[WAYS AND MEANS DISCUSSION DRAFT]

114TH CONGRESS
1ST SESSION

H. R. ______

To reauthorize the program of block grants to States for temporary assistance for needy families through fiscal year 2020, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__. ____________ introduced the following bill; which was referred to the Committee on ____________________________

A BILL

To reauthorize the program of block grants to States for temporary assistance for needy families through fiscal year 2020, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Improving Opportunity in America Welfare Reauthorization Act of 2015".

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

SEC. 2. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 3. EXTENSION OF PROGRAM.

(a) FAMILY ASSISTANCE GRANTS.—Section 403(a)(1) (42 U.S.C. 603(a)(1)) is amended—

(1) in subparagraph (A), by striking ''fiscal year 2012'' and inserting ''each of fiscal years 2016 through 2020''; and

(2) in subparagraph (C) by striking ''fiscal year 2012 $16,566,542,000'' and inserting ''each of fiscal years 2016 through 2020 $16,591,542,000''.

(b) TRIBAL GRANTS.—Section 412(a) (42 U.S.C. 612(a)) is amended in each of paragraphs (1)(A) and (2)(A) by striking ''fiscal year 2012'' and inserting ''each of fiscal years 2016 through 2020''.

(c) CHILD CARE ENTITLEMENT.—Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended by striking ''fiscal year 2012'' and inserting ''each of fiscal years 2016 through 2020''.

SEC. 4. NO WAIVERS OF WORK REQUIREMENT.

Notwithstanding any other provision of law, the Secretary of Health and Human Services may not do the following:

(1) Finalize, implement, enforce, or otherwise take any action to give effect to the Information Memorandum dated July 12, 2012 (Transmittal No. TANF–ACF–IM–2012–03), or to any administrative action relating to the same subject matter set forth in the Information Memorandum or that reflects the same or similar policies as those set forth in the Information Memorandum.

(2) Authorize, approve, renew, modify, or extend any experimental, pilot, or demonstration project under section 1115 of the Social Security Act (42 U.S.C. 1315) that waives compliance with a requirement of section 407 of such Act (42 U.S.C.

607) through a waiver of section 402 of such Act (42 U.S.C. 602) or that provides authority for an expenditure which would not otherwise be an allowable use of funds under a State program funded under part A of title IV of such Act (42 U.S.C. 601 et seq.) with respect to compliance with the work requirements in section 407 of such Act to be regarded as an allowable use of funds under that program for any period.

SEC. 5. INDIVIDUAL OPPORTUNITY PLANS.

Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

"(b) INDIVIDUAL OPPORTUNITY PLANS.—

"(1) ASSESSMENT.—The State agency responsible for administering a State program funded under this part or any other State program funded with qualified state expenditures (as defined in section 409(a)(7)(B)(i)) shall conduct a comprehensive assessment of the skills, prior work experience, barriers to employment, and employability of each recipient of assistance under the program who is an adult or a minor child head of household (and, at State option, any other adult who is a member of the household of the individual).

"(2) CONTENTS OF PLAN.—On the basis of the assessment made under paragraph (1) with respect to an individual, the State agency, in consultation with the individual, shall develop a customized individual opportunity plan with the individual, which—

"(A) specifies the immediate needs of the individual;

"(B) describes the resources the individual has to meet immediate needs, including—

"(i) individual resources, such as income and assets identified in the application process, education, and work experience;

"(ii) household and family resources that may assist the individual, such as parents, children, siblings, and others; and

"(iii) other resources and how they may help the individual meet immediate needs;

"(C) describes the assistance and services the State will provide to help the individual meet immediate needs;

"(D) sets forth an employment goal for the individual and a plan for moving the individual into employment;

"(E) sets forth the obligations of the individual, including specific and measurable benchmarks for success that will help the individual become and remain employed;

"(F) to the greatest extent possible, is designed to move the individual into the employment the individual is capable of performing as quickly as possible, and increase the responsibility and amount of work the individual is to perform over time;

"(G) describes the services the State will provide the individual so that the individual will be able to obtain and keep employment;

"(H) may direct the individual to undergo appropriate substance abuse or other treatment; and

"(I) specifies a timeline for meeting the benchmarks contained in the plan with short-, medium-, and long-term goals, including a description of incentives for the individual if the individual meets or exceeds the obligations specified in the plan, and penalties that will apply if the individual fails without good cause to comply with the plan.

"(3) TIMING.—The State agency shall comply with paragraphs (1) and (2)—

"(A) with respect to an individual who, as of the effective date of this subsection, is not a recipient of assistance under a State program referred to in paragraph (1), within 60 days after the individual is determined to be eligible for the assistance; or

"(B) with respect to an individual who, as of the effective date of this subsection, is such a recipient, not later than 1 year after the effective date.

"(4) PERIODIC REVIEW.—The State shall, no less frequently than every 3 months, meet with each adult or minor child head of household recipient of assistance under the State program funded under this part, to—

"(A) review the individual opportunity plan developed for the recipient;

"(B) discuss with the recipient the progress made by the recipient in achieving the goals specified in the plan; and

"(C) update the plan, as necessary, to reflect any changes in the circumstances of the recipient during the preceding 3 months.".

SEC. 6. STRENGTHENING REQUIREMENTS TO ENGAGE RECIPIENTS IN WORK AND WORK PREPARATION ACTIVITIES.

(a) ELIMINATION OF CREDIT TOWARD WORK PARTICIPATION REQUIREMENT FOR CASELOAD SIZE AND EXCESS STATE SPENDING.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) COUNTING OF WORK PERFORMED BY INDIVIDUALS RECEIVING ATYPICAL BENEFIT PAYMENTS.—Section 407(i)(1)(A) (42 U.S.C. 607(i)(1)(A)) is amended by adding at the end the following:

"(iii) RECIPIENTS RECEIVING WORK SUPPLEMENT PAYMENTS.—Not later than September 30, 2016, the Secretary shall promulgate regulations to ensure that the participation rate of a State under this section is determined without regard to work engaged in by an individual who has been included in the State program funded under this part under rules that indicate that the individual has been so included solely or principally to increase the participation rate. The greater the extent to which rules are described in the following subclauses, the greater the extent to which the rules shall be regarded as described in the preceding sentence:

"(I) The rules used to determine the eligibility of the individual for assistance under the program are different from those which apply to those who receive cash assistance under the program on a regular monthly basis.

"(II) The rules used to determine the eligibility of the individual for the assistance do not include an asset test, do not include an income test, or include an asset or income test that is different from the test which applies to those who receive cash assistance under the program on a regular monthly basis.

"(III) The rules provide that the individual is to be provided cash assistance under the program only if the person works a minimum number of hours per week.

"(IV) The rules require the amount of cash assistance to be provided to the individual to be independent of the earnings of the individual.

"(V) The rules require cash assistance to be provided to the individual in an amount which is significantly less than the amount of cash assistance provided to those who receive cash assistance under the program on a regular monthly basis.".

(c) IMPROVING COUNTING OF HOURS OF WORK PARTICIPATION.—

(1) ELIMINATION OF DISTINCTION BETWEEN CORE AND NON-CORE WORK ACTIVITIES.—Section 407(c)(1)(A) (42 U.S.C. 607(c)(1)(A)) is amended by striking ", not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d)".

(2) ALLOWING STATES TO RECEIVE PARTIAL CREDIT FOR PARTIAL ENGAGEMENT.—Section 407(c)(1)(B) (42 U.S.C. 607(c)(1)(B)) is amended to read as follows:

"(B) PARTIAL CREDIT FOR FAMILIES PARTICIPATING FOR LESS THAN THE MINIMUM

HOURS REQUIRED.—If a family receiving assistance under the State program funded under this part includes an adult or minor child head of household receiving the assistance who has participated in work activities for an average of 15 hours (or 10 hours, in the case of a single parent specified in paragraph (2)(B)) per week during a month, the family shall count as 0.5 of a family for purposes of calculating the number described in subsection (b)(1)(B)(i) for the month.''.

(3) STATE OPTION TO REQUEST ALTERNATIVE WORK PARTICIPATION RATE CALCULATION.—Section 407(a) (42 U.S.C. 607(a)) is amended by adding at the end the following:

''(3) STATE OPTION TO REQUEST ALTERNATIVE WORK PARTICIPATION RATE CALCULATION.—

''(A) APPLICATION.—A State may apply to the Secretary to apply subparagraph (C) with respect to the State.

''(B) APPROVAL OF APPLICATION.—The Secretary may approve the application if the State demonstrates to the Secretary (in accordance with such guidelines as the Secretary shall establish) that the State has systems and mechanisms in place to accurately record individual hours of participation in work activities that accurately reflects the number of hours of participation of the individuals required to participate in the activities.

"(C) ALTERNATIVE WORK PARTICIPATION RATE CALCULATION.—A State whose application under this paragraph is approved by the Secretary shall be considered to be in compliance with this subsection for a month in a fiscal year if the sum of the total number of hours during which the recipients of assistance under the State program funded under this part who are required to be participating in work activities during the month have participated in the activities is not less than the percentage equal to the minimum participation rate in effect under paragraph (1) for the fiscal year, multiplied by the sum of—

"(i) 30 times the number of the recipients who are so required to participate for an average of at least 30 hours per week in the month (as determined by the State); and "(ii) 20 times the number of the recipients who are so required to participate for an average of at least 20 hours per week in the month (as so determined).".

(4) MODIFICATIONS TO COUNTING JOB SEARCH AS WORK.—Section 407(c)(2)(A) (42 U.S.C. 607(c)(2)(A)) is amended to read as follows:

"(A) COUNTING OF JOB SEARCH AS WORK.—After the participation of an individual in an activity described in subsection (d)(6) of this section of a State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) has been counted for 3 months as participation in a work activity, participation by the individual in such an activity shall count towards not more than half of the hours of participation in work activities by the individual.".

