

104TH CONGRESS
1ST SESSION

H. R. 865

To amend part A of title IV of the Social Security Act to offer States the option of replacing the Job Opportunities and Basic Skills Training (JOBS) program with a program that would assist all recipients of aid to families with dependent children in achieving self-sufficiency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1995

Mr. ORTON introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committees on Agriculture, Commerce, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend part A of title IV of the Social Security Act to offer States the option of replacing the Job Opportunities and Basic Skills Training (JOBS) program with a program that would assist all recipients of aid to families with dependent children in achieving self-sufficiency, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Self-Sufficiency Act
3 of 1995”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—SELF-SUFFICIENCY PROGRAM

- Sec. 101. Establishment and operation of program.
- Sec. 102. Child care guaranteed to participants in State self-sufficiency programs.
- Sec. 103. Increased Federal matching rates for child care provided by States with self-sufficiency programs.
- Sec. 104. Elimination of requirement that families in States with self-sufficiency programs have received AFDC for a minimum period before becoming eligible for transitional medicaid benefits or transitional child care benefits.
- Sec. 105. Eligibility for transitional medicaid benefits and transitional child care benefits in States with self-sufficiency programs without regard to type of income that would otherwise result in ineligibility for benefits.
- Sec. 106. Elimination of certain exceptions from requirement that minor parents and pregnant minors without children live with responsible adult in States with self-sufficiency programs.

TITLE II—OTHER PROVISIONS

- Sec. 201. Disregard of persons who become family members after initial receipt of AFDC.
- Sec. 202. Enhanced payments for participants in the self-sufficiency program.
- Sec. 203. Diversion payments.
- Sec. 204. Aid to families without regard to the number of parents in the home.
- Sec. 205. 2-parent families ineligible for AFDC until 30 days after loss of employment.
- Sec. 206. Increase in earned income disregard and elimination of time limitation on earned income disregard.
- Sec. 207. Increase in asset limitations.
- Sec. 208. Amendments to the Food Stamp Act of 1977.
- Sec. 209. Option to impose penalty for failure to attend school.

TITLE III—RELATED AMENDMENTS

- Sec. 301. Denial of welfare benefits to aliens.
- Sec. 302. Inclusion in consumer credit reports of information on overdue child support obligations of the consumer.
- Sec. 303. Quarterly payments of earned income credit.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

1 **TITLE I—SELF-SUFFICIENCY**
2 **PROGRAM**

3 **SEC. 101. ESTABLISHMENT AND OPERATION OF PROGRAM.**

4 (a) STATE PLAN REQUIREMENT.—Section
5 402(a)(29) of the Social Security Act is amended to read
6 as follows:

7 “(29) at the option of the State, in lieu of the
8 requirements of paragraph (19) and part F, provide
9 that—

10 “(A) the State has in effect and operation
11 a self-sufficiency program which meets the re-
12 quirements of part G;

13 “(B)(i) not later than the end of the 3-
14 year period that begins on the date the Sec-
15 retary first approves the State plan under part
16 G, the State shall require not less than 30 per-
17 cent of the recipients of aid under the State
18 plan (selected by the State in accordance with
19 such criteria as the State establishes in regula-
20 tions) to participate in the program;

21 “(ii) not later than the end of the 5-year
22 period that begins on the date the Secretary
23 first approves the State plan under part G, the
24 State shall require not less than 50 percent of
25 the recipients of aid under the State plan (se-

1 lected by the State in accordance with such cri-
2 teria as the State establishes in regulations) to
3 participate in the program;

4 “(iii) not later than the end of the 8-year
5 period that begins on the date the Secretary
6 first approves the State plan under part G, the
7 State shall require not less than 75 percent of
8 the recipients of aid under the State plan (se-
9 lected by the State in accordance with such cri-
10 teria as the State establishes in regulations) to
11 participate in the program; and

12 “(iv) not later than the end of the 10-year
13 period that begins on the date the Secretary
14 first approves the State plan under part G, the
15 State shall, except as provided in subparagraph
16 (C), require each recipient of aid under the
17 State plan to participate in the program;

18 “(C) the State may not require an individ-
19 ual to participate in the program—

20 “(i) during a period described in
21 clause (i), (ii), or (iii) of subparagraph (B),
22 if the individual resides in an area of the
23 State where the program is not available;
24 or

1 “(ii) if the individual is unable to
2 meaningfully participate in the program
3 due to a physical or psychological condi-
4 tion; and

5 “(D) the amount of aid otherwise payable
6 under the State plan to a family that includes
7 an individual who fails without good cause to
8 participate in the program, comply with any
9 term or condition of the self-sufficiency plan de-
10 veloped for the individual, or accept a bona fide
11 offer of employment shall be reduced by—

12 “(i) 25 percent for the 1st month of
13 such failure; and

14 “(ii) such equal increments for each of
15 the next 24 months of such failure as will
16 result in no benefit at the end of such 24-
17 month period;”.

18 (b) ESTABLISHMENT AND OPERATION OF PRO-
19 GRAM.—Title IV of such Act (42 U.S.C. 601–687) is
20 amended by adding at the end the following:

21 **“PART G—SELF-SUFFICIENCY PROGRAM**

22 **“SEC. 491. PURPOSE AND DEFINITIONS.**

23 “(a) PURPOSE.—The purpose of this part is to assist
24 needy families with children in becoming self-sufficient.

1 “(b) DEFINITIONS.—Except to the extent otherwise
2 provided, each term used in this part shall have the same
3 meaning given the term in or under part A.

