

119TH CONGRESS
2D SESSION

S.

To establish a pilot program in which States may use consolidated funds, through Upward Mobility Grants, for antipoverty programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

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

A BILL

To establish a pilot program in which States may use consolidated funds, through Upward Mobility Grants, for antipoverty programs, 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.**

4 This Act may be cited as the “Upward Mobility Act
5 of 2026”.

6 **SEC. 2. CONSOLIDATION OF ANTIPOVERTY PROGRAMS.**

7 (a) DEFINITIONS.—In this section:

7 (3) COVERED AMOUNT.—

11 (i) an amount that a State is eligible
12 to receive in Federal funds, through a
13 grant contract or other payment—

14 (I) under subsection (a) or (h) of
15 section 16 of the Food and Nutrition
16 Act of 2008 (7 U.S.C. 2025) (relating
17 to the supplemental nutrition assist-
18 ance program);

19 (II) for benefits (as defined in
20 section 3 of the Food and Nutrition
21 Act of 2008 (7 U.S.C. 2012)) for par-
22 ticipants of the supplemental nutrition
23 assistance program established under
24 the Food and Nutrition Act of 2008
25 (7 U.S.C. 2011 et seq.) pursuant to

1 section 4(a)(1) of that Act (7 U.S.C.
2 2013(a)(1));

3 (III) under paragraph (1) or (2)
4 of section 403(a) of the Social Secu-
5 rity Act (42 U.S.C. 603(a)) (relating
6 to the temporary assistance for needy
7 families program State family assist-
8 ance grant);

9 (IV) under section 658O(b) of
10 the Child Care and Development
11 Block Grant Act of 1990 (42 U.S.C.
12 9858m(b)), from amounts appro-
13 priated under that Act or under sec-
14 tion 418(a)(3)(A) of the Social Secu-
15 rity Act (42 U.S.C. 618(a)(3)(A)) (re-
16 lating to a program of child care serv-
17 ices);

18 (V) under section 2604 (other
19 than subsection (e)), 2607A, 2607B,
20 or 2609A of the Low-Income Home
21 Energy Assistance Act of 1981 (42
22 U.S.C. 8623, 8626a, 8626b, or
23 8628a) (relating to programs of home
24 energy assistance);

1 (VI) under section 132(b)(2)(B)
2 or section 170 of the Workforce Inno-
3 vation and Opportunity Act (29
4 U.S.C. 3171(b)(2)(B), 3225) (relating
5 to assistance for dislocated workers);
6 and

7 (VII) under subsection (b) or (d)
8 of section 106 of the Housing and
9 Community Development Act of 1974
10 (42 U.S.C. 5306) (relating to commu-
11 nity development);

12 (ii) the amount that public housing
13 agencies, as defined in section 3(b) of the
14 United States Housing Act of 1937 (42
15 U.S.C. 1437a(b)), located in a State are
16 eligible to receive through allocations—

17 (I) under section 8(o) of such Act
18 (42 U.S.C. 1437f(o)) for tenant-based
19 assistance; and

20 (II) under section 9 of such Act
21 (42 U.S.C. 1437g) for public housing
22 from the Capital Fund and Operating
23 Fund; and

24 (iii) the amount that persons and
25 families located in a State (other than

members of an Indian tribe) are eligible to receive in Federal assistance under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a).

5 (B) RULE.—The term “covered
6 amount”—

19 (A) nutrition (including food) benefits;

20 (B) cash benefits for low-income families
21 and individuals:

22 (C) child can

23 (D) home energy (incl.)

14 (A) the combined reduction or loss in value
15 of per-capita direct assistance for the indi-
16 vidual; and

17 (B) the combined increase in Federal,
18 State, and local income and payroll taxes for
19 the individual

23 (A) the total amount of Federal funding
24 used in a pilot project in any year for direct as-

11 (b) PURPOSES.—The purposes of this Act are—

12 (1) to achieve the goals of—

13 (A) streamlining service delivery and re-
14 ducing inconsistent eligibility requirements and
15 benefit cliffs through pilot projects promoting
16 antipoverty objectives;

17 (B) promoting upward mobility through
18 improved employment outcomes described in
19 subsection (j)(2)(B), including increased em-
20 ployment and earnings, among participants in a
21 pilot project; and

22 (C) providing incentives to States to re-
23 duce dependence on per-capita direct assistance
24 through the pilot projects by enabling individ-

1 uals to achieve the improved employment out-
2 comes; and

3 (2) to accomplish those goals by authorizing
4 States to apply to receive Upward Mobility Grants
5 for the purpose of carrying out a pilot project to
6 promote antipoverty objectives, consisting of—

7 (A) reduced benefit cliffs through benefit
8 structures that limit Marginal Effective Tax
9 Rates; and

10 (B) increased levels of employment and
11 earnings among participants in programs cov-
12 ered by the pilot project, skills acquisition,
13 housing (including rental housing) affordability,
14 access to nutrition, reduced home energy costs,
15 affordable child care, and temporary assistance
16 to low-income families.