(5) MODIFICATION OF RULE PROVIDING FOR PARTICIPATION BY REASON OF SECONDARY SCHOOL ATTENDANCE.—Section 407(c)(2)(C) (42 U.S.C. 607(c)(2)(C)) is amended—

(A) in the subparagraph heading, by striking "SINGLE TEEN HEAD OF HOUSEHOLD OR MARRIED TEEN" and inserting "INDIVIDUAL";

(B) by striking "is married or a head of household and" and

(C) by striking "20 years" and inserting "26 years".

(6) *OPEN ISSUE: WHETHER TO ADJUST CURRENT CAP ON SHARE OF WORK PARTICIPATION RATE THAT CAN BE SATISFIED BY PARTICIPATION IN EDUCATION.*—

(7) REQUIREMENT TO REVIEW INDIVIDUAL OPPORTUNITY PLANS FOR INDIVIDUALS INVOLVED IN JOB READINESS ACTIVITIES FOR LONGER THAN 3 MONTHS.—Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at the end the following:

"(E) PERIODIC REVIEW OF INDIVIDUAL OPPORTUNITY PLANS FOR INDIVIDUALS PARTICIPATING IN JOB READINESS ASSISTANCE.—After an individual has participated for 3 months in an activity described in subsection (d)(12) of this section of a State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)), the individual shall not be considered to be engaged in work by reason of participation in such an activity until the State has complied with section 408(b)(3) with respect to the individual, and certified that continued participation in such an activity is necessary to help prepare the individual for, or support the individual in, employment.''.

(8) PROVIDING CHILD CARE ASSISTANCE TO COMMUNITY SERVICE PARTICIPANT REPLACED BY JOB READINESS ASSISTANCE AS SEPARATE WORK ACTIVITY.—

(A) IN GENERAL.—Section 407(d)(12) (42 U.S.C. 607(d)) is amended to read as follows: ''(12) job readiness assistance.''.

(B) CONFORMING AMENDMENT.—Section 407(d)(6) (42 U.S.C. 607(d)) is amended by striking ''and job readiness assistance''.

(9) INCREASE IN TIME LIMIT ON COUNTING VOCATION EDUCATIONAL TRAINING AS WORK.—Section 407(d)(8) (42 U.S.C. 607(d)(8)) is amended by striking ''12'' and inserting ''24''.

(10) *Open issue: How to verify participation in activities*

(d) PENALTY FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

(1) IN GENERAL.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in subparagraph (A), by striking "the Secretary shall reduce" and all that follows and inserting "then the applicable percentage which would otherwise apply with respect to the State for purposes of paragraph (7) for the succeeding fiscal year shall be increased by the penalty number of percentage points determined under subparagraph (B) with respect to the State for that succeeding fiscal year."; and

(B) by striking subparagraph (B) and inserting the following:

"(B) PENALTY NUMBER OF PERCENTAGE POINTS.—For purposes of subparagraph (A), the penalty number of percentage points determined under this subparagraph with respect to a State and a fiscal year is—

"(i) if a penalty was not imposed on the State under subparagraph (A) for the preceding fiscal year, 5 percentage points; or

"(ii) otherwise, the lesser of—

"(I) the penalty number of percentage points determined under this subparagraph with respect to the State for the preceding fiscal year, plus 5 percentage points; or

"(II) the number of percentage points, which when added to the applicable percentage referred to in subparagraph (A), would result in the applicable percentage being 100 percent.".

(2) CONFORMING AMENDMENT.—Section 409(a)(7)(B)(ii) (42 U.S.C. 609(a)(7)(B)(ii)) is amended by inserting ", subject to paragraph (3)" before the period.

(e) REPORT ON STATE ENGAGEMENT OF NON-WORKING RECIPIENTS.—Section 407 (42 U.S.C. 607) is amended by adding at the end the following:

"(j) REPORT ON STATE ENGAGEMENT OF NON-WORKING RECIPIENTS.—Not later than the end of fiscal year 2016, and the end of each fiscal year thereafter, the Secretary shall make available electronically to the public information on the engagement of recipients of assistance under each State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) who are not engaged in unsubsidized employment, which shall contain the following information for the State with respect to the fiscal year:

"(1) The average monthly number of families who received the assistance.

"(2) The average monthly number of the families that included an individual who is an adult or a minor child head of household who received the assistance.

"(3) Of the families described in paragraph (2), the average monthly number in which an individual described in paragraph (2) participated in unsubsidized employment in the month, expressed as a number and as a percentage of the families so described.

"(4) Of the families described in paragraph (2), the average monthly number in which an individual described in paragraph (2) participated in a work activity (other than unsubsidized employment) in the month, expressed as a number and as a percentage of the families so described.

"(5) Of the families specified in paragraph (2), the average monthly number that did not include an individual who participated in unsubsidized employment or any other work activity in the month, expressed as a number and as a percentage of the families so described.

"(6) Of the families described in paragraph (4), the average weekly number of hours during which an individual described in paragraph (2) participated in any activity described in subsection (d).

"(7) Of the families described in paragraph (4), the average weekly number of hours during which an individual described in paragraph (2) participated in each activity described in subsection (d) (other than subsidized employment).".

(f) PURPOSES OF TANF PROGRAM TO INCLUDE REDUCING POVERTY.—Section 401(a) (42 U.S.C. 601(a)) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) reduce poverty by increasing employment entry, retention and advancement.".

(g) REPORTING OF MORE COMPLETE DATA ON ALL FAMILIES RECEIVING ASSISTANCE TO ADMINISTER PAYMENTS TO STATES FOR INCREASING ECONOMIC MOBILITY

AND FOR OTHER PURPOSES.—Section 411(a)(1)(B)(i) (42 U.S.C. 611(a)(1)(B)(i)) is amended by inserting ", except that, for the report for a fiscal quarter in fiscal year 2017 or any succeeding fiscal year, the Secretary may specify certain data elements described in subparagraph (A) which shall be reported with respect to all families" before the period.

(h) *Open Issue: eligibility of individuals convicted of drug-related crimes.*

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1 of the 1st fiscal year beginning after the date of the enactment of this Act.

(2) STATE OPTION TO ACCELERATE THE EFFECTIVE DATE OF THE AMENDMENTS RELATED TO WORK REQUIREMENTS.—A State may elect to have the amendments made by subsections (a), (b), (c), and (e) take effect with respect to the State on such earlier date as the State may elect that occurs on or after such date of enactment.

SEC. 7. PROMOTING INCREASED EMPLOYMENT, RETENTION, AND ADVANCEMENT AMONG FORMER TANF RECIPIENTS.

(a) IN GENERAL.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amended to read as follows:

"(4) INCREASING ECONOMIC MOBILITY OF TANF RECIPIENTS.—

"(A) IN GENERAL.—The Secretary shall make a grant under this paragraph to each State, with respect to each fiscal year for which the State achieves the requisite level of performance on an indicator described in subparagraph (C)(ii), in the immediately succeeding fiscal year.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—The amount of the grant payable to a State with respect to a fiscal year for which the State achieves the requisite level of performance on an indicator described in subparagraph (C)(ii) shall be the following:

"(I) FISCAL YEAR 2017.—In the case of fiscal year 2017, 100 percent of the available amount with respect to the State for the fiscal year, if the indicator is described in subparagraph (C)(ii)(I).

"(II) FISCAL YEAR 2018 and thereafter.—In the case of fiscal year 2018 and each succeeding fiscal year:

"(aa) 40 percent of the available amount with respect to the State for the fiscal year, if the indicator is described in subparagraph (C)(ii)(I).

"(bb) 30 percent of the available amount with respect to the State for the fiscal year, if the indicator is described in subparagraph (C)(ii)(II).

"(cc) 30 percent of the available amount with respect to the State for the fiscal year, if the indicator is described in subparagraph (C)(ii)(III).

"(ii) AVAILABLE AMOUNT DEFINED.—In clause (i), the term 'available amount' means, with respect to a State and a fiscal year, the amount (if any) by which—

"(I) the State family assistance grant that would be payable to the State for the fiscal year in the absence of this paragraph; exceeds

"(II) the State family assistance grant actually payable to the State for the fiscal year.

"(C) MEASURING STATE PERFORMANCE.—

"(i) IN GENERAL.—Each State, in consultation with the Secretary, shall establish levels of performance for each indicator described in clause (ii), for fiscal year 2017 and each fiscal year thereafter.

"(ii) INDICATORS.—The indicators described in this clause are the following:

"(I) The percentage of former adult recipients of assistance under the State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) who, while such recipients, were required to be engaged in work in accordance with section 407, and are in unsubsidized employment during the

2nd quarter after exiting from the program.

"(II) The percentage of such former recipients of assistance who are in unsubsidized employment during the 4th quarter after exiting from the program.

"(III) The percentage change in median earnings of such former recipients of assistance who are in unsubsidized employment in the 4th quarter after exiting from the program compared with the median earnings of former recipients who are in unsubsidized employment in the 2nd quarter after exiting from the program.

"(iii) AGREEMENT ON REQUISITE PERFORMANCE LEVEL FOR EACH INDICATOR.—

"(I) FISCAL YEARS 2017 AND 2018.—The State shall reach agreement with the Secretary on the requisite level of performance for each indicator described in clause (ii), for each of fiscal years 2017 and 2018.

"(II) FISCAL YEARS 2019 AND 2020.—The State shall reach agreement with the Secretary, before fiscal year 2019, on the requisite level of performance for each indicator described in clause (ii), for each of fiscal years 2019 and 2020.

"(D) REPORT ON STATE PERFORMANCE.—

"(i) IN GENERAL.—Not later than October 1, 2016, the Secretary shall develop a template which each State shall use to report on outcomes achieved under the State program funded under this part.

"(ii) CONTENTS.—Each such report shall include—

"(I) the number of individuals who exited the program during the year;

"(II) the characteristics of the individuals who exited the program during the year, including information on the length of time the individual received assistance under the program; and

"(III) information specifying the levels of performance achieved on each indicator described in subparagraph (C)(ii).

"(iii) PUBLICATION.—Not later than September 30 of fiscal year 2019 and of each succeeding fiscal year, the Secretary shall make available electronically to the public each report submitted under this subparagraph during the fiscal year.