4 **“SEC. 492. ESTABLISHMENT AND OPERATION OF STATE**
5 **PROGRAMS.**

6 “(a) GENERAL REQUIREMENTS.—

7 “(1) STATE PLAN REQUIRED.—

8 “(A) IN GENERAL.—Each State that is not
9 operating a program under part F may estab-
10 lish and operate a self-sufficiency program (in
11 this part referred to as the ‘program’) under a
12 plan approved by the Secretary as meeting the
13 requirements of this part and section
14 402(a)(29).

15 “(B) CONTENTS.—The plan referred to in
16 subparagraph (A) for the program shall—

17 “(i) describe how the State intends to
18 implement the program during the period
19 covered by the plan;

20 “(ii) indicate, through cross-references
21 to the appropriate provisions of this part
22 and part A, that the program will be oper-
23 ated in accordance with such provisions of
24 law;

1 “(iii) contain an estimate of the num-
2 ber of persons to be served by the pro-
3 gram;

4 “(iv) describe the services to be pro-
5 vided within the State and the political
6 subdivisions thereof, the needs to be ad-
7 dressed through the provision of such serv-
8 ices, the extent to which such services are
9 expected to be made available by other
10 agencies on a nonreimbursable basis, the
11 extent to which such services are to be pro-
12 vided or funded by the program, and the
13 way in which caseworkers are to be re-
14 trained to aid in the development of self-
15 sufficiency plans for participants in the
16 program; and

17 “(v) contain such additional informa-
18 tion as the Secretary may require by regu-
19 lation to enable the Secretary to determine
20 that the State program will meet the re-
21 quirements of this part and part A.

22 “(C) UPDATES.—Not less frequently than
23 every 2 years after the Secretary first approves
24 a State plan under this part, the State shall re-
25 view and update the plan in accordance with

1 regulations prescribed by the Secretary, and
2 submit to the Secretary the updated plan for
3 approval.

4 “(2) NO SUPPLANTATION OF NON-FEDERAL
5 FUNDS.—Federal funds made available to a State
6 for purposes of the program shall not be used to
7 supplant non-Federal funds for existing services and
8 activities which promote the purpose of this part.

9 “(3) REPORTS.—Each State that establishes a
10 self-sufficiency program under this part shall submit
11 to the Secretary on a biannual basis, a report on—

12 “(A) the number of participants in the
13 program;

14 “(B) the number of such participants who
15 are employed on a full-time basis;

16 “(C) the number of such participants who
17 are employed on a part-time basis; and

18 “(D) the number of participants in the
19 program who have become ineligible for aid to
20 families with dependent children during the pre-
21 ceding year by reason of excessive earnings.

22 “(b) CONSULTATION.—The Secretary shall consult
23 with the Secretary of Labor on general plan requirements
24 and on criteria to be used in approving State plans under
25 this section.

1 **“SEC. 493. ASSESSMENT AND REVIEW OF NEEDS AND**
2 **SKILLS OF PARTICIPANTS; SELF-SUFFI-**
3 **CIENCY PLANS.**

4 “(a) ASSESSMENT.—The State agency must make an
5 initial assessment of the educational, child care, and other
6 supportive services needs as well as the skills, prior work
7 experience, and employability of each participant in the
8 program under this part, including a review of the family
9 circumstances and the needs of any child of the partici-
10 pant.

11 “(b) SELF-SUFFICIENCY PLAN.—On the basis of the
12 assessment made with respect to a participant under sub-
13 section (a), the State agency, in consultation with the par-
14 ticipant, shall develop a self-sufficiency plan for the partici-
15 pant, which—

16 “(1) explains the services (including child care
17 and other supportive services) that will be provided
18 by the State agency and the activities in which the
19 participant will take part under the program;

20 “(2) shall not require the participant to be en-
21 gaged in such activities for an unreasonable amount
22 of time each week;

23 “(3) sets forth an employment goal for the par-
24 ticipant, that, to the maximum extent possible and
25 consistent with this section, reflects the preferences
26 of the participant;

1 “(4) takes into account the participant’s sup-
2 portive services needs, available program resources,
3 and local employment opportunities; and

4 “(5) shall not be considered a contract.

5 “(c) AGREEMENT TO SELF-SUFFICIENCY PLAN.—
6 After a self-sufficiency plan has been developed under sub-
7 section (b) with respect to a participant, the State agency
8 shall—

9 “(1) require the participant (or the adult care-
10 taker in the family of which the participant is a
11 member) to negotiate and enter into an agreement
12 with the State agency that specifies such matters as
13 the participant’s obligations under the program, the
14 duration of participation in the program, and the ac-
15 tivities to be conducted and the services to be pro-
16 vided in the course of such participation; and

17 “(2) give the participant such assistance as the
18 participant may require in reviewing and under-
19 standing the agreement.

20 “(d) AUTHORITY TO ASSIGN CASE MANAGERS.—The
21 State agency may assign to each participant in the pro-
22 gram and the participant’s family a case manager who is
23 responsible for assisting the family to obtain any services
24 which may be needed to assure effective participation in
25 the program.

1 **“SEC. 494. PROVISION OF PROGRAM AND EMPLOYMENT**
2 **INFORMATION.**

3 “(a) The State agency shall ensure that all applicants
4 for and recipients of aid to families with dependent chil-
5 dren are encouraged, assisted, and required to fulfill their
6 responsibilities to support their children by preparing for,
7 accepting, and retaining such employment as they are ca-
8 pable of performing.

