

104TH CONGRESS
1ST SESSION

H. R. 819

To amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, and to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1995

Mrs. JOHNSON of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committee on 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 title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, and to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security.

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 “Welfare to Work Act
5 of 1995”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

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

TITLE I—AFDC TRANSITION AND WORK PROGRAM

- Sec. 101. AFDC transition and work program.
- Sec. 102. Community work experience program amendments.
- Sec. 103. Work supplementation program amendments.
- Sec. 104. Work requirement for noncustodial parents with child support arrear-ages.
- Sec. 105. Requirement that minor noncustodial parents who fail to provide child or spousal support participate in work, job training, money management and parenting classes, and career counseling.
- Sec. 106. Effective date; regulations.

TITLE II—PATERNITY ESTABLISHMENT

- Sec. 201. Cooperation requirement and good cause exception.
- Sec. 202. Teens receiving AFDC required to live at home.
- Sec. 203. Increase in paternity establishment percentage.
- Sec. 204. Effective date.

TITLE III—EXPANSION OF STATUTORY FLEXIBILITY OF STATES

- Sec. 301. Option to convert AFDC into a block grant program.
- Sec. 302. Option to deny AFDC to minor unmarried parents.
- Sec. 303. Option to treat interstate immigrants under rules of former State.
- Sec. 304. Option to impose penalty for failure to attend school.
- Sec. 305. Option to deny AFDC for additional children.
- Sec. 306. Option to modify certain AFDC income disregard rules.
- Sec. 307. Option to provide married couple transition benefit.
- Sec. 308. Option to disregard income and resources designated for education, training, and employability, or related to self-employment.
- Sec. 309. Option to require attendance at parenting and money management classes, and prior approval of any action that would result in a change of school for a dependent child.
- Sec. 310. Effective date.

TITLE IV—EXPANSION OF STATE AND LOCAL FLEXIBILITY

- Sec. 401. Interagency Waiver Request Board.

- Sec. 402. Application to implement assistance plans.
- Sec. 403. Review and approval of applications; waivers.
- Sec. 404. Implementation of assistance plans; evaluations.
- Sec. 405. Public-Private Partnership Committees.
- Sec. 406. Definitions.
- Sec. 407. Reports.
- Sec. 408. Sunset.

TITLE V—MISCELLANEOUS

- Sec. 501. AFDC recipients required to undergo necessary substance abuse treatment as a condition of receiving AFDC.
- Sec. 502. Evaluation of education and training programs.
- Sec. 503. Job search required while AFDC application is pending.
- Sec. 504. Fraud and administrative efficiency.
- Sec. 505. Required immunizations for children.

1 **TITLE I—AFDC TRANSITION AND** 2 **WORK PROGRAM**

3 **SEC. 101. AFDC TRANSITION AND WORK PROGRAM.**

4 (a) PURPOSE.—Section 481(a) of the Social Security
5 Act (42 U.S.C. 681(a)) is amended by striking all that
6 follows “and” and inserting “work experience needed to
7 prepare them for a life without welfare.”.

8 (b) ESTABLISHMENT AND OPERATION OF PRO-
9 GRAM.—

10 (1) TRANSITION AND WORK COMPONENTS.—

11 Section 482 of such Act (42 U.S.C. 682) is amended
12 by adding at the end the following:

13 “(j) The program under this part must include—

14 “(1) a transition component that—

15 “(A) must include the job search program
16 established by the State under subsection (g);

17 and

1 “(B) may include any other service, activ-
2 ity, or program of the State that is referred to
3 in subsection (d)(1); and

4 “(2) a work component that may include—

5 “(A) a work supplementation program op-
6 erated by the State under subsection (e);

7 “(B) a community work experience pro-
8 gram established by the State under subsection
9 (f); or

10 “(C) any other work program of the State
11 that is approved by the Secretary.”.

12 (2) PARTICIPATION REQUIREMENTS.—Section
13 402(a)(19) of such Act (42 U.S.C. 602(a)(19)) is
14 amended by adding at the end the following:

15 “(I)(i) as used in this subparagraph, the
16 term ‘qualified individual’ means—

17 “(I) all individuals eligible for aid
18 under the plan who applied for such aid on
19 or after October 1, 1996, and are not de-
20 scribed in subparagraph (C); and

21 “(II) on and after October 1, 2000,
22 all individuals eligible for aid under the
23 plan who are not described in subpara-
24 graph (C);

1 “(ii)(I) each qualified individual must par-
2 ticipate in the transition component of the pro-
3 gram of the State under part F, except that—

4 “(aa) a qualified individual may not
5 be required (but may be allowed) to par-
6 ticipate in the transition component if, on
7 the basis of demographic criteria, the State
8 finds that it is unlikely that the individual
9 will be a recipient of aid under the plan
10 during a significant length of time;

11 “(bb) a qualified individual may not
12 participate in the transition component if
13 the individual has elected to participate in
14 the work component; and

15 “(cc) a qualified individual may not
16 participate in the transition component
17 after the first 24 months (or, at the option
18 of the State with respect to some or all
19 qualified individuals based on their desire
20 to work or on their readiness for employ-
21 ment, any period of lesser duration) for
22 which the individual is a qualified individ-
23 ual; and

24 “(dd) the State may, at its option, ex-
25 empt a qualified individual, during 12 of

1 the first 24 months for which an individual
2 is a qualified individual, from any require-
3 ment to participate in the transition com-
4 ponent if the individual is described in
5 paragraph (35)(A) and is in compliance
6 with paragraph (35)(A);

7 “(II)(aa) each qualified individual partici-
8 pating in the transition component must par-
9 ticipate in activities under such component for
10 an average of not fewer than 10 hours per week
11 during the first 24 months of such participa-
12 tion;

13 “(bb) the State, in consultation with the
14 Secretary, must establish guidelines by which
15 determinations under item (aa) will be made,
16 and which, in the case of educational activities,
17 must provide that an individual who is enrolled
18 full-time in a program of study at an edu-
19 cational institution (including a vocational or
20 technical training school), as determined by the
21 institution, and is making satisfactory progress
22 in the program of study, as determined by the
23 institution, is to be regarded as participating in
24 the transition component, in accordance with
25 such rules as the Secretary may prescribe (in-

1 including rules governing how time spent in such
2 a program of study is to be converted into
3 hours of participation in the transition compo-
4 nent);

5 “(iii)(I) if a qualified individual (other
6 than a qualified individual who is a member of
7 a family receiving aid under the plan by reason
8 of section 407) is not participating in the tran-
9 sition component of the program, the State
10 must require the qualified individual to partici-
11 pate in the work component of the program for
12 35 hours per week (or 30 hours per week, if the
13 State requires the participant to engage in a
14 job search program established by the State
15 under section 482(g));

16 “(II) in the case of a family which has re-
17 ceived aid under the plan by reason of section
18 407, the State must require at least 1 parent
19 in the family to participate in the work compo-
20 nent by engaging in work activities for 32 hours
21 per week and by engaging in job search activi-
22 ties for 8 hours per week;

23 “(III) any qualified individual participating
24 in the work component, may, with the approval
25 of the State, discontinue participation in the

1 work component and begin or resume participa-
2 tion in the transition component, subject to
3 clause (ii)(I)(cc);

4 “(iv) each qualified individual must cooper-
5 ate with the State in developing a plan which—

6 “(I) describes the respective respon-
7 sibilities of the State and of the individual
8 under the program with the goal of prepar-
9 ing the individual for work; and

10 “(II) includes a written statement in-
11 forming the individual that, upon comple-
12 tion of the transition component of the
13 program, aid under the State plan under
14 this part will be discontinued unless the in-
15 dividual finds gainful employment or is
16 participating in the work component of the
17 program;

18 “(v) if the State determines that a quali-
19 fied individual has failed to comply with any re-
20 quirement imposed under this subparagraph—

21 “(I) in the case of the 1st such fail-
22 ure, the State shall reduce the amount of
23 aid otherwise payable under this part to
24 the family of the individual by an amount
25 equal to 25 percent of the sum of such

1 otherwise payable amount and any food
2 stamp benefits payable under the Food
3 Stamp Act of 1977 to a household that in-
4 cludes a member of the family, and shall
5 apply such reduction until the failure to
6 comply ceases;

7 “(II) in the case of the 2nd such fail-
8 ure or a 1st such failure that continues for
9 more than 1 calendar month, the State
10 shall reduce the amount of aid otherwise
11 payable under this part to the family of
12 the individual by an amount equal to 25
13 percent of the sum of such otherwise pay-
14 able amount and any food stamp benefits
15 payable under the Food Stamp Act of
16 1977 to a household that includes a mem-
17 ber of the family, and shall apply such re-
18 duction until the failure to comply ceases;

19 “(III) in the case of the 3rd such fail-
20 ure, the family of the individual shall not
21 be eligible for aid under the State plan
22 under this part, notwithstanding any other
23 provision of this part; and

24 “(IV) any 1st such failure that contin-
25 ues for more than 1 calendar month shall

1 be considered the 2nd such failure, and
2 any 2nd such failure that continues for
3 more than 3 calendar months shall be con-
4 sidered the 3rd such failure;

5 “(vi) at the option of the State, the State
6 may impose a rule under which the family of an
7 individual shall not be eligible for aid under the
8 State plan under this part, notwithstanding any
9 other provision of this part, after the individual
10 has received such aid for 60 months (whether
11 or not consecutive); and

12 “(vii) if a family becomes ineligible for aid
13 under the State plan under this part by reason
14 of clause (v)(II) or (vi), the family shall, for
15 purposes of medical assistance under the State
16 plan under title XIX, be deemed to be a recipi-
17 ent of aid under the State plan under this part
18 for so long as the family is otherwise eligible for
19 aid under the State plan under this part.”.

20 (3) PERSONS EXEMPTED FROM PARTICIPA-
21 TION.—Section 402(a)(19)(C) of such Act (42
22 U.S.C. 602(a)(19)(C)) is amended by striking all
23 that follows “—” and inserting the following:

24 “(C) that an individual may not be re-
25 quired to participate in the program—

1 “(i) if the individual is incapacitated;

2 “(ii) if the individual works 30 or
3 more hours per week;

4 “(iii) if the individual attends, full-
5 time, an elementary, secondary, or voca-
6 tional (or technical) school;

7 “(iv) if the individual is the parent of
8 a child who was returned to the home of
9 the individual during the preceding 2
10 months after having been removed from
11 the home;

12 “(v) if the individual is providing full-
13 time care for a disabled dependent of the
14 individual;

15 “(vi) at the option of the State, if the
16 individual is making progress in a sub-
17 stance abuse treatment program, unless
18 this clause has been applied to the individ-
19 ual for 12 months;

20 “(vii) during such 6-month period as
21 the individual may select, in which the in-
22 dividual gives birth to the first child born
23 to the individual after becoming eligible for
24 aid under this part; or

1 “(viii) during such 4-month period as
2 the individual may select, in which the in-
3 dividual gives birth to the second or subse-
4 quent child born to the individual after be-
5 coming eligible for aid under this part;”.