17 (c) ESTABLISHMENT.—

18 (1) IN GENERAL.—There is established a pilot
19 program through which the Secretary may—

20 (A) permit not more than 5 States to carry
21 out pilot projects; and

22 (B) consolidate funding from antipoverty
23 programs into Upward Mobility Grants made
24 under subsection (d)(1), and make those grants
25 to the States to carry out the projects.

10 (d) UPWARD MOBILITY GRANTS.—

21 (2) CALCULATION.—

22 (A) FIRST YEAR.—For the first fiscal year
23 of the pilot project, the Secretary shall make an
24 Upward Mobility Grant to the State, in a sum
25 calculated as the total of the covered amounts

1 received by the State, for the preceding fiscal
2 year, adjusted by the percentage change in the
3 Personal Consumption Expenditures Price
4 Index of the Bureau of Economic Analysis of
5 the Department of Commerce for such pre-
6 ceding fiscal year.

7 (B) SUBSEQUENT YEARS.—For each fiscal
8 year of the pilot project (referred to in this sub-
9 paragraph as a “target fiscal year”) after the
10 first fiscal year described in subparagraph (A),
11 the Secretary shall make an Upward Mobility
12 Grant to the State, in an updated sum equal to
13 the sum calculated for the State under this
14 paragraph for the preceding fiscal year, ad-
15 justed—

16 (i) by the percentage change in that
17 Personal Consumption Expenditures Price
18 Index between the first day of the pre-
19 ceding fiscal year and the first day of the
20 target fiscal year; and

(ii) in a manner consistent with the per-capita direct assistance adjustment prohibition described in subsection (k).

24 (C) ADJUSTMENT FOR APPROPRIATIONS
25 LAPSE.—

16 (D) LIMITED SCOPE PILOT PROJECTS.—
17 Notwithstanding subparagraphs (A) and (B), if
18 a State has obtained approval to carry out a
19 limited scope pilot project under this section,
20 the Upward Mobility Grant for the State shall
21 be a percentage, between 10 and 100 percent,
22 as indicated by the State in the application sub-
23 mitted under subsection (f) of the amount the
24 State would otherwise receive under subpara-
25 graph (A) or (B).

6 (e) IMPACT OF PARTICIPATION.—

18 (A) relating to consolidating, replacing, or
19 altering eligibility requirements;

20 (B) relating to the design, operation, or
21 delivery of an antipoverty program; and

22 (C) relating to the use, allocation, or dis-
23 tribution of funding

24 (2) PROVISIONS EXCLUDED FROM WAIVER AU-
25 THORITY—A waiver shall not be granted under

1 paragraph (1) with respect to any provision of law
2 relating to—

- (A) the goals of any antipoverty program;
- (B) civil rights or the prohibition of discrimination;
- (C) health or safety;
- (D) labor standards under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.);
- (E) environmental protection;
- (F) any restriction on providing benefits to individuals who are not citizens of or are unlawfully present in the United States;
- (G) the protection of religious freedom for providers and beneficiaries of assistance;
- (H) any funding restriction or limitation provided in an appropriations Act;
- (I) a maintenance of effort requirement; or
- (J) any requirement that a State distribute to a sub-State entity part or all of an amount paid to the State.

1 eligible local entities or recipients as under applica-
2 ble law in effect as of the date of enactment of this
3 Act.

4 (4) IMPACT ON FUNDING.—

5 (A) IN GENERAL.—During the period of
6 the pilot project—

7 (i) the State shall not be eligible to re-
8 ceive Federal funding for the antipoverty
9 programs, outside the pilot project; and

10 (ii) individuals receiving per-capita di-
11 rect assistance through the pilot project
12 shall not be eligible for additional benefits
13 under the antipoverty programs, outside
14 the pilot project.

15 (B) EXCEPTIONS.—Notwithstanding sub-
16 paragraph (A), in the case of a State carrying
17 out a limited scope pilot project described in
18 subsection (c)(2), the State may continue to re-
19 ceive Federal funding for the antipoverty pro-
20 grams, outside the pilot project.

