determines that the number of heating degree days or
21 cooling days for a month was more than 100 above the
22 30-year average in one or more States or regions, the Sec-
23 retary shall declare an energy emergency in the affected
24 area and shall make available funds as provided in this
25 subsection.”.

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

2 **OPTION.**

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

8 (b) **REPORT.**—Not later than 2 years after the date
9 of enactment of this Act, the Comptroller General of the
10 United States shall prepare and submit to the Committee
11 on Education and the Workforce of the House of Rep-
12 resentatives and the Committee on Health, Education,
13 Labor, and Pensions of the Senate a report containing—

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

16 (2) the State evaluations described in para-
17 graphs (1) and (2) of section 2607B(b) of the Low-
18 Income Home Energy Assistance Act of 1981 (42
19 U.S.C. 8626b(b)).

20 **SEC. 205. REPORT TO CONGRESS.**

21 (a) **STUDY.**—

22 (1) **IN GENERAL.**—The Secretary of Health and
23 Human Services shall conduct a study on the Low-
24 Income Home Energy Assistance Act of 1981 (42
25 U.S.C. 8621 et seq.)

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

4 (A) evaluate the performance of the Low-
5 Income Home Energy Assistance Program, in-
6 cluding who the program is serving; the benefits
7 of the program to recipients; and the ability of
8 the program to reduce utility arrearage and
9 shut-offs among low-income households;

10 (B) develop a protocol for States to collect
11 information from energy distribution compa-
12 nies, including electric, natural gas, heating oil,
13 and propane companies; concerning the fol-
14 lowing residential customer statistics—

15 (i) the number of accounts certified as
16 eligible for energy assistance;

17 (ii) the number of accounts certified
18 as eligible for energy assistance and that
19 are past due;

20 (iii) the total revenue owed on ac-
21 counts eligible for energy assistance and
22 that are past due;

23 (iv) the number of disconnection no-
24 tices issued on accounts eligible for energy
25 assistance;

1 (v) the number of disconnections for
2 nonpayment;

3 (vi) the number of reconnections;

4 (vii) the number of accounts eligible
5 for energy assistance and determined
6 uncollectible; and

7 (viii) the energy burden of accounts
8 eligible for energy assistance;

9 (C) analyze the public health and safety
10 threats of hypothermia and hyperthermia due
11 to a lack of home heating or home cooling, in-
12 cluding mortality, morbidity, and decrease in
13 caloric intake;

14 (D) analyze the affect of the standard of
15 housing and housing age on energy costs to
16 low-income households;

17 (E) evaluate regional difference in cost-of-
18 living and the ability of low-income families to
19 meet home energy requirements; and

20 (F) determine the programmatic impacts
21 of using 60 percent of State median income to
22 determine low-income households.

23 (b) REPORT.—Not later than 24 months after the
24 date of enactment of this Act, the Secretary of Health and
25 Human Services shall submit to Congress a report con-

1 taining the results of the study conducted under sub-
 2 section (a).

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

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

9 (e) CONTRACTS.—Using amounts appropriated under
 10 subsection (d), the Secretary of Health and Human Serv-
 11 ices may enter into contracts or jointly financed coopera-
 12 tive agreements or interagency agreements with States
 13 and public agencies and private nonprofit organizations to
 14 conduct the study under subsection (a).

15 **TITLE III—ASSETS FOR** 16 **INDEPENDENCE ACT**

17 **SEC. 301. SHORT TITLE.**

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

20 **SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDE-** 21 **PENDENCE ACT.**

22 (a) DEFINITION OF QUALIFIED EXPENSES.—Section
 23 404(8) of the Assets for Independence Act (42 U.S.C. 604
 24 note) is amended—

25 (1) in subparagraph (A)—

1 (A) in the matter preceding clause (i), by
 2 inserting “or to a vendor following approval by
 3 a qualified entity upon submission of an ap-
 4 proved qualified education purchase plan” be-
 5 fore the period; and

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

7 “~~(iii) QUALIFIED EDUCATION PUR-~~
 8 ~~CHASE PLAN.—~~The term ‘qualified edu-
 9 cation purchase plan’ means a document
 10 that explains the education item to be pur-
 11 chased which—

12 “(I) is approved by a qualified
 13 entity; and

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

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

17 and

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

19 “~~(E) SAVING IN HDAS FOR DEPENDENTS.—~~
 20 Amounts paid to an individual development ac-
 21 count established for the benefit of a dependent
 22 (as such terms is defined for purposes of sub-
 23 paragraph (D)(ii)) of an eligible individual for
 24 the purpose of post-secondary education.”.

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

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

6 (1) in subsection (b)—

7 (A) in paragraph (1)—

8 (i) by redesignating subparagraphs
 9 (A) and (B) as subparagraphs (B) and
 10 (C), respectively; and

11 (ii) by inserting before subparagraph
 12 (B) (as so redesignated) the following:

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

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

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

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

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

4 “(4) USE OF NONFEDERAL FUNDS.—

5 “(A) IN GENERAL.—Notwithstanding para-
6 graph (3), not more than 20 percent of the
7 amount of non-Federal funds committed to a
8 project as matching contributions in accordance
9 with the application submitted by the qualified
10 entity under section 405(c)(4) shall be used by
11 the qualified entity for the purposes described
12 in subparagraphs (A), (C), and (D) of para-
13 graph (1).

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

1 (e) ELIGIBILITY FOR PARTICIPATION.—Section
 2 408(a)(1) of the Assets for Independence Act (42 U.S.C.
 3 604 note) is amended to read as follows:

4 “(1) INCOME TEST.—The—

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

6 “(i) equal to or less than 200 percent
 7 of the poverty line (as determined by the
 8 Office of Management and Budget);

9 “(ii) the earned income amount de-
 10 scribed in section 32 of the Internal Rev-
 11 enue Code of 1986 (taking into account
 12 the size of the household); or

13 “(iii) equal to or less than 80 percent
 14 of the Area Median Income (as determined
 15 by the Department of Housing and Urban
 16 Development); or

17 “(B) the modified adjusted gross income of
 18 the household for the previous year does not ex-
 19 ceed \$18,000 for an individual filer, \$30,000
 20 for a head of household, or \$38,000 for a joint
 21 filer.”.

