

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6307

---

IN THE SENATE OF THE UNITED STATES

JUNE 25, 2008

Received; read twice and referred to the Committee on Finance

---

## AN ACT

To amend parts B and E of title IV of the Social Security Act to assist children in foster care in developing or maintaining connections to family, community, support, health care, and school, 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 “Fostering Connections  
3 to Success Act”.

4 **SEC. 2. KINSHIP GUARDIANSHIP ASSISTANCE PAYMENTS**  
5 **FOR CHILDREN.**

6 (a) STATE PLAN OPTION.—Section 471(a) of the So-  
7 cial Security Act (42 U.S.C. 671(a)) is amended—

8 (1) by striking “and” at the end of paragraph  
9 (26);

10 (2) by striking the period at the end of para-  
11 graph (27) and inserting “; and”; and

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

13 “(28) at the option of the State, provides for  
14 the State to enter into kinship guardianship assist-  
15 ance agreements to provide kinship guardianship as-  
16 sistance payments on behalf of children to grand-  
17 parents and other relatives who have assumed legal  
18 guardianship of the children for whom they have  
19 cared as foster parents and for whom they have  
20 committed to care on a permanent basis, as provided  
21 in section 473(d).”.

22 (b) IN GENERAL.—Section 473 of such Act (42  
23 U.S.C. 673) is amended by adding at the end the fol-  
24 lowing:

25 “(d) KINSHIP GUARDIANSHIP ASSISTANCE PAY-  
26 MENTS FOR CHILDREN.—

1           “(1) KINSHIP GUARDIANSHIP ASSISTANCE  
2 AGREEMENT.—

3           “(A) IN GENERAL.—In order to receive  
4 payments under section 474(a)(6), a State  
5 shall—

6                   “(i) negotiate and enter into a writ-  
7 ten, binding kinship guardianship assist-  
8 ance agreement with the prospective rel-  
9 ative guardian of a child who meets the re-  
10 quirements of this paragraph;

11                   “(ii) provide the prospective relative  
12 guardian with a copy of the agreement;  
13 and

14                   “(iii) certify that any child on whose  
15 behalf kinship guardianship assistance pay-  
16 ments are made under the agreement shall  
17 be provided medical assistance under title  
18 XIX in accordance with section  
19 1902(a)(10)(A)(i)(I).

20           “(B) MINIMUM REQUIREMENTS.—The  
21 agreement shall specify, at a minimum—

22                   “(i) the amount of, and manner in  
23 which, each kinship guardianship assist-  
24 ance payment will be provided under the  
25 agreement;

1           “(ii) the additional services and assist-  
2           ance that the child and relative guardian  
3           will be eligible for under the agreement;

4           “(iii) the procedure by which the rel-  
5           ative guardian may apply for additional  
6           services as needed; and

7           “(iv) subject to subparagraph (D),  
8           that the State will pay the total cost of  
9           nonrecurring expenses associated with ob-  
10          taining legal guardianship of the child, to  
11          the extent the total cost does not exceed  
12          \$2,000.

13          “(C) INTERSTATE APPLICABILITY.—The  
14          agreement shall provide that the agreement  
15          shall remain in effect without regard to the  
16          State residency of the kinship guardian.

17          “(D) NO EFFECT ON FEDERAL REIM-  
18          BURSEMENT.—Nothing in subparagraph (B)(iv)  
19          shall be construed as affecting the ability of the  
20          State to obtain reimbursement from the Fed-  
21          eral Government for costs described in that  
22          subparagraph.

23          “(2) KINSHIP GUARDIANSHIP ASSISTANCE PAY-  
24          MENT.—

1           “(A) IN GENERAL.—The kinship guardian-  
2           ship assistance payment shall be equal to the  
3           amount of the foster care maintenance payment  
4           for which the child would have been eligible if  
5           the child had remained in a foster family home,  
6           or, at State option, the amount of the adoption  
7           assistance payment for which the child would  
8           have been eligible if the child had been adopted,  
9           and may be readjusted periodically based on  
10          changes in the circumstances of the relative  
11          guardians involved and the needs of the child.  
12          Notwithstanding the preceding sentence, the  
13          amount of the kinship guardianship assistance  
14          payment may not exceed the foster care mainte-  
15          nance payment which would have been paid  
16          during the period involved if the child had been  
17          in a foster family home.

18           “(B) LIMITATION.—A State may not make  
19           a kinship guardianship assistance payment to a  
20           relative guardian for any child who has attained  
21           18 years of age, or such greater age as the  
22           State may elect under section 475(8)(B)(iii).

23           “(3) CHILD’S ELIGIBILITY FOR A KINSHIP  
24           GUARDIANSHIP ASSISTANCE PAYMENT.—

1           “(A) IN GENERAL.—A child is eligible for  
2 a kinship guardianship assistance payment  
3 under this subsection if the State agency deter-  
4 mines the following:

5           “(i) The child has been—

6           “(I) removed from his or her  
7 home pursuant to a voluntary place-  
8 ment agreement or as a result of a ju-  
9 dicial determination to the effect that  
10 continuation in the home would be  
11 contrary to the welfare of the child;

12           “(II) under the care of the State  
13 agency for the 12-month period end-  
14 ing on the date of the agency deter-  
15 mination;

16           “(III) eligible for foster care  
17 maintenance payments under section  
18 472 while in the home of the prospec-  
19 tive relative guardian; and

20           “(IV) residing for at least 6  
21 months with the prospective relative  
22 guardian.

23           “(ii) Being returned home or adopted  
24 are not appropriate permanency options  
25 for the child.

1           “(iii) The child demonstrates a strong  
2 attachment to the prospective relative  
3 guardian and the relative guardian has a  
4 strong commitment to caring permanently  
5 for the child.

6           “(iv) With respect to a child who has  
7 attained 14 years of age, the child has  
8 been consulted regarding the kinship  
9 guardianship arrangement.

10           “(B) TREATMENT OF SIBLINGS.—With re-  
11 spect to a child described in subparagraph (A)  
12 whose sibling or siblings are not so described—

13           “(i) the child and any sibling of the  
14 child may be placed in the same kinship  
15 guardianship arrangement if the State  
16 agency and the relative agree on the appro-  
17 priateness of the arrangement for the sib-  
18 lings; and

19           “(ii) kinship guardianship assistance  
20 payments may be paid for the child and  
21 each sibling so placed.”.