6 (4) EXTENSION TO ALL STATES OF OPTION TO
7 LIMIT AFDC-UP.—Section 407(b)(2)(B) of such Act
8 (42 U.S.C. 607(b)(2)(B)) is amended by striking
9 clause (iii).

10 (5) INCREASE IN REQUIRED JOBS PARTICIPA-
11 TION RATES.—Section 403(l)(3) of such Act (42
12 U.S.C. 603(l)(3)) is amended—

13 (A) in subparagraph (A)—

14 (i) by striking all that follows “—”
15 and inserting the following:

16 “(i) with respect to all individuals eligible for
17 aid under the State plan who applied for such aid
18 before October 1, 1996, and are not described in
19 section 402(a)(19)(C)—

20 “(I) 15 percent if such year is 1996;

21 “(II) 20 percent if such year is 1997;

22 “(III) 20 percent if such year is 1998;

23 “(IV) 20 percent if such year is 1999; and

24 “(V) 20 percent if such year is 2000;

1 “(ii) with respect to all individuals eligible for
2 aid under the State plan who applied for such aid
3 on or after October 1, 1996, and are not described
4 in section 402(a)(19)(C)—

5 “(I) 30 percent if such year is 1998;

6 “(II) 40 percent if such year is 1999; and

7 “(III) 50 percent if such year is 2000; and

8 “(iii) with respect to all individuals eligible for
9 aid under the State plan who are not described in
10 section 402(a)(19)(C)—

11 “(I) 60 percent if such year is 2001;

12 “(II) 70 percent if such year is 2002;

13 “(III) 80 percent if such year is 2003; and

14 “(IV) 90 percent if such year is 2004.”;

15 and

16 (B) in subparagraph (B)(ii)(IV), by strik-
17 ing “and 1995” and inserting “through 2004”.

18 (6) INCREASE IN REQUIRED WORK PROGRAM
19 PARTICIPATION RATES OF UNEMPLOYED PAR-
20 ENTS.—Section 403(l)(4)(B) of such Act (42 U.S.C.
21 603(l)(4)(B)) is amended—

22 (A) in clause (iii), by striking “and”;

23 (B) in clause (iv), by striking “and 1998”
24 and inserting “, 1998, 1999, and 2000”.

1 (c) PAYMENTS TO STATES.—Section 403 of such Act
2 (42 U.S.C. 603) is amended by adding at the end the fol-
3 lowing:

4 “(o)(1) Each State which has been paid under sub-
5 section (l) of this section for any fiscal year an amount
6 equal to the limitation determined under subsection (k)(2)
7 of this section for the fiscal year shall be entitled to pay-
8 ments under paragraph (4) of this subsection for the fiscal
9 year in an amount equal to the lesser of—

10 “(A) the sum of the applicable percentages
11 (specified in such paragraph (4)) of its expenditures
12 to carry out the program of the State under part F
13 (subject to limitations prescribed by or pursuant to
14 such part or such paragraph (4) on expenditures
15 that may be included for purposes of determining
16 payment under such paragraph (4)); or

17 “(B) the limitation determined under paragraph
18 (2) of this subsection with respect to the State for
19 the fiscal year.

20 “(2) The limitation determined under this paragraph
21 with respect to a State for any fiscal year is the amount
22 that bears the same ratio to the amount specified in para-
23 graph (3) of this subsection for the fiscal year as the aver-
24 age monthly number of adult recipients (as defined in sub-
25 section (k)(4)) in the State in the preceding fiscal year

1 bears to the average monthly number of such recipients
2 in all the States for such preceding year.

3 “(3) The amount specified in this paragraph is—

4 “(A) \$300,000,000 for fiscal year 1998;

5 “(B) \$1,000,000,000 for fiscal year 1999; and

6 “(C) \$1,900,000,000 for fiscal year 2000.

7 “(4) Each State which has been paid under sub-
8 section (l) of this section for a fiscal year an amount equal
9 to the limitation determined under subsection (k)(2) of
10 this section for the fiscal year shall, in addition to any
11 payment under subsection (a) or (l) of this section, be en-
12 titled to payment from the Secretary of an amount equal
13 to—

14 “(A) 50 percent of the expenditures of the
15 State for administrative costs incurred in operating
16 the program under part F during the fiscal year
17 (other than personnel costs for staff employed in the
18 operation of the program) with respect to which pay-
19 ment has not been made under subsection (l); and

20 “(B) the greater of 70 percent or the Federal
21 medical assistance percentage (as defined in section
22 1118 in the case of a State to which section 1108
23 applies, or as defined in section 1905(b) in the case
24 of any other State) of the other expenditures of the
25 State incurred in operating the program during the

1 fiscal year with respect to which payment has not
2 been made under subsection (l).

3 “(5)(A) Notwithstanding paragraph (4) of this sub-
4 section, the Secretary shall pay to a State an amount
5 equal to 50 percent of the expenditures of the State in-
6 curred in operating the program under part F during a
7 fiscal year and with respect to which payment has not
8 been made under subsection (l) if the State’s participation
9 rate (determined under subparagraph (B) of this para-
10 graph) for the immediately preceding fiscal year is less
11 than—

12 “(i) 15 percent if the preceding fiscal year is
13 1996;

14 “(ii) 20 percent if such year is 1997;

15 “(iii) 30 percent if such year is 1998;

16 “(iv) 40 percent if such year is 1999;

17 “(v) 50 percent if such year is 2000;

18 “(vi) 60 percent if such year is 2001;

19 “(vii) 70 percent if such year is 2002;

20 “(viii) 80 percent if such year is 2003; and

21 “(ix) 90 percent if such year is 2004.

22 “(B)(i) The State’s participation rate for a fiscal year
23 shall be the number, expressed as a percentage, equal to—

1 “(I) the number of individuals who participated
2 in the State’s program under part F in the year; di-
3 vided by

4 “(II) the number of individuals required to par-
5 ticipate in the program in the year (including indi-
6 viduals with respect to whom the State has exercised
7 its option to require their participation).

8 “(ii) For purposes of this subparagraph, an individ-
9 ual shall not be considered to have satisfactorily partici-
10 pated in the program under part F solely by reason of
11 the individual being registered to participate in the pro-
12 gram.

13 “(C) For purposes of this paragraph, an individual
14 shall be considered to have participated in the program
15 under part F if the individual has participated in accord-
16 ance with such requirements, consistent with regulations
17 of the Secretary, as the State shall establish.

18 “(D)(i) If the Secretary determines that a State has
19 failed to achieve the participation rate for any fiscal year
20 specified in subparagraph (A) of this paragraph, then,
21 subject to clause (ii), the Secretary may waive, in whole
22 or in part, the reduction in the payment rate otherwise
23 required by such subparagraph (A) if the Secretary finds
24 that the State—

1 “(I) is in conformity with section 402(a)(19)
2 and part F;

3 “(II) has made a good faith effort to achieve
4 the participation rate; and

5 “(III) has submitted a proposal which is likely
6 to achieve the applicable participation rates for the
7 current fiscal year and any succeeding fiscal year so
8 specified.

9 “(ii) The Secretary may not grant a waiver to any
10 State under clause (i) for more than 12 months (whether
11 or not consecutive) in any 48-month period.”.

12 (d) CONFORMING AMENDMENT.—Section
13 403(l)(3)(D) of such Act (42 U.S.C. 603(l)(3)(D)) is
14 amended—

15 (1) by inserting “(i)” after (D)”;

16 (2) by inserting “who is eligible for aid under
17 the State plan, who applied for such aid on or after
18 October 1, 1996, and who is not described in section
19 402(a)(19)(C)” after “an individual”; and

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

21 “(ii) For purposes of this paragraph, an individual
22 who is eligible for aid under the State plan, who applied
23 for such aid before October 1, 1996, and is not described
24 in section 402(a)(19)(C) shall not be determined to have
25 participated in the program under part F for a week, if

1 such individual has participated in such program for less
2 than 10 hours during the week.”.

3 **SEC. 102. COMMUNITY WORK EXPERIENCE PROGRAM**
4 **AMENDMENTS.**

5 Section 482(f)(1)(B) of the Social Security Act (42
6 U.S.C. 682(f)(1)(B)) is amended—

7 (1) in clause (i)—

8 (A) by inserting “(I)” after “(B)(i)”; and

9 (B) by striking “(as determined by the
10 State)” and inserting “in the transition compo-
11 nent of the program under this part who is re-
12 quired to participate in the program established
13 under this subsection”; and

14 (C) by adding at the end the following:

15 “(II) Each participant in the work component of the
16 program under this part who is required to participate in
17 the program established under this subsection must be re-
18 quired to work for 35 hours per week (or 30 hours per
19 week, if the State requires the participant to engage in
20 a job search program established by the State under sub-
21 section (g)).”; and

22 (2) in clause (ii), by inserting “who is a partici-
23 pant in the transition component of the program
24 under this part” after “an individual”.

1 **SEC. 103. WORK SUPPLEMENTATION PROGRAM AMEND-**
2 **MENTS.**

3 (a) AUTHORITY OF STATES TO ASSIGN PARTICI-
4 PANTS TO UNFILLED JOBS.—Section 484(c) of the Social
5 Security Act (42 U.S.C. 684(c)) is amended by striking
6 the last sentence.

7 (b) AUTHORITY OF STATES TO USE SUMS THAT
8 WOULD OTHERWISE BE EXPENDED FOR FOOD STAMP
9 BENEFITS TO PROVIDE SUBSIDIZED JOBS FOR PARTICI-
10 PANTS.—

11 (1) IN GENERAL.—Section 482(e)(1) of such
12 Act (42 U.S.C. 682(e)(1)) is amended—

13 (A) by inserting “, and the sums that
14 would otherwise be used to provide participants
15 in the program under this subsection with food
16 stamp benefits under the Food Stamp Act of
17 1977,” before “and use”; and

18 (B) by inserting “and the food stamp ben-
19 efits that would otherwise be so provided to
20 them” before the period.