21 (C) SNAP CONTINGENCY FUND.—

22 (i) IN GENERAL.—Notwithstanding
23 subparagraph (A), on the request of a
24 State carrying out a pilot project, the Sec-
25 retary of Agriculture may use contingency

1 reserve funding made available under the
2 provisions described in clause (ii) to pro-
3 vide benefits to individuals receiving per-
4 capita direct assistance through the pilot
5 project under the supplemental nutrition
6 assistance program established under the
7 Food and Nutrition Act of 2008 (7 U.S.C.
8 2011 et seq.) during a period of economic
9 downturn, a natural disaster, a public
10 health emergency, or another unanticipated
11 event that increases the demand for those
12 benefits, as determined by the Secretary of
13 Agriculture.

14 (ii) PROVISIONS DESCRIBED.—The
15 provisions referred to in clause (i) are the
16 following:

17 (I) The matter under the heading
18 “SUPPLEMENTAL NUTRITION ASSIST-
19 ANCE PROGRAM” under the heading
20 “FOOD AND NUTRITION SERVICE”
21 under the heading “DOMESTIC
22 FOOD PROGRAMS” in title IV of
23 division B of the Continuing Approp-
24 riations, Agriculture, Legislative
25 Branch, Military Construction and

3 (II) The matter under the head-
4 ing “SUPPLEMENTAL NUTRITION AS-
5 SISTANCE PROGRAM” under the head-
6 ing “FOOD AND NUTRITION SERV-
7 ICE” under the heading “DOMESTIC
8 FOOD PROGRAMS” in title IV of
9 division B of the Consolidated App-
10 priations Act, 2024 (Public Law 118-
11 42; 138 Stat. 93).

12 (III) Section 1109 of the Full-
13 Year Continuing Appropriations and
14 Extensions Act, 2025 (Public Law
15 119-4; 139 Stat. 13).

16 (D) TEMPORARY ASSISTANCE FOR NEEDY
17 FAMILIES (TANF) CONTINGENCY FUND.—Not-
18 withstanding subparagraph (A), on the request
19 of a State carrying out a pilot project, the Sec-
20 retary may use funds available under section
21 403(b) of the Social Security Act (42 U.S.C.
22 603(b)) to provide benefits to individuals receiv-
23 ing per-capita direct assistance under the tem-
24 porary assistance for needy families program
25 established under part A of title IV of the So-

1 cial Security Act (42 U.S.C. 601 et seq.)
2 through the pilot project during a period of eco-
3 nomic downturn, a natural disaster, a public
4 health emergency, or another unanticipated
5 event that increases the demand for those bene-
6 fits, as determined by the Secretary. Nothing in
7 the preceding sentence shall be construed as re-
8 quiring the State carrying out the pilot project
9 to submit a request under section 403(b) of the
10 Social Security Act (42 U.S.C. 603(b)) during
11 an eligible month (as defined in paragraph (4)
12 of such section) for payment of funds under
13 such section or for the Secretary to determine
14 that the State is an eligible State for purposes
15 of such section.

16 (E) LOW-INCOME HOME ENERGY ASSIST-
17 ANCE PROGRAM (LIHEAP) EMERGENCY FUND.—
18 Notwithstanding subparagraph (A), on the re-
19 quest of a State carrying out a pilot project, the
20 Secretary may use funds available under section
21 2602(e) of the Low-Income Home Energy As-
22 sistance Act of 1981 (42 U.S.C. 8621(e)) (in
23 addition to meeting the objectives described in
24 that section) to provide benefits to households
25 that include individuals receiving per-capita di-

1 rect assistance through the pilot project under
2 the Low-Income Home Energy Assistance Pro-
3 gram established under that Act during a pe-
4 riod of economic downturn, a natural disaster,
5 a public health emergency, or another unantici-
6 pated event that increases the demand for those
7 benefits, as determined by the Secretary.

8 (F) EMERGENCY FUNDING.—

9 (i) IN GENERAL.—Notwithstanding
10 subparagraph (A), nothing shall prohibit a
11 State carrying out a pilot project from re-
12 ceiving an appropriation described in
13 clause (ii), and using that appropriation to
14 provide benefits to individuals receiving
15 per-capita direct assistance through the
16 pilot project.

17 (ii) APPROPRIATION.—An appropri-
18 ation described in this clause is an appro-
19 priation—

20 (I) for an antipoverty program
21 related to a covered amount described
22 in subsection (a)(3)(A); and

23 (II) made in an Act other than
24 an regular appropriations Act.

