

115TH CONGRESS
2D SESSION

S. _____

To amend title IV of the Social Security Act to establish a new employment and training program for the long-term unemployed and individuals with barriers to employment, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend title IV of the Social Security Act to establish a new employment and training program for the long-term unemployed and individuals with barriers to employment, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; AMENDMENT TO SOCIAL SECU-**
4 **RITY ACT; TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Economic Ladders to End Volatility and Advance Train-
7 ing and Employment Act of 2018” or the “ELEVATE
8 Act of 2018”.

1 (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-
2 cept as otherwise specifically provided, whenever in this
3 Act an amendment is expressed in terms of an amendment
4 to or repeal of a section or other provision, the reference
5 shall be considered to be made to that section or other
6 provision of the Social Security Act.

7 (c) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; amendment to social security act; table of contents.
- Sec. 2. Part F employment and training program requirements.
- Sec. 3. Study regarding incentives for program performance under part F.
- Sec. 4. TANF conforming amendments.
- Sec. 5. Treatment under the tax code.
- Sec. 6. Effective date; regulations.

9 **SEC. 2. PART F EMPLOYMENT AND TRAINING PROGRAM**
10 **REQUIREMENTS.**

11 Title IV (42 U.S.C. 601 et seq.) is amended by add-
12 ing at the end the following new part:

13 **“PART F—EMPLOYMENT AND TRAINING**
14 **PROGRAM**

15 **“SEC. 481. PURPOSE; DEFINITIONS; ADMINISTRATION.**

16 “(a) PURPOSE.—The purpose of this part is to pro-
17 vide funds to States to initiate and expand the provision
18 of employment and training services and supports for eli-
19 gible individuals in order to—

20 “(1) promote subsidized and transitional em-
21 ployment programs for public and private sector
22 jobs;

1 “(2) expand the availability of jobs during eco-
2 nomic downturns or in areas with persistently high
3 unemployment and poverty;

4 “(3) provide economically and socially disadvan-
5 taged individuals (such as the long-term unem-
6 ployed, people with criminal records, former foster
7 youth, and other economically and socially disadvan-
8 taged populations) with the ability to gain job expe-
9 rience;

10 “(4) provide employers with new pathways into
11 the workforce development system enabling them to
12 have a greater role in the training and hiring of new
13 workers and labor market reentrants; and

14 “(5) allow for sufficient State flexibility to de-
15 sign programs targeted at community-specific work-
16 force gaps and employer needs.

17 “(b) DEFINITIONS.—In this part:

18 “(1) CORE PROGRAM.—The term ‘core pro-
19 gram’ has the meaning given the term in section 3
20 of the Workforce Innovation and Opportunity Act.

21 “(2) ELIGIBLE INDIVIDUALS.—The term ‘eligi-
22 ble individuals’ means individuals who—

23 “(A) are long-term unemployed;

24 “(B) are recipients of assistance under the
25 State program funded under part A or under

1 any other State program funded with qualified
2 State expenditures (as defined in section
3 409(a)(7)(B)(i));

4 “(C) are former recipients of such assist-
5 ance;

6 “(D) were eligible for, but did not receive,
7 such assistance;

8 “(E) are noncustodial parents with a child
9 support order established or enforced under a
10 State program established under part D;

11 “(F) were in foster care under the respon-
12 sibility of a State; or

13 “(G) were previously incarcerated.

14 “(3) EMPLOYMENT AND TRAINING SERVICES.—

15 The term ‘employment and training services’
16 means—

17 “(A) jobs in public or private settings;

18 “(B) job readiness activities;

19 “(C) job search;

20 “(D) work experience;

21 “(E) community service;

22 “(F) integrated education and training (as
23 defined in section 3 of the Workforce Innova-
24 tion and Opportunity Act);

25 “(G) job skills training;

1 “(H) education directly related to employ-
2 ment;

3 “(I) phased-in work connections for eligible
4 individuals completing substance use disorder
5 treatment, in collaboration with a substance use
6 disorder treatment center;

7 “(J) employability assessments;

8 “(K) the creation of employability plans;

9 “(L) monitoring of employability plans;

10 “(M) casework and job coaching; and

11 “(N) services and activities provided
12 through a core program of the State funded
13 under the Workforce Innovation and Oppor-
14 tunity Act.

15 “(4) INDIAN TRIBE.—The term ‘Indian tribe’
16 has the meaning given that term in section 419(4).