22           (c) CONFORMING AMENDMENTS.—

23           (1) ELIGIBILITY FOR ADOPTION ASSISTANCE  
24 PAYMENTS.—Section 473(a)(2) of such Act (42

1 U.S.C. 673(a)(2)) is amended by adding at the end  
2 the following:

3 “(D) In determining the eligibility for adoption  
4 assistance payments of a child in a legal guardian-  
5 ship arrangement described in section 471(a)(28),  
6 the placement of the child with the relative guardian  
7 involved shall be considered never to have been  
8 made.”.

9 (2) STATE PLAN REQUIREMENT.—

10 (A) IN GENERAL.—Section 471(a)(20) of  
11 such Act (42 U.S.C. 671(a)(20)) is amended—

12 (i) by adding “and” at the end of sub-  
13 paragraph (C); and

14 (ii) by adding at the end the fol-  
15 lowing:

16 “(D) provides procedures for criminal  
17 records checks, including fingerprint-based  
18 checks of national crime information databases  
19 (as defined in section 534(e)(3)(A) of title 28,  
20 United States Code), on any relative guardian,  
21 and for checks described in subparagraph (C)  
22 of this paragraph on any relative guardian and  
23 any other adult living in the home of any rel-  
24 ative guardian, before the relative guardian may  
25 be finally approved for placement of a child re-

1            regardless of whether kinship guardianship assist-  
2            ance payments are to be made on behalf of the  
3            child under the State plan under this part;”.

4            (B) REDESIGNATION OF NEW PROVISION  
5            AFTER AMENDMENT MADE BY PRIOR LAW  
6            TAKES EFFECT.—

7            (i) IN GENERAL.—Section 471(a)(20)  
8            of the Social Security Act (42 U.S.C.  
9            671(a)(20)) is amended—

10            (I) in subparagraph (D), by  
11            striking “(C)” and inserting “(B)”;  
12            and

13            (II) by redesignating subpara-  
14            graph (D) as subparagraph (C).

15            (ii) EFFECTIVE DATE.—The amend-  
16            ments made by clause (i) shall take effect  
17            immediately after the amendments made  
18            by section 152 of Public Law 109–248  
19            take effect.

20            (3) PAYMENTS TO STATES.—Section 474(a) of  
21            such Act (42 U.S.C. 674(a)) is amended—

22            (A) by striking the period at the end and  
23            inserting “; plus”; and

24            (B) by adding at the end the following:

1           “(6) an amount equal to the percentage by  
2           which the expenditures referred to in paragraph (2)  
3           of this subsection are reimbursed of the total  
4           amount expended during such quarter as kinship  
5           guardianship assistance payments under section  
6           473(d) pursuant to kinship guardianship assistance  
7           agreements.”.

8           (4) DEFINITIONS.—Section 475(1) of such Act  
9           (42 U.S.C. 675(1)) is amended by adding at the end  
10          the following:

11                   “(F) In the case of a child with respect to  
12                   whom the permanency plan is placement with a  
13                   relative and receipt of kinship guardianship as-  
14                   sistance payments under section 473(d), a de-  
15                   scription of—

16                           “(i) the steps that the agency has  
17                           taken to determine that it is not appro-  
18                           priate for the child to be returned home or  
19                           adopted;

20                           “(ii) the reasons for any separation of  
21                           siblings during placement;

22                           “(iii) the reasons why a permanent  
23                           placement with a fit and willing relative  
24                           through a kinship guardianship assistance  
25                           arrangement is in the child’s best interests;

1           “(iv) the ways in which the child  
2           meets the eligibility requirements for a kin-  
3           ship guardianship assistance payment;

4           “(v) the efforts the agency has made  
5           to discuss adoption by the child’s relative  
6           foster parent as a more permanent alter-  
7           native to legal guardianship and, in the  
8           case of a relative foster parent who has  
9           chosen not to pursue adoption, documenta-  
10          tion of the reasons therefor; and

11          “(vi) the efforts made by the State  
12          agency to discuss with the child’s parent or  
13          parents the kinship guardianship assist-  
14          ance arrangement, or the reasons why the  
15          efforts were not made.”.

16          (d) CONTINUED SERVICES UNDER WAIVER.—Sec-  
17          tion 474 of such Act (42 U.S.C. 674) is amended by add-  
18          ing at the end the following:

19          “(g) For purposes of this part, after the termination  
20          of a demonstration project relating to guardianship con-  
21          ducted by a State under section 1130, the expenditures  
22          of the State for the provision, to children who, as of Sep-  
23          tember 30, 2008, were receiving assistance or services  
24          under the project, of the same assistance and services  
25          under the same terms and conditions that applied during

1 the conduct of the project, are deemed to be expenditures  
2 under the State plan approved under this part.”.

3 **SEC. 3. FAMILY CONNECTION GRANTS.**

4 Part B of title IV of the Social Security Act (42  
5 U.S.C. 620–629i) is amended by adding at the end the  
6 following:

7 **“Subpart 3—Family Connection Grants**

8 **“SEC. 441. FAMILY CONNECTION GRANTS.**

9 “(a) IN GENERAL.—The Secretary of Health and  
10 Human Services may make matching grants to State,  
11 local, or tribal child welfare agencies, and private non-  
12 profit organizations that have experience in working with  
13 foster children or children in kinship care arrangements,  
14 for the purpose of helping children who are in, or at risk  
15 of entering, foster care reconnect with family members  
16 through the implementation of—

17 “(1) kinship navigator programs designed to as-  
18 sist kinship caregivers in navigating their way  
19 through programs and services, and to help the care-  
20 givers learn about and obtain assistance to meet the  
21 needs of the children they are raising and their own  
22 needs;

23 “(2) intensive family-finding efforts that utilize  
24 search technology to find biological family members  
25 for children in the child welfare system, and once

1 identified, work to reestablish relationships and ex-  
2 plore ways to find a permanent family placement for  
3 the children; or

4 “(3) family group decision-making meetings for  
5 children in the child welfare system that engage and  
6 empower families to make decisions and develop  
7 plans that nurture children and protect them from  
8 enduring further abuse and neglect.

9 “(b) APPLICATIONS.—An entity desiring to receive a  
10 matching grant under this section shall submit to the Sec-  
11 retary an application, at such time, in such manner, and  
12 containing such information as the Secretary may require,  
13 including—

14 “(1) a description of how the grant will be used  
15 to implement 1 or more of the activities described in  
16 subsection (a);

17 “(2) a description of the types of children and  
18 families to be served, including how the children and  
19 families will be identified and recruited, and an ini-  
20 tial projection of the number of children and families  
21 to be served;

22 “(3) if the entity is a private organization—

23 “(A) documentation of support from the  
24 relevant local or State child welfare agency; or

1           “(B) a description of how the organization  
2           plans to coordinate its services and activities  
3           with those offered by the relevant local or State  
4           child welfare agency; and

5           “(4) an assurance that the entity will cooperate  
6           fully with any evaluation provided for by the Sec-  
7           retary under this section.