21 (2) SUBSIDIES PROVIDED TO EMPLOYERS AND
22 INCLUDED IN WAGES OF PARTICIPANTS; MINIMUM
23 EMPLOYER CONTRIBUTION.—Section 482(e)(3) of
24 such Act (42 U.S.C. 682(e)(3)) is amended by add-
25 ing at the end the following:

1 “(E) Each State operating a work supplementation
2 program under this subsection shall enter into an agree-
3 ment with the employer who is to provide an eligible indi-
4 vidual with a supplemented job under the program, under
5 which—

6 “(i) the State is required to pay the employer
7 an amount specified in the agreement as the sub-
8 sidized portion of the wages of the eligible individ-
9 ual; and

10 “(ii) the employer is required to pay the eligible
11 individual wages which, when added to an amount
12 that will be payable as aid to families with depend-
13 ent children to the individual if the individual is paid
14 such wages, are not less than 100 percent of the
15 sum of—

16 “(I) the amount that would otherwise be
17 payable as aid to families with dependent chil-
18 dren to the eligible individual if the State did
19 not have a work supplementation program
20 under this subsection in effect; and

21 “(II) if the State elects to subsidize jobs
22 for participants in the program through the res-
23 ervation of sums that would otherwise be used
24 to provide such participants with food stamp
25 benefits under the Food Stamp Act of 1977,

1 the amount paid to the State by the Secretary
2 of Agriculture that represents the cash value of
3 the food stamp benefits for which the household
4 of the eligible individual is a member is eligible
5 under such Act.

6 “(F) For purposes of computing the amount of the
7 Federal payment to a State under paragraph (1) or (2)
8 of section 403(a), for expenditures incurred in making
9 payments to individuals and employers under the State’s
10 work supplementation program under this section, the
11 State may claim as such expenditures the maximum
12 amount payable to the State under paragraph (4) of this
13 subsection.

14 “(G) Notwithstanding paragraph (1), a State may
15 use for any purpose the sums reserved under paragraph
16 (1) which are not used to subsidize jobs under this sub-
17 section attributable to savings achieved by operation of
18 subparagraph (E).”.

19 (3) CONFORMING AMENDMENT.—Section
20 482(e)(3)(A) of such Act (42 U.S.C. 682(e)(3)(A))
21 is amended by striking the 2nd sentence.

22 (4) EMPLOYMENT CASHOUT OF FOOD STAMP
23 BENEFITS.—Section 16 of the Food Stamp Act of
24 1977 (7 U.S.C. 2025) is amended by adding at the
25 end the following:

1 “(l) If a State agency of a State that makes the elec-
2 tion described in section 482(e)(3)(E)(ii)(II) of the Social
3 Security Act informs the Secretary that an individual who
4 is participating in the work supplementation program car-
5 ried out under section 482(e) of such Act is a member
6 of a household that participates in the food stamp pro-
7 gram and all the members of the household receive bene-
8 fits under a State plan approved under part A of title IV
9 of such Act—

10 “(1) the Secretary shall pay to the State an
11 amount equal to the value of the food stamp benefits
12 the household is eligible to receive under this Act;

13 “(2) the State shall expend the amount in ac-
14 cordance with section 482(e)(3) of the Social Secu-
15 rity Act to make a payment to the individual in lieu
16 of food stamp benefits the household would receive
17 but for the operation of this subsection;

18 “(3) for purposes of—

19 “(A) sections 5 and 8(a) of this Act, the
20 amount shall be excluded from household in-
21 come and resources; and

22 “(B) section 8(b) of this Act, the amount
23 shall be considered as the value of an allotment
24 provided to the household; and

1 “(4) the household shall not receive food stamp
2 benefits from the State agency for the period during
3 which the member continues to participate in the
4 work supplementation program.”.

5 **SEC. 104. WORK REQUIREMENT FOR NONCUSTODIAL PAR-**
6 **ENTS WITH CHILD SUPPORT ARREARAGES.**

7 Section 466(a) of the Social Security Act (42 U.S.C.
8 666(a)) is amended by inserting after paragraph (11) the
9 following:

10 “(12) Procedures requiring that—

11 “(A) upon a determination by the State
12 agency referred to in section 402(a)(3) that the
13 noncustodial parent of any child who is apply-
14 ing for or receiving aid under the State plan ap-
15 proved under part A owes child support (as de-
16 fined in section 462(b)) with respect to the
17 child, is in arrears in the payment of such sup-
18 port in an amount that is not less than twice
19 the amount of the monthly child support obliga-
20 tion, is not incapacitated, and is not subject to
21 a court-approved plan for payment of such ar-
22 rearage, the State agency referred to in section
23 402(a)(3) send to the noncustodial parent a let-
24 ter notifying the noncustodial parent that the
25 noncustodial parent—

1 “(i) is required to pay child support
2 with respect to the child; and

3 “(ii) is subject to fines and other pen-
4 alties for failure to pay the full amount of
5 such support in a timely manner; and

6 “(B) if, by the end of the 30-day period
7 that begins with the date the letter is sent pur-
8 suant to subparagraph (A), the amount of the
9 arrearage has not decreased by at least a per-
10 centage amount specified by the State agency,
11 the State seek a court order requiring the
12 noncustodial parent—

13 “(i) to participate in a job search pro-
14 gram established by the State, for not less
15 than 2 weeks and not more than 4 weeks;
16 and

17 “(ii) if, by the end of the 30-day pe-
18 riod beginning on the date the order is en-
19 tered, the amount of the arrearage has not
20 decreased by at least a percentage amount
21 specified by the State agency, to partici-
22 pate in a work program established by the
23 State, for not less than 35 hours per week
24 (or, if the program also requires job

1 search, for not less than 30 hours per
2 week).”.

3 **SEC. 105. REQUIREMENT THAT MINOR NONCUSTODIAL**
4 **PARENTS WHO FAIL TO PROVIDE CHILD OR**
5 **SPOUSAL SUPPORT PARTICIPATE IN WORK,**
6 **JOB TRAINING, MONEY MANAGEMENT AND**
7 **PARENTING CLASSES, AND CAREER COUN-**
8 **SELING.**

9 Section 466(a) of the Social Security Act (42 U.S.C.
10 666(a)), as amended by section 104 of this Act, is amend-
11 ed by inserting after paragraph (12) the following:

12 “(13) Procedures which require that an order
13 issued on or after the effective date of this para-
14 graph by a court or an administrative process estab-
15 lished under State law, which establishes or modifies
16 a support obligation of an individual who has not at-
17 tained 18 years of age, shall require the individual
18 to participate in good faith in a State program that
19 includes work, job training, parenting and money
20 management classes, and career counseling during
21 any period before the individual attains 18 years of
22 age for which the individual fails to provide such
23 support.”.

24 **SEC. 106. EFFECTIVE DATE; REGULATIONS.**

25 (a) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this title shall
3 take effect on October 1, 1996.

4 (2) STATE OPTION FOR EARLY APPLICABIL-
5 ITY.—If a State formally notifies the Secretary of
6 Health and Human Services of its desire to operate
7 a program under section 402(a)(19) and part F of
8 title IV of the Social Security Act (as amended by
9 this title), during any period which begins after the
10 date of the enactment of this Act and ends on Sep-
11 tember 30, 1996, with respect to 1 or more groups
12 of individuals selected by the State who are eligible
13 for aid under the State plan approved under section
14 402 of the Social Security Act, and makes such
15 changes in the plan as are required in order to so
16 operate the program (except that, in lieu of the defi-
17 nition contained in section 402(a)(19)(I)(i) of the
18 Social Security Act, there is substituted a definition
19 which describes such group or groups) then—

20 (A) section 402(a)(19)(I) of the Social Se-
21 curity Act (with such substituted definition)
22 shall apply to the State during the period; and

23 (B) section 403(o)(4)(B) of the Social Se-
24 curity Act shall be applied to the State for the
25 first 12 months of such period by substituting

1 “85 percent” for “the greater of 70 percent or
2 the Federal medical assistance percentage (as
3 defined in section 1118 in the case of a State
4 to which section 1108 applies, or as defined in
5 section 1905(b) in the case of any other
6 State)”.

7 (b) REGULATIONS.—Not later than 1 year after the
8 date of the enactment of this Act, the Secretary of Health
9 and Human Services shall prescribe such regulations as
10 may be necessary to enable States to establish and operate
11 programs pursuant to the amendments made by this title.

12 **TITLE II—PATERNITY**

13 **ESTABLISHMENT**

14 **SEC. 201. COOPERATION REQUIREMENT AND GOOD CAUSE**

15 **EXCEPTION.**

16 (a) CHILD SUPPORT ENFORCEMENT REQUIRE-
17 MENTS.—Section 454 of the Social Security Act (42
18 U.S.C. 654) is amended—

19 (1) by striking “and” at the end of paragraph
20 (23);

21 (2) by striking the period at the end of para-
22 graph (24) and inserting “; and”; and

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

1 “(25) provide that the State agency administer-
2 ing the plan under this part—

3 “(A) will make the determination specified
4 under paragraph (4), as to whether an individ-
5 ual is cooperating with efforts to establish pa-
6 ternity and secure support (or has good cause
7 not to cooperate with such efforts) for purposes
8 of the requirements of sections 402(a)(26) and
9 1912;

10 “(B) with respect to any child born on or
11 after the date that is 10 months after the date
12 of the enactment of this paragraph, will not de-
13 termine (or redetermine) the mother (or other
14 custodial relative) of such child to be cooperat-
15 ing with efforts to establish paternity unless
16 such individual furnishes—

17 “(i) the name of the putative father
18 (or fathers); and

19 “(ii) sufficient additional information
20 to enable the State agency, if reasonable
21 efforts were made, to verify the identity of
22 the person named as the putative father
23 (including such information as the putative
24 father’s present address, telephone num-
25 ber, date of birth, past or present place of

1 employment, school previously or currently
2 attended, and names and addresses of par-
3 ents, friends, or relatives able to provide
4 location information, or other information
5 that could enable service of process on
6 such person), and

7 “(C)(i) (where a custodial parent who was
8 initially determined not to be cooperating (or to
9 have good cause not to cooperate) is later deter-
10 mined to be cooperating or to have good cause
11 not to cooperate) will immediately notify the
12 State agency administering the program under
13 part A and the State agency administering the
14 program under title XIX that this eligibility
15 condition has been met; and

16 “(ii) (where a custodial parent was initially
17 determined to be cooperating (or to have good
18 cause not to cooperate)) will not later determine
19 such individual not to be cooperating (or not to
20 have good cause not to cooperate) until such in-
21 dividual has been afforded an opportunity for a
22 hearing.”.