6 (f) APPLICATIONS.—To be eligible to receive an Up-
7 ward Mobility Grant to carry out a pilot project under this
8 section, a State shall submit an application to the Sec-
9 retary at such time, in such manner, and containing such
10 information as the Secretary may require, including—

11 (1) information stating—

12 (A) how the State will utilize the Upward
13 Mobility Grant to achieve the antipoverty objec-
14 tives described in subsection (b)(2)(B);

15 (B) how the State will achieve the goals of
16 the antipoverty programs included in the pilot
17 project involved, including (as applicable to the
18 programs included) skills acquisition, housing
19 (including rental housing) affordability, access
20 to nutrition, reduced home energy costs, afford-
21 able child care, and temporary assistance to
22 low-income families; and

23 (C) how the State will ensure that funds
24 made available under the pilot project for the
25 goals of an antipoverty program related to a

1 covered amount described in clause (i)(VII),
2 (ii), or (iii) of subsection (a)(3)(A) shall con-
3 tinue to be provided to the same eligible local
4 entities or recipients as under applicable law in
5 effect as of the date of enactment of this Act,
6 and information demonstrating demonstrable,
7 substantive, and robust engagement with those
8 local entities and recipients on the waiver provi-
9 sions described in subsection (e)(1).

10 (2)(A) information stating which statutory and
11 regulatory requirements applicable to an antipoverty
12 program the State requests to be waived, as de-
13 scribed in subparagraphs (A), (B), and (C) of sub-
14 section (e)(1);

15 (B) a description of how the State will utilize the Up-
16 ward Mobility Grant funds to design and use a benefit
17 structure for benefits and services provided through the
18 pilot project that promotes upward mobility through im-
19 provements on the upward mobility measures outlined in
20 subsection (j)(2); and

21 (C) benchmark goals for improvements on those
22 measures;

23 (3) information describing—

24 (A) the eligibility criteria established by
25 the State for pilot project participants;

1 (B) how the State, in carrying out the pilot
2 project, will—

3 (i) protect beneficiary data and pri-
4 vacy;

5 (ii) prevent fraudulent use of funds;
6 and

9 (C) the program integrity measures estab-
10 lished by the State to ensure that the State
11 provides direct assistance benefits to eligible
12 pilot project participants in compliance with the
13 criteria established under subparagraph (A) and
14 requirements established under clauses (i), (ii),
15 and (iii) of subparagraph (B);

16 (4)(A) information describing how the State
17 will apply the work requirement for direct assistance
18 benefit recipients specified in subsection (h); and

19 (B) information describing the program integrity
20 measures established by the State to ensure compliance
21 with that work requirement;

22 (5) information demonstrating how the State
23 will engage nonprofit organizations, faith-based or-
24 ganizations, private service providers, local govern-
25 ments, and other local entities to deliver holistic,

1 customized case management and a portion of the
2 services for the pilot project;

3 (6) information describing how the State will
4 evaluate the project by contracting under subsection
5 (j) with an independent, third-party evaluator, and
6 will ensure the most rigorous results from the eval-
7 uation and the strongest possible measurement
8 through the evaluation of the causal link between
9 the State's proposed benefit structure and the up-
10 ward mobility measures listed in subsection (j)(2),
11 including—

12 (A) the methodology that will be used to
13 evaluate the pilot project;

14 (B) the data the State will collect and pro-
15 vide to the evaluator;

16 (C) the process by which the State will col-
17 lect the data to provide to the evaluator; and

18 (D) information on the evaluator's qual-
19 fications, including—

20 (i) confirmation that the evaluator is
21 independent from the State and from any
22 nonprofit organizations, faith-based organi-
23 zations, private service providers, local gov-
24 ernments, and other local entities partici-
25 pating in the pilot project; and

1 (ii) information stating whether the
2 evaluator has demonstrated substantial ex-
3 perience in conducting rigorous evalua-
4 tions, utilizing the methodology described
5 under subparagraph (A);

6 (7) information—

7 (A) describing how the State will use util-
8 ize fiscal savings resulting from improvements
9 on upward mobility measures under subsection
10 (j)(2) to improve program operations and infra-
11 structure of programs covered by the pilot
12 project, including—

13 (i) establishing a State reserve fund to
14 provide temporary per-capita direct assist-
15 ance benefits to eligible individuals and
16 households during a period of economic
17 downturn, a natural disaster, a public
18 health emergency, or another unanticipated
19 event that increases the demand for those
20 benefits, as determined by the cor-
21 responding Secretary;

(ii) using the savings to improve program management, eligibility verification, benefits distribution, compliance monitoring, and reporting.

