DIVISION C—GROW THE ECONOMY

TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES

SEC. 302. PILOT PROJECTS FOR PROMOTING ACCOUNTABILITY BY MEASURING WORK OUTCOMES.

Section 411 of the Social Security Act (42 U.S.C. 611) is amended by adding at the end the following:

‘‘(e) PILOT PROJECTS FOR PROMOTING ACCOUNTABILITY BY MEASURING WORK OUTCOMES. —

‘‘(1) IN GENERAL. — The Secretary shall carry out a pilot program under which the Secretary may select up to 5 States to which a grant is made under section 403(a) for a fiscal year to negotiate performance benchmarks for work and family outcomes for recipients of assistance under the State program funded under this part, and programs funded with qualified State expenditures. The Secretary shall issue guidance on how States apply for participation in the pilot. The benchmarks shall include—

‘‘(A) the percentage of work-eligible individuals under the State program funded under this part who are in unsubsidized employment during the 2nd quarter after exiting the program;

‘‘(B) the level of earnings of such individuals in the 2nd and 4th quarters after exit; and

‘‘(C) other indicators of family stability and well-being as established by the Secretary.

‘‘(2) LEVEL OF PERFORMANCE BENCHMARK. — The Secretary and a State selected under paragraph (1) shall agree to the requisite level of performance on these benchmarks after developing baseline data in the State and comparative data in other States.

‘‘(3) FAILURE OF STATE TO MEET BENCHMARK.—If a State fails to meet a measured benchmark standard agreed to under paragraph (2) for 2 successive fiscal years, the State, in order to continue in the pilot shall enter into a plan with the Secretary to achieve the required level of performance or, if mutually agreed to, adjust the benchmark based on new information about the feasibility of meeting such benchmark.

‘‘(4) DURATION.—The pilot under this subsection shall be in effect for 6 fiscal years, with one year to establish benchmark data and negotiate targets and five years to measure performance against the targets, and shall supersede the requirements under section 407 for such fiscal years, notwithstanding any other provision of law.

‘‘(5) APPLICATION OF PENALTY FOR FAILURE TO REDUCE ASSISTANCE FOR RECIPIENTS REFUSING WITHOUT GOOD CAUSE TO WORK.—For purposes of section 409(a)(14), a State operating a pilot must have a system for reducing the amount of assistance payable to a family if an individual refuses, without good cause (including for reasons described in 407(e)(2)), to engage in any such activities as the State has required of such an individual. A State without such a system shall be considered to have failed to comply with the requirements of section 407(e) for so long as the failure to comply continues.

‘‘(6) COLLECTION OF PERFORMANCE DATA.—Each State selected under paragraph (1), in consultation with the Secretary, shall collect and submit to the Secretary data on the performance of the State operating such a pilot program.

‘‘(7) REPORTS.—

‘‘(A) INITIAL REPORT.—Not later than 12 months after the date of the enactment of this subsection the Secretary shall submit a report to Congress on the status of the program under this section.

‘‘(B) FINAL REPORT.—Not later than 12 months after the date on which the programs under this section have terminated, the Secretary shall submit a comprehensive report to Congress on outcomes achieved under such programs.’’.