"(E) STATE FAILURE TO MEET STATE PERFORMANCE MEASURES.—

"(i) RESERVATION OF FUNDS; INCREASE IN REQUIRED STATE SPENDING.—If a State fails to achieve the requisite level of performance on an indicator described in subparagraph (C)(ii) of this paragraph and a fiscal year—

"(I) the Secretary shall reserve the funds that would have been payable to the State under this paragraph if the State had achieved the level; and

"(II) the level of State expenditures otherwise required to avoid a penalty under section 409(a)(7) in the succeeding fiscal year shall be increased by the amount so reserved.

"(ii) CORRECTIVE ACTION.—The Secretary shall award to a State the funds reserved under clause (i) with respect to a State, an indicator, and a fiscal year, in the immediately succeeding fiscal year, if, in the succeeding fiscal year, the State—

"(I) achieves the requisite level of performance on the indicator for the State; or

"(II) improves the level of performance on the indicator by the State by at least half of the amount by which the requisite level of performance on the indicator by the State in the fiscal year exceeded the actual level of performance on the indicator achieved by the State in the fiscal year.

"(F) FUNDING.—The following percentages of the amounts appropriated by paragraph

(1)(C) for the following fiscal years are reserved for grants under this paragraph for the fiscal years:

"(i) 4 percent, in the case of fiscal year 2018.

"(ii) 10 percent, in the case of each of fiscal years 2019 and 2020.".

(b) CONFORMING AMENDMENT.—Section 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)) is amended by inserting ", reduced by the percentage (if any) specified in paragraph (4)(F) with respect to the fiscal year," before "as the amount".

SEC. 8. STRENGTHENING TANF FINANCIAL REQUIREMENTS.

(a) NO COUNTING OF THIRD-PARTY SPENDING TO MEET STATE SPENDING REQUIREMENT.—

(1) EXCLUSION OF THIRD PARTY CONTRIBUTIONS.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

"(VI) EXCLUSION OF THIRD PARTY CONTRIBUTIONS.—Such term shall not include—

"(aa) for fiscal year 2016, the amount (if any) by which—

"(AA) the value of all goods and services provided by a source other than the State or a local government during the fiscal year; exceeds

"(BB) the value of all such goods and services claimed by the State as qualified State expenditures for fiscal year 2015;

"(bb) for fiscal year 2017, the amount (if any) by which—

"(AA) the value referred to in subclause (aa)(AA); exceeds

"(BB) 50 percent of the value referred to in subclause (aa)(BB); and

"(cc) for any fiscal year after 2017, the value referred to in subclause (aa)(AA).".

(2) NO COUNTING OF SPENDING ON MEDICAL SERVICES TO MEET STATE SPENDING REQUIREMENTS.—Section 409(a)(7)(B)(i) (42 U.S.C.

609(a)(7)(B)(i)), as amended by paragraph (1) of this subsection, is amended by adding at the end the following:

"(VII) EXCLUSION OF EXPENDITURES FOR THE PROVISION OF MEDICAL SERVICES.—Such term shall not include any amount expended for the provision of medical services.".

(b) PROHIBITION ON USE OF FEDERAL TANF FUNDS FOR FAMILIES WITH INCOME GREATER THAN TWICE THE POVERTY LINE.—Section 404 (42 U.S.C. 604), as amended by section 14(a)(1) of this Act, is amended by inserting after subsection (b) the following:

"(c) PROHIBITION ON USE OF FUNDS FOR PERSONS WITH INCOME GREATER THAN TWICE THE POVERTY LINE.—A State to which a grant is made under this part shall not use the grant to provide any assistance, benefit, or service to a family whose monthly income, for the month in which the family applies for the assistance, benefit, or service, exceeds twice the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2))).".

(c) EXPENDITURES FOR CERTAIN FAMILIES WITH INCOME GREATER THAN TWICE THE POVERTY LINE DISREGARDED IN APPLYING STATE SPENDING REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by subsection (a) of this section, is amended by adding at the end the following:

"(VIII) EXCLUSION OF EXPENDITURES FOR CERTAIN FAMILIES WITH INCOME GREATER THAN TWICE THE POVERTY LINE.—Such term does not include any amount expended to provide any assistance, benefit, or service to a family whose monthly income exceeds, and whose income for the month in which the family applied for the assistance, benefit, or service exceeded, twice the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2))) in effect with respect to the month involved.".

(d) MINIMUM STATE SPENDING.—

(1) IN GENERAL.—Section 409(a)(7)(B)(ii) (42 U.S.C. 609(a)(7)(B)(ii)) is amended by striking "80 percent (or, if the State meets the requirements of section 407(a), 75 percent)" and all that follows and inserting "75 percent.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by paragraph (1) shall take effect on October 1 of the 1st fiscal year beginning after the date of the enactment of this Act.

(B) STATE OPTION TO ACCELERATE THE EFFECTIVE DATE OF THE AMENDMENTS RELATED TO WORK REQUIREMENTS.—A State may elect to have the amendment made by paragraph (1) take effect with respect to the State on such earlier date as the State may elect that occurs on or after such date of enactment.

(e) *Open Issue: Whether to create a floor on the share of TANF funds that must be spent on child care, cash assistance, and work activities.*

(f) ALIGNING TANF SPENDING RULES.—

(1) NONDISPLACEMENT OF WORKERS.—Section 407(f) (42 U.S.C. 607(f)) is amended by inserting

after "program funded under this part" each place it appears the following: "or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))"

(2) LIMITS ON ACCESS TO ASSISTANCE IN CASINOS, STRIP CLUBS, AND LIQUOR STORES.—Section 408(a)(12)(A) (42 U.S.C. 608(a)(12)(A)) is amended by inserting after "State program funded under this part" the following: "or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))".

(3) ENSURING ADEQUATE ACCESS TO BENEFITS.—Section 402(a)(1)(A)(viii) (42 U.S.C. 602(a)(1)(A)(viii)) is amended by inserting after "State program funded under this part" the following: "or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))".

(4) REDUCING BENEFIT NOT CONSIDERED A WAGE REDUCTION.—Section 408(c) (42 U.S.C. 608(c)) is amended by inserting after "State program funded under this part" the following: "or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))".

(5) RESTRICT USE AND DISCLOSURE OF RECIPIENT INFORMATION.—Section 402(a)(1)(A)(iv) (42 U.S.C. 602(a)(1)(A)(iv)) is amended by inserting after ‘‘program’’ the following: ‘‘funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))’’.

(6) COUNTING SPENDING ON MEDICAL SERVICES.—Section 408(a)(6) (42 U.S.C. 608(a)(6))is amended by inserting after ‘‘grant’’ the following: ‘‘or any funds used in a State program funded under this part or in any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))’’.

(g) PROHIBITION ON USE OF ELECTRONIC BENEFIT TRANSFER CARD TO ACCESS TANF ASSISTANCE AT ANY STORE THAT OFFERS MARIJUANA FOR SALE.—

(1) PROHIBITION.—Section 408(a)(13)(A) (42 U.S.C. 608(a)(13)(A)), as so redesignated by section 5(k)(1) of this Act, is amended—

(A) by striking ‘‘or’’ at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting ‘‘; or’’;and

(C) by adding at the end the following:

"(iv) any establishment that offers marihuana (as defined in section 102(16) of the Controlled Substances Act) for sale.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date that is 2 years after the date of the enactment of this Act.

SEC. 9. ELIMINATION OF MARRIAGE PENALTY.

(a) ELIMINATION OF SEPARATE AND HIGHER PARTICIPATION RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—Section 407 (42 U.S.C. 607) is amended—

(1) in subsection (a), as amended by section 6(c)(3) of this Act—

(A) by striking all through "A State" the 1st place it appears and inserting the following: "(a) PARTICIPATION RATE REQUIREMENTS.—A State"; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(2) in subsection (b), as amended by section 6(a) of this Act—

(A) in the subsection heading, by striking "RATES" and inserting "RATE";

(B) in paragraph (1)(A), by striking "(a)(1)" and inserting "(a)";

(C) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(D) in paragraph (2) (as so redesignated), by striking "paragraphs (1)(B) and (2)(B)" and inserting "paragraph (1)(B)"; and

(E) in paragraph (3) (as so redesignated), by striking "rates" and inserting "rate"; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking all through "For purposes of subsection (b)(1)(B)(i)" and inserting the following:

"(1) GENERAL RULES.—For purposes of subsection (b)(1)(B)(i)"; and

(ii) by striking subparagraph (B); and

(B) in paragraph (2)(D)—

(i) by striking "paragraphs (1)(B)(i) and (2)(B) of subsection (b)" and inserting "subsection (b)(1)(B)(i)"; and

(ii) by striking "in all families and in 2-parent families, respectively,".

(b) CONFORMING AMENDMENT.—The paragraph heading for section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended by striking ''RATES'' and inserting ''RATE''.

SEC. 10. IMPROVING OPPORTUNITY FUND.

Section 403(b) (42 U.S.C. 603(b)) is amended to read as follows:

''(b) IMPROVING OPPORTUNITY DEMONSTRATION PROJECTS.—

''(1) COORDINATED CASE MANAGEMENT DEMONSTRATION PROJECTS.—

''(A) IN GENERAL.—The Secretary shall make grants to States for the conduct of demonstration projects designed to implement and evaluate strategies to provide coordinated case management to help individuals receiving assistance under a State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) increase their employment and self-sufficiency.

''(B) APPLICATION REQUIREMENTS.—The Secretary shall require each State that applies for a grant under this paragraph to do the following:

"(i) Describe how, using the funds provided under this paragraph, the State will develop an individual opportunity plan in accordance with section 408(b) for each recipient referred to in subparagraph (A) of this paragraph.

"(ii) Describe how the State will coordinate the development of this plan with other programs and agencies providing benefits and services to the individual to help the recipient increase the employment and self-sufficiency of the recipient.

"(iii) Describe how the State will coordinate the delivery of the benefits and services to the recipient (which may include the use of home visiting models).