23 (b) AFDC AMENDMENTS.—

1 (1) Section 402(a)(11) of such Act (42 U.S.C.
2 602(a)(11)) is amended by striking “furnishing of”
3 and inserting “application for”.

4 (2) Section 402(a)(26) of such Act (42 U.S.C.
5 602(a)(26)) is amended to read as follows:

6 “(26) provide—

7 “(A) that, as a condition of eligibility for
8 aid under the State plan, each applicant or re-
9 cipient will be required (subject to subpara-
10 graph (C))—

11 “(i) to assign to the State any rights
12 to support from any other person the ap-
13 plicant may have—

14 “(I) in behalf of the applicant or
15 of any other family member for whom
16 the applicant is applying for or receiv-
17 ing such aid; and

18 “(II) which, at the time the as-
19 signment is executed, have accrued
20 with respect to support owed for any
21 period for which such aid is provided;

22 “(ii) to cooperate with the State—

23 “(I) in establishing the paternity
24 of a child born out of wedlock with re-

1 spect to whom such aid is claimed;
2 and

3 “(II) in obtaining support pay-
4 ments for the applicant and for a
5 child with respect to whom such aid is
6 claimed;

7 “(iii) to cooperate with the State in
8 obtaining any other payments or property
9 due the applicant or the child; and

10 “(iv) to cooperate with the State in
11 identifying, and providing information to
12 assist the State in pursuing, any third
13 party who may be liable to pay for care
14 and services available under the State plan
15 for medical assistance under title XIX; but
16 the State shall not be subject to any finan-
17 cial penalty in the administration or en-
18 forcement of this clause as a result of any
19 monitoring, quality control, or auditing re-
20 quirements;

21 “(B) that the State agency will imme-
22 diately refer to the State agency administering
23 the State program operated under part D any
24 applicant for such aid who requires paternity
25 establishment services;

1 “(C) that an individual will not be required
2 to cooperate with the State, as provided in sub-
3 paragraph (A), if the individual is found to
4 have good cause for refusing to cooperate, as
5 determined in accordance with standards pre-
6 scribed by the Secretary, which standards shall
7 take into consideration the best interests of the
8 child on whose behalf such aid is claimed—

9 “(i) to the satisfaction of the State
10 agency administering the program under
11 part D, as determined in accordance with
12 section 454(25), with respect to the re-
13 quirements under clauses (i) and (ii) of
14 subparagraph (A) of this paragraph; and

15 “(ii) to the satisfaction of the State
16 agency administering the program under
17 this part, with respect to the requirements
18 under clauses (iii) and (iv) of subpara-
19 graph (A) of this paragraph;

20 “(D) that (except as provided in subpara-
21 graph (E)) an applicant requiring paternity es-
22 tablishment services (other than an individual
23 eligible for emergency assistance as defined in
24 section 406(e)) shall not be eligible for such aid
25 until—

1 “(i) the applicant has furnished to the
2 agency administering the State plan oper-
3 ated under part D the information speci-
4 fied in section 454(25)(E); or

5 “(ii) the agency referred to in clause
6 (i) determines that the applicant has good
7 cause not to cooperate;

8 “(E) that subparagraph (D) shall not
9 apply—

10 “(i) until the individual has received
11 the notification required by section
12 454(25)(D)(iii); and

13 “(ii) if the individual appeals a deter-
14 mination that the individual lacks good
15 cause for noncooperation, until after the
16 determination is affirmed after notice and
17 opportunity for a hearing; and

18 “(F) that, if the relative with whom a child
19 is living is found to be ineligible for such aid
20 because of failure to comply with subparagraph
21 (A) with respect to the child, the child shall be
22 ineligible for such aid;”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall be effective with respect to applications
25 for aid under part A of title IV of the Social Security Act

1 filed in or after the first calendar quarter beginning 10
2 months or more after the date of the enactment of this
3 Act (or such earlier quarter as the State may select).

4 **SEC. 202. TEENS RECEIVING AFDC REQUIRED TO LIVE AT**
5 **HOME.**

6 Section 402(a)(43) of the Social Security Act (42
7 U.S.C. 602(a)(43)) is amended by striking “at the option
8 of the State,”.

9 **SEC. 204. INCREASE IN PATERNITY ESTABLISHMENT PER-**
10 **CENTAGE.**

11 Section 452(g)(1) of the Social Security Act (42
12 U.S.C. 652(g)(1)) is amended by striking all that follows
13 “—” and inserting the following:

14 “(A) 90 percent;

15 “(B) for a State with a paternity establishment
16 percentage of not less than 50 percent but less than
17 90 percent for such fiscal year, the paternity estab-
18 lishment percentage of the State for the immediately
19 preceding fiscal year plus 6 percentage points; or

20 “(C) for a State with a paternity establishment
21 percentage of less than 50 percent for such fiscal
22 year, the paternity establishment percentage of the
23 State for the immediately preceding fiscal year plus
24 10 percentage points.”.

1 **SEC. 205. EFFECTIVE DATE.**

2 Except as provided in section 201, the amendments
3 made by this title shall take effect on October 1, 1996,
4 and shall apply to payments under part A of title IV of
5 the Social Security Act for calendar quarters ending be-
6 ginning on or after such date.

7 **TITLE III—EXPANSION OF STAT-**
8 **UTORY FLEXIBILITY OF**
9 **STATES**

10 **SEC. 301. OPTION TO CONVERT AFDC INTO A BLOCK GRANT**
11 **PROGRAM.**

12 Section 403 of the Social Security Act (42 U.S.C.
13 603) is amended by inserting after subsection (b) the fol-
14 lowing:

15 “(c)(1) Any State may elect to receive payments
16 under this subsection in lieu of receiving payments under
17 the other subsections of this section.

18 “(2) If a State makes an election under paragraph
19 (1), then, in lieu of any payment under any other sub-
20 section of this section, the Secretary shall make payments
21 to the State under this subsection for each fiscal year in
22 an amount equal to 103 percent of the total amount to
23 which the State was entitled under this section for fiscal
24 year 1995, subject to paragraph (5).

25 “(3) Each State to which an amount is paid under
26 paragraph (2) for a fiscal year shall expend the amount

1 to carry out any program established by the State to pro-
2 vide benefits to needy families with dependent children.

3 “(4) Within 3 months after the end of each fiscal
4 year, each State that has made an election under para-
5 graph (1) shall submit to the Secretary a report that ac-
6 counts for all expenditures of amounts paid to the State
7 under this subsection for the fiscal year.

8 “(5) The Secretary shall reduce by 20 percent the
9 amount that would otherwise be payable to a State under
10 this subsection for a fiscal year if the Secretary finds that
11 the State has expended any amount provided under this
12 subsection for any purpose other than to carry out a pro-
13 gram of cash benefits to needy families with children.

14 “(6) The regulations issued with respect to State
15 plans and the operation of State programs under this part
16 (other than under this subsection) shall not apply to any
17 State that makes an election under paragraph (1).”.

18 **SEC. 302. OPTION TO DENY AFDC TO MINOR UNMARRIED**

19 **PARENTS.**

20 (a) IN GENERAL.—Section 402(a) of the Social Secu-
21 rity Act (42 U.S.C. 602(a)), as amended by section
22 201(a)(1) of this Act, is amended—

23 (1) by striking “and” at the end of paragraph
24 (45);

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

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

5 “(47) unless the State has enacted a law ex-
6 empting itself from the application of this para-
7 graph, provide that aid under the plan shall not be
8 payable with respect to an individual who is an un-
9 married minor (as defined by the State) parent of a
10 dependent child.”.

11 (b) AVAILABILITY OF AFDC-UP BENEFITS.—Sec-
12 tion 407(b)(1)(A) of such Act (42 U.S.C. 607(b)(1)(A))
13 is amended by inserting “, notwithstanding section
14 402(a)(50),” before “when—”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on October 1, 1995, and shall
17 apply with respect to applications for aid under a State
18 plan approved under part A of title IV of the Social Secu-
19 rity Act that are made on or after such date.

20 **SEC. 303. OPTION TO TREAT INTERSTATE IMMIGRANTS**
21 **UNDER RULES OF FORMER STATE.**

22 Section 402(a) of the Social Security Act (42 U.S.C.
23 602(a)), as amended by sections 201(a)(1) and 302 of this
24 Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (46);

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

5 (3) by inserting after paragraph (47) the fol-
6 lowing:

7 “(48) at the option of the State, in the case of
8 a family applying for aid under the State plan that
9 has moved to the State from another jurisdiction of
10 the United States with a State plan approved under
11 this part, and has resided in the State for less than
12 12 months consecutively, apply the rules that would
13 have been applied by such other jurisdiction if the
14 family had not moved from such other jurisdiction,
15 in determining the eligibility of the family for bene-
16 fits, and the amount of benefits payable to the fam-
17 ily, under the State plan.”.

18 **SEC. 304. OPTION TO IMPOSE PENALTY FOR FAILURE TO**
19 **ATTEND SCHOOL.**

20 Section 402(a) of the Social Security Act (42 U.S.C.
21 602(a)), as amended by sections 201(a)(1), 302, and 303
22 of this Act, is amended—

23 (1) by striking “and” at the end of paragraph
24 (47);

1 (2) by striking the period at the end of para-
2 graph (48) and inserting “; and”; and

3 (3) by inserting after paragraph (48) the fol-
4 lowing:

5 “(49) at the option of the State, provide that
6 the aid otherwise payable under the plan to a family
7 may be reduced by not more than \$75 per month for
8 each parent under 21 years of age who has not com-
9 pleted secondary school (or the equivalent) and each
10 dependent child in the family who, during the imme-
11 diately preceding month, has failed, without good
12 cause (as defined by the State in consultation with
13 the Secretary), to maintain minimum attendance (as
14 defined by the State in consultation with the Sec-
15 retary) at an educational institution.”.

16 **SEC. 305. OPTION TO DENY AFDC FOR ADDITIONAL CHIL-**
17 **DREN.**

18 Section 402(a) of the Social Security Act (42 U.S.C.
19 602(a)), as amended by sections 201(a)(1), 302, 303,
20 and 304 of this Act, is amended—

21 (1) by striking “and” at the end of paragraph
22 (48);

23 (2) by striking the period at the end of para-
24 graph (49) and inserting “; and”; and

1 (3) by inserting after paragraph (49) the fol-
2 lowing:

3 “(50) unless the State has enacted a law ex-
4 empting itself from the application of this para-
5 graph, provide that aid under the plan shall not be
6 payable with respect to a child born to—

7 “(A) a recipient of aid under the plan; or

8 “(B) an individual who received such aid
9 at any time during the 10-month period ending
10 with the birth of the child.”.