22 (f) DEPOSITS BY QUALIFIED ENTITIES.—Section
 23 410 of the Assets for Independence Act (42 U.S.C. 604
 24 note) is amended—

1 (1) in subsection (a), by striking “qualified en-
 2 tity—” and all that follows through the end and in-
 3 serting the following: “qualified entity, a matching
 4 contribution of not less than \$0.50 and not more
 5 than \$4 for every \$1 of earned income (as defined
 6 in section 911(d)(2) of Internal Revenue Code of
 7 1986) deposited in the account and interest earned
 8 on that account by a project participant during that
 9 period. Matching contributions shall be made—

10 “~~(1)~~ from the non-Federal funds described in
 11 section 405(e)(4); and

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

16 (2) by redesignating subsections (b) through (e)
 17 as subsections (e) through (f), respectively; and

18 ~~(3)~~ by inserting after subsection (a), the fol-
 19 lowing:

20 “~~(b)~~ USE OF EXCESS INTEREST ON MATCHING
 21 FUNDS EARNED ON THE RESERVE FUND.—Interest that
 22 accrues on the matching funds earned and held in the Re-
 23 serve Fund, over and above the interest required to match
 24 an individuals deposits and interest earned in the indi-
 25 vidual development account, shall be used by the qualified

1 entity to fund existing individual development accounts or
 2 additional individual development accounts.”.

3 (g) **AUTHORIZATION OF APPROPRIATIONS.**—Section
 4 416 of the Assets for Independence Act (42 U.S.C. 604
 5 note) is amended by striking “and 2003” and inserting
 6 “and 2003, \$25,000,000 for fiscal year 2004, and such
 7 sums as may be necessary for each of fiscal years 2005
 8 through 2008,”.

9 (h) **APPLICATION OF AMENDMENTS.**—In admin-
 10 istering the Assets for Independence Act (42 U.S.C. 604
 11 note), the Secretary of Health and Human Services may
 12 apply the amendments made by this section to individual
 13 account holders and entities that received grants under
 14 such Act either before or after the date of enactment of
 15 this Act.

16 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

19 (b) **TABLE OF CONTENTS.**—*The table of contents of this*
 20 *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.

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

11 improve and revitalize the communities in which low-

12 income Americans live, by providing resources to

13 States for support of local eligible entities and their

14 partners to—

1 “(A) plan, coordinate, and mobilize a broad
2 range of Federal, State, local, and private assist-
3 ance or investment in such a manner as to use
4 these resources effectively to reduce poverty and
5 in initiatives that are responsive to specific local
6 needs and conditions;

7 “(B) organize multiple services that meet
8 the needs of low-income families and individuals,
9 especially low-wage workers and their families,
10 and that assist them in developing the assets and
11 skills needed to become self sustaining while en-
12 suring that these services are provided efficiently,
13 in appropriate combinations, and in effective se-
14 quence; and

15 “(C) design and implement comprehensive
16 approaches to assist individuals transitioning
17 from the program of block grants to States for
18 temporary assistance for needy families under
19 part A of title IV of the Social Security Act (42
20 U.S.C. 601 et seq.) to work;

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

24 “(A) broaden the financial resource base of
25 initiatives and projects directed to the elimi-

1 *nation of poverty and the re-development of the*
2 *low-income community, including partnerships*
3 *with non-governmental and governmental insti-*
4 *tutions to develop the community assets and*
5 *services that reduce poverty, such as—*

6 *“(i) other private, charitable, neighbor-*
7 *hood-based, and religious organizations;*

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

13 *“(iii) local government leadership; and*

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

23 *“(i) innovative initiatives to prevent*
24 *and reverse loss of investment, jobs, public*

1 *services, and infrastructure in low- and*
2 *moderate-income communities; and*

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

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

16 **SEC. 102. DEFINITIONS.**

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

19 (1) *in paragraph (1)(A)(ii), by striking “or*
20 *other mechanism”;* and

21 (2) *in paragraph (2)—*

22 (A) *in the first sentence—*

23 (i) *by striking “Office of Management*
24 *and Budget” and inserting “Department of*
25 *Health and Human Services”;* and

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

6 (B) by striking the last sentence and insert-
7 ing the following: “Whenever a State determines
8 that it has served the objectives of the block grant
9 program established under this subtitle, the State
10 may revise the poverty line, while placing a pri-
11 ority in serving those who are most in need, so
12 that 125 percent of the official poverty line is the
13 minimum level that a State shall be permitted to
14 set as its maximum eligibility requirement and
15 60 percent of the State’s median income is the
16 maximum level that a State shall be permitted
17 to set as its maximum eligibility requirement.
18 The State may revise the poverty line only upon
19 a determination that eligible entities are pro-
20 viding, coordinating, or partnering with means-
21 tested support services for low and moderate-in-
22 come individuals and families above the official
23 poverty line. Nothing in this paragraph shall be
24 construed to prevent eligible entities from con-
25 tinuing to support individuals and families dur-

1 *ing their transition from program eligibility to*
 2 *achieve specific goals for their economic security*
 3 *and long-term self-sufficiency as long as priority*
 4 *is given to serving the lowest income individuals*
 5 *who seek services.”.*

6 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

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

9 *(1) in subsection (a), by striking “1999 through*
 10 *2003” and inserting “2004 through 2009”; and*

11 *(2) in subsection (b)(2)—*

12 *(A) in subparagraph (A), by striking “or*
 13 *associations” and inserting “and associations”;*
 14 *and*

15 *(B) in subparagraph (B)—*

16 *(i) by striking “ $\frac{1}{2}$ of the remainder”*
 17 *and inserting “not less than $\frac{1}{2}$ of the re-*
 18 *mainder”; and*

19 *(ii) by striking “evaluation and” and*
 20 *inserting “evaluation and training and*
 21 *technical assistance activities and”.*

22 **SEC. 104. ESTABLISHMENT OF PROGRAM.**

23 *Section 675 of the Community Services Block Grant*
 24 *Act (42 U.S.C. 9904) is amended by striking “through the*
 25 *program” and all that follows through the period and in-*

1 *serting “to States for the purpose of ameliorating the causes*
2 *of poverty and the conditions caused by poverty in their*
3 *communities.”.*

4 **SEC. 105. USE OF FUNDS.**

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

7 *(1) in paragraph (1)—*

8 *(A) in subparagraph (A), by striking “enti-*
9 *ties in need of such training and assistance” and*
10 *inserting “eligible entities and their statewide*
11 *associations that strengthens their managerial or*
12 *programmatic capabilities to reduce poverty”;*
13 *and*

14 *(B) by striking subparagraphs (B) through*
15 *(H) and inserting the following:*