9 “(b) The State agency shall inform all applicants for
10 and recipients of aid to families with dependent children
11 of the education, employment, and training opportunities,
12 and the support services (including child care and health
13 coverage transition options), for which they are eligible,
14 the obligations of the State agency, and the rights, respon-
15 sibilities, and obligations of participants in the program.

16 “(c) The State agency shall—

17 “(1) provide (directly or through arrangements
18 with others) information on the types and locations
19 of child care services reasonably accessible to partici-
20 pants in the program;

21 “(2) inform participants that assistance is
22 available to help them select appropriate child care
23 services; and

24 “(3) on request, provide assistance to partici-
25 pants in obtaining child care services.

1 “(d) The State agency must inform applicants for
2 and recipients of aid to families with dependent children
3 of the grounds for exemption from participation in the
4 program and the consequences of refusal to participate if
5 not exempt, and provide other appropriate information
6 with respect to such participation.

7 “(e) Within 1 month after the State agency gives a
8 recipient of aid to families with dependent children the in-
9 formation described in the preceding provisions of this
10 subsection, the State agency must notify the recipient of
11 the opportunity to indicate a desire to participate in the
12 program, including a clear description of how to enter the
13 program.

14 **“SEC. 495. SERVICES AND ACTIVITIES UNDER THE PRO-**
15 **GRAM.**

16 “(a) IN GENERAL.—In carrying out the program,
17 each State may make available the services and activities
18 authorized to be made available under part F, family
19 counseling services, mental health treatment services, and
20 such other services and activities as the State deems ap-
21 propriate.

22 “(b) AUTHORITY TO USE AMOUNTS THAT WOULD
23 OTHERWISE BE EXPENDED FOR FOOD STAMP BENEFITS
24 TO PROVIDE JOBS FOR, SUBSIDIZED WAGES OF, OR
25 MAKE CASH PAYMENTS TO PARTICIPANTS.—

1 “(1) IN GENERAL.—Any State may, upon mu-
2 tual agreement with any participant in the pro-
3 gram—

4 “(A) inform the Secretary of Agriculture
5 that the participant consents to have the State
6 receive an amount equal to the value of the food
7 stamp benefits that would be received, but for
8 the operation of this part, under the food stamp
9 program (as defined in section 3(h) of the Food
10 Stamp Act of 1977) by the household (as de-
11 fined in section 3(i) of the Food Stamp Act of
12 1977) of which the participant is a member;

13 “(B) if such amount is received under sec-
14 tion 16(l) of the Food Stamp Act of 1977, re-
15 serve part or all of such amount; and

16 “(C) use the amount reserved under sub-
17 paragraph (B) for the purpose of providing a
18 job for, subsidizing in accordance with para-
19 graph (2) the wages of, or paying cash to the
20 participant.

21 “(2) WAGE SUBSIDY AGREEMENTS.—The State
22 may enter into an agreement with an employer who
23 agrees to provide the participant with a subsidized
24 job, under which—

1 “(A) the State is required to pay the em-
2 ployer an amount specified in the agreement as
3 the subsidized portion of the wages of the par-
4 ticipant; and

5 “(B) the employer is required to pay the
6 participant wages of not less than an amount
7 specified in the agreement.

8 “(3) USE OF UNRESERVED AMOUNTS.—A State
9 may use for the purpose of this part any amount re-
10 ceived as a result of requests submitted under para-
11 graph (1)(A) that is not used in accordance with
12 paragraph (1)(C).

13 **“SEC. 496. DISPUTE RESOLUTION PROCEDURES.**

14 “Each State shall establish a conciliation procedure
15 for the resolution of disputes involving an individual’s par-
16 ticipation in the program and (if the dispute involved is
17 not resolved through conciliation) shall provide an oppor-
18 tunity for a hearing with respect to the dispute, which
19 hearing may be provided through a hearing process estab-
20 lished for purposes of resolving disputes with respect to
21 the program or through the provision of a hearing pursu-
22 ant to section 402(a)(4). The State may not suspend, re-
23 duce, discontinue, or terminate aid to families with de-
24 pendent children as a result of a dispute involving an indi-
25 vidual’s participation in the program until the individual

1 has an opportunity for a hearing that meets the standards
2 set forth by the United States Supreme Court in *Goldberg*
3 *v. Kelly*, 397 U.S. 254 (1970).

4 **“SEC. 497. PERFORMANCE STANDARDS.**

5 “(a) Not later than 3 years after the effective date
6 of title I of the Self-Sufficiency Act of 1995, the Secretary
7 shall—

8 “(1) in consultation with the Secretary of
9 Labor, representatives of organizations representing
10 Governors, State and local program administrators,
11 educators, State job training coordinating councils,
12 community-based organizations, recipients, and
13 other interested persons, develop performance stand-
14 ards with respect to the programs established pursu-
15 ant to this part; and

16 “(2) submit to the appropriate committees of
17 jurisdiction of the Congress the recommendations of
18 the Secretary for performance standards developed
19 under paragraph (1), which recommendations shall
20 be made with respect to specific measurements of
21 outcomes and be based on the degree of success
22 which may reasonably be expected of particular
23 States in helping individuals to increase earnings,
24 achieve self-sufficiency, and reduce welfare depend-

1 ency, and shall not be measured solely by levels of
2 activity or participation.

3 Performance standards developed under this subsection
4 shall be reviewed periodically by the Secretary and modi-
5 fied to the extent necessary.