"(iv) Describe how the State will meet with the recipient at least monthly to review the employment status of the recipient and status of the participation of the recipient in other activities, the benefits and services the recipient is receiving, and the progress of the recipient toward meeting the goals specified in the individual opportunity plan of the recipient.

"(C) USE OF FUNDS.—A State to which a grant is made under this paragraph may use the grant for the following purposes:

"(i) To support coordinated case managers in completing the activities specified in subparagraph (B).

"(ii) To provide short-term transitional benefits and services to individuals who, due to increased employment or earnings, may face disincentives to increasing work or earnings due to the phase-out or loss of certain benefits.

"(iii) To ensure that recipients of services under the demonstration project have a choice between 2 or more coordinated case management service providers.

"(iv) To improve coordination between programs serving recipients who are part of the demonstration project.

"(v) To improve coordination between information technology and other systems to deliver better benefits or services to the recipient, except that not more than 10 percent of the grant amount may be used for this purpose.

"(2) SUBSIDIZED EMPLOYMENT DEMONSTRATION PROJECTS.—

"(A) IN GENERAL.—The Secretary shall make grants to States for the conduct of demonstration projects designed to implement and evaluate strategies that provide wage subsidies to enable low-income individuals to enter into and retain employment.

"(B) APPLICATION REQUIREMENTS.—The Secretary shall require each State that applies for a grant under this paragraph to do the following:

"(i) Describe how wage subsidies will be provided (such as whether paid directly to the employer or the individual), the duration of the subsidies, the amount of the subsidies, the structure of the subsidies, and how employers will be recruited to participate in the subsidized employment program.

"(ii) Describe how the State expects those participating in subsidized employment to be able to retain employment after the subsidy ends.

"(iii) Describe how the State will coordinate subsidized employment funded under this paragraph with other efforts to help low-income individuals enter work as conducted by the State.

"(C) USE OF FUNDS.—

"(i) IN GENERAL.—A State to which a grant is made under this paragraph may use the grant to subsidize the wages of an eligible recipient for a period not exceeding 12 months, and only to the extent that the total of the funds paid under this project and any other Federal funds so used with respect to the recipient does not exceed 50 percent of the amount of the wages received by the recipient during the period.

"(ii) ELIGIBLE RECIPIENT.—For purposes of clause (i), an eligible recipient is—

"(I)(aa) a recipient of assistance under the State program funded under this part;

"(bb) an adult with children;

"(cc) a noncustodial parent; or

"(dd) an individual who has attained 16 years of age but not 26 years of age;

"(II) who, at the time the subsidy begins, is unemployed; and

"(III) whose income, at that time, is less than 200 percent of the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2))).

"(D) REPORTS.—As a condition of receiving funds under this paragraph for a fiscal year, a State shall submit to the Secretary, within 6 months after the end of the fiscal year, a report that—

"(i) specifies, for each month of the fiscal year, the number of individuals whose employment is subsidized with these funds;

"(ii) specifies, for each month of the fiscal year, the number of the individuals who remained employed by the same employer in an unsubsidized position in the month immediately succeeding the month in which the last subsidy payment was made with respect to the employment; and

"(iii) describes the structure of the State activities to use the funds to subsidize employment, including the amount and duration of the subsidies provided.

"(3) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

"(A) PURPOSES.—The purposes of this paragraph are the following:

"(i) To improve the lives of families and individuals in need in the United States by funding social programs that achieve real results.

"(ii) To redirect funds away from programs that, based on objective data, are ineffective, and into programs that achieve demonstrable, measurable results.

"(iii) To ensure Federal funds are used effectively on social services to produce positive outcomes for both service recipients and taxpayers.

"(iv) To establish the use of social impact partnerships to address some of our Nation's most pressing problems.

"(v) To facilitate the creation of public-private partnerships that bundle philanthropic and other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

"(vi) To bring pay-for-performance to the social sector, allowing the United States to improve the impact and effectiveness of vital social services programs while redirecting inefficient or duplicative spending.

"(vii) To incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.

"(B) SOCIAL IMPACT PARTNERSHIP APPLICATION.—

"(i) NOTICE.—Not later than 1 year after the date of the enactment of this paragraph, the Secretary of the Treasury, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall publish in the Federal Register a request for proposals from States or local government for social impact partnership projects in accordance with this subparagraph.

"(ii) REQUIRED OUTCOMES FOR SOCIAL IMPACT PARTNERSHIP PROJECT.—To qualify as a social impact partnership project under this paragraph, a project must produce measurable, clearly defined outcomes that result in social benefit and Federal savings through any of the following:

"(I) Increasing work and earnings by individuals who have been unemployed in the United States for more than 6 consecutive months.

"(II) Increasing employment and earnings of individuals who have attained 16 years of age but not 25 years of age.

"(III) Increasing employment among individuals receiving Federal disability benefits.

"(IV) Reducing the dependence of low-income families on Federal means-tested benefits.

"(V) Improving rates of high school graduation.

"(VI) Reducing teen and unplanned pregnancies.

"(VII) Improving birth outcomes among low-income families and individuals.

"(VIII) Reducing rates of asthma, diabetes, or other preventable diseases among low-income families and individuals to reduce the utilization of emergency and other high-cost care.

"(IX) Increasing the proportion of children living in 2-parent families.

"(X) Reducing incidences and adverse consequences of child abuse and neglect.

"(XI) Reducing the number of youth in foster care by increasing adoptions, permanent guardianship arrangements, reunification, or placement with a fit and willing relative.

"(XII) Reducing the number of children and youth in foster care residing in group homes, child care institutions, agency-operated foster homes, or other non-family foster homes, unless it is determined that it is in the interest of the child's long-term health, safety, or psychological well-being to not be placed in a family foster home.

"(XIII) Reducing the number of children returning to foster care.

"(XIV) Reducing recidivism among individuals released from prison.

"(XV) Reducing the rate of homelessness among our most vulnerable populations.

"(XVI) Improving the health and well-being of those with mental, emotional, and behavioral health needs.

"(XVII) Improving the educational outcomes of special-needs or low-income children.

"(XVIII) Improving the employment and well-being of returning United States military members.

"(XIX) Increasing the financial stability of low-income families.

"(XX) Increasing the independence and employability of individuals who are physically or mentally disabled.

"(XXI) Other measurable outcomes defined by the State or local government that result in positive social outcomes and Federal savings.

"(iii) FEASIBILITY STUDY REQUIRED.—The notice described in clause (i) shall require a State or local government to submit a feasibility study for the social impact partnership project that contains the following information:

"(I) The outcome goals of the project.

"(II) A description of each intervention in the project and anticipated outcomes of the intervention.

"(III) Rigorous evidence demonstrating that the intervention can be expected to produce the desired outcomes.

"(IV) The target population that will be served by the project.

"(V) The expected social benefits to participants who receive the intervention and others who may be impacted.

"(VI) Projected Federal, State, and local government costs and other costs to conduct the project.

"(VII) Projected Federal, State, and local government savings and other savings, including an estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, if the project is implemented and the outcomes are achieved.

"(VIII) If savings resulting from the successful completion of the project are estimated to accrue to the State or local government, the likelihood of the State or local government to realize those savings.

"(IX) A plan for delivering the intervention through a social impact partnership model.

"(X) A description of the expertise of each service provider that will administer the intervention.

"(XI) An explanation of the experience of the State or local government, the intermediary, or the service provider in raising private and philanthropic capital to fund social service investments.

"(XII) The detailed roles and responsibilities of each entity involved in the project, including any State or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

"(XIII) A summary of the experience of the service provider delivering the proposed intervention or a similar intervention, or a summary demonstrating the service provider has the expertise necessary to deliver the proposed intervention.

"(XIV) A summary of the unmet need in the area where the intervention will be delivered or among the target population who will receive the intervention.

"(XV) The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

"(XVI) The project budget.

"(XVII) The project timeline.

"(XVIII) The criteria used to determine the eligibility of an individual for the project, including how selected populations will be identified, how they will be referred to the project, and how they will be enrolled in the project.

"(XIX) The evaluation design.

"(XX) The metrics that will be used to determine whether the outcomes have been achieved and how the metrics will be measured.

"(XXI) An explanation of how the metrics used to determine whether the outcomes have been achieved are independent, objective indicators of impact and are not subject to manipulation by the service provider, intermediary, or investor.

"(XXII) A summary explaining the independence of the evaluator from the other entities involved in the project and the evaluator's experience in conducting rigorous evaluations of program effectiveness including, where available, well-implemented randomized controlled trials on the intervention or similar interventions.

"(XXIII) The capacity of the service provider to deliver the intervention to the number of participants the State or local government proposes to serve in the project.

"(iv) PROJECT INTERMEDIARY INFORMATION REQUIRED.—The feasibility study described in clause (iii) shall also contain the following information about the intermediary for the social impact partnership project (whether the intermediary is the service provider or other entity):

"(I) Experience and capacity for providing or facilitating the provision of the type of intervention proposed.

"(II) The mission and goals.

"(III) Information on whether the intermediary is already working with service providers that provide this intervention or an explanation of the capacity of the intermediary to begin working with service providers to provide the intervention.

"(IV) Experience working in a collaborative environment across government and nongovernmental entities.

"(V) Previous experience collaborating with public or private entities to implement evidence-based programs.

"(VI) Ability to raise or provide funding to cover operating costs (if applicable to the project).

"(VII) Capacity and infrastructure to track outcomes and measure results, including—

"(aa) capacity to track and analyze program performance and assess program impact; and

"(bb) experience with performance-based contracting and achieving project milestones and targets.

"(VIII) Role in delivering the intervention.

"(IX) How the intermediary would monitor program success, including a description of the interim benchmarks and outcome measures.

"(C) AWARDING SOCIAL IMPACT PARTNERSHIP CONTRACTS.—

"(i) TIMELINE IN AWARDING CONTRACT.—Not later than 6 months after receiving an application in accordance with subparagraph (B), the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall determine whether to enter into a contract for a social impact partnership project with a State or local government.