8           “(c) LIMITATIONS.—

9           “(1) GRANT DURATION.—The Secretary may  
10          award a grant under this section for a period of not  
11          less than 1 year and not more than 3 years.

12          “(2) NUMBER OF NEW GRANTEES PER YEAR.—  
13          The Secretary may not award a grant under this  
14          section to more than 20 new grantees each fiscal  
15          year.

16          “(d) FEDERAL CONTRIBUTION.—The amount of a  
17          grant payment to be made to a grantee under this section  
18          during each year in the grant period shall be the following  
19          percentage of the total expenditures proposed to be made  
20          by the grantee in the application approved by the Sec-  
21          retary under this section:

22                  “(1) 75 percent, if the payment is for the 1st  
23                  or 2nd year of the grant period.

24                  “(2) 50 percent, if the payment is for the 3rd  
25                  year of the grant period.

1       “(e) FORM OF GRANTEE CONTRIBUTION.—A grantee  
2 under this section may provide not more than 50 percent  
3 of the amount which the grantee is required to expend  
4 to carry out the activities for which a grant is awarded  
5 under this section in kind, fairly evaluated, including  
6 plant, equipment, or services.

7       “(f) USE OF GRANT.—A grantee under this section  
8 shall use the grant in accordance with the approved appli-  
9 cation for the grant.

10       “(g) RESERVATIONS OF FUNDS.—

11               “(1) EVALUATION.—The Secretary shall reserve  
12       3 percent of the funds made available under sub-  
13       section (h) for each fiscal year for the conduct of a  
14       rigorous evaluation of the activities funded with  
15       grants under this section.

16               “(2) TECHNICAL ASSISTANCE.—The Secretary  
17       may reserve 2 percent of the funds made available  
18       under subsection (h) for each fiscal year to provide  
19       technical assistance to recipients of grants under  
20       this section.

21       “(h) LIMITATIONS ON AUTHORIZATION OF APPRO-  
22       PRIATIONS.—To carry out this section, there are author-  
23       ized to be appropriated to the Secretary not more than  
24       \$50,000,000 for each of fiscal years 2009 through 2013.”.

1 **SEC. 4. NOTIFICATION TO RELATIVES OF FOSTER CARE**  
2 **PLACEMENTS.**

3 Section 471(a) of the Social Security Act (42 U.S.C.  
4 671(a)), as amended by section 2(a) of this Act, is amend-  
5 ed—

6 (1) by striking “and” at the end of paragraph  
7 (27);

8 (2) by striking the period at the end of para-  
9 graph (28) and inserting “; and”; and

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

11 “(29) provides that, not later than 30 days  
12 after the date the State places a child in foster care,  
13 the State agency shall attempt to locate and notify  
14 any noncustodial parents, siblings, grandparents,  
15 aunts, or uncles of the child who are adults, of the  
16 removal of the child from the custody of the child’s  
17 parent or parents and explain the options the rel-  
18 ative has to participate in the care and placement of  
19 the child, subject to exceptions due to family or do-  
20 mestic violence which shall be provided for under  
21 State law.”.

1 **SEC. 5. STATE OPTION FOR CHILDREN IN FOSTER CARE,**  
2 **AND CERTAIN CHILDREN IN AN ADOPTIVE OR**  
3 **GUARDIANSHIP PLACEMENT, AFTER ATTAIN-**  
4 **ING AGE 18.**

5 (a) DEFINITION OF CHILD.—Section 475 of the So-  
6 cial Security Act (42 U.S.C. 675) is amended by adding  
7 at the end the following:

8 “(8)(A) Subject to subparagraph (B), the term  
9 ‘child’ means an individual who has not attained 18  
10 years of age.

11 “(B) At the option of a State, the term shall  
12 include an individual—

13 “(i)(I) who is in foster care under the re-  
14 sponsibility of the State;

15 “(II) with respect to whom an adoption as-  
16 sistance agreement is in effect under section  
17 473 if the child had attained 16 years of age  
18 before the agreement became effective; or

19 “(III) with respect to whom a kinship  
20 guardianship assistance agreement is in effect  
21 under section 473(d) if the child had attained  
22 16 years of age before the agreement became  
23 effective;

24 “(ii) who has attained 18 years of age;

25 “(iii) who has not attained 19, 20, or 21  
26 years of age, as the State may elect; and

1 “(iv) who is—

2 “(I) completing secondary education  
3 or a program leading to an equivalent cre-  
4 dential;

5 “(II) enrolled in an institution which  
6 provides post-secondary or vocational edu-  
7 cation;

8 “(III) participating in a program or  
9 activity designed to promote, or remove  
10 barriers to, employment; or

11 “(IV) employed for at least 80 hours  
12 per month.”.

13 (b) CONFORMING AMENDMENT TO DEFINITION OF  
14 CHILD-CARE INSTITUTION.—Section 472(c)(2) of such  
15 Act (42 U.S.C. 672(c)(2)) is amended by inserting “, ex-  
16 cept, in the case of a child who has attained 18 years of  
17 age, the term shall include a supervised setting in which  
18 the individual is living independently, in accordance with  
19 such conditions as the Secretary shall establish in regula-  
20 tions” before the period.

21 (c) CONFORMING AMENDMENTS TO AGE LIMITS AP-  
22 PPLICABLE TO CHILDREN ELIGIBLE FOR ADOPTION AS-  
23 SISTANCE OR KINSHIP GUARDIANSHIP ASSISTANCE.—  
24 Section 473(a)(4) of such Act (42 U.S.C. 673(a)(4)) is  
25 amended to read as follows:

1       “(4)(A) Notwithstanding any other provision of this  
2 section, a payment may not be made pursuant to this sec-  
3 tion to parents or relative guardians with respect to a  
4 child—

5           “(i) who has attained—

6               “(I) 18 years of age, or such greater age  
7 as the State may elect under section  
8 475(8)(B)(iii); or

9               “(II) 21 years of age, if the State deter-  
10 mines that the child has a mental or physical  
11 handicap which warrants the continuation of  
12 assistance;

13           “(ii) who has not attained 18 years of age, if  
14 the State determines that the parents or relative  
15 guardians, as the case may be, are no longer legally  
16 responsible for the support of the child; or

17           “(iii) if the State determines that the child is  
18 no longer receiving any support from the parents or  
19 relative guardians, as the case may be.