17 “(5) SUPPORTS.—The term ‘supports’ means
18 the provision of—

19 “(A) wages, benefits, or supervision for eli-
20 gible individuals participating in transitional job
21 placements in public or private settings;

22 “(B) stipends for eligible individuals pro-
23 vided with unpaid employment and training
24 services;

1 “(C) books and supplies for eligible indi-
2 viduals engaged in educational activities;

3 “(D) child care assistance for eligible indi-
4 viduals for child care services provided by a
5 child care provider that is licensed, regulated,
6 or registered under State law and meets the
7 safety and quality standards that apply to a
8 comparable eligible child care provider under
9 the State plan in effect under the Child Care
10 and Development Block Act of 1990; and

11 “(E) other supplemental services, including
12 transportation if necessary for an eligible indi-
13 vidual to participate in the State program fund-
14 ed under this part.

15 “(6) STATE.—The term ‘State’ means each of
16 the 50 States of the United States, the District of
17 Columbia, the Commonwealth of Puerto Rico, the
18 United States Virgin Islands, Guam, and American
19 Samoa.

20 “(7) STATE EXPENDITURES.—The term ‘State
21 expenditures’ means all State or local funds that are
22 expended by the State or a local agency including
23 State or local funds that are matched or reimbursed
24 by the Federal Government and State or local funds

1 that are not matched or reimbursed by the Federal
2 Government.

3 “(8) TIER-1 PRACTICE.—Subject to subsection
4 (c), the term ‘tier-1 practice’ means a practice
5 that—

6 “(A) offers a new or potentially more effec-
7 tive strategy for addressing widely shared chal-
8 lenges;

9 “(B) has not been systematically studied
10 but is supported by a strong logic model; and

11 “(C) is a departure from existing work-
12 force strategies.

13 “(9) TIER-2 PRACTICE.—Subject to subsection
14 (c), the term ‘tier-2 practice’ means a practice that
15 will expand knowledge about the efficacy of a work-
16 force strategy and provide more information about
17 the feasibility of implementing proven workforce
18 strategies in different contexts and is, with respect
19 to a State—

20 “(A) a practice that has been implemented
21 by a State program and evaluated by a State or
22 by a neutral third-party and the evaluation re-
23 sults indicate some potential for positive im-
24 pacts on participant or system-wide outcomes;
25 or

1 “(B) a practice that has not been pre-
2 viously implemented by the State, but is sup-
3 ported by strong evidence of positive change
4 and has been evaluated before using an out-
5 come, quasi-experimental, or random assign-
6 ment design, and evaluation findings indicate
7 some statistically significant positive change.

8 “(10) TIER-3 PRACTICE.—Subject to subsection
9 (c), the term ‘tier-3 practice’ means with respect to
10 a State, a practice that—

11 “(A) previously has been implemented by a
12 program funded by a State;

13 “(B) previously has been evaluated using a
14 random assignment design and the evaluation
15 findings indicate some positive impacts on par-
16 ticipant or system wide outcomes; and

17 “(C) would support a significant expansion
18 of structural or service delivery reform ideas.

19 “(c) OUTCOME MEASURES REQUIRED.—A practice
20 shall not be considered to be a tier-1, tier- 2, or tier-3
21 practice unless the practice is intended, studied, or evalu-
22 ated for purposes of making meaningful improvements in
23 validated measures of important outcomes for eligible indi-
24 viduals and their families, such as recidivism, health, em-

1 ployment, and economic well-being over the short and
2 long-term.

3 “(d) ADMINISTRATION.—The program under this
4 part shall be administered by the Secretary through the
5 Assistant Secretary for Family Support within the De-
6 partment of Health and Human Services and in consulta-
7 tion with the Secretary of Labor and the Secretary of
8 Education.

9 **“SEC. 482. STATE PLAN REQUIREMENTS.**

10 “(a) IN GENERAL.—A State is not eligible for pay-
11 ment under section 484 unless the State has submitted
12 to the Secretary a plan that describes—

13 “(1) the State’s strategy for employing and
14 training eligible individuals under the State program
15 funded under this part;

16 “(2) how such strategy fits with the State’s
17 overall strategy for, and assessment of, the State’s
18 workforce needs;

19 “(3) the employment and training services and
20 supports to be provided under the State program
21 funded under this part;

22 “(4) which specific populations of eligible indi-
23 viduals the State will serve, with a focus on how the
24 State plans to assess and serve the eligible individ-
25 uals with serious or multiple barriers to employment;

1 “(5) the strategies the State will use, based on
2 such assessments, to create employability plans for
3 eligible individuals participating in the State pro-
4 gram funded under this part and, based on such
5 plans, assign and provide eligible individuals with
6 employment and training services and supports;

7 “(6) how the State will coordinate the State
8 program funded under this part with the State pro-
9 gram funded under part A and with other human
10 services and workforce development programs of the
11 State, including programs supported through the
12 Workforce Innovation and Opportunity Act; and

13 “(7) a plan for regular, rigorous evaluation of
14 the State program funded under this part, including
15 how the State plans to measure program outcomes
16 and impacts.