16 *“(B) supporting statewide coordination and*
17 *communication among eligible entities and*
18 *State-operated or supported programs and serv-*
19 *ices, and other locally-operated programs and*
20 *services targeted to low-income individuals and*
21 *their children and families, so as to ensure that*
22 *local eligible entities’ services are integrated in a*
23 *manner that allows such low-income individual*
24 *and their families to have access to as many*
25 *sources of assistance as are appropriate to sup-*

1 *port their progress to economic stability and self-*
2 *sufficiency;*

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

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

17 “(E) *supporting State charity tax credits as*
18 *described in subsection (c);*

19 “(F) *supporting the identification of exem-*
20 *plary eligible entities or programs as Centers of*
21 *Innovation and methodology for disseminating*
22 *innovative programs and other best practices*
23 *from those agencies statewide;*

24 “(G) *supporting the development of eligible*
25 *entities’ partnerships with local law enforcement*

1 agencies, local housing authorities, private foun-
 2 dations, and other public and private partners;
 3 and

4 “(H) supporting other activities, consistent
 5 with the purposes of this subtitle.”; and

6 (2) in paragraph (2), by adding at the end the
 7 following: “The State shall also ensure that all funds
 8 distributed under subsection (a) are not used for ex-
 9 cessive administrative expenses and that all funds
 10 distributed under such subsection used for salaries by
 11 a local entity are fair and equitable. The State has
 12 the authority to determine the appropriate level of
 13 funds distributed under subsection (a) that an eligible
 14 entity shall use for administrative expenses.”.

15 **SEC. 106. APPLICATION AND PLAN.**

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

18 (1) in subsection (b)—

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

22 (B) by striking paragraphs (1) through (6)
 23 and inserting the following:

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

1 “(A) to support activities directly and
2 through eligible entities that are designed to ex-
3 pand opportunities for and assist low-income in-
4 dividuals and their families (including low-in-
5 come workers) to become self-sufficient, including
6 low-income workers, families, and individuals
7 receiving assistance under part A of title IV of
8 the Social Security Act (42 U.S.C. 601 et seq.),
9 homeless families and individuals, migrant or
10 seasonal farmworkers, and elderly low-income
11 individuals and families, and a description of
12 how such activities will enable the families and
13 individuals—

14 “(i) to remove obstacles and solve prob-
15 lems that block the achievement of self-suffi-
16 ciency by organizing and coordinating sup-
17 port for those served under paragraph (3);

18 “(ii) to secure and retain employment
19 that provides adequate income with essen-
20 tial benefits;

21 “(iii) to attain an adequate education,
22 with particular attention toward improving
23 literacy and communications and technical
24 skills of the low-income families in the com-
25 munities involved;

1 “(iv) to make better use of available in-
2 come and build household assets;

3 “(v) to obtain and maintain adequate
4 housing and a suitable living environment;

5 “(vi) to obtain assistance that is need-
6 ed to resolve family emergencies and indi-
7 vidual needs, to prevent further hardships,
8 and to secure economic independence; and

9 “(vii) to participate fully in the public
10 affairs and management of their commu-
11 nities and the governance of eligible entities;
12 and

13 “(B) to make more effective use of, and to
14 coordinate with, other programs related to the
15 purposes of this subtitle (including State welfare
16 reform efforts);

17 “(2) a description of how the State intends to
18 use discretionary funds made available from the re-
19 mainder of the grant or allotment described in section
20 675C(b) in accordance with this subtitle, including a
21 description of how the State will support innovative
22 community-based initiatives of eligible entities and
23 their partners related to the purposes of this subtitle;

24 “(3) an assurance that the State has integrated
25 programs of general relevance in its plan, to the ex-

1 *tent appropriate to the needs of low-income commu-*
2 *nities served by the eligible entities, including a de-*
3 *scription of innovative community and neighborhood-*
4 *based initiatives such as—*

5 *“(A) initiatives with the goal of strength-*
6 *ening families and encouraging effective par-*
7 *enting, including fatherhood initiatives;*

8 *“(B) initiatives to assist those moving from*
9 *welfare to work to obtain jobs at decent wages*
10 *with benefits, including those low-income indi-*
11 *viduals and their families who are attempting to*
12 *transition off a State program carried out under*
13 *part A of title IV of the Social Security Act (42*
14 *U.S.C. 601 et seq.);*

15 *“(C) programs for the establishment of vio-*
16 *lence-free zones that would involve youth develop-*
17 *ment and intervention models that promote*
18 *youth success (such as models involving youth*
19 *mediation, youth mentoring, life skills training,*
20 *job creation, and entrepreneurship programs);*

21 *“(D) family literacy initiatives;*

22 *“(E) initiatives to increase the development*
23 *of household assets of individuals such as indi-*
24 *vidual development accounts and homeownership*
25 *opportunities;*

1 “(F) public and private partnerships to fos-
2 ter community development, affordable housing,
3 job creation, and other means of building the as-
4 sets of low-income communities;

5 “(G) partnerships with local law enforce-
6 ment agencies, which may include participation
7 in community policing, and activities to assist
8 community residents and public safety officials
9 in the event of emergencies, including threats to
10 national security;

11 “(H) initiatives to improve economic condi-
12 tions and mobilize new resources in rural areas
13 and other at-risk areas to eliminate obstacles to
14 the self sufficiency of families and individuals in
15 those communities;

16 “(I) initiatives to help reduce the concentra-
17 tion of poverty in cities and inner suburbs and
18 provide economic opportunities for individuals
19 and families in those areas; and

20 “(J) partnerships with nonprofit or commu-
21 nity-based organizations that demonstrate effec-
22 tiveness in child abuse prevention, including
23 with programs that are school-based and that
24 focus on adolescent victims, and victimizers;

1 “(4) an assurance that the State will provide in-
2 formation, including—

3 “(A) a description of the State measurement
4 system and results for the performance goals es-
5 tablished under section 678E(a)(1)(C);

6 “(B) a description of the service delivery
7 system, for services provided or coordinated with
8 funds made available through grants made under
9 section 675C(a), targeted to low-income individ-
10 uals and families in communities within the
11 State;

12 “(C) a description of how linkages will be
13 developed to fill identified gaps in the services,
14 through the provision of information, referrals,
15 case management, and followup consultations,
16 and to support mobilization of new resources
17 and partnerships;

18 “(D) a description of how funds made
19 available through grants made under section
20 675C(a) will be coordinated with other public
21 and private resources; and

22 “(E) a description of how the local entity
23 will use the funds to support innovative commu-
24 nity and neighborhood-based initiatives related
25 to the purposes of this subtitle;