6 “(b) The Secretary may collect information from the
7 States to assist in the development of performance stand-
8 ards under subsection (a), and shall include in the regula-
9 tions issued pursuant to section 102 of the Self-Suffi-
10 ciency Act of 1995 provisions establishing uniform report-
11 ing requirements under which States must furnish periodi-
12 cally information and data, including information and
13 data (for each program activity) on the average monthly
14 number of families assisted, the types of such families, the
15 amounts spent per family, the length of their participa-
16 tion, and such other matters as the Secretary may deter-
17 mine.

18 “(c) The Secretary shall develop and transmit to the
19 Congress, for appropriate legislative action, a proposal for
20 measuring State progress, providing technical assistance
21 to enable States to meet performance standards, and
22 modifying the Federal matching rate to reflect the relative
23 effectiveness of the various States in carrying out the pro-
24 gram.

1 **“SEC. 498. COORDINATION REQUIREMENTS.**

2 “(a)(1) The Governor of each State shall assure that
3 program activities under this part are coordinated in that
4 State with programs operated under the Job Training
5 Partnership Act and with any other relevant employment,
6 training, and education programs available in that State.
7 Appropriate components of the State’s plan developed
8 under section 492(a)(1) which relate to job training and
9 work preparation shall be consistent with the coordination
10 criteria specified in the Governor’s coordination and spe-
11 cial services plan required under section 121 of the Job
12 Training Partnership Act.

13 “(2) The State plan so developed shall be submitted
14 to the State job training coordinating council not less than
15 60 days before its submission to the Secretary, for the
16 purpose of review and comment by the council. Concurrent
17 with submission of the plan to the State job training co-
18 ordinating council, the proposed State plan shall be pub-
19 lished and made reasonably available to the general public
20 through local news facilities and public announcements, in
21 order to provide the opportunity for review and comment.

22 “(3) The comments and recommendations of the
23 State job training coordinating council under paragraph
24 (2) shall be transmitted to the Governor of the State.

25 “(b) The Secretary of Health and Human Services
26 shall consult with the Secretaries of Education and of

1 Labor on a continuing basis for the purpose of assuring
2 the maximum coordination of education and training serv-
3 ices in the development and implementation of the pro-
4 gram under this part.

5 “(c) The State agency responsible for administering
6 or supervising the administration of the State plan ap-
7 proved under part A shall consult with the State education
8 agency and the agency responsible for administering job
9 training programs in the State in order to promote coordi-
10 nation of the planning and delivery of services under the
11 program with programs operated under the Job Training
12 Partnership Act and with education programs available in
13 the State (including any program under the Adult Edu-
14 cation Act or Carl D. Perkins Vocational Education
15 Act).”.

16 (c) FUNDING.—Section 403 of such Act (42 U.S.C.
17 603) is amended by adding at the end the following:

18 “(o)(1) Each State with a plan approved under part
19 G shall be entitled to payments under paragraph (6) for
20 any fiscal year in an amount equal to the sum of the appli-
21 cable percentages (specified in paragraph (6)) of its ex-
22 penditures to carry out the program under part G during
23 the fiscal year (subject to limitations prescribed by or pur-
24 suant to such part or this section on expenditures that
25 may be included for purposes of determining payment

1 under paragraph (6)), but such payments with respect to
2 the State for the fiscal year may not exceed the limitation
3 determined under paragraph (2) with respect to the State
4 for the fiscal year.

5 “(2) The limitation determined under this paragraph
6 with respect to a State for any fiscal year is—

7 “(A) the amount allotted to the State for fiscal
8 year 1987 under part C as then in effect, plus

9 “(B) the amount that bears the same ratio to
10 the amount specified in paragraph (3) for the fiscal
11 year as the average monthly number of adult recipi-
12 ents (as defined in paragraph (4)) in the State in
13 the immediately preceding fiscal year bears to the
14 average monthly number of such recipients in all of
15 the States for the immediately preceding fiscal year.

16 “(3) The amount specified in this paragraph is
17 \$1,300,000,000, reduced by the aggregate amount allotted
18 to all the States for fiscal year 1987 pursuant to part C
19 as then in effect.

20 “(4) For purposes of this subsection, the term ‘adult
21 recipient’ means, with respect to a State, an individual
22 other than a dependent child (unless the child is the custo-
23 dial parent of another dependent child) whose needs are
24 met (in whole or in part) with payments of aid to families

1 with dependent children under the State plan approved
2 under this part.

3 “(5) None of the funds available to a State for pur-
4 poses of the programs or activities conducted under part
5 G shall be used for construction.

6 “(6)(A) In lieu of any payment under subsection (a)
7 or (l), the Secretary shall pay to each State with a plan
8 approved under part G with respect to expenditures by
9 the State to carry out a program under part G, an amount
10 equal to—

11 “(i) with respect to so much of such expendi-
12 tures in a fiscal year as do not exceed the State’s
13 expenditures in the fiscal year 1987 with respect to
14 which payments were made to the State from its al-
15 lotment for such fiscal year pursuant to part C as
16 then in effect, 90 percent; and

17 “(ii) with respect to so much of such expendi-
18 tures in a fiscal year as exceed the amount described
19 in clause (i)—

20 “(I) 50 percent, in the case of expenditures
21 for administrative costs made by a State in op-
22 erating such a program for such fiscal year
23 (other than the personnel costs for staff em-
24 ployed full-time in the operation of such pro-
25 gram) and the costs of transportation and other

1 work-related supportive services under section
2 402(g)(2), and

3 “(II) the greater of 60 percent or the Fed-
4 eral medical assistance percentage (as defined
5 in section 1118 in the case of any State to
6 which section 1108 applies, or as defined in sec-
7 tion 1905(b) in the case of any other State), in
8 the case of expenditures made by a State in op-
9 erating such a program for such fiscal year
10 (other than for costs described in subclause
11 (I)).