17 “(b) OTHER REQUIREMENTS.—The State shall in-
18 clude with the plan a certification that supports consisting
19 of child care assistance for eligible individuals will supple-
20 ment, and not supplant, other child care assistance pro-
21 vided by the State, including child care assistance provided
22 under the State program funded under part A or the Child
23 Care and Development Block Grant Act of 1990.

24 “(c) DEADLINES FOR SUBMISSION.—

1 “(1) INITIAL PLAN.—The initial State plan
2 under this section shall be submitted to the Sec-
3 retary and, as appropriate, to the Secretary of Labor
4 and the Secretary of Education, not later than 90
5 days prior to the commencement of the State pro-
6 gram funded under this part and shall be for the pe-
7 riod beginning on the first day of the commencement
8 of the State program funded under the part and
9 ending on the day that is the last day of the period
10 covered by the unified State plan or combined State
11 plan submitted by the State under section 102 or
12 103 of the Workforce Innovation and Opportunity
13 Act that is in effect as of the date of submission.

14 “(2) SUBSEQUENT PLANS.—Each State plan
15 submitted under this section after the initial State
16 plan shall be submitted at the same time, in the
17 same manner, and apply for the same period, as a
18 unified State plan or a combined State plan sub-
19 mitted by the State under section 102 or 103 of the
20 Workforce Innovation and Opportunity Act.

21 “(3) APPROVAL.—Each State plan submitted
22 under this section, and any amendments to the plan,
23 shall be subject to the approval of the Secretary, in
24 consultation with the Secretary of Labor or the Sec-
25 retary of Education as appropriate.

1 “(d) STATE AGENCY.—At the option of the State, the
2 program funded under this part shall be administered by
3 the lead State agency responsible for administering the
4 State program funded under part A, the lead State agen-
5 cies responsible for administering the core programs of the
6 State funded under the Workforce Innovation and Oppor-
7 tunity Act, or jointly by such agencies.

8 **“SEC. 483. USE OF FUNDS.**

9 “(a) AUTHORIZED USES.—

10 “(1) IN GENERAL.—A State shall use funds
11 paid under section 484 to provide eligible individuals
12 with employment and training services and supports
13 and for the proper and efficient administration of
14 the State program funded under this part.

15 “(2) TRAINING.—A State may use such funds
16 for training employers, agency personnel, and other
17 individuals related to the administration of the State
18 program funded under this part on issues related to
19 providing eligible individuals with employment and
20 training services and supports.

21 “(b) EVIDENCE-BASED PRACTICES AND ACTUAL JOB
22 PLACEMENTS REQUIRED.—

23 “(1) IN GENERAL.—Subject to paragraph (3),
24 only State expenditures for employment and training
25 services and supports provided to eligible individuals

1 that meet the following conditions shall be eligible
2 for a Federal matching payment under section 484:

3 “(A) The employment and training services
4 and supports are provided in accordance with
5 practices that meet the requirements for being
6 considered a tier-1, tier- 2, or tier-3 practice.

7 “(B) The State can demonstrate that the
8 employment and training services and supports
9 provided for an eligible individual directly re-
10 sulted in a transitional job placement or em-
11 ployment (subsidized or unsubsidized) for the
12 eligible individual, or can demonstrate good
13 cause for why the transitional job placement or
14 employment did not occur, which may include
15 the failure of an employer or an eligible indi-
16 vidual to carry out the employer’s or
17 individuals’s commitments to the State pro-
18 gram.

19 “(2) TIER-2 OR TIER-3 PRACTICES.—Beginning
20 with the 21st fiscal year quarter for which the State
21 carries out the program funded under this part, not
22 less than 50 percent of the total amount expended
23 by the State for the quarter shall be for employment
24 and training services and supports provided in ac-

1 cordance with practices that meet the requirements
2 for being considered a tier- 2 or tier-3 practice.

3 “(3) PERIODS OF ECONOMIC DOWNTURN.—The
4 Secretary may waive 1 or both of the limitations on
5 eligible expenditures under paragraph (1) with re-
6 spect to 1 or more State programs funded under this
7 part during any period of local or national economic
8 downturn (as defined by the Secretary).