20       “(B) Parents or relative guardians who have been re-  
21 ceiving adoption assistance payments or kinship guardian-  
22 ship assistance payments under this section shall keep the  
23 State or local agency administering the program under  
24 this section informed of circumstances which would, pur-  
25 suant to this subsection, make them ineligible for the pay-

1 ments, or eligible for the payments in a different  
2 amount.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall take effect on October 1, 2010.

5 **SEC. 6. SHORT-TERM TRAINING FOR CHILD WELFARE**  
6 **AGENCIES, PROSPECTIVE RELATIVE GUARD-**  
7 **IANs, AND COURT PERSONNEL.**

8 (a) **IN GENERAL.**—Section 474(a)(3)(B) of the So-  
9 cial Security Act (42 U.S.C. 674(a)(3)(B)) is amended—

10 (1) by inserting “or relative guardians” after  
11 “adoptive parents”;

12 (2) by striking “and the members” and insert-  
13 ing “, the members”;

14 (3) by inserting “, or State-licensed or State-  
15 approved child welfare agencies providing services,”  
16 after “providing care”;

17 (4) by inserting “, and members of the staff of  
18 abuse and neglect courts, agency attorneys, attor-  
19 neys representing children or parents, guardians ad  
20 litem, or other court-appointed special advocates rep-  
21 resenting children in proceedings of such courts”  
22 after “part,”;

23 (5) by inserting “guardians,” before “staff  
24 members,”; and

1 (6) by striking “and institutions” and inserting  
2 “institutions, attorneys, and advocates”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall take effect on October 1, 2008.

5 (c) PHASE-IN.—With respect to an expenditure de-  
6 scribed in section 474(a)(3)(B) of the Social Security Act  
7 by reason of an amendment made by subsection (a) of this  
8 section, in lieu of the percentage set forth in such section  
9 474(a)(3)(B), the percentage that shall apply is—

10 (1) 55 percent, if the expenditure is made in  
11 fiscal year 2009;

12 (2) 60 percent, if the expenditure is made in  
13 fiscal year 2010;

14 (3) 65 percent, if the expenditure is made in  
15 fiscal year 2011; or

16 (4) 70 percent, if the expenditure is made in  
17 fiscal year 2012.

18 **SEC. 7. EQUITABLE ACCESS FOR FOSTER CARE AND ADOPTI-**  
19 **ON SERVICES FOR INDIAN CHILDREN IN**  
20 **TRIBAL AREAS.**

21 (a) AUTHORITY FOR INDIAN TRIBES TO RECEIVE  
22 DIRECT FEDERAL TITLE IV-E FUNDS.—Section  
23 472(a)(2)(B) of the Social Security Act (42 U.S.C.  
24 672(a)(2)(B)) is amended—

25 (1) in clause (i), by striking “or” at the end;

1 (2) in clause (ii), by striking “and” at the end  
2 and inserting “or”; and

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

4 “(iii) an Indian tribe or a tribal orga-  
5 nization (as defined in section 479B(a)) or  
6 a tribal consortium, if the Indian tribe,  
7 tribal organization, or tribal consortium—

8 “(I) operates a program under  
9 section 479B;

10 “(II) has a cooperative agree-  
11 ment with a State under section  
12 479B(d); or

13 “(III) submits to the Secretary a  
14 description of the arrangements  
15 (jointly developed in consultation with  
16 the State) made by the Indian tribe or  
17 tribal consortium for the payment of  
18 funds and the provision of the child  
19 welfare services and protections re-  
20 quired by this title; and”.

21 (b) PROGRAMS OPERATED BY INDIAN TRIBAL ORGA-  
22 NIZATIONS.—Part E of title IV of such Act (42 U.S.C.  
23 670 et seq.) is amended by adding at the end the fol-  
24 lowing:

1 **“SEC. 479B. PROGRAMS OPERATED BY INDIAN TRIBAL OR-**  
2 **GANIZATIONS.**

3 “(a) DEFINITIONS OF INDIAN TRIBE; TRIBAL ORGA-  
4 NIZATIONS.—In this section:

5 “(1) IN GENERAL.—Except as provided in para-  
6 graph (2), the terms ‘Indian tribe’ and ‘tribal orga-  
7 nization’ have the meanings given those terms in  
8 section 4 of the Indian Self-Determination and Edu-  
9 cation Assistance Act (25 U.S.C. 450b).

10 “(2) SPECIAL RULE FOR ALASKAN TRIBES.—  
11 The term ‘Indian tribe’ means, with respect to the  
12 State of Alaska, only the Metlakatla Indian Commu-  
13 nity of the Annette Islands Reserve and the fol-  
14 lowing Alaska Native regional nonprofit corpora-  
15 tions:

16 “(A) Artice Slope Native Association.

17 “(B) Kawerak, Inc.

18 “(C) Maniilaq Association.

19 “(D) Association of Village Council Presi-  
20 dents.

21 “(E) Tanana Chiefs Conference.

22 “(F) Cook Inlet Tribal Council.

23 “(G) Bristol Bay Native Association.

24 “(H) Aleutian and Pribilof Island Associa-  
25 tion.

26 “(I) Chugachmuit.

1                   “(J) Tlingit Haida Central Council.

2                   “(K) Kodiak Area Native Association.

3                   “(L) Copper River Native Association.

4           “(b) APPLICATION.—Except as provided in sub-  
5 sections (c) and (e), this part shall apply to an Indian  
6 tribe, tribal organization, or a tribal consortium that elects  
7 to operate a program under this part in the same manner  
8 as this part applies to a State.

9           “(c) MODIFICATION OF PLAN AND OTHER REQUIRE-  
10 MENTS.—

11           “(1) IN GENERAL.—In the case of an Indian  
12 tribe, a tribal organization, or a tribal consortium  
13 submitting a plan for approval under section 471,  
14 the plan—

15                   “(A) shall—

16                           “(i) in lieu of the requirements of sec-  
17 tion 471(a)(3), identify the service area or  
18 areas and population to be served by the  
19 Indian tribe, tribal organization, or tribal  
20 consortium; and

21                           “(ii) in lieu of the requirements of  
22 section 471(a)(10), provide for the estab-  
23 lishment and application of standards for  
24 foster family homes and child care institu-  
25 tions pursuant to tribal standards and in a

1 manner that ensures the safety of, and ac-  
2 countability for, children placed in foster  
3 care; and

4 “(B) may, at the option of the Indian  
5 tribe, tribal organization, or tribal consortium,  
6 in lieu of the requirements of section  
7 471(a)(20), provide procedures for conducting  
8 background checks in accordance with the re-  
9 quirements of section 408 of the Indian Child  
10 Protection and Family Violence Prevention Act  
11 (25 U.S.C. 3207) and regulations issued there-  
12 under, and for conducting checks of child abuse  
13 and neglect registries maintained by the Fed-  
14 eral Government, by a State, and by an Indian  
15 tribe, tribal organization, or tribal consortium  
16 in a manner that ensures the safety of, and ac-  
17 countability for, children placed in foster care  
18 or who are being placed for adoption.