11 **SEC. 306. OPTION TO MODIFY CERTAIN AFDC INCOME DIS-**
12 **REGARD RULES.**

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

15 (1) by striking “and” at the end of clause (i);

16 and

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

18 “(iii) notwithstanding clauses (ii) and (iv)
19 of subparagraph (A) and clause (ii) of this sub-
20 paragraph, may disregard earned income of any
21 child or relative receiving aid to families with
22 dependent children, or of any other individual
23 (living in the same home as such relative and
24 child) whose needs as taken into account in
25 making the determination under paragraph (7),

1 in accordance with any combination of rules
2 which (as determined by the State in accord-
3 ance with regulations prescribed by the Sec-
4 retary) is at least as favorable to the recipient
5 of such aid as the combination of rules con-
6 tained in such clauses, but not more favorable
7 to the recipient than a rule providing for the
8 disregard of the first \$200 of the total of such
9 earned income for such month plus $\frac{1}{2}$ of the
10 remainder thereof; and”.

11 **SEC. 307. OPTION TO PROVIDE MARRIED COUPLE TRANSI-**
12 **TION BENEFIT.**

13 (a) IN GENERAL.—Section 402(a) of the Social Secu-
14 rity Act (42 U.S.C. 602(a)), as amended by sections
15 201(a)(1), 302, 303, 304, and 305 of this Act, is amend-
16 ed—

17 (1) by striking “and” at the end of paragraph
18 (49);

19 (2) by striking the period at the end of para-
20 graph (50) and inserting “; and”; and

21 (3) by inserting after paragraph (50) the fol-
22 lowing:

23 “(51) at the option of the State, provide that—

24 “(A) if a recipient of aid under the plan
25 marries an individual who is not a parent of a

1 child of the recipient and (but for this para-
2 graph) the resulting family would have become
3 ineligible for such aid by reason of the mar-
4 riage, then the family shall remain eligible for
5 aid under the plan, in an amount equal to 50
6 percent of the aid payable to the recipient im-
7 mediately before the marriage, for a period
8 (specified by the State) of not more than 12
9 months, but only for so long as the income of
10 the family is less than 150 percent of the in-
11 come official poverty line (as defined by the Of-
12 fice of Management and Budget, and revised
13 annually in accordance with section 673(2) of
14 the Omnibus Budget Reconciliation Act of
15 1981) applicable to a family of the size in-
16 volved; and

17 “(B) if a recipient of aid under the plan
18 marries an individual who is not a parent of a
19 child of the recipient and the resulting family
20 would (in the absence of this subparagraph) be
21 eligible for such aid by reason of section 407,
22 then the State may provide aid to the family in
23 accordance with section 407 or subparagraph
24 (A) of this paragraph, but not both.”.

1 (b) APPLICABILITY.—The amendments made by sub-
2 section (a) shall apply only with respect to individuals who
3 first become recipients of aid under State plans approved
4 under part A of title IV of the Social Security Act on or
5 after October 1, 1995.

6 **SEC. 308. OPTION TO DISREGARD INCOME AND RESOURCES**
7 **DESIGNATED FOR EDUCATION, TRAINING,**
8 **AND EMPLOYABILITY, OR RELATED TO SELF-**
9 **EMPLOYMENT.**

10 (a) RESOURCE DISREGARDS.—Section 402(a)(7)(B)
11 of the Social Security Act (42 U.S.C. 602(a)(7)(B)) is
12 amended—

13 (1) by striking “or” before “(iv)”; and

14 (2) by inserting “(v) at the option of the State,
15 in the case of a family receiving aid under the State
16 plan (and a family not receiving such aid but which
17 received such aid in at least 1 of the preceding 4
18 months or became ineligible for such aid during the
19 preceding 12 months because of excessive earnings),
20 any amount (determined by the State) not to exceed
21 \$10,000 in a qualified asset account (as defined in
22 section 406(i)) of the family, or (vi) at the option of
23 the State, the first \$10,000 of the net worth (assets
24 reduced by liabilities with respect thereto) of all
25 microenterprises (as defined in section 406(j)(1))

1 owned, in whole or in part, by such child, relative,
2 or other individual, for a period not to exceed 2
3 years” before “; and”.

4 (b) DISREGARD OF INCOME FROM QUALIFIED ASSET
5 ACCOUNTS.—Section 402(a)(8)(A) of such Act (42 U.S.C.
6 602(a)(8)(A)) is amended—

7 (1) by striking “and” at the end of clause (vii);

8 and

9 (2) by inserting after clause (viii) the following
10 new clause:

11 “(ix) at the option of the State, may
12 disregard any interest or income earned on
13 a qualified asset account (as defined in
14 section 406(i)), and any qualified distribu-
15 tion (as defined in section 406(i)(2)) from
16 a qualified asset account (as defined in
17 section 406(i)(1)); and”.

18 (c) NONRECURRING LUMP SUM EXEMPT FROM
19 LUMP SUM RULE.—Section 402(a)(17) of such Act (42
20 U.S.C. 602(a)(17)) is amended by adding at the end the
21 following: “; and, at the option of the State, that this para-
22 graph shall not apply to earned or unearned income re-
23 ceived in a month on a nonrecurring basis to the extent
24 that such income is placed in a qualified asset account

1 (as defined in section 406(i)) the total amounts in which,
2 after such placement, does not exceed \$10,000;”.

3 (d) ONLY NET PROFITS OF MICROENTERPRISE
4 TREATED AS INCOME.—Section 402(a)(7) of such Act (42
5 U.S.C. 602(a)(7)), as amended by subsection (a) of this
6 section, is amended—

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

9 (2) by striking the semicolon at the end of sub-
10 paragraph (C) and inserting “; and”; and

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

12 “(D) at the option of the State, may take
13 into consideration as earned income of the fam-
14 ily of which the child is a member, only the net
15 profits (as defined in section 406(j)(2)) of
16 microenterprises (as defined in section
17 406(j)(1)) owned, in whole or in part, by such
18 child, relative, or other individual, for a period
19 not to exceed 2 years.”.

20 (e) DEFINITIONS.—Section 406 of such Act (42
21 U.S.C. 606) is amended by adding at the end the follow-
22 ing:

23 “(i)(1) The term ‘qualified asset account’ means a
24 mechanism approved by the State (such as individual re-
25 tirement accounts, escrow accounts, or savings bonds) that

1 allows savings of a family receiving aid to families with
2 dependent children to be used for qualified distributions.

3 “(2) The term ‘qualified distribution’ means a dis-
4 tribution from a qualified asset account for expenses di-
5 rectly related to 1 or more of the following purposes:

6 “(A) The attendance of a member of the family
7 at any education or training program.

8 “(B) The improvement of the employability (in-
9 cluding self-employment) of a member of the family
10 (such as through the purchase of an automobile).

11 “(C) The purchase of a home for the family.

12 “(D) A change of the family residence.

13 “(j)(1) The term ‘microenterprise’ means a commer-
14 cial enterprise which has 5 or fewer employees, 1 or more
15 of whom owns the enterprise.

16 “(2) The term ‘net profits’ means, with respect to
17 a microenterprise, the gross receipts of the business,
18 minus—

19 “(A) payments of principal or interest on a loan
20 to the microenterprise;

21 “(B) transportation expenses;

22 “(C) inventory costs;

23 “(D) expenditures to purchase capital equip-
24 ment;

1 “(E) cash retained by the microenterprise for
2 future use by the business;

3 “(F) taxes paid by reason of the business;

4 “(G) if the business is covered under a policy
5 of insurance against loss—

6 “(i) the premiums paid for such insurance;

7 and

8 “(ii) the losses incurred by the business
9 that are not reimbursed by the insurer solely by
10 reason of the existence of a deductible with re-
11 spect to the insurance policy;

12 “(H) the reasonable costs of obtaining 1 motor
13 vehicle necessary for the conduct of the business;

14 and

15 “(I) the other expenses of the business.”.

16 **SEC. 309. OPTION TO REQUIRE ATTENDANCE AT**
17 **PARENTING AND MONEY MANAGEMENT**
18 **CLASSES, AND PRIOR APPROVAL OF ANY AC-**
19 **TION THAT WOULD RESULT IN A CHANGE OF**
20 **SCHOOL FOR A DEPENDENT CHILD.**

21 (a) IN GENERAL.—Section 402(a) of the Social Secu-
22 rity Act (42 U.S.C. 602(a)), as amended by sections
23 201(a)(1), 302, 303, 304, 305, and 307 of this Act, is
24 amended—

1 (1) by striking “and” at the end of paragraph
2 (50);

3 (2) by striking the period at the end of para-
4 graph (51) and inserting “; and”; and

5 (3) by inserting after paragraph (51) the fol-
6 lowing:

7 “(52) at the option of the State, provide that,
8 as a condition of receiving aid under the State plan,
9 the recipient must attend parenting and money man-
10 agement classes, and must receive the permission of
11 the State agency before taking any action that would
12 require a change in the educational institution at-
13 tended by a dependent child of the recipient.”.

14 **SEC. 310. EFFECTIVE DATE.**

15 The amendments made by this title shall take effect
16 on October 1, 1995, and shall apply to payments under
17 part A of title IV of the Social Security Act for calendar
18 quarters beginning on or after such date.

19 **TITLE IV—EXPANSION OF STATE**
20 **AND LOCAL FLEXIBILITY**

21 **SEC. 401. INTERAGENCY WAIVER REQUEST BOARD.**

22 (a) ESTABLISHMENT AND PURPOSE.—In order to
23 provide a focal point within the Federal Government for
24 the development and coordination of waiver requests de-
25 signed to improve opportunities for low-income individuals

1 and families, there is established an Interagency Waiver
2 Request Board.

3 (b) MEMBERSHIP.—

4 (1) PERMANENT MEMBERS.—The Board shall
5 consist of 9 permanent members, as follows:

6 (A) The Secretary of Agriculture (or the
7 designee of the Secretary).

8 (B) The Secretary of Health and Human
9 Services (or the designee of the Secretary).

10 (C) The Secretary of Housing and Urban
11 Development (or the designee of the Secretary).

12 (D) The Secretary of Labor (or the des-
13 igrnee of the Secretary).

14 (E) The Secretary of Education (or the
15 designee of the Secretary).

16 (F) The Attorney General of the United
17 States (or the designee of the Attorney Gen-
18 eral).

19 (G) The Secretary of the Interior (or the
20 designee of the Secretary).

21 (H) The Director of the Office of Manage-
22 ment and Budget (or the designee of the Direc-
23 tor).