toring, and enforcement of the work requirement required under subsection (h);

(iii) using the savings for renovation, expansion, or maintenance of community facilities to promote antipoverty objectives described in subsection (b)(2)(B);

(iv) using the savings for resources for capacity-building to increase collaboration with and involvement of nonprofit organizations, faith-based organizations, private service providers, local governments, and other local entities to deliver services funded under the pilot project;

(v) using the savings to integrate program operations, improve case management, streamline client intake, or reduce administrative duplication; and

(vi) providing work supports for individuals who are employed and working hours consistent with section 261.32 of title 45, Code of Federal Regulations (or a successor regulation), who are not receiving assistance through the Upward Mobility Grant; and

1 (B) demonstrating how the supports de-
2 scribed in subparagraph (A)(vi) will be designed
3 to—

4 (i) increase the level of hours worked
5 for those receiving such a support; and
6 (ii) increase the level of earnings for
7 those receiving such a support;

8 (8) at the election of the State, a proposal—

9 (A) that describes how the State will re-
10 duce regulatory barriers for the purpose of in-
11 creasing market access to, or lowering the costs
12 of, nutrition, child care, home energy (including
13 utilities), employment and training services for
14 dislocated workers, or housing (including rental
15 housing) (referred to in this paragraph as “cov-
16 ered basics”); and

17 (B) that includes—

18 (i) identification of existing (as of the
19 date of submission) State regulatory bar-
20 riers that limit market entry to, or produc-
21 tion or supply of, any of the covered ba-
22 sics; and

23 (ii) actions the State will take to re-
24 duce, streamline, or eliminate regulations
25 establishing such barriers; and

10 (B) information indicating the percentage
11 described in subsection (d)(2)(D) that the State
12 seeks to receive through the pilot program.

13 (g) EVALUATING AND APPROVING APPLICATIONS.—

19 (2) COMMENT PERIOD.—On receiving the appli-
20 cation, the Secretary shall—

21 (A) not later than 5 days after the date of
22 that receipt, provide notice on the website of
23 the Department of Health and Human Services
24 of receipt of the application; and

1 (B) give interested persons, including
2 stakeholders in the State, an opportunity to
3 submit comments on the application for a 30-
4 day period beginning on the date on which the
5 Secretary provides notice under subparagraph
6 (A).

10 (A) evaluate the application based on the
11 extent to which the project—

12 (i) will achieve the antipoverty objec-
13 tives described in subsection (b)(2)(B);
14 (ii) will achieve the goals described in
15 subsection (f)(1)(B); and

16 (iii) will meet the requirements de-
17 scribed in subsection (f)(1)(C) relating to
18 provision of funds and to engagement;

19 (B) evaluate the application based on the
20 extent to which the project will make improve-
21 ments on the upward mobility measures de-
22 scribed in subsection (j)(2); and

23 (C) consider the extent to which the meth-
24 odology of the project evaluation under sub-

1 section (j) and data collection under subsection
2 (f) will—

3 (i) produce rigorous results, using ex-
4 perimental designs that use—

5 (I) random assignment; or

6 (II) if random assignment is not
7 feasible, another reliable, evidence-
8 based research methodology that al-
9 lows for the strongest practicable
10 causal inferences; and

11 (ii) provide sufficient contextual infor-
12 mation on the characteristics of the popu-
13 lation served by the project, including de-
14 mographic and geographic information, to
15 assess the applicability of the project in
16 other settings.

20 (A) applications for a pilot project with a
21 program design that limits—

22 (i) the average Marginal Effective Tax
23 Rate of an increase in earned income at-
24 tributable to employment through the pilot
25 project to not more than 50 percent; and

1 (ii) the average Marginal Effective
2 Tax Rate of an increase in such earned in-
3 come to not more than 50 percent, among
4 participants for whom such increase results
5 in lack of eligibility for any per-capita di-
6 rect assistance;

7 (B) applications the Secretary projects will
8 most make improvements on the upward mobil-
9 ity measures described in subsection (j)(2);

10 (C) applications for a pilot project for
11 which the methodology described in paragraph
12 (3)(C) will use an experimental design that
13 uses—

14 (i) random assignment; or
15 (ii) if random assignment is not fea-
16 sible—

17 (I) a natural experiment design;
18 (II) a synthetic control method;
19 (III) a differences-in-differences
20 technique;

21 (IV) a regression discontinuity
22 method;

23 (V) an instrumental variable
24 method;

1 (VI) a panel data with mixed ef-
2 fects method;

3 (VII) a propensity score match-
4 ing method; or

5 (VIII) a cross-sectional regres-
6 sion method;

7 (D) applications that describe program in-
8 tegrity measures that will maximize compliance
9 with—

10 (i) the work requirement described in
11 subsection (h); and

12 (ii) the requirements established
13 under clauses (i), (ii), (iii) of subsection
14 (f)(3)(B).