"(ii) CONSIDERATIONS IN AWARDING CONTRACT.—In determining whether to enter into a contract for a social impact partnership project (the application for which was submitted under subparagraph (B)) the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships (established by subparagraph (F)) and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, shall consider each of the following:

"(I) The value to the Federal Government of the outcomes expected to be achieved if the outcomes specified in the contract are achieved.

"(II) The ability of the State or local government in collaboration with the intermediary and the service providers to achieve the outcomes.

"(III) The savings to the Federal Government if the outcomes specified in contract are achieved.

"(IV) The savings to the State and local governments if the outcomes specified in the contract are achieved.

"(V) The expected quality of the evaluation that would be conducted with respect to the contract.

"(iii) CONTRACT AUTHORITY.—

"(I) CONTRACT REQUIREMENTS.—In accordance with this subparagraph, the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, may enter into a contract for a social impact partnership project with a State or local government if the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, determines that each of the following requirements are met:

"(aa) The State or local government agrees to achieve an outcome specified in the contract in order to receive payment.

"(bb) The Federal payment to the State or local government for each outcome specified is less than or equal to the value of the outcome to the Federal Government over a period not to exceed 10 years, as determined by the Secretary, in consultation with the State or local government.

"(cc) The duration of the project does not exceed 10 years.

"(dd) The State or local government has demonstrated, through the application submitted under subparagraph (B), that, based on prior rigorous experimental evaluations or rigorous quasi-experimental studies, the intervention can be expected to achieve each outcome specified in the contract.

"(ee) The State, local government, intermediary, or service provider has experience raising private or philanthropic capital to fund social service investments (if applicable to the project).

"(ff) The State or local government has shown that each service provider has experience delivering the intervention, a similar intervention, or has otherwise demonstrated the expertise necessary to deliver the intervention.

"(II) PAYMENT.—The Secretary shall pay the State or local government only if the independent evaluator described in subparagraph (E) determines that the social impact partnership project has met the requirements specified in the contract and achieved an outcome specified in the contract.

"(III) LIMITATION.—The Secretary may not enter into a contract for a social impact partnership project under subclause (I) after the date that is 10 years after the date of the enactment of this paragraph.

"(iv) NOTICE OF CONTRACT AWARD.—Not later than 30 days after entering into a contract under this subparagraph, the Secretary shall publish a notice in the Federal Register that includes, with regard to the contract, the following:

"(I) The outcome goals of the social impact partnership project.

"(II) A description of each intervention in the project.

"(III) The target population that will be served by the project.

"(IV) The expected social benefits to participants who receive the intervention and others who may be impacted.

"(V) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

"(VI) The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

"(VII) The project budget.

"(VIII) The project timeline.

"(IX) The project eligibility criteria.

"(X) The evaluation design.

"(XI) The metrics that will be used to determine whether the outcomes have been achieved and how these metrics will be measured.

"(XII) The estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, if the contract is entered into and implemented and the outcomes are achieved.

"(D) FEASIBILITY STUDY FUNDING.—

"(i) REQUESTS FOR FUNDING FOR FEASIBILITY STUDIES.—The Secretary shall reserve a portion of the funding provided in subparagraph (G) to assist States or local governments in developing feasibility studies required by subparagraph (B). To be eligible to receive funding to assist with completing a feasibility study, a State or local government shall submit an application for feasibility study funding containing the following information:

"(I) A description of the outcome goals of the social impact partnership project.

"(II) A description of the intervention, including anticipated program design, target population, an estimate regarding the number of individuals to be served, and setting for the intervention.

"(III) Evidence to support the likelihood that the intervention will produce the desired outcomes.

"(IV) A description of the potential metrics to be used.

"(V) The expected social benefits to participants who receive the intervention and others who may be impacted.

"(VI) Estimated costs to conduct the project.

"(VII) Estimates of Federal, State, and local government savings and other savings if the project is implemented and the outcomes are achieved.

"(VIII) An estimated timeline for implementation and completion of the project, which shall not exceed 10 years.

"(IX) With respect to a project for which the State or local government selects an intermediary to operate the project, any partnerships needed to successfully execute the project and the ability of the intermediary to foster the partnerships.

"(X) The expected resources needed to complete the feasibility study for the State or local government to apply for social impact partnership funding under subparagraph (B).

"(ii) FEDERAL SELECTION OF APPLICATIONS FOR FEASIBILITY STUDY.—Not later than 6 months after receiving an application for feasibility study funding under clause (i), the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, shall select State or local government feasibility study proposals for funding based on the following:

"(I) The likelihood that the proposal will achieve the desired outcomes.

"(II) The value of the outcomes expected to be achieved.

"(III) The potential savings to the Federal Government if the social impact partnership project is successful.

"(IV) The potential savings to the State and local governments if the project is successful.

"(iii) PUBLIC DISCLOSURE.—Not later than 30 days after selecting a State or local government for feasibility study funding under this section, the Secretary shall cause to be published on the website of the Federal Interagency Council on Social Impact Partnerships information explaining why a State or local government was granted feasibility study funding.

"(iv) FUNDING RESTRICTION.—

"(I) FEASIBILITY STUDY RESTRICTION.—The Secretary may not provide feasibility study funding under this subparagraph for more than 50 percent of the estimated total cost of the feasibility study reported in the State or local government application submitted under clause (i).

"(II) AGGREGATE RESTRICTION.—Of the total amount appropriated under subparagraph (G), the Secretary may not use more than $10,000,000 to provide feasibility study funding to States or local governments under this subparagraph.

"(III) NO GUARANTEE OF FUNDING.—The Secretary shall have the option to award no funding under this subparagraph.

"(v) SUBMISSION OF FEASIBILITY STUDY REQUIRED.—Not later than 6 months after the receipt of feasibility study funding under this subparagraph, a State or local government receiving the funding shall complete the feasibility study and submit the study to the Federal Interagency Council on Social Impact Partnerships.

"(E) EVALUATIONS.—

"(i) CONTRACT AUTHORITY.—For each State or local government awarded a social impact partnership project approved by the Secretary under this paragraph, the head of the relevant agency, as determined by the Federal Interagency Council on Social Impact Partnerships, shall enter into a contract with the State or local government to pay for all or part of the independent evaluation to determine whether the State or local government project has met an outcome specified in the contract in order for the State or local government to receive outcome payments under this paragraph.

"(ii) EVALUATOR QUALIFICATIONS.—The head of the relevant agency may not enter into a contract with a State or local government unless the head determines that the evaluator is independent of the other parties to the contract and has demonstrated substantial experience in conducting rigorous evaluations of program effectiveness including, where available and appropriate, well-implemented randomized controlled trials on the intervention or similar interventions.

"(iii) METHODOLOGIES TO BE USED.—The evaluation used to determine whether a State or local government will receive outcome payments under this paragraph shall use experimental designs using random assignment or other reliable, evidence-based research methodologies, as certified by the Federal Interagency Council on Social Impact Partnerships, that allow for the strongest possible causal inferences when random assignment is not feasible.

"(iv) PROGRESS REPORT.—

"(I) SUBMISSION OF REPORT.— The independent evaluator shall—

"(aa) not later than 2 years after a project has been approved by the Secretary and biannually thereafter until the project is concluded, submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report summarizing the progress that has been made in achieving each outcome specified in the contract; and

"(bb) at the scheduled time of the first outcome payment and at the time of each subsequent payment, submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation conducted to determine whether an outcome payment should be made along with information on the unique factors that contributed to achieving or failing to achieve the outcome, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.

"(II) SUBMISSION TO CONGRESS.—Not later than 30 days after receipt of the written report pursuant to subclause (I)(bb), the Federal

Interagency Council on Social Impact Partnerships shall submit the report to each committee of jurisdiction in the House of Representatives and the Senate.

"(v) FINAL REPORT.—

"(I) SUBMISSION OF REPORT.—Within 6 months after the social impact partnership project is completed, the independent evaluator shall—

"(aa) evaluate the effects of the activities undertaken pursuant to the contract with regard to each outcome specified in the contract; and

"(bb) submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation and the conclusion of the evaluator as to whether the State or local government has fulfilled each obligation of the contract, along with information on the unique factors that contributed to the success or failure of the project, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.

"(II) SUBMISSION TO CONGRESS.—Not later than 30 days after receipt of the written report pursuant to subclause (I)(bb), the Federal Interagency Council on Social Impact Partnerships shall submit the report to each committee of jurisdiction in the House of Representatives and the Senate.

"(vi) LIMITATION ON COST OF EVALUATIONS.—Of the amount made available for social impact partnership projects in subparagraph (G), the Secretary may not obligate more than 15 percent to evaluate the implementation and outcomes of the projects.

"(F) FEDERAL INTERAGENCY COUNCIL ON SOCIAL IMPACT PARTNERSHIPS.—

"(i) ESTABLISHMENT.—There is established the Federal Interagency Council on Social Impact Partnerships (in this subparagraph referred to as the 'Council') to—

"(I) coordinate the efforts of social impact partnership projects funded by this paragraph;

"(II) advise and assist the Secretary in the development and implementation of the projects;

"(III) advise the Secretary on specific programmatic and policy matter related to the projects;

"(IV) provide subject-matter expertise to the Secretary with regard to the projects;

"(V) ensure that each State or local government that has entered into a contract with the Secretary for a social impact partnership project under this paragraph and each evaluator selected by the head of the relevant agency under subparagraph (E) has access to Federal administrative data to assist the State or local government and the evaluator in evaluating the performance and outcomes of the project;

"(VI) address issues that will influence the future of social impact partnership projects in the United States;

"(VII) provide guidance to the executive branch on the future of social impact partnership projects in the United States;

"(VIII) review State and local government applications for social impact partnerships to ensure that contracts will only be awarded under this paragraph when rigorous, independent data and reliable, evidence-based research methodologies support the conclusion that a contract will yield savings to the Federal Government if the project outcomes are achieved before the applications are approved by the Secretary;

"(IX) certify, in the case of each approved social impact partnership, that the project will yield a projected savings to the Federal Government if the project outcomes are achieved, and coordinate with the relevant Federal agency to produce an after-action accounting once the project is complete to determine the actual Federal savings realized, and the extent to which actual savings aligned with projected savings; and

"(X) provide oversight of the actions of the Secretary and other Federal officials under this subtitle and report periodically to Congress and the public on the implementation of this paragraph.