1 “(5) an assurance that eligible entities in the
2 State will provide, on an emergency basis, for the
3 provision of such supplies and services, nutritious
4 foods, and related services, as may be necessary to
5 counteract conditions of starvation and malnutrition
6 among low-income individuals;

7 “(6) an assurance that the State has, to avoid
8 duplication of such services, and to ensure that pro-
9 gram gaps are addressed, identified and coordinated
10 with eligible entity programs, with State and local
11 agencies, and with programs that assist low-income
12 individuals and their families, including—

13 “(A) programs carried out under part A of
14 title IV of the Social Security Act (42 U.S.C.
15 601 et seq.), the Workforce Investment Act of
16 1998 (29 U.S.C. 2801 et seq.), and other pro-
17 grams designed to coordinate work-related sup-
18 portive services for families;

19 “(B) programs for expanding housing op-
20 portunities, reducing homelessness, and devel-
21 oping community investment projects;

22 “(C) education programs, including those
23 for preschool and school-aged children and for
24 adults to obtain an adequate education; and

1 “(D) programs designed to support youth,
 2 the homeless, migrants, senior citizens, and indi-
 3 viduals with disabilities, including programs
 4 under the Low-Income Home Energy Assistance
 5 Act of 1981 (42 U.S.C. 8621 et seq.);”;

6 (C) in paragraph (12)—

7 (i) by striking “not later than fiscal
 8 year 2001” and inserting “annually”; and

9 (ii) by striking “and” at the end;

10 (D) in paragraph (13), by striking the pe-
 11 riod and inserting “in sufficient detail to permit
 12 verification; and”;

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

14 “(14) beginning with fiscal year 2006, and in
 15 each fiscal year thereafter, an assurance that the
 16 State is using the procedures described in section
 17 678B(b) to monitor eligible entities.”; and

18 (2) by striking subsection (f).

19 **SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDER-**
 20 **SERVED AREAS.**

21 Section 676A(b) of the Community Services Block
 22 Grant Act (42 U.S.C. 9909(b)) is amended by adding at
 23 the end the following: “In granting such designation, the
 24 State shall deem private nonprofit eligible entities that are
 25 providing related services in the unserved area to be of dem-

1 *onstrated effectiveness, consistent with the needs identified*
 2 *by a community needs assessment.”.*

3 **SEC. 108. TRIPARTITE BOARDS.**

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

6 *(1) by striking “through—” and all that follows*
 7 *through “a tripartite” in paragraph (1) and insert-*
 8 *ing “through a tripartite”;*

9 *(2) by striking paragraph (2);*

10 *(3) in subparagraph (C), by striking “; or” and*
 11 *inserting a period; and*

12 *(4) by redesignating subparagraphs (A) through*
 13 *(C) as paragraph (1) through (3), respectively and re-*
 14 *aligning the margins of such paragraphs accordingly.*

15 **SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER**
 16 **ACTIVITIES.**

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

19 *(1) in subsection (a)(1)—*

20 *(A) in subparagraph (A), by striking “cor-*
 21 *rective action” and all that follows through “;*
 22 *and” and inserting “monitoring and such addi-*
 23 *tional corrective actions as may be needed to*
 24 *strengthen the management and programmatic*
 25 *practices of eligible entities;”;* and

1 (B) by striking subparagraph (B) and in-
2 serting the following:

3 “(B) for State and local performance re-
4 porting and program data collection activities
5 related to programs carried out under this sub-
6 title;

7 “(C) for the preparation of reports provided
8 for in section 678E;

9 “(D) for the development and promulgation
10 of a common State Financial and Organiza-
11 tional Protocol that is required to be used by
12 States under section 678B(b); and

13 “(E) to distribute amounts in accordance
14 with subsection (c).”;

15 (2) in subsection (b)(2), by striking “an ongoing
16 procedure for obtaining input from the national and
17 State networks of eligible entities” and inserting “a
18 strategic plan for annual technical assistance devel-
19 oped in consultation with the national and State net-
20 works of eligible entities regarding their management
21 support needs”; and

22 (3) in subsection (c)(1), by striking “manage-
23 ment information” and all that follows through the
24 period, and inserting “improving management infor-
25 mation and reporting systems, measuring of program

1 *results, ensuring responsiveness to identified local*
 2 *needs, and reporting and disseminating successful*
 3 *practices and initiatives.”.*

4 **SEC. 110. MONITORING.**

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

7 (1) *in the section heading by striking “**OF ELI-***
 8 ***GIBLE ENTITIES*”;**

9 (2) *in subsection (a)—*

10 (A) *by striking the subsection heading and*
 11 *inserting “MONITORING OF ELIGIBLE ENTI-*
 12 *TIES”;*

13 (B) *in paragraph (1)—*

14 (i) *by inserting “biennial” after “on-*
 15 *site”;* and

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

18 (C) *by striking paragraph (2);*

19 (D) *by redesignating paragraphs (3) and*
 20 *(4) as paragraphs (2) and (3), respectively; and*

21 (E) *in paragraph (2) (as so redesignated),*
 22 *by inserting “annual” after “Followup”;*

23 (3) *by redesignating subsections (b) and (c) as*
 24 *subsection (c) and (d), respectively;*

1 (4) *by inserting after subsection (a) the fol-*
2 *lowing:*

3 “(b) *FINANCIAL AND ORGANIZATIONAL ASSESSMENT*
4 *PROTOCOL.—Beginning in fiscal year 2006, States shall*
5 *implement a financial and organizational assessment pro-*
6 *TOCOL to monitor and evaluate the compliance of eligible en-*
7 *tities with the financial and administrative requirements*
8 *of this section. Such protocol shall incorporate the fiscal and*
9 *organizational review procedures and standards appro-*
10 *priate to the management of Federal funds under this sub-*
11 *title and the governance of the eligible private non-profit*
12 *corporations or other eligible entities. The Secretary shall*
13 *require the protocol to be developed jointly by the States*
14 *and eligible entities and shall assist States in developing*
15 *appropriate training for personnel monitoring the uses of*
16 *funds under this subtitle according to the requirements of*
17 *this section.”; and*

18 (5) *in subsection (d), as so redesignated, by*
19 *striking the last sentence and inserting the following:*
20 *“The Secretary shall annually submit a report in-*
21 *cluding the results of the evaluations conducted under*
22 *this subtitle, the State performance reports provided*
23 *for pursuant to section 678E(a)(1)(C), and other ma-*
24 *terial as provided by section 678E(b)(2) to the Com-*
25 *mittee on Education and the Workforce of the House*