15 (5) APPROVAL OR DISAPPROVAL.—

16 (A) GROUNDS FOR DISAPPROVAL.—In re-
17 viewing an application, the Secretary deter-
18 mines that the project will not achieve the anti-
19 poverty objectives described in subsection
20 (b)(2)(B), achieve the goals described in sub-
21 section (f)(1)(B), or meet the requirements de-
22 scribed in subsection (f)(1)(C) relating to the
23 provision of funds and to engagement, the Sec-
24 retary shall disapprove the application. Nothing
25 in this subparagraph shall be construed to pre-

1 vent the Secretary from disapproving an appli-
2 cation for another reason specified in this sec-
3 tion.

4 (B) **TIMELINE.**—The Secretary shall de-
5 cide whether or not to approve the application
6 not later than 90 days after the date of receipt
7 of the application.

8 (6) **PROCESS AFTER DISAPPROVAL.**—If the Sec-
9 retary decides to disapprove the application of a
10 State—

11 (A) the Secretary shall provide the State
12 with a detailed explanation of the decision;

13 (B) the State may submit a modified appli-
14 cation to the Secretary for approval; and

15 (C) if a modified application is submitted,
16 the Secretary shall make a decision on approval
17 of the application, after evaluating and giving
18 priority as described in paragraphs (3) and (4),
19 not later than 30 days after the date of receipt
20 of the modified application.

21 (h) **WORK REQUIREMENT AND PROGRAM INTEG-
22 RITY.**—

23 (1) **SNAP REQUIREMENTS.**—The requirements
24 under subsections (d) and (o) of section 6 of the
25 Food and Nutrition Act of 2008 (7 U.S.C. 2015)

1 shall apply to recipients of direct assistance benefits
2 under a pilot project carried out under this section,
3 subject to such changes to those requirements as the
4 Secretary determines necessary.

5 (2) REGULATIONS; AUDIT.—The Secretary
6 shall—

7 (A) prescribe such regulations as the Sec-
8 retary determines necessary and appropriate to
9 ensure compliance with and State enforcement
10 of the requirements described in paragraph (1);
11 and

12 (B) audit the program integrity measures
13 described in paragraphs (3)(C) and (4)(B) of
14 subsection (f) established by States.

15 (i) DATA SHARING.—The Secretary shall facilitate
16 data sharing, concerning data and other information relat-
17 ing to antipoverty programs, with Federal agencies and
18 offices (other than the Administration for Children and
19 Families of the Department of Health and Human Serv-
20 ices) as necessary to administer the pilot program carried
21 out under this Act. The Secretary shall cooperate with
22 each State participating in the pilot program to coordinate
23 access by Federal agencies and offices to data and other
24 information relating to antipoverty programs included in
25 the State's pilot project.

1 (j) EVALUATIONS.—

2 (1) IN GENERAL.—

3 (A) DETERMINATIONS.—Each State that
4 carries out a pilot project under this Act shall
5 enter into a contract for an annual inde-
6 pendent, third-party evaluation of the pilot
7 project, for purposes of determining, for pur-
8 poses of this section—

9 (i) per-capita direct assistance, and
10 per-capita direct assistance described in
11 paragraph (2)(C); and

12 (ii) improvement on the upward mo-
13 bility measures described in paragraph (2),
14 as described in paragraph (3).

15 (B) QUALIFICATIONS.—The evaluator shall
16 demonstrate the independence described in
17 clause (i), and the substantial experience de-
18 scribed in clause (ii), of subsection (f)(6)(D).

19 (2) UPWARD MOBILITY MEASURES.—The State
20 shall require the evaluator to conduct annual evalua-
21 tions of the pilot project on upward mobility meas-
22 ures, which measure—

23 (A) the Marginal Effective Tax Rates, for
24 pilot project participants, of increases in earned

1 income attributable to employment through the
2 pilot project;

3 (B) participant employment outcomes, con-
4 sisting of achievement of (relative to the full fis-
5 cal year that precedes the date on which the
6 Secretary approves the application for the pilot
7 project under subsection (g) (referred to in this
8 paragraph as the “pre-implementation
9 year”))—

- 10 (i) higher earnings of participants;
- 11 (ii) a higher percentage of participants with employment;
- 12 (iii) a higher percentage of participants with full-time employment; and
- 13 (iv) a higher percentage of participants with part-time employment.