9 “(c) EVALUATIONS.—A State shall be eligible to re-
10 ceive a payment under section 484 for expenditures attrib-
11 utable to evaluating the State program funded under this
12 part if—

13 “(1) the State submits to the Secretary a de-
14 scription of the proposed evaluation;

15 “(2) the Secretary determines that the design
16 and approach of the proposed evaluation is rigorous,
17 will measure program outcomes and impacts, and is
18 likely to yield information that is credible and will
19 be useful to the State; and

20 “(3) unless waived by the Secretary, the State
21 contributes to the cost of the evaluation, from non-
22 Federal sources, an amount equal to at least 25 per-
23 cent of the cost of the proposed evaluation.

1 **“SEC. 484. PAYMENTS TO STATES.**

2 “(a) IN GENERAL.—Subject to the section 483(b)
3 and subsections (b) and (c) of this section, beginning with
4 the first fiscal year quarter for which a State plan is ap-
5 proved under this part, and for each fiscal year quarter
6 thereafter, the Secretary shall pay each State the Federal
7 medical assistance percentage that applies for the fiscal
8 year to the State under section 1905(b) (without regard
9 to any adjustments to such percentage applicable under
10 that section or any other provision of law) of the total
11 amount expended by the State during the quarter to pro-
12 vide eligible individuals with employment and training
13 services and supports and for the proper and efficient ad-
14 ministration of the program funded under this part.

15 “(b) INCREASED FEDERAL SUPPORT DURING ECO-
16 NOMIC DOWNTURNS.—

17 “(1) INCREASED FMAP.—

18 “(A) IN GENERAL.—Beginning with the
19 any fiscal year quarter for which the total un-
20 employment in a State (seasonally adjusted) for
21 the period consisting of the most recent 3
22 months for which data for all States are pub-
23 lished equals or exceeds the applicable percent-
24 age specified in paragraph (2), the Federal
25 medical assistance percentage applicable to pay-
26 ments made under subsection (a) to the State

1 for the quarter shall be increased by the appli-
2 cable number of percentage points specified in
3 paragraph (2), except that in no case shall the
4 Federal medical assistance percentage applica-
5 ble to payments under subsection (a) for a
6 State for a quarter exceed 90 percent.

7 “(B) DURATION.—An increase in the Fed-
8 eral medical assistance percentage made in ac-
9 cordance with this subsection shall remain in
10 effect with respect to payments made to a State
11 under subsection (a) through the end of the fis-
12 cal year that succeeds the fiscal year in which
13 the increase begins.

14 “(2) APPLICABLE PERCENTAGE; APPLICABLE
15 NUMBER OF PERCENTAGE POINTS.—For purposes of
16 paragraph (1), if the total unemployment in a State
17 (seasonally adjusted) for the period consisting of the
18 most recent 3 months for which data for all States
19 are published is—

20 “(A) equal to or greater than 6.5 percent
21 but less than 7 percent, the applicable number
22 of percentage points is 10;

23 “(B) equal to or greater than 7 percent
24 but less than 7.5 percent, the applicable num-
25 ber of percentage points is 20;

1 “(C) equal to or greater than 7.5 percent
2 but less than 8 percent, the applicable number
3 of percentage points is 30; and

4 “(D) equal to or great than 8 percent, the
5 applicable number of percentage points is 40.

6 “(c) MAINTENANCE OF EFFORT.—As a condition of
7 receiving payments under this section for a fiscal year, the
8 total amount of State expenditures for employment and
9 training services and supports provided through core pro-
10 grams for the fiscal year shall not be less than the amount
11 of such expenditures for fiscal year 2017.

12 “(d) ADMINISTRATION OF PAYMENTS WITH PART
13 A.—Section 405 shall apply to payments made to States
14 under this part in the same manner as section 405 applies
15 to payments made to States under State programs funded
16 under part A.

17 **“SEC. 485. OTHER PROGRAM REQUIREMENTS.**

18 “(a) ASSESSMENT AND EMPLOYABILITY PLAN.—The
19 State shall establish procedures to—

20 “(1) within 30 days, assess an eligible individ-
21 ual’s job skills, education, past work experience, and
22 potential barriers to employment; and

23 “(2) based on such assessment, create an indi-
24 vidualized employability plan for each eligible indi-
25 vidual participating in the program that specifies—

1 “(A) the ultimate employment goal of the
2 eligible individual; and

3 “(B) the employment and training services
4 and supports that will lead to such goal and will
5 be provided by the State.

6 “(b) EMPLOYMENT STANDARDS AND CRITERIA FOR
7 TRANSITIONAL JOBS.—

8 “(1) GENERAL REQUIREMENTS.—Any transi-
9 tional job placement for an eligible individual partici-
10 pating in the State program funded under this part
11 shall satisfy the following requirements:

12 “(A) Subsidies for the transitional job
13 placement may only be used by a public or pri-
14 vate sector employer for costs attributable to
15 the hiring of, compensation for, or on-the-job
16 training of, the eligible individual.