1 *of Representatives and the Committee on Health,*
2 *Education, Labor, and Pensions of the Senate.”.*

3 **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUC-**
4 **TION OF FUNDING.**

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

7 (1) *in subsection (a)—*

8 (A) *in paragraph (4), by striking “and” at*
9 *the end; and*

10 (B) *by striking paragraph (5) and inserting*
11 *the following:*

12 “(5) *if the eligible entity fails to correct the defi-*
13 *ciency, notify the entity—*

14 “(A) *that the State intends to initiate pro-*
15 *ceedings to terminate the designation of the enti-*
16 *ty as an eligible entity or to reduce, from the*
17 *previous year, the proportion of the total funding*
18 *received by the State under this subtitle that is*
19 *allocated to the eligible entity;*

20 “(B) *that the eligible entity has the right to*
21 *a hearing on the record to determine if there is*
22 *cause for such termination or reduction in fund-*
23 *ing, as defined in section 676(c), and that the re-*
24 *quest for a hearing must be made in writing to*

1 *the State within 30 days of receipt of the notice*
2 *from the State; and*

3 “(C) of the legal basis for the proposed ter-
4 mination or reduction in funding, the factual
5 findings on which the proposed termination or
6 reduction in funding is based or a reference to
7 specific findings in another document that form
8 the basis for the proposed termination or reduc-
9 tion in funding (such as a reference to item
10 numbers in an on-site review report or instru-
11 ment), and citation to any statutory provisions,
12 agreements, regulations, or State plan; and

13 “(6) if the eligible entity requests a hearing, con-
14 duct a hearing on the record to determine if there is
15 cause for termination or a reduction in funding, as
16 defined in section 676(c).”;

17 (2) in subsection (b)—

18 (A) by striking “review such a determina-
19 tion” and inserting “review and either approve,
20 or disapprove and reverse, such a determina-
21 tion”;

22 (B) by striking “90 days” each place that
23 it appears and inserting “30 days”; and

24 (C) by striking “90th day” and inserting
25 “30th day”; and

1 (3) *in subsection (c), by adding at the end the*
 2 *following: “The Secretary shall continue to fund an*
 3 *eligible entity, in an amount equal to the same pro-*
 4 *portion of total funds received by the State under this*
 5 *subtitle as was allocated to the eligible entity the pre-*
 6 *vious year, until the Secretary approves, or dis-*
 7 *approves and reverses, the determination of termi-*
 8 *nation or reduction in funding with respect to the*
 9 *State.”.*

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

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

13 (1) *in subsection (a)(1)—*

14 (A) *in subparagraph (C), by striking “and”*
 15 *at the end;*

16 (B) *by redesignating subparagraph (D) as*
 17 *subparagraph (F); and*

18 (C) *by inserting after subparagraph (C), the*
 19 *following:*

20 *“(D) notwithstanding paragraph (2)(B), be-*
 21 *ginning in fiscal year 2004, and not less than*
 22 *every 4 years thereafter, each State shall submit*
 23 *to the Secretary a separate audit of the funds*
 24 *appropriated under this subtitle that—*

25 *“(i) shall apply only to—*

1 “(I) State disbursement of funds
2 to eligible entities;

3 “(II) use of funds for State ad-
4 ministrative expenses; and

5 “(III) State disbursement of as-
6 sistance provided under section 680;
7 and

8 “(ii) shall be funded—

9 “(I) first, through the funds avail-
10 able for administrative expenses under
11 section 675C(b)(2); and

12 “(II) second, from any funds re-
13 ceived by the State through assistance
14 provided under section 680; and

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

18 (2) in subsection (b)(1), by adding at the end the
19 following: “The Secretary, after providing adequate
20 notice, shall withhold administrative funds described
21 in section 675C(b)(2) from any State that fails to
22 comply with the provisions of sections 678A through
23 678D(a), and may, after an opportunity for a hear-
24 ing conducted within the affected State, withhold
25 funds from the State and provide such funds directly

1 to the eligible entities in such State upon a dem-
 2 onstration of the compliance by such entities with the
 3 requirements of this subtitle.”

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

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

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

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

12 “(1) *PERFORMANCE MEASUREMENT OF ELIGIBLE*
 13 *ENTITIES.—*

14 “(A) *IN GENERAL.—Each State that re-*
 15 *ceives funds under this subtitle shall participate,*
 16 *and shall ensure that all eligible entities in the*
 17 *State participate, in a performance measure-*
 18 *ment system, which may be a performance meas-*
 19 *urement system for which the Secretary facili-*
 20 *tated development pursuant to subsection (b), or*
 21 *an alternative system that the Secretary is satis-*
 22 *fied meets the requirements of subsection (b).*

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

1 *participate in the performance measurement sys-*
2 *tem. If the State makes that election, references*
3 *in this section to eligible entities shall be consid-*
4 *ered to include the local agencies.*

5 “(C) *PERFORMANCE MEASUREMENT OF*
6 *STATES.—Not later than 1 year after the date of*
7 *enactment of the Poverty Reduction and Preven-*
8 *tion Act, the Secretary shall establish, in con-*
9 *sultation with States and eligible entities, per-*
10 *formance standards for the State administration*
11 *of block grant funds. Such standards shall in-*
12 *clude standards relating to—*

13 “(i) *the timeliness of the availability of*
14 *State plans for public comment as required*
15 *under section 676(a)(2)(B) and of submis-*
16 *sion of such plans to the Secretary as re-*
17 *quired 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 other*
14 *State programs for low-income individuals*
15 *and their families, especially participants*
16 *in the program of block grants to States for*
17 *temporary assistance for needy families*
18 *under part A of title IV of the Social Secu-*
19 *rity Act (42 U.S.C. 601 et seq.) and other*
20 *working families, and to ensure the partici-*
21 *ipation of eligible entities in the development*
22 *of statewide strategies to reduce poverty;*
23 *and*

1 “(vi) the assistance provided to eligible
2 entities in securing private partnerships as
3 required in section 676(b).