17 (C) reduction (relative to the pre-imple-
18 mentation year) in per-capita direct assistance
19 by reducing the dependence of participants on
20 per-capita direct assistance through improve-
21 ment in employment outcomes described in sub-
22 paragraph (B);

23 (D) elimination or reduction in (relative to
24 the pre-implementation year) marriage penalties
25 for participants; and

(E) reduction (relative to the pre-implementation year) in poverty among participants.

(A) improvement (relative to the pre-implementation year) on the upward mobility measures described in paragraph (2); and

(B) improvement on the upward mobility measures, relative to the benchmark goals described under subsection (f)(2)(C).

12 (4) USE OF EVALUATIONS.—The evaluator shall
13 prepare and submit to the Secretary a report con-
14 taining the results of each annual evaluation.

15 (5) COMPARISON.—The evaluator shall make
16 comparisons on the upward mobility measures by
17 comparing the outcomes of the entire population en-
18 rolled in the antipoverty programs related to a cov-
19 ered amount described in subsection (a)(3)(A)(i) for
20 the preceding fiscal year described in subsection
21 (d)(2)(A), to the outcomes for that entire population
22 enrolled in those antipoverty programs (included in
23 the pilot project or not so included) for the year cov-
24 ered by the evaluation.

1 (k) FUNDING ADJUSTMENT.—No State shall receive
2 an adjustment to an Upward Mobility Grant because the
3 State increased the amount of the per-capita direct assist-
4 ance provided, through an Upward Mobility Grant.

5 **SEC. 3. TRANSFERS AND SAVINGS PROVISION.**

6 (a) DEFINITIONS.—For purposes of this section, un-
7 less otherwise provided or indicated by the context—

8 (1) the term “Administration” means the Ad-
9 ministration for Children and Families;

10 (2) the term “covered Federal agency” means
11 an agency, as defined in section 551(1) of title 5,
12 United States Code, that carries out an antipoverty
13 program;

14 (3) the term “function” means any duty, obli-
15 gation, power, authority, responsibility, right, privi-
16 lege, activity, or program;

17 (4) the term “Secretary” means the Secretary
18 of Health and Human Services, acting through the
19 Assistant Secretary for Children and Families; and

20 (5) the term “transferred function” means a
21 function (including a part of a function) transferred
22 under this section.

23 (b) ADMINISTRATIVE FUNDING.—

24 (1) AMOUNTS TO STATES FOR ADMINISTRATIVE
25 COSTS.—

1 (A) IN GENERAL.—Notwithstanding any
2 other provision of this section, for each State
3 carrying out a pilot project under this Act, each
4 head of a covered Federal agency shall transfer
5 to the State, for a fiscal year, an amount that
6 bears the same relationship to the total amount
7 of funding for administrative costs of the anti-
8 poverty program involved for that fiscal year for
9 all States as the amount of funding the State
10 received for the nonadministrative costs of the
11 program for the prior fiscal year bears to the
12 total amount of funding that all States received
13 for those costs for the prior fiscal year.

14 (B) DETERMINATION.—For the purposes
15 of determining, under subparagraph (A), the
16 funding a State received for nonadministrative
17 costs for a prior fiscal year in which there was
18 a lapse in appropriations, the funding shall be
19 determined as if the corresponding money was
20 appropriated for the entire fiscal year.

1 (c) TRANSFER OF FUNCTIONS.—

2 (1) IN GENERAL.—There are transferred to the
3 Administration a portion, determined by the Office
4 of Management and Budget, of the functions that
5 the heads of covered Federal agencies exercised be-
6 fore the date of the enactment of this Act (including
7 related functions of any officer or employee of a cov-
8 ered Federal agency). The portion shall consist of
9 those functions (or parts of functions) that the Of-
10 fice determines are appropriate for the Administra-
11 tion to exercise in carrying out this Act.

12 (2) DELEGATION AND ASSIGNMENT.—Except
13 where otherwise expressly prohibited by law or oth-
14 erwise provided by this Act, the Secretary may dele-
15 gate any of the transferred functions to such officers
16 and employees of the Administration as the Sec-
17 retary may designate, and may authorize successive
18 redelegations of such functions as may be necessary
19 or appropriate. No delegation of transferred func-
20 tions by the Secretary under this section shall relieve
21 such Secretary of responsibility for the administra-
22 tion of such functions.