17 “(B) A public or private sector employer
18 shall not be paid a subsidy that exceeds 120
19 percent of wage costs.

20 “(C) An eligible individual in a transitional
21 job placement shall be paid not less than the
22 prevailing minimum wage in the relevant juris-
23 diction.

24 “(D) A transitional job placement for an
25 eligible individual shall not exceed 6 months un-

1 less the placement is extended for not more
2 than 6 additional months to accommodate time
3 needed for training.

4 “(E) Employers participating in the State
5 program agree to make a good faith effort to
6 hire an eligible individual placed in a transi-
7 tional job in their employment if the individual
8 has demonstrated satisfactory performance and
9 the employer has a job opening available.

10 “(2) ADDITIONAL PLACEMENTS.—If, after com-
11 pleting a transitional job placement, an eligible indi-
12 vidual is unemployed for at least 3 months (regard-
13 less of whether such months are consecutive), the el-
14 igible individual may apply for a new transitional job
15 placement but only with a different public or private
16 sector employer.

17 “(3) STATE VARIATION PERMITTED.—Employer
18 subsidies for a transitional job placement may vary
19 within a State and among States carrying out pro-
20 grams under this part.

21 “(c) NONDISPLACEMENT.—A public or private sector
22 employer shall not use an eligible individual transitional
23 job placement to—

24 “(1) displace or replace an employee, position,
25 or volunteer, or to partially displace or replace an

1 employee, position, or volunteer, such as through a
2 reduction in hours, wages, or employment benefits;
3 or

4 “(2) displace or replace an employee partici-
5 pating in a strike, collective bargaining or union ac-
6 tivities, or union organizing.

7 “(d) APPLICATION OF PART A REQUIREMENTS.—
8 Except as otherwise specifically provided, the require-
9 ments applicable to a State program funded under part
10 A, including prohibitions and requirements under section
11 408(a), shall not apply to an eligible individual partici-
12 pating in the State program funded under this part unless
13 the eligible individual concurrently receives cash assistance
14 (other than in the form of subsidized employment) under
15 the State program funded under part A , and then only
16 with respect to that cash assistance.

17 “(e) TREATMENT OF EMPLOYMENT AND TRAINING
18 SERVICES AND SUPPORTS UNDER FEDERAL MEANS-
19 TESTED ASSISTANCE PROGRAMS.—Except as provided in
20 section 32(c)(2)(B)(vii) of the Internal Revenue Code of
21 1986, employment and training services and supports pro-
22 vided for an eligible individual under the State program
23 funded under this part, and any income resulting from
24 such employment and training services and supports shall
25 not be taken into account for purposes of determining the

1 eligible individual's income eligibility for, or amount of, as-
2 sistance or benefits provided under any Federal means-
3 tested assistance program.

4 **“SEC. 486. REPORTS; RESEARCH.**

5 “(a) QUARTERLY REPORTS.—

6 “(1) STATE REPORTS.—A State shall submit
7 with each quarterly report required under section
8 411(a)(1) a report on the State program funded
9 under this part that contains such data and infor-
10 mation as the Secretary shall require.

11 “(2) REPORTS TO CONGRESS.—The Secretary
12 shall submit with each an annual report to Congress
13 required under section 411(b) a report on the State
14 programs funded under this part.

15 “(b) ONGOING PERFORMANCE ASSESSMENT.—

16 “(1) IN GENERAL.—The Secretary shall study
17 and submit annual reports to Congress that—

18 “(A) measure the performances of the
19 State programs funded under this part;

20 “(B) include information about the cat-
21 egories of individuals and employers served by
22 the program; and

23 “(C) describe the activities eligible individ-
24 uals engaged in during the year.

1 “(2) TIMING OF SUBMISSIONS.—The Secretary
2 shall submit the reports required paragraph (1)—

3 “(A) in the case of the first such report,
4 2 years after the date on which the first State
5 program funded under this part is established;
6 and

7 “(B) in the case of subsequent reports, an-
8 nually thereafter.

9 “(c) ALIGNMENT WITH WORKFORCE INNOVATION
10 AND OPPORTUNITY ACT PROGRAMS.—The Secretary shall
11 coordinate with the Secretary of Labor on aligning per-
12 formance measures and regulations for the State pro-
13 grams funded under this part with the performance meas-
14 ures and regulations applicable to the core programs of
15 States funded under the Workforce Innovation and Oppor-
16 tunity Act.