4 “(2) ANNUAL REPORT.—Each State shall annu-
5 ally prepare and submit to the Secretary a report on
6 the measured performance of the State and the eligible
7 entities in the State. The State shall include in the
8 report any information collected by the State relating
9 to such performance. Each State shall also include in
10 the report an accounting of the expenditure of funds
11 received by the State through the community services
12 block grant program, including an accounting of
13 funds spent on administrative costs by the State and
14 the eligible entities, funds spent by eligible entities on
15 the direct delivery of local services, and the achieve-
16 ment of national goals established under the proce-
17 dures described in this section, and shall include in-
18 formation on the number of and characteristics of cli-
19 ents served under this subtitle in the State, based on
20 data collected from the eligible entities. The State
21 shall also include in the report a summary describing
22 the training and technical assistance offered by the
23 State under section 678C(a)(3) during the year cov-
24 ered by the report.

1 “(b) *LOCAL ENTITY ACCOUNTABILITY AND REPORTING*
2 *REQUIREMENTS.*—

3 “(1) *LOCAL ENTITY DETERMINED GOALS.*—*In*
4 *order to be designated as an eligible entity and to re-*
5 *ceive a grant under this subtitle, an entity shall es-*
6 *tablish entity-determined goals for reducing poverty*
7 *in the community, including goals for—*

8 “(A) *leveraging community resources;*

9 “(B) *fostering coordination of Federal,*
10 *State, local, private, and other assistance; and*

11 “(C) *promoting community involvement.*

12 “(2) *DEMONSTRATION THAT GOALS WERE*
13 *MET.*—*In order to receive a grant subsequent to the*
14 *first grant that is provided to an eligible entity fol-*
15 *lowing the date of enactment of the Poverty Reduction*
16 *and Prevention Act, the entity shall demonstrate to*
17 *the State that substantial progress has been made in*
18 *meeting the goals of the entity as described in para-*
19 *graph (1).*

20 “(3) *GOALS OR PERFORMANCE MEASURES.*—*Any*
21 *specific goals or performance measures, for an indi-*
22 *vidual eligible entity, that are used in any moni-*
23 *toring or review process under this subtitle, shall be—*

24 “(A) *determined by the entity;*

1 “(B) agreed on by the State involved and
2 the entity, during the planning process leading
3 to the grant involved; and

4 “(C) incorporated into the grant agreement
5 between the State and entity for each subsequent
6 award cycle.

7 “(4) PROCEDURES.—If the State determines that
8 a failure to meet goals established under this sub-
9 section shall be a basis for terminating the designa-
10 tion or reducing the funds of an eligible entity under
11 this subtitle, and determines that an eligible entity
12 has failed to meet the goals, the procedures set forth
13 in section 678C shall apply.

14 “(c) SECRETARY’S ACCOUNTABILITY AND REPORTING
15 REQUIREMENTS.—

16 “(1) FEDERAL PERFORMANCE MEASUREMENT.—
17 The Secretary shall establish goals for the Department
18 of Health and Human Services Office of Community
19 Services with respect to—

20 “(A) the timeliness of the distribution of
21 funds under this subtitle, including funds for
22 training and technical assistance;

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

1 “(C) *the coordination of other Office of*
2 *Community Service programs with the activities*
3 *of States and eligible entities under this subtitle;*
4 *and*

5 “(D) *the full and timely reporting as re-*
6 *quired in this section.*

7 “(2) *LOCAL PERFORMANCE MEASUREMENT.—*

8 “(A) *IN GENERAL.—To the maximum ex-*
9 *tent practicable, the Secretary shall coordinate*
10 *reporting requirements for all programs of the*
11 *Department of Health and Human Services that*
12 *are managed by eligible entities so as to consoli-*
13 *date and reduce the number of reports required*
14 *relating to individuals, families, and uses of*
15 *grant funds, specifically funds under the Head*
16 *Start Act (42 U.S.C. 9831 et seq.), the Low-In-*
17 *come Home Energy Assistance Act of 1981 (42*
18 *U.S.C. 8621 et seq.), child care programs admin-*
19 *istered by the Department, and health related*
20 *service programs administered by the Depart-*
21 *ment.*

22 “(B) *TECHNICAL ASSISTANCE.—The Sec-*
23 *retary shall provide technical assistance, includ-*
24 *ing support for the enhancement of electronic*
25 *data systems, to States and to eligible entities to*

1 *enhance their capability to collect and report*
2 *data for such a system and to aid in their par-*
3 *ticipation in such a system.*

4 “(C) *LOCAL ENTITY PERFORMANCE MEAS-*
5 *UREMENT SYSTEM.—The Secretary shall assist*
6 *in the implementation of a local entity perform-*
7 *ance measurement system, and other voluntary*
8 *programmatic and results reporting systems, de-*
9 *veloped by States, eligible entities, and their na-*
10 *tional associations acting together. The Secretary*
11 *and the developers of such systems shall ensure*
12 *that the set of measures are numerous enough to*
13 *cover the full range of services offered by all local*
14 *eligible entities. Under such a system, local eligi-*
15 *ble entities shall only be compelled to collect data*
16 *on the subset of performance measures that re-*
17 *fect their community-specific programs and*
18 *services currently adopted. Eligible entities shall*
19 *not be required under this subparagraph to alter*
20 *the collection of data for any reports provided for*
21 *other programs within the Department of Health*
22 *and Human Services or other Federal agencies.*
23 *States shall compile annual Results Oriented*
24 *Management and Accountability System reports*
25 *for the Secretary under this subparagraph.*

1 “(3) *REPORTING REQUIREMENTS.*—*For each fis-*
2 *cal year the Secretary shall, directly or by grant or*
3 *contract, prepare a report containing—*

4 “(A) *a summary of the planned use of funds*
5 *by each State, and the eligible entities in the*
6 *State, under the community services block grant*
7 *program, as contained in each State plan sub-*
8 *mitted pursuant to section 676;*

9 “(B) *a description of how funds were actu-*
10 *ally spent by the State and eligible entities in*
11 *the State, including a breakdown of funds spent*
12 *on administrative costs and on the direct deliv-*
13 *ery of local programs by eligible entities;*

14 “(C) *information on the number of entities*
15 *eligible for funds under this subtitle, the number*
16 *of low-income persons served under this subtitle,*
17 *and such demographic data on the low-income*
18 *populations served by eligible entities as is deter-*
19 *mined by the Secretary to be feasible;*

20 “(D) *a comparison of the planned uses of*
21 *funds for each State and the actual uses of the*
22 *funds;*

23 “(E) *a summary of each State’s perform-*
24 *ance results, and the results for the eligible enti-*

1 *ties, as collected and submitted by the States in*
2 *accordance with subsection (a)(2); and*

3 *“(F) any additional information that the*
4 *Secretary considers to be appropriate to carry*
5 *out this subtitle, if the Secretary informs the*
6 *States of the need for such additional informa-*
7 *tion and allows a reasonable period of time for*
8 *the States to collect and provide the information.*