"(ii) COMPOSITION OF COUNCIL.—The commission shall be composed of 9 members, of whom—

"(I) 1 shall be appointed by the President, who will serve as the Chair of the Council;

"(II) 1 shall be appointed by the Majority Leader of the Senate;

"(III) 1 shall be appointed by the Minority Leader of the Senate;

"(IV) 1 shall be appointed by the Speaker of the House of Representatives;

"(V) 1 shall be appointed by the Minority Leader of the House of Representatives;

"(VI) 1 shall be appointed by the Chairman of the Committee on Finance of the Senate;

"(VII) 1 shall be appointed by the ranking member of the Committee on Finance of the Senate;

"(VIII) 1 member shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives; and

"(IX) 1 shall be appointed by the ranking member of the Committee on

Ways and Means of the House of Representatives.

"(iii) QUALIFICATIONS OF COUNCIL MEMBERS.—The membership of the Council shall consist of individuals who—

"(I) are experienced in finance, economics, pay for performance finance or statistics;

"(II) have relevant professional or personal experience in a field related to 1 or more of the outcomes listed in this paragraph; and

"(III) are qualified to review applications for social impact partnership projects to determine whether the proposed metrics and evaluation methodologies are appropriately rigorous and reliant upon independent data and evidence-based research.

"(iv) TIMING OF APPOINTMENTS.—The appointments of the members of the Commission shall be made not later than 120 days after the date of the enactment of this paragraph, or, in the event of a vacancy, not later than 90 days after the date the vacancy arises. If a member of Congress fails to appoint a member by that date, the President may select a member of the President's choice on behalf of the member of Congress. Notwithstanding the preceding sentence, if not all appointments have been made to the Council as of that date, the Council may operate with no fewer than 5 members until all appointments have been made.

"(v) TERM OF APPOINTMENTS.—

"(I) IN GENERAL.—The members appointed under clause (ii) shall serve as follows:

"(aa) 3 members shall serve for 2 years.

"(bb) 3 members shall serve for 3 years.

"(cc) 3 members (1 of which shall be Chair of the Council appointed by the President) shall serve for 4 years.

"(II) ASSIGNMENT OF TERMS.—The Council shall designate the term length that each member appointed under clause (ii) shall serve by unanimous agreement. In the event that unanimous agreement cannot be reached, term lengths shall be assigned to the members by a random process.

"(vi) VACANCIES.—Subject to subparagraph (B), in the event of a vacancy in the Council, whether due to the resignation of a member, the expiration of a member's term, or any other reason, the vacancy shall be filled in the manner in which the original appointment was made and shall not affect the powers of the Council.

"(vii) APPOINTMENT POWER.—Members of the Council appointed under this section shall not be subject to confirmation by the Senate.

"(viii) EXECUTIVE ADVISORY GROUP.—The Secretary shall lead an executive advisory group that will provide assistance and information as requested by the Council, which advisory group shall be composed of at least 1 designee at the Assistant Secretary level or higher, designated by the head of the relevant agency, from each of the following:

"(I) The Department of Labor.

"(II) The Department of Health and Human Services.

"(III) The Social Security Administration.

"(IV) The Department of Agriculture.

"(V) The Department of Justice.

"(VI) The Department of Housing and Urban Development.

"(VII) The Department of Education.

"(VIII) The Department of Veterans Affairs.

"(IX) The Department of the Treasury.

"(X) The Corporation for National and Community Service.

"(G) LIMITATION ON USE OF FUNDS.—Of the amounts made available to carry out this paragraph, the Secretary may not use more than $2,000,000 in any fiscal year to support the review, approval, and oversight of social impact partnership projects, including activities conducted by—

"(i) the Federal Interagency Council on Social Impact Partnerships; and

"(ii) any other agency consulted by the Secretary before approving a social impact partnership project or a feasibility study under subparagraph (D).

"(iii) NO FEDERAL FUNDING FOR CREDIT ENHANCEMENTS.—No amount made available to carry out this paragraph may be used to provide any insurance, guarantee, or other credit enhancement to a State or local government under which a Federal payment would be made to a State or local government as the result of a State or local government failing to achieve an outcome specified in a contract.

"(H) AVAILABILITY OF FUNDS.—Amounts made available to carry out this paragraph shall remain available until 10 years after the date specified in subparagraph (C)(iii)(III).

"(I) WEBSITE.—The Federal Interagency Council on Social Impact Partnerships shall establish and maintain a public website that shall display the following:

"(i) A copy of, or method of accessing, each notice published regarding a social impact partnership project pursuant to this paragraph.

"(ii) For each State or local government that has entered into a contract with the Secretary for a social impact partnership project, the website shall contain the following information:

"(I) The outcome goals of the project.

"(II) A description of each intervention in the project.

"(III) The target population that will be served by the project.

"(IV) The expected social benefits to participants who receive the intervention and others who may be impacted.

"(V) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

"(VI) The payment terms, methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

"(VII) The project budget.

"(VIII) The project timeline.

"(IX) The project eligibility criteria.

"(X) The evaluation design.

"(XI) The metrics used to determine whether the proposed outcomes have been achieved and how these metrics are measured.

"(iii) A copy of the progress reports and the final reports relating to each social impact partnership project.

"(iv) An estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, resulting from the successful completion of the social impact partnership project.

"(J) REGULATIONS.—The Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, may issue regulations as necessary to carry out this paragraph.

"(K) DEFINITIONS.—In this paragraph:

"(i) AGENCY.—The term 'agency' has the meaning given that term in section 551 of title 5, United States Code.

"(ii) INTERVENTION.—The term 'intervention' means a specific service delivered to achieve an impact through a social impact partnership project.

"(iii) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(iv) SOCIAL IMPACT PARTNERSHIP PROJECT.—The term 'social impact partnership project' means a project that finances social services using a social impact partnership model.

"(v) SOCIAL IMPACT PARTNERSHIP MODEL.—The term 'social impact partnership model' means a method of financing social services in which—

"(I) Federal funds are awarded to a State or local government only if a State or local government achieves certain outcomes agreed on by the State or local government and the Secretary; and

"(II) the State or local government coordinates with service providers, investors (if applicable to the project), and (if necessary) an intermediary to identify—

"(aa) an intervention expected to produce the outcome;

"(bb) a service provider to deliver the intervention to the target population; and

"(cc) investors to fund the delivery of the intervention.

"(vi) STATE.—The term 'State' means each State of the United States, the District of Columbia, each commonwealth, territory or possession of the United States, and each federally recognized Indian tribe.

"(4) TWO-GENERATION STRATEGY TO REDUCE POVERTY DEMONSTRATION PROJECT.—

"(A) IN GENERAL.—The Secretary shall make grants to States to implement and evaluate strategies designed to build human capital across generations by providing families early education for children and vocational education for parents.

"(B) APPLICATION REQUIREMENTS.—The Secretary shall make a grant under this paragraph to any State whose application for the grant includes the following:

"(i) A description of the key features of the early education to be provided to children in the families to be served.

"(ii) A description of the key features of the vocational education to be provided to a parent in the families to be served.

"(iii) A description of any other supports or services to be provided to the families to be served, including those designed to improve parenting, child well-being, or economic opportunity.

"(iv) A description of how families will be recruited to receive services provided using the grant.

"(v) A description of the outcomes for families the State aims to achieve through the provision of services using the grant.

"(C) USE OF FUNDS.—A State to which a grant is made under this paragraph may use the grant to provide educational and other services specified in subparagraph (B) to individuals in a family receiving assistance under a State program funded under this part within the last 12 months.

"(5) TRAINING IN IN-DEMAND JOBS DEMONSTRATION PROJECT.—

"(A) IN GENERAL.—The Secretary shall make grants, on a competitive basis, to States to carry out demonstration projects designed to assist eligible participants in obtaining employment in in-demand occupations such as defined by section 3 of the Workforce Innovation and Opportunity Act (Public Law 113–128; 29 U.S.C. 3102).

"(B) ELIGIBLE PARTICIPANTS.—To be eligible to participate in activities under a demonstration project for which funds are provided under this paragraph, an individual shall be a member of a family that received assistance under a State program funded under this part in the preceding 12 months.

"(C) APPLICATIONS.—To be eligible to receive a grant under this paragraph, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

"(i) a description of how the strategies and activities will be aligned and avoid duplication with programs providing employment and training activities in the State;

"(ii) a description of how training provided under the grant will prepare individuals for occupations that are in-demand in the economy where the individual is located;

"(iii) a description of the training provided and any additional services to be provided or facilitated under the grant that may help an individual secure and retain employment, including job placement services, career counseling, transportation assistance, and child care;

"(iv) a description of the populations to be served and the skill needs of those populations, and the manner in which eligible participants will be recruited and selected as participants; and

"(v) a description of outcomes, including the performance indicators described in subsection (a)(4)(C)(ii), for individuals the State aims to achieve through the provision of services under the grant.

"(6) EVALUATION.—The Secretary, in consultation with each State involved, shall conduct a high-quality evaluation of each demonstration project conducted under this subsection, and may reserve funds made available under this subsection to conduct the evaluations in accordance with the following:

"(A) EVALUATOR QUALIFICATIONS.—The Secretary may not enter into a contract with an evaluator unless the evaluator has demonstrated experience in conducting rigorous evaluations of program effectiveness including, where available and appropriate, well-implemented randomized controlled trials.

"(B) METHODOLOGIES TO BE USED.—The evaluation of a demonstration project shall use experimental designs using random assignment or other reliable, evidence-based research methodologies that allow for the strongest possible causal inferences when random assignment is not feasible.

"(C) PUBLIC DISCLOSURE.—The Secretary shall publish the results of the evaluation on the website of the Department of Health and Human Services in a location easily accessible by the public.