24 (I) 1 individual appointed by the Presi-
25 dent.

1 (2) LIMITED PURPOSE MEMBERS.—

2 (A) IN GENERAL.—With respect to an ap-
3 plication submitted under this title, the Board
4 shall include the head of each department or
5 agency (or the designee of the head) having re-
6 sponsibility for the administration of a program
7 included in the assistance plan contained in the
8 application.

9 (B) BOARD OF DIRECTORS OF THE LEGAL
10 SERVICES CORPORATION.—The Board of Direc-
11 tors of the Legal Services Corporation is
12 deemed to be the head of the department or
13 agency having responsibility for the administra-
14 tion of the program of legal assistance to eligi-
15 ble clients and other programs under the Legal
16 Services Corporation Act (42 U.S.C. 2996
17 et seq.).

18 (c) CHAIRPERSON.—The member of the Board ap-
19 pointed under subsection (b)(1)(I) shall serve as Chair-
20 person of the Board.

21 (d) VACANCIES.—A vacancy in the position of Chair-
22 man shall be filled in the manner in which the original
23 appointment was made.

1 (e) NO ADDITIONAL COMPENSATION.—The members
2 of the Board may not be provided additional pay, allow-
3 ances, or benefits by reason of their service on the Board.

4 (f) POWERS.—

5 (1) ASSISTANCE OF OTHER FEDERAL ENTI-
6 TIES.—A member of the Board shall detail to the
7 Chairperson, on a nonreimbursable basis, such offi-
8 cers and employees of the department or agency
9 headed by the member, and shall make available to
10 the Chairperson such assistance, as the Chairperson
11 may require to carry out the activities of the Chair-
12 person.

13 (2) USE OF UNITED STATES MAILS.—The
14 Chairperson may use the United States mails in the
15 same manner and under the same conditions as
16 other departments and agencies of the United
17 States.

18 (3) ACCEPTANCE OF GIFTS, BEQUESTS, AND
19 DEVICES.—The Chairperson may accept, use, and
20 dispose of gifts, bequests, or devises of services or
21 property, both real and personal, for the purpose of
22 aiding or facilitating the work of the Chairperson.
23 Gifts, bequests, or devises of money and proceeds
24 from sales of other property received as gifts, be-
25 quests, or devises shall be deposited in the Treasury

1 and shall be available for disbursement upon order
2 of the Chairperson.

3 (g) PROCEDURE.—

4 (1) MEETINGS.—The Board shall meet not less
5 than twice annually at the call of the Chairperson,
6 or of at least 3 permanent members.

7 (2) NOTICE OF DECISIONS.—The Chairperson
8 shall provide the Board with advance notice of any
9 action that the Chairperson intends to take under
10 this title.

11 (3) POWER OF BOARD MAJORITY TO OVERRULE
12 CHAIRPERSON.—Notwithstanding any other provi-
13 sion of this title, a majority of the members of the
14 Board with respect to a matter may overrule any de-
15 cision or nullify any action of the Chairperson under
16 this title with respect to the matter.

17 (h) ANNUAL REPORTS.—The Chairperson shall
18 transmit annually to the Congress a report containing a
19 detailed statement of the activities of the Board during
20 the year covered by the report.

21 **SEC. 402. APPLICATION TO IMPLEMENT ASSISTANCE**
22 **PLANS.**

23 (a) IN GENERAL.—Any entity that is receiving or is
24 eligible to receive funds or other assistance under an eligi-
25 ble Federal program and desires to reform any number

1 of such programs may submit to the Chairperson an appli-
2 cation that contains the following:

3 (1) ASSISTANCE PLAN.—An assistance plan
4 that sets forth the following:

5 (A) GEOGRAPHIC AREA.—The geographic
6 area to which the plan applies and the rationale
7 for so defining the area.

8 (B) RECIPIENTS.—The particular groups
9 of individuals, by age, service needs, economic
10 circumstances, or other defining factors, who
11 are to receive services and benefits under the
12 plan.

13 (C) OBJECTIVES AND PERFORMANCE CRI-
14 TERIA.—Specific objectives and criteria for
15 measuring levels of performance, a description
16 of how such objectives and levels of perform-
17 ance are expected to be achieved, a description
18 of how such criteria are to be used to measure
19 performance, and a system for the comprehen-
20 sive evaluation of the impact of the plan on par-
21 ticipants, the community, and program costs.

22 (D) COVERED PROGRAMS.—The eligible
23 Federal programs through which assistance is
24 to be improved in accordance with the plan, and
25 the specific benefits that are to be provided

1 under the plan pursuant to the program or pro-
2 grams, including criteria for determining eligi-
3 bility for benefits under the plan, the services
4 available, the amounts and form (such as cash,
5 in-kind contributions, or financial instruments)
6 of non-service benefits.

7 (E) SOURCES OF NON-FEDERAL FUNDS.—

8 A description of the sources of all non-Federal
9 funds that are to be used to carry out the pro-
10 gram or programs referred to in subparagraph
11 (D).

12 (F) FISCAL CONTROL AND ACCOUNTABIL-

13 ITY.—Fiscal control and related accountability
14 procedures that are to apply under the plan.

15 (G) CONSENT OF QUALIFIED ORGANIZA-

16 TIONS.—Written consent from each qualified
17 organization for which consent is required
18 under section 403(e)(2)(B).

19 (H) APPROVAL OF AFFECTED STATE AND

20 LOCAL PUBLIC ENTITIES.—A written statement,
21 from each State or local public entity to which
22 the Federal funds or assistance would otherwise
23 be provided under the program or programs,
24 that the entity approves of the proposal and will

1 cooperate in the implementation of the proposal
2 by the applicant.

3 (2) ASSURANCES.—

4 (A) PROVISION OF PLAN TO AFFECTED OR-
5 GANS OF GOVERNMENT IN THE STATE.—Assur-
6 ances that a copy of the plan has been provided
7 to all affected organs of government in the geo-
8 graphic area referred to in paragraph (1)(A).

9 (B) CONSULTATION WITH PUBLIC-PRIVATE
10 PARTNERSHIP COMMITTEE.—Assurances that a
11 committee established under section 405 has
12 participated in the development of the plan.

13 (3) REQUEST FOR AUTHORITY TO IMPLEMENT
14 PLAN.—A request that the Chairperson authorize
15 the applicant to implement the plan, and waive the
16 application of any Federal statutory or regulatory
17 requirement to the extent necessary to enable such
18 implementation.

19 (4) OTHER INFORMATION.—Any other informa-
20 tion the Chairperson may require to approve the ap-
21 plication.

22 (b) OPTION TO SUBMIT STREAMLINED APPLICATION
23 TO IMPLEMENT ASSISTANCE PLAN REFORMING 3 OR
24 FEWER PROGRAMS.—Any entity that is receiving or is eli-
25 gible to receive funds or other assistance under an eligible

1 Federal program and desires to reform 3 or fewer such
2 programs may submit to the Chairperson an application
3 that contains the following:

4 (1) ASSISTANCE PLAN.—An assistance plan
5 that sets forth the eligible Federal programs through
6 which assistance is to be improved in accordance
7 with the plan.

8 (2) APPROVAL OF AFFECTED ENTITIES.—A
9 written statement, from each non-Federal officer or
10 entity to which the Federal funds or assistance
11 would otherwise be provided (either directly or
12 through intervening levels of grantees or other re-
13 cipients) under the program or programs, that such
14 other officer or entity approves of the plan and will
15 cooperate in the implementation of the plan by the
16 entity.

17 (3) PROVISIONS OF LAW TO BE WAIVED.—A list
18 of the provisions of law or regulation which prevent
19 the entity from implementing the plan.

20 (4) REQUEST FOR AUTHORITY TO IMPLEMENT
21 PLAN.—A request that the Chairperson authorize
22 the applicant to implement the plan, and waive the
23 application of any Federal statutory or regulatory
24 requirement to the extent necessary to enable such
25 implementation.

1 **SEC. 403. REVIEW AND APPROVAL OF APPLICATIONS; WAIV-**
2 **ERS.**

3 (a) REVIEW.—Upon receipt of an application submit-
4 ted in accordance with section 402, the Chairperson
5 shall—

6 (1) approve or disapprove the application within
7 90 days after such receipt;

8 (2) notify the applicant in writing of such ap-
9 proval or disapproval; and

10 (3) if the application is disapproved, include in
11 the notice of disapproval a written justification of
12 the reasons therefor.

13 (b) CONDITIONAL APPROVAL.—The Chairperson may
14 condition approval of such an application on the accept-
15 ance by the applicant, and by any parties whose consent
16 or approval is required under section 402, of specified
17 modifications to the application.

18 (c) APPROVAL.—

19 (1) REQUIREMENTS.—The Chairperson may
20 approve such an application, subject to paragraph
21 (2), if the Chairperson determines that—

22 (A) the implementation of the assistance
23 plan contained in the application will improve
24 the effectiveness and efficiency of providing
25 benefits under the covered program or pro-
26 grams included in the plan, by reducing admin-

1 istrative rigidity, duplication, and unnecessary
2 expenditures;

3 (B) the applicant has adequately consid-
4 ered, and the application appropriately address-
5 es, the effects that the administration of each
6 covered program included in the plan will have
7 on the administration of any other such pro-
8 gram;

9 (C) the applicant has or is developing data
10 bases, planning, and evaluation processes that
11 are adequate for implementing the plan;

12 (D) implementation of the plan will ade-
13 quately achieve the purposes of this title and of
14 such covered program or programs; and

15 (E) the plan is adequate to ensure that in-
16 dividuals and families that receive benefits
17 under the covered program or programs in-
18 cluded in the plan will continue to receive bene-
19 fits that meet the needs intended to be met
20 under the program or programs.

21 (2) LIMITATIONS.—The Chairperson may not
22 approve such an application if—

23 (A) implementation of the assistance plan
24 contained in the application would result in an
25 increase in the total amount of obligations or

1 outlays of discretionary appropriations or direct
2 spending under the covered program or pro-
3 grams included in the plan, over the amounts
4 of such obligations and outlays that would
5 occur under the program or programs without
6 implementation of the plan; or

7 (B) if the plan applies to assistance to a
8 qualified organization under an eligible Federal
9 program, the qualified organization does not
10 consent in writing to the receipt of such assist-
11 ance in accordance with the plan.

12 (3) IMPLEMENTATION PERIOD.—In approving
13 such an application, the Chairperson shall specify
14 the period during which the assistance plan con-
15 tained in the application may be implemented.