17 “(d) NEW PERFORMANCE MEASURES.—The Sec-
18 retary shall create new performance measures that ad-
19 dress income gains, poverty reduction, and poverty allevi-
20 ation for eligible individuals participating in the State pro-
21 grams funded under this part and the families of such in-
22 dividuals. Such performance measures shall be in addition
23 to the performance measures applicable to the core pro-
24 grams of States funded under the Workforce Innovation

1 and Opportunity Act and aligned with the State programs
2 funded under this part.

3 “(e) COORDINATION OF DATA COLLECTION.—The
4 Secretary, in consultation with the Secretary of Labor,
5 and, as appropriate, the Secretary of Education, shall de-
6 termine the data States shall collect and report regarding
7 the State programs funded under this part and the extent
8 to which that data collection and reporting, and required
9 evaluations, can be coordinated with the data collection,
10 reporting, and evaluations required for the State programs
11 funded under part A and the core programs of States
12 funded under the Workforce Innovation and Opportunity
13 Act.

14 “(f) FUNDING.—The Secretary shall use funding
15 made available under section 413(h)(1) for research, tech-
16 nical assistance, and evaluation to conduct the perform-
17 ance assessments required under subsection (b).

18 **“SEC. 487. DIRECT FUNDING AND ADMINISTRATION FOR**
19 **PROGRAMS OPERATED BY INDIAN TRIBES.**

20 “(a) IN GENERAL.—An Indian tribe or intertribal
21 consortium with a tribal family assistance plan approved
22 under section 412 (or any Indian tribe that is member
23 of such a consortium) that proposes to establish a pro-
24 gram under this part shall submit an application to the
25 Secretary to directly receive payments for expenditures

1 made to carry out the program (in this section referred
2 to as a ‘tribal program application’).

3 “(b) TRIBAL PROGRAM APPLICATION REQUIRE-
4 MENTS.—Subject to subsection (c), a tribal program appli-
5 cation shall include a plan that meets the requirements
6 of section 482 in the same manner as such requirements
7 apply to a State.

8 “(c) PROGRAM REQUIREMENTS.—The program re-
9 quirements specified in this part shall apply to an Indian
10 tribe or intertribal consortium with a tribal program appli-
11 cation and plan approved under this section in the same
12 manner as such requirements apply to a State except to
13 the extent that an Indian tribe or intertribal consortium
14 requests, and the Secretary approves, a waiver or modi-
15 fication of any such requirements.

16 “(d) PAYMENTS.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 the Secretary shall pay an Indian tribe or intertribal
19 consortium with a tribal program application and
20 plan approved under this section in the same man-
21 ner as States are paid under section 484.

22 “(2) APPLICATION OF TRIBAL FMAP.—The
23 Federal medical assistance percentage that would
24 apply under subsection (d) of section 479B if an In-
25 dian tribe or tribal consortium operated a program

1 under that section (in this subsection referred to as
2 the ‘tribal FMAP’), shall apply to payments made to
3 the Indian tribe or tribal consortium for expendi-
4 tures attributable to carrying out a program under
5 this part, unless the tribal FMAP is less than the
6 Federal medical assistance percentage that applies
7 to the State in which the Indian tribe or tribal con-
8 sortium is located in which case the State Federal
9 medical assistance percentage shall apply. In the
10 case of an Indian tribe or tribal consortium that is
11 located in more than 1 State, the State in which the
12 Indian tribe or tribal consortium is located that has
13 the highest Federal medical assistance percentage
14 among the States in which the Indian tribe or tribal
15 consortium is located, shall apply to the preceding
16 sentence.

17 **“SEC. 488. DIRECT FUNDING AND ADMINISTRATION FOR**
18 **PROGRAMS OPERATED BY LOCAL GOVERN-**
19 **MENTS.**

20 “(a) IN GENERAL.—The Secretary shall establish
21 procedures under which a local government, or a consor-
22 tium of local governments, may submit an application to
23 the Secretary to establish a program under this part and
24 directly receive payments for expenditures made to carry
25 out the program (in this section referred to as a ‘local

1 government program application'), if the State in which
2 the local government or consortium is located does not
3 elect to establish a State program under this part.

4 “(b) LOCAL GOVERNMENT PROGRAM APPLICATION
5 REQUIREMENTS.—Subject to subsection (c), a local gov-
6 ernment program application shall include a plan that
7 meets the requirements of section 482 in the same manner
8 as such requirements apply to a State.

9 “(c) PROGRAM REQUIREMENTS.—The program re-
10 quirements specified in this part shall apply to a local gov-
11 ernment or consortium with a local government program
12 application and plan approved under this section in the
13 same manner as such requirements apply to a State except
14 to the extent that a local government or consortium re-
15 quests, and the Secretary approves, a waiver or modifica-
16 tion of any such requirements.