19 “(2) DETERMINATION OF FEDERAL SHARE;  
20 SOURCES OF NON-FEDERAL SHARE.—

21 “(A) PER CAPITA INCOME.—

22 “(i) IN GENERAL.—For purposes of  
23 determining the Federal medical assistance  
24 percentage applicable to an Indian tribe, a  
25 tribal organization, or a tribal consortium

1 under paragraphs (1) and (2) of section  
2 474(a) (and for purposes of payments  
3 made under an arrangement described in  
4 section 472(a)(2)(B)(iii)(III)), the calcula-  
5 tion of the per capita income of the Indian  
6 tribe, tribal organization, or tribal consor-  
7 tium shall be based upon the service popu-  
8 lation of the Indian tribe, tribal organiza-  
9 tion, or tribal consortium as defined in the  
10 plan of the Indian tribe, tribal organiza-  
11 tion, or tribal consortium, in accordance  
12 with paragraph (1)(A), except that in no  
13 case shall an Indian tribe, a tribal organi-  
14 zation, or a tribal consortium receive less  
15 than the Federal medical assistance per-  
16 centage for any State in which the tribe is  
17 located.

18 “(ii) CONSIDERATION OF OTHER IN-  
19 FORMATION.—Before making a calculation  
20 under clause (i), the Secretary shall con-  
21 sider any information submitted by an In-  
22 dian tribe, a tribal organization, or a tribal  
23 consortium that the Indian tribe, tribal or-  
24 ganization, or tribal consortium considers  
25 relevant to making the calculation of the

1 per capita income of the Indian tribe, trib-  
2 al organization, or tribal consortium.

3 “(B) ADMINISTRATIVE, TRAINING, AND  
4 DATA COLLECTION EXPENDITURES.—The Sec-  
5 retary shall, by regulation, determine the pro-  
6 portions to be paid to Indian tribes, tribal orga-  
7 nizations, and tribal consortiums pursuant to  
8 section 474(a)(3) for purposes of this section  
9 (and for purposes of payments made under an  
10 arrangement described in section  
11 472(a)(2)(B)(iii)(III)), except that in no case  
12 shall an Indian tribe, a tribal organization, or  
13 a tribal consortium receive a lesser proportion  
14 than the corresponding amount specified for a  
15 State in that section.

16 “(C) SOURCES OF NON-FEDERAL  
17 SHARE.—An Indian tribe, tribal organization,  
18 or tribal consortium may use Federal, State,  
19 tribal, or private funds, which may be in kind,  
20 fairly evaluated, including plant, equipment, ad-  
21 ministration, and services, to match payments  
22 for which the tribe, organization, or consortium  
23 is eligible under section 474.

24 “(3) MODIFICATION OF OTHER REQUIRE-  
25 MENTS.—On the request of an Indian tribe, tribal

1 organization, or a tribal consortium, the Secretary  
2 may modify any requirement under this part if, after  
3 consulting with the Indian tribe, tribal organization,  
4 or tribal consortium, the Secretary determines that  
5 modification of the requirement would advance the  
6 best interests and the safety of children served by  
7 the Indian tribe, tribal organization, or tribal con-  
8 sortium.

9 “(4) CONSORTIUM.—The participating Indian  
10 tribes or tribal organizations of a tribal consortium  
11 may develop and submit a single plan under section  
12 471 that meets the requirements of this section.

13 “(d) COOPERATIVE AGREEMENTS.—

14 “(1) IN GENERAL.—An Indian tribe, a tribal  
15 organization, or a tribal consortium and a State may  
16 enter into a cooperative agreement for the adminis-  
17 tration or payment of funds under this part.

18 “(2) APPLICATION AND ENFORCEMENT OF IN-  
19 CORPORATED PROVISIONS OF THIS SECTION.—If an  
20 Indian tribe, a tribal organization, or a tribal con-  
21 sortium and a State enter into a cooperative agree-  
22 ment that incorporates any of the provisions of this  
23 section, those provisions shall be valid and enforce-  
24 able.

1           “(3) PRIOR AGREEMENTS IN EFFECT.—Any co-  
2           operative agreement described in paragraph (1) that  
3           is in effect as of the date of enactment of this sec-  
4           tion, shall remain in full force and effect subject to  
5           the right of either party to the agreement to revoke  
6           or modify the agreement pursuant to the terms of  
7           the agreement.

8           “(e) JOHN H. CHAFEE FOSTER CARE INDEPEND-  
9           ENCE PROGRAM.—Except as provided in section 477(j),  
10          subsection (b) of this section shall not apply with respect  
11          to the John H. Chafee Foster Care Independence Program  
12          established under section 477 (or with respect to payments  
13          made under section 474(a)(4) or grants made under sec-  
14          tion 474(e)).”.

15          (c) APPLICATION OF FEDERAL MATCHING RATE  
16          THAT WOULD APPLY TO INDIAN TRIBES, TRIBAL ORGA-  
17          NIZATIONS, OR TRIBAL CONSORTIA TO EXPENDITURES  
18          UNDER STATE AGREEMENTS OR AN AGREEMENT WITH  
19          THE SECRETARY.—

20                 (1) FOSTER CARE MAINTENANCE AND ADOP-  
21                 TION ASSISTANCE PAYMENTS.—Paragraphs (1) and  
22                 (2) of section 474(a) of such Act (42 U.S.C. 674(a))  
23                 are each amended by inserting “(or, with respect to  
24                 such payments made during such quarter under an  
25                 agreement entered into by the State and an Indian

1       tribe, tribal organization, or tribal consortium, or  
2       under an arrangement described in section  
3       472(a)(2)(B)(iii)(III), an amount equal to the Fed-  
4       eral medical assistance percentage that would apply  
5       under subsection (c)(2)(A) of section 479B (in this  
6       paragraph referred to as the ‘tribal FMAP’) if such  
7       Indian tribe, tribal organization, or tribal consortium  
8       made such payments under a program operated  
9       under that section, unless the tribal FMAP is less  
10      than the Federal medical assistance percentage that  
11      applies to the State)” before the semicolon.

