

(ii) Food stamps at a benefit level that does not exceed the food stamp benefit based on the total amount of AFDC benefits that the recipient would otherwise have been entitled to as income if a benefit reduction or termination was not imposed under this subsection.

(5) In any case where AFDC benefits are resumed under this subsection, the individual or family may not recover any grants that the individual or family would have received if the benefit reduction or termination was not imposed.

(6) The Secretary shall establish by regulation exemptions from the benefit reductions or terminations for noncompliance with the training and work related requirements of the pilot.

(7) After termination of AFDC benefits under this subsection, the recipient may receive transitional assistance.

(8) If the case worker determines that transitional assistance is to be provided, the AFDC benefit that would have been paid to the recipient shall be paid instead to a third party on behalf of the recipient for a period of up to 3 months.

(9) The third party shall provide transitional assistance to the recipient in one or more of the following forms:

(i) Counseling;

(ii) Housing;

(iii) Child care;

(iv) Household supplies and equipment;

(v) Direct assistance other than a cash payment; or

(vi) Any other assistance as may be necessary to assist the recipient to make the transition from welfare.

(10) The third party shall be selected by the case worker in conjunction with the recipient and shall be approved by the Secretary.

(11) The third party may be:

(i) A religious organization that is exempt from taxation under § 501(c)(3) of the U.S. Internal Revenue Code.

(ii) A volunteer group; or

(iii) A charitable organization that is exempt from taxation under § 501(c)(3) of the U.S. Internal Revenue Code.

(12) No portion of the funds provided through transitional assistance may be used for the furtherance of sectarian religious instruction.

(h) (1) The Department shall, as appropriate, refer the recipient to family planning counseling and services.