"(7) RECOMMENDATIONS TO CONGRESS.—The Secretary shall submit recommendations to the Congress based on the findings from evaluations regarding the following:

"(A) Recommendations on ways to improve case management and better coordinate benefits and services across programs.

"(B) Recommendations on how to increase the employment, retention, and advancement of individuals currently or formerly receiving assistance under a State program funded under this part or any other State program funded with qualified state expenditures (as defined in section 409(a)(7)(B)(i))).

"(C) Recommendations on how to facilitate collaboration between the public and private sectors to achieve positive social outcomes and pay for results.

"(D) Recommendations on how to serve adults and their children to reduce poverty in the short and long run.

"(E) Recommendations on how to best provide training for in-demand jobs for individuals currently or formerly receiving assistance referred to in subparagraph (B).

"(8) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2016 through 2020 $608,000,000 to carry out this subsection, of which—

"(A) $308,000,000 shall be available for the conduct of demonstration projects under paragraph (1);

"(B) $75,000,000 shall be available for the conduct of demonstration projects under paragraph (2);

"(C) $75,000,000 shall be available for the conduct of demonstration projects under paragraph (3);

"(D) $75,000,000 shall be available for the conduct of demonstration projects under paragraph (4); and

"(E) $75,000,000 shall be available for the conduct of demonstration projects under paragraph (5).

"(9) AVAILABILITY OF FUNDS.—Funds provided to a State under this subsection (other than for the conduct of a demonstration project under paragraph (3)) for a fiscal year shall be expended by the State in the fiscal year or in the succeeding fiscal year.".

SEC. 11. PROGRAM COORDINATION AND STATE CONTINGENCY FUNDS.

(a) COMBINED STATE PLAN.—

(1) A State shall develop and submit a Combined State Plan that meets or exceeds the requirements of section 402(a) of this Act and section 103 of the Workforce Innovation and Opportunity Act (Public Law 113–128; 29 U.S.C. 3113), which shall include activities authorized under this section.

(2) OPT-OUT FROM COMBINED STATE PLAN.—A State may opt to not submit a combined State plan under paragraph (1) if the Governor of the State enters into a memorandum of understanding with the State workforce agency on how the State will—

(A) coordinate and avoid duplication among other employment, training, education, and human services programs, including those activities authorized under the Workforce Innovation and Opportunity Act (Public Law 113–128);

(B) share performance accountability goals and outcomes described under section 403(a)(4) with the State workforce agency; and

(C) align activities with the strategic planning elements developed by the State Workforce Development Board (as described under section 102(b) of the Workforce Innovation and Opportunity Act (Public Law 113–128; 29 U.S.C. 3112)); and

(D) provide written notification indicating why the Governor has made such a decision not to submit a Combined State Plan described in (d)(1), and provides a copy of the memorandum of understanding to the Secretary and the Secretary of Labor.

(b) *Open Issue: Require the Secretary of Health and Human Services, the Secretary of Agriculture, the Secretary of Housing and Urban Development, and other Secretaries to report to the Congress on barriers to improving program coordination and how to develop cross-program accountability for results.*

(c) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—Section 404(d) (42 U.S.C. 604(d)) is amended—

(1) in paragraph (1), by redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following:

"(B) Subtitle B of this title.";

(2) in paragraph (2)—

(A) in the paragraph heading, by striking "1 OF TITLE XX PROGRAMS" and inserting "A OF TITLE XX PROGRAMS AND SUBTITLE B OF THIS TITLE";

(B) in subparagraph (A)—

(i) by striking "1" and inserting "A"; and

(ii) by inserting "or subtitle B of this title" before the period; and

(C) by striking subparagraph (B) and inserting the following:

"(B) APPLICABLE PERCENT.—For purposes of subparagraph (A), the applicable percent is 10 percent, in the case of fiscal year 2016 and each succeeding fiscal year."; and

(3) in paragraph (3)(B)—

(A) in the subparagraph heading, by striking "SUBTITLE 1 OF TITLE XX" and inserting "CERTAIN";

(B) by striking "1 of title XX" and inserting "A of title XX of this Act or the Child Care and Development Block Grant Act of 1990"; and

(C) by inserting "at the time of application for assistance from such programs" before "is less than".

(d) AUTHORITY TO DESIGNATE PORTION OF GRANT AS CONTINGENCY RESERVE FOR FUTURE NEEDS.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

"(e) AUTHORITY TO DESIGNATE PORTION OF GRANT AS CONTINGENCY RESERVE FOR FUTURE NEEDS.—A State or tribe may designate any portion of a grant made to the State or tribe under this part (other than under section 403(b)) as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State so designates a portion of such a grant, the State shall, on an annual basis, include in its report under section 411(a) a specification of the amount so designated.''.

SEC. 12. GRANTS TO IMPROVE CHILD WELL-BEING BY SUPPORTING TWO-PARENT MARRIED FAMILIES AND RESPONSIBLE FATHERHOOD.

Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) GRANTS TO IMPROVE CHILD WELL-BEING BY PROMOTING HEALTHY MARRIAGE AND RESPONSIBLE FATHERHOOD.—

''(A) IN GENERAL.—

''(i) USE OF FUNDS.—Subject to subparagraphs (B), (C), and (D), the Secretary may use the funds made available under subparagraph (E) for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribes and tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under another provision of this part.

"(ii) LIMITATIONS.—The Secretary may not award funds made available under this paragraph on a noncompetitive basis, and may not provide any such funds to an entity for the purpose of carrying out healthy marriage promotion activities or for the purpose of carrying out activities promoting responsible fatherhood unless the entity has submitted to the Secretary an application which—

"(I) describes—

"(aa) how the programs or activities proposed in the application will address, as appropriate, issues of domestic violence;

"(bb) what the applicant will do, to the extent relevant, to ensure that participation in the proposed programs or activities is voluntary, and to inform potential participants that their participation is voluntary;

"(cc) how the proposed programs or activities are expected to increase child well-being;

"(dd) the key features and design of the proposed programs or activities, and whether the proposed programs or activities have been evaluated (including information about any evaluation, including findings from any such evaluation);

"(ee) how the applicant plans to recruit participants for participation in the proposed programs or activities; and

"(ff) how the applicant plans to retain participants in the proposed programs or activities for the intended duration of the proposed programs or activities; and

"(II) contains a commitment by the entity—

"(aa) to not use the funds for any other purpose; and "(bb) to consult with experts in domestic violence or relevant community domestic violence coalitions in developing the proposed programs or activities.

"(iii) HEALTHY MARRIAGE PROMOTION ACTIVITIES DEFINED.—In clause (i), the term 'healthy marriage promotion activities' means the following:

"(I) Public advertising campaigns on the value of marriage, the skills needed to increase marital stability and health, the economic, social, and family consequences of unmarried parenting, and the importance of healthy relationships.

"(II) Education in secondary schools on the value of marriage, relationship skills, and budgeting, including educating youth about the economic, social, and family consequences of unmarried parenting and about the importance of healthy relationships.

"(III) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement.

"(IV) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

"(V) Marriage enhancement and marriage skills training programs for married couples.

"(VI) Divorce reduction programs that teach relationship skills.

"(VII) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

"(VIII) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with an activity described in this subparagraph.

"(B) LIMITATION ON USE OF FUNDS FOR DEMONSTRATION PROJECTS FOR COORDINATION OF CHILD WELFARE AND TANF SERVICES TO

TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

"(i) IN GENERAL.—Of the amounts made available under subparagraph (E) for a fiscal year, the Secretary may not award more than $2,000,000 on a competitive basis to fund demonstration projects designed to improve child well-being by testing the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

"(ii) LIMITATION ON USE OF FUNDS.—A grant made under clause (i) shall not be used for any purpose other than—

"(I) to improve case management for families eligible for assistance under a tribal program funded under this part;

"(II) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for the children, including families who adopt the children; and

"(III) for prevention services and assistance to tribal families at risk of child abuse and neglect.

"(iii) REPORTS.—The Secretary may require a recipient of funds awarded under this subparagraph for a project to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration and evaluation of the project.

"(C) LIMITATION ON USE OF FUNDS FOR ACTIVITIES PROMOTING RESPONSIBLE FATHERHOOD.—

"(i) IN GENERAL.—Of the amounts made available under subparagraph (E) for a fiscal year, the Secretary may not award more than $75,000,000 on a competitive basis to States, territories, Indian tribes and tribal organizations, and public and nonprofit community entities, including religious organizations, for activities promoting responsible fatherhood.

"(ii) ACTIVITIES PROMOTING RESPONSIBLE FATHERHOOD DEFINED.—In this subparagraph, the term 'activities promoting responsible fatherhood' means the following:

"(I) Activities to promote healthy relationships and marriages or to sustain healthy relationships and marriages through activities such as counseling, mentoring, disseminating information about the benefits of marriage and 2-parent involvement for children, enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving the ability of a family to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

"(II) Activities to promote responsible parenting through activities such as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, educating youth who are not parents about the economic, social, and family consequences of unmarried parenting, educating youth about healthy relationships, and helping participants in fatherhood programs work with their children to break the cycle of early parenthood, and other methods.

"(III) Activities to foster economic stability by helping low-income fathers improve their economic status by providing, in coordination with other programs providing such services, activities such as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing education, dissemination of employment materials, coordination with employment services such as welfare-to-work programs, referrals to local employment training initiatives, and other methods.

"(IV) Activities to promote responsible fatherhood that are conducted through a contract with a nationally recognized, nonprofit fatherhood promotion organization, such as the development, promotion, and distribution of a media campaign to encourage the appropriate involvement of parents in the life of any child and specifically the issue of responsible fatherhood (including to provide information on the economic, social, and family consequences of unmarried parenting and absent fathers and on the importance of healthy relationships), and the development of a national clearinghouse to assist States and communities in efforts to promote and support marriage and responsible fatherhood.