23 (3) REORGANIZATION.—The Secretary is au-
24 thorized to allocate or reallocate any transferred
25 function among the officers of the Administration,

1 and to establish, consolidate, alter, or discontinue
2 such organizational entities in the Administration as
3 may be necessary or appropriate.

4 (4) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise
5 provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts,
6 property, records, and unexpended balances of appropriations, authorizations, allocations, and other
7 funds employed, used, held, arising from, available to, or to be made available in connection with the
8 transferred functions, subject to section 1531 of title 31, United States Code, shall be transferred to the
9 Administration. Unexpended funds transferred pursuant to this section shall be used only for the purposes
10 for which the funds were originally authorized and appropriated. The Director of the Office of
11 Management and Budget shall provide for such further measures and dispositions as may be necessary
12 to effectuate the purposes of this Act.

13 (5) RULES.—The Secretary is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary determines necessary or appropriate to administer and manage

1 the functions of the Administration to carry out sec-
2 tion 2.

3 (6) TRANSITION.—The Secretary is authorized
4 to utilize—

5 (A) the services of officers, employees, and
6 other personnel of a covered Federal agency
7 with respect to transferred functions; and

8 (B) funds appropriated to such functions
9 for such period of time as may reasonably be
10 needed to facilitate the orderly implementation
11 of this Act.

12 (d) SAVINGS PROVISIONS.—

13 (1) CONTINUING EFFECT OF LEGAL DOCU-
14 MENTS.—All orders, determinations, rules, regula-
15 tions, permits, agreements, grants, contracts, certifi-
16 cates, licenses, registrations, privileges, and other
17 administrative actions—

18 (A) which have been issued, made, grant-
19 ed, or allowed to become effective by the Presi-
20 dent, any covered Federal agency or official
21 thereof, or by a court of competent jurisdiction,
22 in the performance of transferred functions;
23 and

24 (B) which are in effect on the date of en-
25 actment of this Act, or were final before that

1 date and are to become effective on or after
2 that date,

3 shall continue in effect according to their terms until
4 modified, terminated, superseded, set aside, or re-
5 voked in accordance with law by the President, the
6 Secretary or other authorized official, a court of
7 competent jurisdiction, or by operation of law.

8 (2) PROCEEDINGS NOT AFFECTED.—The provi-
9 sions of this Act shall not affect any proceedings, in-
10 cluding notices of proposed rulemaking, or any ap-
11 plication for any license, permit, certificate, or finan-
12 cial assistance pending before any covered Federal
13 agency on the date of enactment of this Act, with re-
14 spect to transferred functions but such proceedings
15 and applications shall be continued. Orders shall be
16 issued in such proceedings, appeals shall be taken
17 therefrom, and payments shall be made pursuant to
18 such orders, as if this Act had not been enacted, and
19 orders issued in any such proceedings shall continue
20 in effect until modified, terminated, superseded, or
21 revoked by a duly authorized official, by a court of
22 competent jurisdiction, or by operation of law. Noth-
23 ing in this paragraph shall be deemed to prohibit the
24 discontinuance or modification of any such pro-
25 ceeding under the same terms and conditions and to

1 the same extent that such proceeding could have
2 been discontinued or modified if this Act had not
3 been enacted.

4 (3) SUITS NOT AFFECTED.—The provisions of
5 this Act shall not affect suits commenced before the
6 date of enactment of this Act, and in all such suits,
7 proceedings shall be had, appeals taken, and judg-
8 ments rendered in the same manner and with the
9 same effect as if this Act had not been enacted.

10 (4) NONABATEMENT OF ACTIONS.—No suit, ac-
11 tion, or other proceeding commenced by or against
12 a covered Federal agency, or by or against any indi-
13 vidual in the official capacity of such individual as
14 an officer of a covered Federal agency, shall abate
15 by reason of the enactment of this Act.

16 (5) ADMINISTRATIVE ACTIONS RELATING TO
17 PROMULGATION OF REGULATIONS.—Any administra-
18 tive action relating to the preparation or promulga-
19 tion of a regulation by a covered Federal agency re-
20 lating to a transferred function may be continued by
21 the Administration with the same effect as if this
22 Act had not been enacted.

23 (6) REFERENCES.—Reference in any other
24 Federal law, Executive order, rule, regulation, or

1 delegation of authority, or any document of or relating
2 ing to—

3 (A) the head of a covered Federal agency
4 with regard to a transferred function, shall be
5 deemed to refer to the Secretary; and

6 (B) a covered Federal agency with regard
7 to a transferred function, shall be deemed to
8 refer to the Administration.