9 *“(4) SUBMISSION.—The Secretary shall submit*
10 *to the Committee on Education and the Workforce of*
11 *the House of Representatives and the Committee on*
12 *Health, Education, Labor, and Pensions of the Senate*
13 *the report described in paragraph (2), and any com-*
14 *ments the Secretary may have with respect to such re-*
15 *port. The report shall include definitions of direct and*
16 *administrative costs used by the Department of*
17 *Health and Human Services for programs funded*
18 *under this subtitle.*

19 *“(5) COSTS.—Of the funds reserved under section*
20 *674(b)(3), not more than \$500,000 shall be available*
21 *to carry out the reporting requirements contained in*
22 *paragraph (3).”.*

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

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

5 **SEC. 115. OPERATIONAL RULE.**

6 *Section 679(a) of the Community Services Block Grant*
 7 *Act (42 U.S.C. 9920(a)) is amended by inserting “and such*
 8 *organization meets the requirements of this subtitle” before*
 9 *the first period.*

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

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

13 *(1) in subsection (a)—*

14 *(A) in paragraph (2)—*

15 *(i) by redesignating subparagraphs (B)*
 16 *through (E) as subparagraph (D) through*
 17 *(G), respectively;*

18 *(ii) by striking subparagraph (A) and*
 19 *inserting the following:*

20 *“(A) ECONOMIC DEVELOPMENT ACTIVI-*
 21 *TIES.—The Secretary shall make grants de-*
 22 *scribed in paragraph (1) on a competitive basis*
 23 *to private, nonprofit organizations that are com-*
 24 *munity development corporations to provide*
 25 *technical and financial assistance for economic*
 26 *development activities, including business, eco-*

1 *conomic, and community development projects, de-*
2 *signed to address the economic needs of low-in-*
3 *come individuals and families by creating em-*
4 *ployment and business development opportuni-*
5 *ties. Such assistance shall include—*

6 *“(i) long term loans (up to 15 years)*
7 *or investments for private business enter-*
8 *prises;*

9 *“(ii) providing capital to businesses*
10 *owned by community development corpora-*
11 *tions; and*

12 *“(iii) marketing and management as-*
13 *sistance for businesses providing jobs and*
14 *business opportunities to low-income indi-*
15 *viduals.*

16 *“(B) FEDERAL INTEREST.—*

17 *“(i) IN GENERAL.—The Secretary shall*
18 *establish procedures that permit an eligible*
19 *entity who receives funds under a grant to*
20 *carry out this paragraph, or intangible as-*
21 *sets acquired with such funds, to become the*
22 *sole owner of the funds or assets before the*
23 *end of the 12-year period beginning at the*
24 *end of the fiscal year for which the grant is*
25 *made.*

1 “(ii) *CONDITIONS.*—*To be eligible to*
2 *become the sole owner, the eligible entity*
3 *shall agree—*

4 “(I) *to use the funds or assets for*
5 *the purposes and uses for which the*
6 *grant was made, or purposes and uses*
7 *consistent with this subtitle, during*
8 *and after the 12-year period described*
9 *in clause (i), whether or not the eligible*
10 *entity continues to be supported by*
11 *Federal funds; and*

12 “(II) *that, when the eligible entity*
13 *no longer needs the funds or assets for*
14 *purposes and uses described in sub-*
15 *clause (I), the eligible entity shall re-*
16 *quest instructions from the Secretary*
17 *about the disposition of the funds or*
18 *assets.*

19 “(iii) *ENCUMBERING.*—*The eligible en-*
20 *tity may not encumber the assets without*
21 *the approval of the Secretary.*

22 “(C) *ADMINISTRATIVE REQUIREMENTS.*—*In*
23 *a case in which an eligible project under grant*
24 *made under this section cannot, for good cause,*
25 *be implemented, the Secretary shall establish a*

1 *policy to permit the substitution of other eligible*
 2 *projects. Such policy shall require that such*
 3 *project have the same impact area, the same*
 4 *goals, and the same objectives as the original*
 5 *project and outcomes that are substantially the*
 6 *same as the original project.”;*

7 *(iii) in subparagraph (E) (as so redes-*
 8 *ignated), by striking “the community” and*
 9 *inserting “the service area”; and*

10 *(iv) in subparagraph (G) (as so redes-*
 11 *ignated), by striking “1 percent” and in-*
 12 *serting “2 percent”;*

13 *(B) in paragraph (3)(B), by striking “com-*
 14 *munity” and inserting “water and waste water”;*
 15 *and*

16 *(C) in paragraph (4), by striking “individ-*
 17 *uals and families” and inserting “individuals*
 18 *and their families”; and*

19 *(2) in subsection (c), by striking “Labor and*
 20 *Human Resources” and inserting “Health, Edu-*
 21 *cation, Labor, and Pensions”.*

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

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

1 (1) *in subsection (c), by striking “Labor and*
 2 *Human Resources” and inserting “Health, Edu-*
 3 *cation, Labor, and Pensions”;* and

4 (2) *in subsection (d), by striking “1999 through*
 5 *2003” and inserting “2004 through 2009”.*

6 **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED**
 7 **TO PROVIDE INSTRUCTIONAL ACTIVITIES**
 8 **FOR LOW-INCOME YOUTH.**

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

11 (1) *in subsection (b)(2), by striking “or treat-*
 12 *ment”;* and

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

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 En-*
 21 *ergy Assistance Amendments of 2003”.*

22 **SEC. 202. REAUTHORIZATION.**

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

1 *and all that follows through the period and inserting “and*
 2 *\$3,400,000,000 for each of fiscal years 2004 through 2006,*
 3 *and such sums as may be necessary for each of fiscal years*
 4 *2007 through 2010.”.*

5 (b) *PROGRAM YEAR.*—Section 2602(c) of the Low-In-
 6 *come 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-FED-*
 10 *ERAL RESOURCES.*—Section 2602(d) of the Low-Income
 11 *Home Energy Assistance Act of 1981 (42 U.S.C. 8621(d))*
 12 *is amended—*

13 (1) *in paragraph (1), by striking “1999 through*
 14 *2004” and inserting “2004 through 2010”; and*

15 (2) *in paragraph (2), by striking “1999 through*
 16 *2004” and inserting “2004 through 2010”.*

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

18 Section 2604(e) of the Low-Income Home Energy As-
 19 *sistance Act of 1981 (42 U.S.C. 8623(e)) is amended by*
 20 *adding at the end the following:*