12           (2) ADMINISTRATIVE EXPENDITURES.—Section  
13      474(a)(3) of such Act (42 U.S.C. 674(a)(3)) is  
14      amended—

15           (A) in the matter preceding subparagraph  
16      (A), by striking “section 472(i)” and inserting  
17      “subparagraph (E) and section 472(i)”;

18           (B) in subparagraph (D), by striking  
19      “and” at the end;

20           (C) by redesignating subparagraph (E) as  
21      subparagraph (F); and

22           (D) by inserting after subparagraph (D)  
23      the following:

24           “(E) in the case of a State that has en-  
25      tered into an agreement with an Indian tribe,

1 tribal organization, or tribal consortium (or an  
2 Indian tribe, tribal organization, or tribal con-  
3 sortium with an arrangement described in sec-  
4 tion 472(a)(2)(B)(iii)(III)), an amount equal to  
5 the proportions that would be paid to such  
6 tribe, organization, or consortium pursuant to  
7 regulations issued under section 479B(c)(2)(B)  
8 if the tribe, organization, or consortium oper-  
9 ated a program under that section; and”.

10 (d) HOLD HARMLESS FOR INDIAN FAMILIES RE-  
11 CEIVING FOSTER CARE MAINTENANCE PAYMENTS OR  
12 ADOPTION ASSISTANCE.—Nothing in the amendments  
13 made by this Act shall be construed as authorization to  
14 terminate funding to any Indian or Indian family cur-  
15 rently receiving foster care maintenance payments or  
16 adoption assistance on behalf of a child and for which the  
17 State receives Federal matching payments under para-  
18 graph (1) or (2) of section 474(a) of the Social Security  
19 Act, regardless of whether a cooperative agreement be-  
20 tween the State and an Indian tribe, tribal organization,  
21 or tribal consortium is in effect pursuant to subsection (d)  
22 of section 479B(d) of such Act, or an Indian tribe, tribal  
23 organization, or tribal consortium elects to operate a fos-  
24 ter care and adoption assistance program directly under  
25 such section 479B.

1 (e) NONAPPLICATION OF CERTAIN ELIGIBILITY RE-  
2 QUIREMENTS FOR INDIAN CHILDREN.—Section 472(a) of  
3 such Act (42 U.S.C. 672(a)) is amended by adding at the  
4 end the following:

5 “(5) NONAPPLICATION OF CERTAIN REQUIRE-  
6 MENTS FOR INDIAN CHILDREN.—In the case of an  
7 Indian tribe, tribal organization, or tribal consortium  
8 that assumes responsibility for administering the  
9 program under this part through a cooperative  
10 agreement with the State under section 479B(d), or  
11 that elects to operate a foster care and adoption as-  
12 sistance program directly under section 479B, the  
13 following rules shall apply:

14 “(A) USE OF AFFIDAVITS, ETC.—The re-  
15 quirement in paragraph (1) shall not be inter-  
16 preted so as to prohibit the use of affidavits or  
17 nunc pro tunc orders as verification documents  
18 in support of the reasonable efforts and con-  
19 trary to the welfare of the child judicial deter-  
20 minations required under such paragraph.

21 “(B) RESIDENCY REQUIREMENT IMPOSED  
22 UNDER AFDC STATE PLAN.—Notwithstanding  
23 paragraph (3)(A), any residency requirement  
24 imposed under the State plan referred to in  
25 such paragraph shall not apply with respect to

1 a child for whom an Indian tribe, tribal organi-  
2 zation, or tribal consortium assumes responsi-  
3 bility.”.

4 (f) AUTHORITY TO RECEIVE PORTION OF STATE AL-  
5 LOTMENT AS PART OF AN AGREEMENT TO OPERATE THE  
6 JOHN H. CHAFEE FOSTER CARE INDEPENDENCE PRO-  
7 GRAM.—

8 (1) IN GENERAL.—Section 477 of such Act (42  
9 U.S.C. 677) is amended by adding at the end the  
10 following:

11 “(j) AUTHORITY FOR AN INDIAN TRIBE, TRIBAL OR-  
12 GANIZATION, OR TRIBAL CONSORTIUM TO RECEIVE AN  
13 ALLOTMENT.—

14 “(1) IN GENERAL.—An Indian tribe, tribal or-  
15 ganization, or tribal consortium with a plan ap-  
16 proved under section 479B, which is receiving fund-  
17 ing to provide foster care under this part pursuant  
18 to a cooperative agreement with a State, or that pro-  
19 vides child welfare services and protections in ac-  
20 cordance with an arrangement submitted to the Sec-  
21 retary under section 472(a)(2)(B)(iii)(III), may  
22 apply for an allotment out of any funds authorized  
23 by paragraph (1) or (2) (or both) of subsection (h)  
24 of this section.

1           “(2) APPLICATION.—An Indian tribe, tribal or-  
2           ganization, or tribal consortium desiring an allot-  
3           ment under paragraph (1) shall submit an applica-  
4           tion to the Secretary to directly receive such allot-  
5           ment that includes a plan that satisfies such require-  
6           ments of paragraphs (2) and (3) of subsection (b)  
7           as the Secretary determines are appropriate.

8           “(3) PAYMENTS.—The Secretary shall pay an  
9           Indian tribe, tribal organization, or tribal consortium  
10          with an application and plan approved under this  
11          subsection from the allotment determined for the  
12          tribe, organization, or consortium under paragraph  
13          (4) of this subsection in the same manner as is pro-  
14          vided in section 474(a)(4) (and, where requested,  
15          and if funds are appropriated, section 474(e)) with  
16          respect to a State, or in such other manner as is de-  
17          termined appropriate by the Secretary, except that  
18          in no case shall an Indian tribe, a tribal organiza-  
19          tion, or a tribal consortium receive a lesser propor-  
20          tion of such funds than a State is authorized to re-  
21          ceive under those sections.

22          “(4) ALLOTMENT.—From the amounts allotted  
23          to a State under subsection (c) of this section for a  
24          fiscal year, the Secretary shall allot to each Indian  
25          tribe, tribal organization, or tribal consortium with

1 an application and plan approved under this sub-  
2 section for that fiscal year an amount equal to the  
3 tribal foster care ratio determined under paragraph  
4 (5) of this subsection for the tribe, organization, or  
5 consortium multiplied by the allotment amount of  
6 the State within which the tribe, organization, or  
7 consortium is located. The allotment determined  
8 under this paragraph is deemed to be a part of the  
9 allotment determined under section 477(c) for the  
10 State in which the Indian tribal organization or trib-  
11 al consortium is located.