16 (d) WAIVERS.—

17 (1) IN GENERAL.—Subject to this subsection,
18 the Chairperson may waive any requirement applica-
19 ble under Federal law to the administration of, or
20 provision of benefits under, any covered program in-
21 cluded in an application approved under this title, if
22 the waiver is reasonably necessary for the implemen-
23 tation of the assistance plan contained in the ap-
24 proved application.

1 (2) FUNDING LIMITATION.—This subsection
2 shall not be construed to authorize the Chairperson
3 to waive the application to any entity of a provision
4 of law or regulation applicable to a program if the
5 waiver would result in net payments by the Federal
6 Government to the entity under the program for a
7 fiscal year in excess of the net payments which
8 would otherwise be so made to the entity.

9 (3) CIVIL RIGHTS LAWS EXCEPTED.—This sub-
10 section shall not be construed to authorize the
11 Chairperson to waive any requirement established by
12 statute or regulation under—

13 (A) title VI of the Civil Rights Act of 1964
14 (42 U.S.C. 2000d et seq.);

15 (B) section 504 of the Rehabilitation Act
16 of 1973 (29 U.S.C. 701 et seq.);

17 (C) title IX of the Education Amendments
18 of 1972 (86 Stat. 373 et seq.);

19 (D) the Age Discrimination Act of 1975
20 (42 U.S.C. 6101 et seq.); or

21 (E) the Americans With Disabilities Act of
22 1990.

1 **SEC. 404. IMPLEMENTATION OF ASSISTANCE PLANS; EVAL-**
2 **UATIONS.**

3 (a) IN GENERAL.—Notwithstanding any other provi-
4 sion of law, benefits under any covered program included
5 in an application approved under this title shall be paid
6 and administered in the manner specified in the approved
7 application.

8 (b) EVALUATIONS.—

9 (1) IN GENERAL.—Any entity whose application
10 is approved under this title shall, in accordance with
11 regulations issued by the Chairperson—

12 (A) submit such reports on, and cooperate
13 in such audits of, the implementation of the as-
14 sistance plan contained in the application; and

15 (B) periodically evaluate the effects that
16 implementation of the plan has had on—

17 (i) individuals who receive benefits
18 under a covered program included in the
19 plan;

20 (ii) communities where such individ-
21 uals live; and

22 (iii) costs of administering the covered
23 program or programs included in the plan.

24 (2) ANNUAL REPORTS.—Not later than 90 days
25 after the end of the 1-year period beginning on the
26 date the application of an entity is approved under

1 this title, and annually thereafter, the entity shall
2 submit to the Chairperson a report on the principal
3 activities and achievements under the assistance
4 plan contained in the application, during the period
5 covered by the report, and, if the application was
6 submitted under section 402(a), the report shall
7 compare those achievements to the objectives and
8 performance criteria included in the plan pursuant
9 to section 402(a)(1)(C).

10 (c) FINAL REPORT.—Not later than 45 days after
11 the end of the period for which the Chairperson has ini-
12 tially authorized an entity to implement an assistance
13 plan, or at any time that the entity determines that the
14 plan has demonstrated its worth and proven to be a supe-
15 rior way to provide benefits under the covered program
16 or programs included in the plan, the entity shall submit
17 to the Chairperson a final report on such implementation,
18 including a full evaluation of the successes and short-
19 comings of the plan and the effects of such implementa-
20 tion on individuals who receive benefits under such pro-
21 gram or programs.

22 (d) EXTENSION OF PLANS.—The Chairperson may
23 extend, for such period as may be appropriate, the period
24 for which an entity may implement an approved assistance

1 plan, based on the report of the entity under subsection
2 (c).

3 (e) SUSPENSION AND TERMINATION.—

4 (1) IN GENERAL.—The Chairperson may re-
5 quire an entity to suspend or terminate implementa-
6 tion of part or all of an assistance plan under—

7 (A) any approved application under this
8 title if the Chairperson finds that the applicant
9 has failed to carry out a covered program in ac-
10 cordance with any applicable provision of law or
11 regulation; or

12 (B) an approved application that was sub-
13 mitted under section 402(a), if, after consulta-
14 tion with the head of each Federal agency re-
15 sponsible for administering a covered program
16 included in the approved application, the Chair-
17 person determines that the objectives and per-
18 formance criteria included in the plan pursuant
19 to section 402(a)(1)(C) have not been met.

20 (2) TIMING.—In requiring the implementation
21 of an assistance plan to be terminated under para-
22 graph (1), the Chairperson shall allow a reasonable
23 period of time for appropriate Federal, State, and
24 local agencies, and qualified organizations to resume

1 administration of the covered program or programs
2 included in the application that contains the plan.

3 **SEC. 405. PUBLIC-PRIVATE PARTNERSHIP COMMITTEES.**

4 (a) ESTABLISHMENT.—An entity desiring to submit
5 an application under section 402(a) shall establish a Pub-
6 lic-Private Partnership Committee in accordance with this
7 section.

8 (b) FUNCTIONS.—A Public-Private Partnership Com-
9 mittee shall advise an entity in the development and imple-
10 mentation of an assistance plan, including with respect
11 to—

12 (1) conducting public hearings;

13 (2) representing the interest of low-income indi-
14 viduals and families; and

15 (3) reviewing and commenting on all commu-
16 nity policies, programs, and actions under the plan
17 which affect low-income individuals and families,
18 with the purpose of assuring maximum coordination
19 and responsiveness of the plan in providing benefits
20 under the plan to those individuals and families.

21 (c) MEMBERSHIP.—The membership of a Public-Pri-
22 vate Partnership Committee shall—

23 (1) consist of—

24 (A) low-income individuals, who shall—

1 (i) comprise at least $\frac{1}{3}$ of the mem-
2 bership; and

3 (ii) include minority individuals who
4 are participants or who qualify to partici-
5 pate in eligible Federal programs;

6 (B) representatives of low-income individ-
7 uals and families;

8 (C) persons with leadership experience in
9 the private and voluntary sectors;

10 (D) local elected officials; and

11 (E) the general public; and

12 (2) include individuals and representatives of
13 community and business organizations who will help
14 to enhance the leadership role of the entity in devel-
15 oping an assistance plan.

16 **SEC. 406. DEFINITIONS.**

17 As used in this title:

18 (1) ASSISTANCE PLAN.—The term “assistance
19 plan” means a plan for improving the provision of
20 assistance under 1 or more eligible Federal pro-
21 grams.

22 (2) BOARD.—The term “Board” means the
23 Interagency Waiver Request Board established by
24 section 401.

1 (3) CHAIRPERSON.—The term “Chairperson”
2 means the Chairperson of the Board.

3 (4) COVERED PROGRAM.—The term “covered
4 program” means, with respect to an assistance plan,
5 the eligible Federal programs included in the plan.

6 (5) ELIGIBLE FEDERAL PROGRAM.—The term
7 “eligible Federal program” means any Federal pro-
8 gram which, directly or indirectly, provides cash as-
9 sistance to individuals, or under which assistance is
10 available for—

- 11 (A) education;
- 12 (B) employment training;
- 13 (C) health;
- 14 (D) housing;
- 15 (E) nutrition; or
- 16 (F) other social services.

17 (6) QUALIFIED ORGANIZATION.—The term
18 “qualified organization” means any private, not-for-
19 profit organization that is exempt from taxation
20 under section 501(c)(3) of the Internal Revenue
21 Code of 1986 (26 U.S.C. 501(c)(3)).

22 (7) STATE.—

23 (A) IN GENERAL.—The term “State”
24 means the 50 States, the District of Columbia,

1 Puerto Rico, American Samoa, Guam, and the
2 Virgin Islands.

3 (B) INDIAN TRIBES.—In the case of an eli-
4 gible Federal program under which assistance
5 is provided with respect to an Indian tribe, the
6 Indian tribal organization is deemed to be a
7 State.

8 **SEC. 407. REPORTS.**

9 (a) IN GENERAL.—The Comptroller General of the
10 United States shall submit to the Congress 2 reports
11 that—

12 (1) describe the extent to which assistance
13 plans have been implemented in accordance with this
14 title;

15 (2) evaluate the effectiveness of covered Federal
16 assistance programs included in such plans; and

17 (3) include recommendations with respect to
18 whether to continue activities under this title.

19 (b) TIMING.—The Comptroller General shall submit
20 a report under subsection (a) not later than 3 years after
21 the date of the enactment of this Act, and another such
22 report not later than 6 years after such date of enactment.

23 **SEC. 408. SUNSET.**

24 Any authority provided under this title shall expire
25 7 years after the date of the enactment of this Act.

TITLE V—MISCELLANEOUS**SEC. 501. AFDC RECIPIENTS REQUIRED TO UNDERGO NECESSARY SUBSTANCE ABUSE TREATMENT AS A CONDITION OF RECEIVING AFDC.**

(a) IN GENERAL.—Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended by inserting after paragraph (34) the following:

“(35) provide that—

“(A) as a condition of eligibility for aid under the State plan, each applicant or recipient who the State determines is addicted to alcohol or drugs must be required to agree to participate, and must maintain satisfactory participation (as determined by the State), in an appropriate addiction treatment program (if available), and must be required to agree to submit to tests for the presence of alcohol or drugs, without advance notice, during and after such participation; and

“(B) each applicant or recipient who fails to comply with any requirement imposed pursuant to subparagraph (A) shall not be eligible for such aid during the 2-year period that begins with such failure to comply, but shall be considered to be receiving such aid for purposes of eli-

1 gibility for medical assistance under the State
2 plan approved under title XIX.”.

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the amendment made by subsection (a)
6 shall take effect on the date of the enactment of this
7 Act, and shall apply to payments under part A of
8 title IV of the Social Security Act for calendar quar-
9 ters ending after such date.

10 (2) DELAY PERMITTED IF STATE LEGISLATION
11 REQUIRED.—In the case of a State plan approved
12 under section 402(a) of the Social Security Act
13 which the Secretary of Health and Human Services
14 determines requires State legislation (other than leg-
15 islation appropriating funds) in order for the plan to
16 meet the additional requirement imposed by the
17 amendment made by subsection (a) of this section,
18 the State plan shall not be regarded as failing to
19 comply with the requirements of such section 402(a)
20 solely on the basis of the failure of the plan to meet
21 such additional requirement before the end of the 2-
22 year period that begins with the date of the enact-
23 ment of this Act.