17 “(d) PAYMENTS.—The Secretary shall pay a local
18 government or consortium with a local government pro-
19 gram application and plan approved under this section in
20 the same manner as the State in which the local govern-
21 ment or consortium is located would have been paid under
22 section 484 if the State had established a State program
23 under this part.”.

1 **SEC. 3. STUDY REGARDING INCENTIVES FOR PROGRAM**
2 **PERFORMANCE UNDER PART F.**

3 (a) IN GENERAL.—The Secretary of Health and
4 Human Services shall enter into an agreement with the
5 National Academy of Sciences to evaluate State programs
6 carried out under part F of title IV of the Social Security
7 Act. The evaluation shall analyze the relationships be-
8 tween engagement, impacts, and outcome measures. The
9 evaluation shall also examine the issue of program per-
10 formance and include recommendations to Congress as to
11 whether and how program performance could be tied to
12 fiscal incentives.

13 (b) REPORT.—Not later than 7 years after the date
14 of enactment of this Act, the Secretary of Health and
15 Human Services shall submit to Congress a report con-
16 taining the results of the evaluation conducted under sub-
17 section (a), together with recommendations for such legis-
18 lation and administrative action as the Secretary deter-
19 mines appropriate.

20 **SEC. 4. TANF CONFORMING AMENDMENTS.**

21 (a) STATE PLAN.—Section 402 (42 U.S.C. 602) is
22 amended—

23 (1) in subsection (a)—

24 (A) in the matter preceding paragraph (1),
25 by striking “As used” and inserting “Subject to
26 subsection (d), as used”; and

1 (B) in paragraph (1)—

2 (i) in subparagraph (A)(iii), by insert-
3 ing “or employment and training services
4 and supports provided under the State pro-
5 gram funded under part F” before the pe-
6 riod; and

7 (ii) in subparagraph (B)—

8 (I) in clause (iv), by inserting “,
9 unless the parent or caretaker is par-
10 ticipating in the State program fund-
11 ed under part F” before the period;
12 and

13 (II) by adding at the end the fol-
14 lowing:

15 “(vi) The document shall indicate
16 whether the State elects to carry out a
17 State program to provide employment and
18 training services and supports under part
19 F.”; and

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

21 “(d) STATE OPTION TO SUBMIT PLAN THAT ALIGNS
22 WITH THE STATE PLAN UNDER PART F.—A State may
23 elect to submit the State plan required under this section
24 at the same time and in the same manner, and to apply

1 for the same period, as the State plan required under sec-
2 tion 482.”.

3 (b) AUTHORITY TO TRANSFER UP TO 50 PERCENT
4 OF TANF FUNDS TO AN EMPLOYMENT AND TRAINING
5 PROGRAM UNDER PART F.—Section 404(d) (42 U.S.C.
6 604(d)) is amended—

7 (1) in paragraph (1), in the matter preceding
8 subparagraph (A), by striking “paragraph (2)” and
9 inserting “paragraphs (2) and (4)”; and

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

11 “(4) PART F EMPLOYMENT AND TRAINING PRO-
12 GRAM.—

13 “(A) AUTHORITY TO TRANSFER UP TO 50
14 PERCENT.—A State may use not more than 50
15 percent of the amount of any grant made to the
16 State under section 403(a) for a fiscal year to
17 carry out an employment and training program
18 under part F.

19 “(B) APPLICABLE RULES.—All amounts
20 paid to a State under this part that are used
21 to carry out an employment and training pro-
22 gram under part F shall—

23 “(i) be used only to provide employ-
24 ment and training services and supports
25 for eligible individuals who are recipients

1 of assistance under the State program
2 funded under this part (or under any other
3 State program funded with qualified State
4 expenditures (as defined in section
5 409(a)(7)(B)(i))), former recipients of
6 such assistance, or who were eligible for,
7 but did not receive, such assistance; and

8 “(ii) not be subject to the require-
9 ments of this part, but shall be subject to
10 the requirements that apply under part F,
11 and the expenditure of any amount so used
12 shall not be considered to be an expendi-
13 ture under this part.”.

14 (c) RECIPIENTS RECEIVING EMPLOYMENT AND
15 TRAINING UNDER PART F DEEMED TO BE MEETING
16 WORK PARTICIPATION REQUIREMENTS.—Section
17 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at
18 the end the following:

19 “(E) RECIPIENTS RECEIVING EMPLOY-
20 MENT AND TRAINING UNDER PART F DEEMED
21 TO BE MEETING WORK PARTICIPATION RE-
22 QUIREMENTS.—For purposes of determining
23 monthly participation rates under paragraphs
24 (1)(B)(i) and (2)(B) of subsection (b), a recipi-
25 ent who is participating in the State program

1 under part F (for any number of hours per
2 week during the month) is deemed to be en-
3 gaged in work for a month.”.