12 “(5) TRIBAL FOSTER CARE RATIO.—For pur-  
13 poses of paragraph (4), the tribal foster care ratio  
14 means, with respect to an Indian tribe, tribal organi-  
15 zation, or tribal consortium, the ratio of—

16 “(A) the number of children in foster care  
17 under the responsibility of the Indian tribe,  
18 tribal organization, or tribal consortium (either  
19 directly or under supervision of the State), in  
20 the most recent fiscal year for which the infor-  
21 mation is available; to

22 “(B) the sum of—

23 “(i) the total number of children in  
24 foster care under the responsibility of the  
25 State within which the Indian tribe, tribal

1 organization, or tribal consortium is lo-  
2 cated; and

3 “(ii) the total number of children in  
4 foster care under the responsibility of all  
5 Indian tribes, tribal organizations, or tribal  
6 consortia (either directly or under super-  
7 vision of the State).”.

8 (2) AUTHORITY TO RECEIVE PORTION OF  
9 STATE ALLOTMENT AS PART OF A COOPERATIVE  
10 AGREEMENT ENTERED INTO WITH RESPECT TO THE  
11 CHAFEE PROGRAM.—Section 477(b)(3)(G) of such  
12 Act (42 U.S.C. 677(b)(3)(G)) is amended—

13 (A) by striking “and that” and inserting  
14 “that”; and

15 (B) by striking the period and inserting “;  
16 and that each Indian tribe, tribal organization,  
17 or tribal consortium in the State that does not  
18 receive an allotment under subsection (j)(4) for  
19 a fiscal year may enter into a cooperative agree-  
20 ment or contract with the State to administer,  
21 supervise, or oversee the programs to be carried  
22 out under the plan with respect to the Indian  
23 children who are eligible for such programs and  
24 who are under the authority of the Indian tribe  
25 and to receive from the State an appropriate

1           portion of the State allotment under subsection  
2           (c) for the cost of such administration, super-  
3           vision, or oversight.”.

4           (g) RULE OF CONSTRUCTION.—Nothing in the  
5 amendments made by this Act shall be construed as affect-  
6 ing the responsibility of a State—

7           (1) as part of the plan approved under section  
8           471 of the Social Security Act (42 U.S.C. 671), to  
9           provide foster care maintenance payments and adop-  
10          tion assistance for Indian children who are eligible  
11          for such payments or assistance and who are not  
12          otherwise being served by an Indian tribe, tribal or-  
13          ganization, or tribal consortium pursuant to a foster  
14          care and adoption assistance program operated  
15          under section 479B of such Act; or

16          (2) as part of the plan approved under section  
17          477 of such Act (42 U.S.C. 677) to administer, su-  
18          pervise, or oversee programs carried out under that  
19          plan on behalf of Indian children who are eligible for  
20          such programs if such children are not otherwise  
21          being served by an Indian tribe, tribal organization,  
22          or tribal consortium pursuant to an approved plan  
23          under section 477(j) or a cooperative agreement or  
24          contract entered into under section 477(b)(3)(G) of  
25          such Act.

1 (h) REGULATIONS.—Not later than 1 year after the  
2 date of enactment of this section, the Secretary, in con-  
3 sultation with Indian tribes, tribal organizations, tribal  
4 consortia, and affected States, shall promulgate regula-  
5 tions to carry out the amendments made by this section.

6 (i) EFFECTIVE DATE.—The amendments made by  
7 this section shall take effect on October 1, 2010.

8 **SEC. 8. HEALTH OVERSIGHT AND COORDINATION PLAN.**

9 Section 422(b)(15) of the Social Security Act (42  
10 U.S.C. 622(b)(15)) is amended to read as follows:

11 “(15)(A) provides that the State will develop, in  
12 coordination and collaboration with the State agency  
13 referred to in paragraph (1) and the State agency  
14 responsible for administering the State plan ap-  
15 proved under title XIX, and in consultation with pe-  
16 diatricians, other experts in health care, and experts  
17 in and recipients of child welfare services, a plan for  
18 the ongoing oversight and coordination of health  
19 care services for any child in a foster care place-  
20 ment, which shall ensure a coordinated strategy to  
21 identify and respond to the health care needs of chil-  
22 dren in foster care placements, including mental  
23 health and dental health needs, and shall include an  
24 outline of—

1           “(i) a schedule for initial and follow-up  
2 health screenings that meet reasonable stand-  
3 ards of medical practice;

4           “(ii) how health needs identified through  
5 screenings will be monitored and treated;

6           “(iii) how medical information for children  
7 in care will be updated and appropriately  
8 shared, which may include the development and  
9 implementation of an electronic health record;

10          “(iv) steps to ensure continuity of health  
11 care services, which may include the establish-  
12 ment of a medical home for every child in care;

13          “(v) the oversight of prescription medi-  
14 cines; and

15          “(vi) how the State actively consults with  
16 and involves physicians or other appropriate  
17 medical professionals in assessing the health  
18 and well-being of children in foster care and in  
19 determining appropriate medical treatment for  
20 the children; and

21          “(B) subparagraph (A) shall not be construed  
22 to reduce or limit the responsibility of the State  
23 agency responsible for administering the State plan  
24 approved under title XIX to administer and provide  
25 care and services for children with respect to whom

1 services are provided under the State plan developed  
2 pursuant to this subpart;”.

3 **SEC. 9. EDUCATIONAL STABILITY.**

4 (a) IN GENERAL.—Section 475 of the Social Security  
5 Act (42 U.S.C. 675), as amended by section 2(e)(4) of  
6 this Act, is amended—

7 (1) in paragraph (1)—

8 (A) in subparagraph (C), by striking  
9 clause (iv) and redesignating clauses (v)  
10 through (viii) as clauses (iv) through (vii), re-  
11 spectively; and

12 (B) by adding at the end the following:

13 “(G) A plan for ensuring the educational  
14 stability of the child while in foster care, includ-  
15 ing—

16 “(i) assurances that the placement of  
17 the child in foster care takes into account  
18 the appropriateness of the current edu-  
19 cational setting and the proximity to the  
20 school in which the child is enrolled at the  
21 time of placement; and

22 “(ii)(I) an assurance that the State  
23 agency has coordinated with appropriate  
24 local educational agencies (as defined  
25 under section 9101 of the Elementary and

1 Secondary Education Act of 1965) to en-  
2 sure that the child remains in the school in  
3 which the child is enrolled at the time of  
4 placement; or

5 “(II) if remaining in such school is  
6 not in the best interests of the child, assur-  
7 ances by the State agency and the local  
8 educational agencies to provide immediate  
9 and appropriate enrollment in a new  
10 school, with all of the educational records  
11 of the child provided to the school.”; and

12 (2) in the 1st sentence of paragraph (4)(A)—

13 (A) by striking “and reasonable” and in-  
14 serting “reasonable”; and

15 (B) by inserting “, and reasonable travel  
16 for the child to remain in the school in which  
17 the child is enrolled at the time of placement”  
18 before the period.