1 **SEC. 502. EVALUATION OF EDUCATION AND TRAINING PRO-**
2 **GRAMS.**

3 (a) IN GENERAL.—The Secretary of Health and
4 Human Services shall conduct research projects to exam-
5 ine the impact of education and training programs on the
6 ability of individuals to end participation in the program
7 of aid to families with dependent children under part A
8 of title IV of the Social Security Act, expenditures under
9 such program, wage rates, employment histories, and the
10 resumption of participation in such program of individuals
11 who had ended such participation. The Secretary shall col-
12 lect information with respect to any individual during a
13 period of not less than 5 years.

14 (b) SPECIAL RULE.—At least 1 research project con-
15 ducted under subsection (a) shall involve the random as-
16 signment of adult recipients of aid to families with depend-
17 ent children under part A of title IV of the Social Security
18 Act among—

19 (1) a group that is not required to participate
20 in any special activity;

21 (2) a group that is required to participate in
22 education or job training programs; and

23 (3) a group that is required to participate in a
24 job search program, or in a job search and a work
25 program.

1 **SEC. 503. JOB SEARCH REQUIRED WHILE AFDC APPLICA-**
2 **TION IS PENDING.**

3 Section 402(a) of the Social Security Act (42 U.S.C.
4 602(a)), as amended by sections 201(a)(1), 302, 303, 304,
5 305, 307, and 309(a) of this Act, is amended—

6 (1) by striking “and” at the end of paragraph
7 (51);

8 (2) by striking the period at the end of para-
9 graph (52) and inserting “; and”; and

10 (3) by inserting after paragraph (52) the fol-
11 lowing:

12 “(53) unless the State has enacted a law ex-
13 emptioning itself from the application of this para-
14 graph, provide that—

15 “(A) each applicant for aid under the
16 State plan must participate in job search activi-
17 ties while the application is pending; and

18 “(B) the State agency must reimburse the
19 applicant for necessary transportation and child
20 care expenses incurred as a result of such par-
21 ticipation.”.

22 **SEC. 504. FRAUD AND ADMINISTRATIVE EFFICIENCY.**

23 (a) **DEMONSTRATION PROJECTS.**—

24 (1) **IN GENERAL.**—The Secretary of Health and
25 Human Services may conduct demonstration
26 projects in several States to determine whether pro-

1 viding benefits based on need through the use of
2 electronic cards and automatic teller machines would
3 reduce administrative costs and fraud.

4 (2) REPORT TO THE CONGRESS.—Within 5
5 years after the date of the enactment of this Act, the
6 Secretary shall submit to the Congress a report
7 that—

8 (A) summarizes the results of the projects;

9 and

10 (B) makes recommendations with respect
11 to whether and how more States might be re-
12 quired or encouraged to use electronic funds
13 transfer in providing benefits based on need.

14 (b) COMMISSION.—

15 (1) IN GENERAL.—The Secretary of Health and
16 Human Services (in this subsection referred to as
17 the “Secretary”) shall establish a commission (in
18 this subsection referred to as the “Commission”)
19 composed of heads of executive departments, expert
20 private individuals, and State administrators, to de-
21 termine the cost and feasibility of creating an inter-
22 state system to compare the social security account
23 numbers of all recipients of aid to families with de-
24 pendent children under State plans approved under
25 part A of title IV of the Social Security Act, so as

1 to identify any such recipients who are receiving
2 such aid from 2 or more States.

3 (2) BASIC PAY.—

4 (A) RATES OF PAY.—Except as provided
5 in paragraph (2), members of the Commission
6 shall each be paid at a rate not to exceed \$200
7 for each day (including travel time) during
8 which they are engaged in the actual perform-
9 ance of duties of the Commission.

10 (B) PROHIBITION OF COMPENSATION OF
11 FEDERAL EMPLOYEES.—Each member of the
12 Commission who is a full-time officer or em-
13 ployee of the United States may not receive ad-
14 ditional pay, allowances, or benefits by reason
15 of their service on the Commission.

16 (3) TRAVEL EXPENSES.—Each member of the
17 Commission shall receive travel expenses, including
18 per diem in lieu of subsistence, in accordance with
19 sections 5702 and 5703 of title 5, United States
20 Code.

21 (4) STAFF OF FEDERAL AGENCIES.—Upon re-
22 quest of the Secretary, the head of any Federal de-
23 partment or agency may detail, on a reimbursable
24 basis, any of the personnel of that department or

1 agency to the Commission to assist it in carrying out
2 its duties under this subsection.

3 (5) OBTAINING OFFICIAL DATA.—The Commis-
4 sion may secure directly from any department or
5 agency of the United States information necessary
6 to enable it to carry out this subsection. Upon re-
7 quest of the Secretary, the head of that department
8 or agency shall furnish that information to the Com-
9 mission.

10 (6) MAILS.—The Commission may use the
11 United States mails in the same manner and under
12 the same conditions as other departments and agen-
13 cies of the United States.

14 (7) ADMINISTRATIVE SUPPORT SERVICES.—
15 Upon request of the Secretary, the Administrator of
16 General Services shall provide to the Commission, on
17 a reimbursable basis, the administrative support
18 services necessary for the Commission to carry out
19 its responsibilities under this subsection.

20 (8) REPORT.—Within 2 years after the date of
21 the enactment of this Act, the Secretary shall submit
22 to the Congress a report that contains the findings
23 of the Commission.

1 (9) TERMINATION OF COMMISSION.—The Com-
2 mission shall terminate upon submission of the re-
3 port required by paragraph (8).

4 **SEC. 505. REQUIRED IMMUNIZATIONS FOR CHILDREN.**

5 (a) AFDC BENEFITS DENIED FOR CHILDREN WHO
6 HAVE NOT RECEIVED PREVENTIVE HEALTH CARE OR
7 IMMUNIZATIONS.—

8 (1) IN GENERAL.—Section 402(a) of the Social
9 Security Act (42 U.S.C. 602(a)), as amended by sec-
10 tions 201(a)(1), 302, 303, 304, 305, 307, 309(a),
11 and 503 of this Act, is amended—

12 (A) by striking “and” at the end of para-
13 graph (52);

14 (B) by striking the period at the end of
15 paragraph (53) and inserting “; and”; and

16 (C) by inserting after paragraph (53) the
17 following:

18 “(54) provide that—

19 “(A) aid under the plan shall not be pay-
20 able with respect to any child who has not at-
21 tained the age of 6 years, unless the State
22 agency has received from 1 or more physicians
23 written verification (on a form prescribed by the
24 State)—

1 “(i) that the child has been examined
2 by a physician not less frequently than—

3 “(I) in the case of a child who
4 has not attained the age of 19
5 months, every 6 months since the
6 child was born; and

7 “(II) in the case of any other
8 child, every 6 months until the child
9 attained the age of 19 months, and
10 every year thereafter;

11 “(ii) that the child has been immu-
12 nized in accordance with recommendations
13 issued by the Surgeon General of the Pub-
14 lic Health Service; and

15 “(iii) of any contraindication which
16 exempts the child from receiving an immu-
17 nization;

18 “(B) the State will conduct appropriate
19 education and outreach activities designed to—

20 “(i) increase public awareness of the
21 importance of preventive health care and
22 immunizations for pre-school children; and

23 “(ii) inform the public about—

1 “(I) the availability of preventive
2 health care and immunization services
3 for pre-school children;

4 “(II) any transportation, child
5 care, or other support services that
6 may be available to assist parents in
7 obtaining such services for their chil-
8 dren; and

9 “(III) the clinics at which any
10 child may receive immunizations free
11 or at a reduced charge.”.

12 (2) APPLICABILITY.—The amendments made
13 by paragraph (1) shall apply to—

14 (A) payments to individuals under State
15 plan approved under part A of title IV of the
16 Social Security Act, for months beginning on or
17 after October 1, 1997; and

18 (B) payments to States under such part
19 for calendar quarters beginning on or after Oc-
20 tober 1, 1997.

21 (b) AMENDMENTS TO THE CHILD CARE AND DEVEL-
22 OPMENT BLOCK GRANT.—

23 (1) IN GENERAL.—Section 658E(2) of the
24 Child Care and Development Block Grant Act (42
25 U.S.C. 9858c(2)) is amended—

1 (A) in subparagraph (F)—

2 (i) in clause (ii) by striking “and” at
3 the end;

4 (ii) in clause (iii) by striking the pe-
5 riod at the end and inserting “; and”;

6 (iii) by inserting after subclause (III),
7 as so redesignated, the following:

8 “(iv) a requirement that such provid-
9 ers require with respect to each child who
10 receives child care services from any of
11 such providers that certificates signed by a
12 physician who verifies that such child has
13 been immunized in accordance with rec-
14 ommendations issued by the Surgeon Gen-
15 eral of the Public Health Service be sub-
16 mitted, at required intervals and in accord-
17 ance with rules issued by the Secretary, to
18 the child care provider involved.”; and

19 (iv) by striking the last sentence; and

20 (B) in subparagraph (G)—

21 (i) by inserting “(i)” before “Pro-
22 vide”; and

23 (ii) by adding at the end the follow-
24 ing:

1 “(ii) For the purpose of enforcing the re-
2 quirement described in subparagraph (F)(iv),
3 such procedures shall ensure that each of such
4 providers gives to parents of each child who re-
5 ceives child care services from the provider in-
6 volved written notice of—

7 “(I) each immunization requirement
8 applicable to such child;

9 “(II) an opportunity of not less than
10 30 days, and not more than 45 days, to
11 correct the failure to satisfy such require-
12 ment; and

13 “(III) the fact that child care services
14 for such child will be terminated for failure
15 to satisfy such requirement before the expi-
16 ration of the 45-day period beginning on
17 the date such notice is received.”.

18 (2) APPLICABILITY.—The amendments made
19 by paragraph (1) shall not apply with respect to fis-
20 cal years beginning before October 1, 1997.

21 (c) ISSUANCE OF IMMUNIZATION RECOMMENDA-
22 TIONS BY THE SURGEON GENERAL OF THE PUBLIC
23 HEALTH SERVICE.—After taking into consideration the
24 then most recent report of the Committee on Infectious
25 Diseases of the American Academy of Pediatrics, the Sur-

1 geon General of the Public Health Service shall issue, and
2 revise from time to time, recommendations for the immu-
3 nization of children under 6 years of age. With respect
4 to each recommended immunization, such recommenda-
5 tion shall include—

6 (1) contraindications (if any) that should be
7 identified to exempt a child from receiving such im-
8 munization, and

9 (2) remedial action that may be taken to mini-
10 mize the adverse effect of failure to administer such
11 immunization to a child at the recommended age.

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HR 819 IH—2

HR 819 IH—3

HR 819 IH—4

HR 819 IH—5

HR 819 IH—6