4 (d) TRIBAL PROGRAMS.—Section 412 (42 U.S.C.
5 612) is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (1), in the matter pre-
8 ceeding subparagraph (A), by striking “Any In-
9 dian tribe” and inserting “Subject to paragraph
10 (4), any Indian tribe”; and

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

12 “(4) OPTION TO SUBMIT PLAN THAT ALIGNS
13 WITH THE STATE PLAN UNDER PART F.—Subsection
14 (d) of section 402 shall apply to a tribal family as-
15 sistance plan in the same manner as that section ap-
16 plies to a plan under that section.”; and

17 (2) in subsection (c)(3), by striking “407(e)”
18 and inserting “subsections (e) and (j) of section
19 407”.

20 (e) ADMINISTRATION.—Section 416 (42 U.S.C. 616)
21 is amended by striking “and part D shall be administered
22 by an Assistant Secretary for Family Support” and insert-
23 ing “, part D, and part F shall be administered by an
24 Assistant Secretary for the Administration for Children
25 and Families (and in the case of part F, in consultation

1 with the Secretary of Labor and the Secretary of Edu-
2 cation)”).

3 (f) PAYMENTS TO TERRITORIES.—Section 1108 (42
4 U.S.C. 1308) is amended—

5 (1) in subsection (a)(2), by striking “or
6 474(a)(6)” and inserting “474(a)(6), or 484”; and

7 (2) in subsection (b)(1)(A), by striking “and
8 E” and inserting “, E, and F”.

9 **SEC. 5. TREATMENT UNDER THE TAX CODE.**

10 (a) EARNED INCOME CREDIT.—Section 32(c)(2)(B)
11 of the Internal Revenue Code of 1986 is amended—

12 (1) in clause (v), by striking “and” after the
13 comma;

14 (2) by redesignating clause (vi) as clause (vii);
15 and

16 (3) by inserting after clause (v) the following:

17 “(55) any amount received for service per-
18 formed as part of employment and training services
19 and supports provided under the State program
20 funded under part F of title IV of the Social Secu-
21 rity Act to which the taxpayer is assigned (including
22 any portion of such amount subsidized under such
23 State program) shall be taken into account as em-
24 ployee compensation under subparagraph (A)(i)

1 (without regard to whether such amounts are includ-
2 ible in gross income), and”.

3 (b) WORK OPPORTUNITY CREDIT.—Section
4 51(c)(2)(B) of the Internal Revenue Code of 1986 is
5 amended by striking “section 482(e)” and inserting “part
6 F of title IV”.

7 **SEC. 6. EFFECTIVE DATE; REGULATIONS.**

8 (a) EFFECTIVE DATE.—

9 (1) IN GENERAL.—Subject to paragraphs (2)
10 and (3), the amendments made by this Act shall
11 take effect on October 1, 2018.

12 (2) TAX AMENDMENTS.—The amendments
13 made by section 5 shall apply to taxable years begin-
14 ning after December 31, 2018.

15 (3) EXCEPTION FOR STATE LEGISLATION.—In
16 the case of a State plan under part A of title IV of
17 the Social Security Act which the Secretary of
18 Health and Human Services determines requires
19 State legislation (other than legislation appro-
20 priating funds) in order for the plan to meet the ad-
21 ditional requirements imposed by the amendments
22 made by this Act, the State plan shall not be re-
23 garded as failing to comply with the requirements of
24 such part solely on the basis of the failure of the
25 plan to meet such additional requirements before the

1 first day of the first calendar quarter beginning
2 after the close of the first regular session of the
3 State legislature that begins after the date of enact-
4 ment of this Act. For purposes of the previous sen-
5 tence, in the case of a State that has a 2-year legis-
6 lative session, each year of the session shall be
7 deemed to be a separate regular session of the State
8 legislature.

9 (b) REGULATIONS.—Not later than **【____】** after the
10 date of the enactment of this Act, the Secretary of Health
11 and Human Services (in this subsection referred to as the
12 “Secretary”) shall issue proposed regulations for the pur-
13 pose of implementing the amendments made by this Act,
14 including regulations establishing uniform data collection
15 requirements. The Secretary shall publish final regulations
16 for such purpose not later than **【____】** after the date of
17 the enactment of this Act. Regulations issued under this
18 subsection shall be developed by the Secretary in consulta-
19 tion with the Secretary of Labor and with the responsible
20 State agencies described in section 482(d) of the Social
21 Security Act (as added by section 2 of this Act).