12 “(B) With respect to the amount for which payment
13 is made to a State under subparagraph (A)(i), the State’s
14 expenditures for the costs of operating a program estab-
15 lished under part G may be in cash or in kind, fairly evalu-
16 ated.”.

17 (d) STATES OPERATING SELF-SUFFICIENCY PLANS
18 ENTITLED TO HALF OF RESULTING SAVINGS.—Section
19 403 of such Act (42 U.S.C. 603), as amended by sub-
20 section (c) of this section, is amended by adding at the
21 end the following:

22 “(p)(1) In addition to any other payment under this
23 part, each State with a plan approved under part G for
24 a fiscal year shall be entitled to receive from the Secretary

1 during the immediately succeeding fiscal year an amount
2 equal to $\frac{1}{2}$ of the amount (if any) by which—

3 “(A) the total amount paid to the State under
4 this part for the immediately preceding fiscal year,
5 adjusted in accordance with paragraph (2); exceeds

6 “(B) the total amount paid to the State under
7 this part for the fiscal year.

8 “(2) The Director of the Office of Management and
9 Budget shall adjust the amount described in paragraph
10 (1)(A) for a State with respect to a fiscal year, in direct
11 proportion to—

12 “(A) the net change (if any) during the fiscal
13 year in the Consumer Price Index for All Urban
14 Consumers; and

15 “(B) the net change (if any) during the fiscal
16 year in the number of individuals eligible for aid
17 under the State plan approved under this part, with-
18 out regard to whether such individuals have applied
19 for such aid.

20 “(3) Each State to which funds are paid under this
21 subsection may not use such funds for any purpose other
22 than the purposes for which funds may be used under this
23 part.”.

24 (e) REGULATIONS.—

1 (1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Secretary of Labor and with the re-
3 sponsible State agencies described in section
4 492(a)(2) of the Social Security Act, shall prescribe
5 such regulations as may be necessary to implement
6 the amendments made by this section, including reg-
7 ulations establishing uniform data collection require-
8 ments.

9 (2) DEADLINE FOR ISSUANCE OF PROPOSED
10 REGULATIONS.—Not later than 3 months after the
11 date of the enactment of this Act, the Secretary of
12 Health and Human Services shall issue proposed
13 regulations pursuant to paragraph (1).

14 (3) DEADLINE FOR ISSUANCE OF FINAL REGU-
15 LATIONS.—Not later than 9 months after the date
16 of the enactment of this Act, the Secretary shall
17 issue final regulations pursuant to paragraph (1).

18 **SEC. 102. CHILD CARE GUARANTEED TO PARTICIPANTS IN**
19 **STATE SELF-SUFFICIENCY PROGRAMS.**

20 Section 402(g)(1)(A)(i) of the Social Security Act (42
21 U.S.C. 602(g)(1)(A)(i)) is amended—

22 (1) by striking “and” at the end of subclause
23 (I);

24 (2) by striking the period at the end and insert-
25 ing “; and”; and

1 (3) by adding after and below the end the fol-
2 lowing:

3 “(III) for each individual who is participating
4 in the State program established under part G in ac-
5 cordance with the self-sufficiency plan established
6 for the individual under section 492.”.

7 **SEC. 103. INCREASED FEDERAL MATCHING RATES FOR**
8 **CHILD CARE PROVIDED BY STATES WITH**
9 **SELF-SUFFICIENCY PROGRAMS.**

10 (a) AFDC AND TRANSITIONAL CHILD CARE.—Sec-
11 tion 402(g)(3)(A) of such Act (42 U.S.C. 602(g)(3)(A))
12 is amended by adding at the end the following:

13 “(iii) In the case of a State with a plan approved
14 under part G for the fiscal year, the applicable rate for
15 purposes of section 403(a) shall be the rate otherwise de-
16 termined under this subparagraph, increased by 10 per-
17 centage points.”.

18 (b) AT-RISK CHILD CARE.—Section 403(n)(1)(A) of
19 such Act (42 U.S.C. 603(n)(1)(A)) is amended by insert-
20 ing “(increased by 10 percentage points, in the case of
21 a State with a plan approved under part G)” before “of
22 the expenditures”.

1 **SEC. 104. ELIMINATION OF REQUIREMENT THAT FAMILIES**
2 **IN STATES WITH SELF-SUFFICIENCY PRO-**
3 **GRAMS HAVE RECEIVED AFDC FOR A MINI-**
4 **MUM PERIOD BEFORE BECOMING ELIGIBLE**
5 **FOR TRANSITIONAL MEDICAID BENEFITS OR**
6 **TRANSITIONAL CHILD CARE BENEFITS.**

7 (a) **MEDICAID.**—Section 1925(a)(1) of the Social Se-
8 curity Act (42 U.S.C. 1396r-6(a)(1)) is amended by in-
9 serting “(or, in a State with an approved plan under part
10 G of title IV, during any of the 6 months)” after “6
11 months”.