"(D) DEVELOPMENT OF EVIDENCE-BASED HEALTHY MARRIAGE AND RESPONSIBLE FATHERHOOD PROGRAMS AND ACTIVITIES.—

"(i) IN GENERAL.—From the amount made available under clause (v) for a fiscal year, the Secretary shall make grants to entities eligible to receive funds provided under subparagraph (A) for the development, implementation, replication, or scaling, and the rigorous evaluation, of programs and activities to improve child well-being by promoting healthy marriage and responsible fatherhood, including—

"(I) early-phase grants to fund the development, implementation, and feasibility testing of a promising program, for the purpose of determining whether the program can be successfully implemented;

"(II) mid-phase grants to fund implementation and a rigorous evaluation of a program that has been successfully implemented under an early-phase grant or other effort meeting similar criteria, for the purpose of measuring the effects and cost effectiveness of the program, if possible using existing administrative data; and

"(III) expansion grants to fund implementation of a replica of program that has been found to produce sizable, important effects under a mid-phase grant or other effort meeting similar criteria, for the purpose of determining whether the effects of the program can be reproduced and sustained over time, and identifying the conditions under which the program is most effective, and a rigorous evaluation of such a program.

"(ii) AUTHORITY TO GIVE PRIORITY TO APPLICATIONS PROPOSING TO PROVIDE SUPPLEMENTAL FUNDING.—In selecting grantees for expansion grants under clause (i), the Secretary may give priority to applications proposing to supplement the grant funds with additional funds from other governmental or private sources.

"(iii) RIGOROUS EVALUATION DEFINED.—In this subparagraph, the term 'rigorous evaluation' means an evaluation that uses experimental designs using random assignment, when feasible, or other research methodologies that allow for the strongest possible causal inferences when random assignment is not feasible.

"(iv) WEBSITE.—The Secretary shall establish a public website that displays, for each grant awarded under this subparagraph, a description of—

"(I) the amount and duration of the grant award;

"(II) the program activities that will be implemented and evaluated, and the population that will be served;

"(III) the prior evidence of promise or impact on which the grant award was based; and

"(IV) the evaluation design, including the primary targeted outcomes and the time period over which they will be measured.

"(v) FUNDING.—The following percentages of the funds appropriated under subparagraph (E) for the following fiscal years shall be available for grants under this subparagraph for the fiscal year:

"(I) 30 percent, in the case of fiscal year 2017.

"(II) 40 percent, in the case of fiscal year 2018.

"(III) 50 percent, in the case of fiscal year 2019.

"(IV) 60 percent, in the case of fiscal year 2020 and each succeeding fiscal year.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2016 through 2020 for expenditure in accordance with this paragraph—

"(i) $75,000,000 for grants for healthy marriage promotion activities; and

"(ii) $75,000,000 for grants for activities promoting responsible fatherhood.

If the Secretary makes an award under subparagraph (B)(i) for a fiscal year, the funds for the award shall be taken in equal portion from the amounts appropriated under clauses (i) and (ii).".

SEC. 13. RESEARCH AND EVALUATION.

(a) IN GENERAL.—Section 413 (42 U.S.C. 613) is amended to read as follows:

"SEC. 413. EVALUATION OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND RELATED PROGRAMS.

"(a) EVALUATION OF THE IMPACTS OF TANF.—The Secretary shall conduct research on the effect of State programs funded under this part and any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) on employment, self-sufficiency, child well-being, unmarried births, marriage, poverty, economic mobility, and other factors as determined by the Secretary.

"(b) EVALUATION OF GRANTS TO IMPROVE CHILD WELL-BEING BY PROMOTING HEALTHY MARRIAGE AND RESPONSIBLE FATHERHOOD.—The Secretary shall conduct research to determine the effects of the grants made under section 403(a)(2) on child well-being, marriage, family stability, economic mobility, poverty, and other factors as determined by the Secretary.

"(c) PARTNERSHIP WITH STATES TO IMPROVE PERFORMANCE.—At the request of a State, the Secretary may provide assistance to help the State develop and evaluate policies to achieve the goals specified in section 401(a), including by providing funds for training and technical assistance.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall, in consultation with States receiving funds provided under this part, develop methods of disseminating information on any research, evaluation, or study conducted under this section, including facilitating the sharing of information and best practices among States and localities.

"(e) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits to the Secretary a description of the proposed evaluation;

"(2) the Secretary determines that the design and approach of the proposed evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

"(3) unless waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 25 percent of the cost of the proposed evaluation.

"(f) CENSUS BUREAU RESEARCH.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part or any other State program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)), and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of unmarried childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.

"(g) RESEARCH AND EVALUATION CONDUCTED UNDER THIS SECTION.—Research and evaluation conducted under this section shall use experimental designs using random assignment or other reliable, evidence-based research methodologies that allow for the strongest possible causal inferences when random assignment is not feasible.

"(h) DEVELOPMENT OF WHAT WORKS CLEARINGHOUSE OF PROVEN AND PROMISING APPROACHES TO MOVE WELFARE RECIPIENTS INTO WORK.—

"(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Labor, shall develop a database (which shall be referred to as the 'What Works Clearinghouse of Proven and Promising Projects to Move Welfare Recipients into Work') of the projects that used a proven approach or a promising approach in moving welfare recipients into work, based on independent, rigorous evaluations of the projects. The database shall include a separate listing of projects that used a developmental approach in delivering services and a further separate listing of the projects that used an approach in delivering services that was proven to be ineffective in achieving positive outcomes. The Secretary shall add to the What Works Clearinghouse of Proven and Promising Projects to Move Welfare Recipients into Work data about the projects that, based on an independent, well-conducted experimental evaluation of a program or project, using random assignment or other research methodologies that allow for the strongest possible causal inferences, have shown they are proven, promising, developmental, or ineffective approaches.

"(2) CRITERIA FOR EVIDENCE OF EFFECTIVENESS OF APPROACH.—The Secretary, in consultation with the Secretary of Labor and organizations with experience in evaluating research on the effectiveness of various approaches in delivering services to move welfare recipients into work, shall—

"(A) establish criteria for evidence of the effectiveness of the approaches used in the demonstration projects; and

"(B) ensure that the process for establishing the criteria—

"(i) is transparent;

"(ii) is consistent across agencies;

"(iii) provides opportunity for public comment; and "(iv) takes into account efforts of Federal agencies to identify and publicize effective interventions, including efforts at the Department of Health and Human Services, the Department of Education, and the Department of Justice.

"(3) DEFINITIONS.—In this subsection:

"(A) APPROACH.—The term 'approach' means a process, product, strategy, or practice that is—

"(i) research-based, based on the results of 1 or more empirical studies, and linked to program-determined outcomes; and

"(ii) evaluated using rigorous research designs.

"(B) PROVEN APPROACH.—The term 'proven approach' means an approach used in a demonstration project conducted under this section that—

"(i) meets the requirements of a promising approach; and

"(ii) has demonstrated significant positive outcomes at more than 1 site in terms of increasing work and earnings of participants, reducing poverty and dependence, or strengthening families.

"(C) PROMISING APPROACH.—The term 'promising approach' means an approach used in a demonstration project conducted under this section—

"(i) that has been used in the project or elsewhere for at least 3 years;

"(ii) that meets the requirements of subparagraph (D)(i);

"(iii) that has been evaluated using well-designed and rigorous randomized controlled or quasi-experimental research designs;

"(iv) that has demonstrated significant positive outcomes at only 1 site in terms of increasing work and earnings of participants, reducing poverty and dependence, or strengthening families; and

"(v) under which the benefits of the positive outcomes have exceeded the costs of achieving the outcomes.

"(D) DEVELOPMENTAL APPROACH.—The term 'developmental approach' means an approach used in a demonstration project conducted under this section that—

"(i) is research-based, grounded in relevant empirically-based knowledge, and linked to program-determined outcomes;

"(ii) is evaluated using rigorous research designs; and

"(iii) has yet to demonstrate a significant positive outcome in terms of increasing work and earnings of participants in a cost-effective way.

"(i) APPROPRIATION.—

"(1) IN GENERAL.—Of the amount appropriated in section 403(a)(1) for each fiscal year, 0.33 percent shall be available for research and evaluation under this section.

"(2) ALLOCATION.—Of the amount made available under paragraph (1) for each fiscal year, the Secretary shall make available $10,000,000 plus such additional amount as the Secretary deems necessary and appropriate, to carry out subsection (f).".

(b) CONFORMING AMENDMENT.—Section 403(a)(1)(B) (42 U.S.C. 603(a)(1)(B)), as amended by section 7(b) of this Act, is amended by inserting ", and further reduced by the percentage specified in section

413(i) with respect to the fiscal year,'' before ''as the amount''.

SEC. 14. ELIMINATION OF OBSOLETE PROVISIONS.

(a) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clauses (ii) through (v) as clauses (i) through (iv), respectively.

(b) WELFARE-TO-WORK GRANTS.—Section 403(a) (42 U.S.C. 603(a)) is amended by striking paragraph (5).

(c) FEDERAL LOANS FOR STATE WELFARE PROGRAMS.—Section 406 (42 U.S.C. 606) is repealed.

(d) ANNUAL REPORTS TO CONGRESS.—Section 411 (42 U.S.C. 611) is amended by striking subsection (b).

(e) PRE-AUTHORIZATION REPORTS ON WORK PARTICIPATION AND SPENDING.—Section 411 (42 U.S.C. 611), as amended by subsection (d) of this section, is amended by striking subsection (c) and redesignating subsection (d) as subsection (b).

SEC. 15. TECHNICAL CORRECTIONS.

(a) ELIMINATION OF ''ILLEGITIMACY RATIO''.—Section 402(a)(1)(A)(v) (42 U.S.C. 602(a)(1)(A)(v)) is amended by striking ''illegitimacy ratio of the State (as defined in section 403(a)(2)(C)(iii)) for calendar years 1996 through 2005'' and inserting ''percentage of children born to unmarried parents''.

(b) *Open issue: Change terminology from vocational educational training to career and technical education and training*

SEC. 16. EFFECTIVE DATE.

Except as provided in sections 5(l) and 7(e)(2), this Act and the amendments made by this Act shall take effect on October 1, 2015.