21 *“Notwithstanding any other provision of this section, for*
 22 *purposes of making determinations under section*
 23 *2603(1)(C), if the Secretary determines that there is an in-*
 24 *crease of at least 20 percent in the cost of home energy over*
 25 *the previous 5-year average for a duration of a month or*

1 *more in 1 or more States or regions, the Secretary shall*
 2 *declare an energy emergency in the affected area and shall*
 3 *make available funds as provided in this subsection. Not-*
 4 *withstanding any other provision of this section, for pur-*
 5 *poses of making such determinations, if the Secretary deter-*
 6 *mines that the number of heating degree days or cooling*
 7 *days for a month was more than 100 above the 30-year*
 8 *average in 1 or more States or regions, the Secretary shall*
 9 *declare an energy emergency in the affected area and shall*
 10 *make available funds as provided in this subsection.”.*

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

12 **OPTION.**

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

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

24 (1) *the findings resulting from the evaluation de-*
 25 *scribed in subsection (a); and*

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

5 **SEC. 205. REPORT TO CONGRESS.**

6 (a) *STUDY.—*

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

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

14 (A) *evaluate the performance of the Low-In-*
15 *come Home Energy Assistance Program, includ-*
16 *ing who the program is serving, the benefits of*
17 *the program to recipients, and the ability of the*
18 *program to reduce utility arrearage and shut-offs*
19 *among low-income households;*

20 (B) *develop a protocol for States to collect*
21 *information from energy distribution companies,*
22 *including electric, natural gas, heating oil, and*
23 *propane companies, concerning the following res-*
24 *idential customer statistics—*

1 (i) the number of accounts certified as
2 eligible for energy assistance;

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

6 (iii) the total revenue owed on accounts
7 eligible for energy assistance and that are
8 past due;

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

12 (v) the number of disconnections for
13 nonpayment;

14 (vi) the number of reconnections;

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

18 (viii) the energy burden of accounts el-
19 igible for energy assistance;

20 (C) analyze the public health and safety
21 threats of hypothermia and hyperthermia due to
22 a lack of home heating or home cooling, includ-
23 ing mortality, morbidity, and decrease in caloric
24 intake;

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

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

7 (F) determine the programmatic impacts of
8 using 60 percent of State median income to de-
9 termine low-income households.

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

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

17 (d) *AUTHORIZATION OF APPROPRIATIONS.*—There are
18 authorized to be appropriated to carry out this subsection
19 such sums as may be necessary for each of fiscal years 2004
20 and 2005.

21 (e) *CONTRACTS.*—Using amounts appropriated under
22 subsection (d), the Secretary of Health and Human Services
23 may enter into contracts or jointly financed cooperative
24 agreements or interagency agreements with States and pub-

1 *lic agencies and private nonprofit organizations to conduct*
 2 *the study under subsection (a).*

3 **TITLE III—ASSETS FOR INDE-**
 4 **PENDENCE REAUTHORIZA-**
 5 **TION ACT**

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

7 *This title may be cited as the “Assets for Independence*
 8 *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” before*
 19 *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 postsecondary education.”.

14 (b) *REPEAL OF PROVISION.*—Section 405 of the Assets
15 for Independence Act (42 U.S.C. 604 note) is amended by
16 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 (A)
22 and (B) as subparagraphs (B) and (C), re-
23 spectively; 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 of
3 the demonstration project as described under sub-
4 section (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 that
11 is 12 months after” after “upon”.

12 (d) *USE OF AMOUNTS.*—Section 407(c) of the Assets
13 for Independence Act (42 U.S.C. 604 note) is amended by
14 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 in
23 subparagraphs (A), (C), and (D) of paragraph
24 (1).

1 “(B) *PRIORITY*.—In awarding grants under
2 section 406(b), the Secretary shall give priority
3 to qualified entities that submit applications
4 that, with respect to the commitment of non-Fed-
5 eral funds under section 405(c)(4), provide as-
6 surances that not to exceed 15 percent of such
7 non-Federal funds will be used by the qualified
8 entity for the purposes described in subpara-
9 graphs (A), (C), and (D) of paragraph (1).”.

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

13 “(1) *INCOME TEST*.—The—

14 “(A) gross income of the household is equal
15 to or less than—

16 “(i) 200 percent of the poverty line (as
17 determined by the Secretary of Health and
18 Human Services);

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

23 “(iii) 80 percent of the Area Median
24 Income (as determined by the Department
25 of Housing and Urban Development); or

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

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

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

18 “(1) from the non-Federal funds described in sec-
19 tion 405(c)(4); and

20 “(2) from the grant made under section 406(b);
21 based on a ratio relating to the sources of funds described
22 in paragraph (1) and (2) as determined by the qualified
23 entity, consistent with the requirements of section 407(c).”;

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

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

3 “(b) *USE OF EXCESS INTEREST ON MATCHING FUNDS*
4 *EARNED ON THE RESERVE FUND.*—Interest that accrues on
5 the matching funds earned and held in the Reserve Fund,
6 over and above the interest required to match an individ-
7 ual’s deposits and interest earned in the individual develop-
8 ment account, shall be used by the qualified entity to fund
9 existing individual development accounts or additional in-
10 dividual development accounts.”.

11 (g) *AUTHORIZATION OF APPROPRIATIONS.*—Section
12 416 of the Assets for Independence Act (42 U.S.C. 604 note)
13 is amended by striking “and 2003,” and inserting “and
14 2003, \$25,000,000 for fiscal year 2004, and such sums as
15 may be necessary for each of fiscal years 2005 through
16 2008.”.

17 (h) *APPLICATION OF AMENDMENTS.*—In admin-
18 istering the Assets for Independence Act (42 U.S.C. 604
19 note), the Secretary of Health and Human Services shall
20 apply—

21 (1) the amendments made by the Assets for Inde-
22 pendence Act Amendments of 2000 to individuals who
23 were individual development account holders, and to
24 entities that received grants, under the Assets for
25 Independence Act either before or after the date of en-

1 *actment of the Assets for Independence Act Amend-*
2 *ments of 2000; and*

3 *(2) the amendments made by this section to indi-*
4 *viduals who were individual development account*
5 *holders, and to entities that received grants, under the*
6 *Assets for Independence Act either before or after the*
7 *date of enactment of this Act.*

Calendar No. 414

108TH CONGRESS
1ST SESSION

S. 1786

[Report No. 108-210]

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.

NOVEMBER 24, 2003

Reported with an amendment