12 (b) **TRANSITIONAL CHILD CARE.**—Section
13 402(g)(1)(A)(iv) of such Act (42 U.S.C. 602(g)(1)(A)(iv))
14 is amended by inserting “in a State that does not have
15 a plan approved under part G” after “A family”.

16 **SEC. 105. ELIGIBILITY FOR TRANSITIONAL MEDICAID BEN-**
17 **EFITS AND TRANSITIONAL CHILD CARE BEN-**
18 **EFITS IN STATES WITH SELF-SUFFICIENCY**
19 **PROGRAMS WITHOUT REGARD TO TYPE OF**
20 **INCOME THAT WOULD OTHERWISE RESULT**
21 **IN INELIGIBILITY FOR BENEFITS.**

22 (a) **MEDICAID.**—Section 1925(a)(1) of the Social Se-
23 curity Act (42 U.S.C. 1396r-6(a)(1)) is amended by in-
24 serting “, the receipt of any income of the caretaker rel-
25 ative (in the case of a State with an approved plan under
26 part G of title IV),” after “subsection (e)”.

1 (b) TRANSITIONAL CHILD CARE.—Section
2 402(g)(1)(A)(ii) of such Act (42 U.S.C. 602(g)(1)(A)(ii))
3 is amended by striking “, or increased income from, such
4 employment or by reason of subsection (a)(8)(B)(ii)(II)”
5 and inserting “such employment, by reason of subsection
6 (a)(8)(B)(ii)(II), increased income from such employment
7 if the State does not have a plan approved under part G,
8 or excessive income if the State has such a plan”.

9 **SEC. 106. ELIMINATION OF CERTAIN EXCEPTIONS FROM**
10 **REQUIREMENT THAT MINOR PARENTS AND**
11 **PREGNANT MINORS WITHOUT CHILDREN**
12 **LIVE WITH RESPONSIBLE ADULT IN STATES**
13 **WITH SELF-SUFFICIENCY PROGRAMS.**

14 Clauses (iv) and (v) of section 402(a)(43)(B) of the
15 Social Security Act (42 U.S.C. 602(a)(43)(B) (iv) and (v))
16 are each amended by inserting “, and the State does not
17 have a plan approved under part G” before the semicolon.

18 **TITLE II—OTHER PROVISIONS**

19 **SEC. 201. DISREGARD OF PERSONS WHO BECOME FAMILY**
20 **MEMBERS AFTER INITIAL RECEIPT OF AFDC.**

21 Section 402(a) of the Social Security Act (42 U.S.C.
22 602(a)) is amended—

23 (1) by striking “and” at the end of paragraph
24 (44);

1 (2) by striking the period at the end of para-
2 graph (45) and inserting “; and”; and

3 (3) by inserting after paragraph (45) the fol-
4 lowing:

5 “(46) if the State has a plan approved under
6 part G, at the option of the State, provide that, in
7 determining the amount of aid payable under the
8 State plan to a family—

9 “(A) except as provided in subparagraph
10 (B), the family shall not be regarded as having
11 more members than the number of such mem-
12 bers at the time the family first becomes a re-
13 cipient of aid under the State plan; and

14 “(B) if the State has exercised the option
15 provided under section 406(b) with respect to
16 aid for pregnant women, a 1-parent or 2-parent
17 family that includes a pregnant woman and no
18 children shall not be regarded as having more
19 members than the number of such members im-
20 mediately after the end of the pregnancy.”.

21 **SEC. 202. ENHANCED PAYMENTS FOR PARTICIPANTS IN**
22 **THE SELF-SUFFICIENCY PROGRAM.**

23 Section 402(a) of the Social Security Act (42 U.S.C.
24 602(a)), as amended by section 201 of this Act, is amend-
25 ed—

1 (1) by striking “and” at the end of paragraph
2 (45);

3 (2) by striking the period at the end of para-
4 graph (46) and inserting “; and”; and

5 (3) by inserting after paragraph (46) the fol-
6 lowing:

7 “(47) if the State has a plan approved under
8 part G, at the option of the State, provide that the
9 amount of aid otherwise payable on a monthly basis
10 to a family under the State plan shall be increased
11 by not more than \$50 if each member of the family
12 who is required to participate in a self-sufficiency
13 program established by the State under part G does
14 so on a full-time basis.”.

15 **SEC. 203. DIVERSION PAYMENTS.**

16 (a) IN GENERAL.—Section 402(a) of the Social Secu-
17 rity Act (42 U.S.C. 602(a)), as amended by sections 201
18 and 202 of this Act, is amended—

19 (1) by striking “and” at the end of paragraph
20 (46);

21 (2) by striking the period at the end of para-
22 graph (47) and inserting “; and”; and

23 (3) by inserting after paragraph (47) the fol-
24 lowing:

1 “(48) if the State has a plan approved under
2 part G, at the option of the State, provide that, if
3 the caseworker for a family who is eligible for, but
4 not receiving, aid under the State plan determines
5 that the caretaker relative in the family will be em-
6 ployed by the end of the 3-month period that begins
7 with the date the family will become a recipient of
8 such aid and that, upon such employment, the fam-
9 ily will not need further assistance, then the State
10 shall, in lieu of the first 3 monthly payments of such
11 aid to the family, pay to the family, in a lump sum,
12 an amount equal 3 times the amount of the first
13 such monthly payment, on the date the first such
14 monthly payment would otherwise be made, and sub-
15 sequent payments (if any) of such aid to the family
16 shall be reduced (but not below zero) by an amount
17 sufficient to recover the amount of the lump-sum
18 payment.”.

19 (b) 3 MONTHS OF CHILD CARE FOR FAMILIES
20 RECEIVING A DIVERSION PAYMENT.—Section
21 402(g)(1)(A)(i) of such Act (42 U.S.C. 602(g)(1)(A)(i)),
22 as amended by section 102 of this Act, is amended—

23 (1) by striking “and” at the end of subclause
24 (II);

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 402(a)(38)(B) of such Act (42
3 U.S.C. 602(a)(38)(B)) is amended by inserting “, if
4 the State exercises the option provided under para-
5 graph (41),” after “406(a) or”.

6 (2) Section 406(a)(1) of such Act (42 U.S.C.
7 606(a)(1)) is amended by inserting “, if a resident
8 of a State that has exercised the option provided
9 under section 402(a)(41),” after “(1) who”.

10 (3) Section 406(b)(1) of such Act (42 U.S.C.
11 606(b)(1)) is amended by inserting “, in the case of
12 a State that has exercised the option provided under
13 section 402(a)(41),” after “mental incapacity of a
14 parent or”.

15 (4) Section 472(a) of such Act (42 U.S.C.
16 672(a)) is amended by inserting “, in the case of a
17 State that has exercised the option provided under
18 section 402(a)(41),” after “406(a) or”.

19 (5) Section 473(a)(2)(A)(i) of such Act (42
20 U.S.C. 672(a)(2)(A)(i)) is amended by inserting “,
21 in the case of a State that has exercised the option
22 provided under section 402(a)(41),” after “406(a)
23 or”.

1 **SEC. 205. 2-PARENT FAMILIES INELIGIBLE FOR AFDC UNTIL**
2 **30 DAYS AFTER LOSS OF EMPLOYMENT.**

3 Section 402(a)(10) of the Social Security Act (42
4 U.S.C. 602(a)(10)) is amended—

5 (1) by striking “and” at the end of subpara-
6 graph (A);

7 (2) by adding “and” at the end of subpara-
8 graph (B); and

9 (3) by adding at the end the following:

10 “(C) notwithstanding subparagraph (B), if the
11 State has a plan approved under part G, at the op-
12 tion of the State, provide that an application for aid
13 under the plan that is submitted on behalf of a fam-
14 ily that includes 2 unemployed parents shall not be
15 effective until the end of the 30-day period that be-
16 gins with the most recent date of employment of ei-
17 ther such parent;”.

18 **SEC. 206. INCREASE IN EARNED INCOME DISREGARD AND**
19 **ELIMINATION OF TIME LIMITATION ON**
20 **EARNED INCOME DISREGARD.**

21 Section 402(a)(8) of the Social Security Act (42
22 U.S.C. 602(a)(8)) is amended—

23 (1) by striking “one-third of the remainder
24 thereof” and inserting “(aa) in the case of a State
25 which does not have a plan approved under part G,
26 $\frac{1}{3}$ of the remainder thereof, or, (bb) in the case of

1 a State which has such a plan, whichever of the fol-
2 lowing (but not both) as the State shall elect to dis-
3 regard: (1) not more than $\frac{1}{2}$ of the remainder there-
4 of, or (2) all earned income of the caretaker relative
5 (if the caretaker relative has not attained 20 years
6 of age) which is derived from a summer youth em-
7 ployment and training program carried out under
8 part B of title II of the Job Training Partnership
9 Act (29 U.S.C. 1630 et seq.)”; and
10 (2) in subparagraph (B)(ii), by striking
11 “(ii)(I)” and inserting “(ii) at the option of the
12 State (I)”.

13 **SEC. 207. INCREASE IN ASSET LIMITATIONS.**

14 Section 402(a)(7)(B) of the Social Security Act (42
15 U.S.C. 602(a)(7)(B)) is amended—

16 (1) by inserting “(or, in the case of a State
17 which has a plan approved under part G, \$2,000)”
18 after “\$1,000”; and

19 (2) in clause (i)—

20 (A) by striking “so much of”; and

21 (B) by striking “as does not exceed such
22 amount as the Secretary may prescribe”.

1 **SEC. 208. AMENDMENTS TO THE FOOD STAMP ACT OF 1977.**

2 (a) EXCLUSION FROM INCOME.—Section 5(d) of the
3 Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amend-
4 ed—

5 (1) by striking “and (16)” and inserting
6 “(16)”, and

7 (2) by inserting before the period at the end the
8 following:

9 “, and (17) at the option of the State agency, not more
10 than \$90 per month during the 1-year period beginning
11 on the date a household member completes participation
12 in the program established by a State under part G of
13 title IV of the Social Security Act”.

14 (b) DEDUCTION.—Section 5(e) of the Food Stamp
15 Act of 1977 (7 U.S.C. 2014(e)) is amended by adding at
16 the end the following:

17 “All households that include a member who is a full-time
18 participant in the program established by a State under
19 part G of title IV of the Social Security Act shall be al-
20 lowed a deduction of \$100 in each month of participation
21 in such program.”.

22 (c) EMPLOYMENT CASH OUT OF FOOD STAMP BENE-
23 FITS.—Section 16 of the Food Stamp Act of 1977 (7
24 U.S.C. 2025) is amended by adding at the end the follow-
25 ing:

1 “(l)(1) If a State that has a plan approved under part
2 G of title IV of the Social Security Act informs the Sec-
3 retary that an individual who—

4 “(A) is engaged on a full-time basis in activities
5 under the self-sufficiency plan in effect under part
6 G of title IV of the Social Security Act;

7 “(B) is a member of household all of whose
8 members receive benefits under a State plan ap-
9 proved under part A of title IV of the Social Secu-
10 rity Act; and

11 “(C) consents to have the State receive an
12 amount equal to the value of the food stamp benefits
13 that would be received under the food stamp pro-
14 gram by such household but for the operation of this
15 subsection, then paragraph (2) shall apply with re-
16 spect to such amount, such State, and such house-
17 hold.

18 “(2)(A) The Secretary shall pay such amount to the
19 State.

20 “(B) The State shall expend such amount with re-
21 spect to such individual in accordance with subsection (b)
22 of section 495 of the Social Security Act.

23 “(C) For purposes of—

1 alties as the State deems appropriate on a recipient
2 of aid under the State plan approved under this part
3 whose dependent child has not received immuniza-
4 tions in accordance with the then most recent rec-
5 ommendations of the public health department (or
6 equivalent) of the State.”.

7 **TITLE III—RELATED** 8 **AMENDMENTS**

9 **SEC. 301. DENIAL OF WELFARE BENEFITS TO ALIENS.**

10 (a) WELFARE BENEFITS DENIED TO ILLEGAL
11 ALIENS.—An alien who is unlawfully present in the
12 United States shall not be eligible for benefits or services
13 under any Federal or federally assisted program which
14 provides benefits or services based, in whole or in part,
15 on need.

16 (b) STATE OPTION TO DENY WELFARE BENEFITS
17 TO OTHER ALIENS.—A State that is operating a federally
18 assisted program under which eligibility for benefits or
19 services is based, in whole or in part, on need may deny
20 benefits and services under the program to any alien who
21 is lawfully present in the United States.

1 **SEC. 302. INCLUSION IN CONSUMER CREDIT REPORTS OF**
2 **INFORMATION ON OVERDUE CHILD SUPPORT**
3 **OBLIGATIONS OF THE CONSUMER.**

4 (a) PROVISION TO CONSUMER REPORTING AGENCIES
5 OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGA-
6 TIONS OF ABSENT PARENTS.—Section 466(a)(7) of the
7 Social Security Act (42 U.S.C. 666(a)(7)) is amended—

8 (1) by striking “will” and inserting “shall”;

9 (2) by striking “upon the request of such agen-
10 cy”;

11 (3) by inserting “and” before “(B)”; and

12 (4) by striking “, and (C)” and all that follows
13 through “State”.

14 (b) INCLUSION IN DEFINITION OF OVERDUE SUP-
15 PORT OF CHILD SUPPORT DELINQUENCIES OWED WITH
16 RESPECT TO ADULTS.—Section 466(e) of such Act (42
17 U.S.C. 666(e)) is amended by inserting “For purposes of
18 subsection (a)(7), overdue support includes support owed
19 to or on behalf of a child who is not a minor.” after the
20 1st sentence.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on the 1st day of the 1st cal-
23 endar quarter that begins 6 or more months after the date
24 of the enactment of this Act.

1 **SEC. 303. QUARTERLY PAYMENTS OF EARNED INCOME**
2 **CREDIT.**

3 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
4 nue Code of 1986 (relating to miscellaneous provisions)
5 is amended by adding at the end the following new section:

6 **“SEC. 7524. QUARTERLY PAYMENTS BY DEPARTMENT OF**
7 **TREASURY OF EARNED INCOME CREDIT.**

8 “(a) IN GENERAL.—The Secretary shall establish a
9 program under which eligible individuals receive, upon re-
10 quest, advance payments from the Secretary of the credit
11 under section 32 (relating to earned income tax credit).

12 “(b) PAYMENTS.—

13 “(1) FREQUENCY.—The payments under the
14 program established pursuant to subsection (a) shall
15 be made not less frequently than quarterly.

16 “(2) AMOUNT.—The amount paid to any indi-
17 vidual for any period during a calendar year shall be
18 such period’s proportionate share of the Secretary’s
19 estimate of the overpayment of tax by such individ-
20 ual (for the taxable year ending with or within such
21 calendar year) which is attributable to the credit re-
22 ferred to in subsection (a).

23 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
24 section, the term ‘eligible individual’ means, with respect
25 to a calendar year, any individual if—

1 “(1) the credit referred to in subsection (a) is
2 allowable to such individual for the taxable year end-
3 ing with or within such calendar year,

4 “(2) the liability for tax imposed by subtitle A
5 is reasonably expected to be less than the amount of
6 the credit which is reasonably expected to be allowed
7 for such taxable year, and

8 “(3) such individual provides the Secretary with
9 such information as the Secretary requires in order
10 to determine the amounts payable under this sec-
11 tion.”.

12 (b) COORDINATION WITH CREDIT ON RETURN.—
13 Paragraph (1) of section 32(g) of such Code is amended
14 by inserting “or by the Secretary under section 7524”
15 after “section 3507”.

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for such chapter 77 is amended by adding at the end the
18 following new item:

 “Sec. 7524. Quarterly payments of earned income credit.”

19 (d) APPROPRIATION.—There are hereby appropriated
20 such sums as are necessary to make the payments under
21 section 7524 of the Internal Revenue Code of 1986, as
22 added by this section.

1 **TITLE IV—EFFECTIVE DATE**

2 **SEC. 401. EFFECTIVE DATE.**

3 Except as otherwise provided in this Act, this Act and
4 the amendments made by this Act shall take effect 6
5 months after the date of the enactment of this Act.

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