19 (b) EDUCATIONAL ATTENDANCE REQUIREMENT.—

20 Section 471(a) of the Social Security Act (42 U.S.C.  
21 671(a)), as amended by sections 2(a) and 4 of this Act,  
22 is amended—

23 (1) by striking “and” at the end of paragraph  
24 (28);

1           (2) by striking the period at the end of para-  
2 graph (29) and inserting “; and”; and

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

4           “(30) provides assurances that each child who  
5 has attained the minimum age for compulsory school  
6 attendance under State law and with respect to  
7 whom there is eligibility for a payment under the  
8 State plan is a full-time elementary or secondary  
9 school student or has completed secondary school,  
10 and for purposes of this paragraph, the term ‘ele-  
11 mentary or secondary school student’ means, with  
12 respect to a child, that the child is—

13                 “(A) enrolled (or in the process of enroll-  
14 ing) in an institution which provides elementary  
15 or secondary education, as determined under  
16 the law of the State or other jurisdiction in  
17 which the institution is located;

18                 “(B) instructed in elementary or secondary  
19 education at home in accordance with a home  
20 school law of the State or other jurisdiction in  
21 which the home is located;

22                 “(C) in an independent study elementary  
23 or secondary education program in accordance  
24 with the law of the State or other jurisdiction  
25 in which the program is located, which is ad-

1 ministered by the local school or school district;  
2 or

3 “(D) incapable of attending school on a  
4 full-time basis due to the medical condition of  
5 the child, which incapability is supported by  
6 regularly updated information included in the  
7 case plan of the child.”.

8 **SEC. 10. SIBLING PLACEMENT.**

9 Section 471(a) of the Social Security Act (42 U.S.C.  
10 671(a)), as amended by sections 2(a), 4, and 9(b) of this  
11 Act, is amended—

12 (1) by striking “and” at the end of paragraph  
13 (29);

14 (2) by striking the period at the end of para-  
15 graph (30) and inserting “; and”; and

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

17 “(31) provides that reasonable efforts shall be  
18 made to place siblings removed from their home in  
19 the same foster care, kinship guardianship, or adop-  
20 tive placement unless the State documents that such  
21 a joint placement would be contrary to the safety or  
22 well-being of any of the siblings.”.

23 **SEC. 11. ADOPTION INCENTIVES PROGRAM.**

24 (a) 5-YEAR EXTENSION.—Section 473A of the Social  
25 Security Act (42 U.S.C. 673b) is amended—

1           (1) in subsection (b)(4), by striking “in the  
2 case of fiscal years 2001 through 2007,”;

3           (2) in subsection (b)(5), by striking “1998  
4 through 2007” and inserting “2008 through 2012”;

5           (3) in subsection (c)(2), by striking “each of  
6 fiscal years 2002 through 2007” and inserting “a  
7 fiscal year”; and

8           (4) in each of subsections (h)(1)(D), and (h)(2),  
9 by striking “2008” and inserting “2013”.

10       (b) UPDATING OF FISCAL YEAR USED IN DETER-  
11 MINING BASE NUMBERS OF ADOPTIONS.—Section  
12 473A(g) of such Act (42 U.S.C. 673b(g)) is amended—

13           (1) in paragraph (3), by striking “means” and  
14 all that follows and inserting “means, with respect  
15 to any fiscal year, the number of foster child adop-  
16 tions in the State in fiscal year 2007.”;

17           (2) in paragraph (4)—

18               (A) by inserting “that are not older child  
19 adoptions” before “for a State”; and

20               (B) by striking “means” and all that fol-  
21 lows and inserting “means, with respect to any  
22 fiscal year, the number of special needs adop-  
23 tions that are not older child adoptions in the  
24 State in fiscal year 2007.”; and

1           (3) in paragraph (5), by striking “means” and  
2           all that follows and inserting “means, with respect  
3           to any fiscal year, the number of older child adop-  
4           tions in the State in fiscal year 2007.”.

5           (c) INCREASE IN INCENTIVE PAYMENTS FOR SPE-  
6           CIAL NEEDS ADOPTIONS AND OLDER CHILD ADOP-  
7           TIONS.—Section 473A(d)(1) of such Act (42 U.S.C.  
8           673b(d)(1)) is amended—

9           (1) in subparagraph (B), by striking “\$2,000”  
10           and inserting “\$4,000”; and

11           (2) in subparagraph (C), by striking “\$4,000”  
12           and inserting “\$8,000”.

13           (d) 24-MONTH AVAILABILITY OF PAYMENTS TO  
14           STATES.—Section 473A(e) of such Act (42 U.S.C.  
15           673b(e)) is amended—

16           (1) in the heading, by striking “2-year” and in-  
17           serting “24-month”; and

18           (2) by striking “through the end of the suc-  
19           ceeding fiscal year” and inserting “for the 24-month  
20           period beginning with the month in which the pay-  
21           ments are made”.

22           **SEC. 12. INFORMATION ON ADOPTION TAX CREDIT.**

23           Section 471(a) of the Social Security Act (42 U.S.C.  
24           671(a)), as amended by sections 2(a), 4, 9(b), and 10 of  
25           this Act, is amended—

1 (1) by striking “and” at the end of paragraph  
2 (30);

3 (2) by striking the period at the end of para-  
4 graph (31) and inserting “; and”; and

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

6 “(32) provides that the State will inform any  
7 individual who is adopting, or whom the State is  
8 made aware is considering adopting, a child who is  
9 in foster care under the responsibility of the State  
10 of the potential eligibility of the individual for a  
11 Federal tax credit under section 23 of the Internal  
12 Revenue Code.”.

13 **SEC. 13. MODIFICATION OF FOSTER CARE MATCHING RATE**  
14 **FOR THE DISTRICT OF COLUMBIA TO CON-**  
15 **FORM WITH MEDICAID MATCHING RATE.**

16 Section 474(a) of the Social Security Act (42 U.S.C.  
17 674(a)) is amended in each of paragraphs (1) and (2) by  
18 striking “(as defined in section 1905(b) of this Act)” and  
19 inserting “(which shall be as defined in section 1905(b),  
20 in the case of a State other than the District of Columbia,  
21 or 70 percent, in the case of the District of Columbia)”.

22 **SEC. 14. COLLECTION OF UNEMPLOYMENT COMPENSATION**  
23 **DEBTS RESULTING FROM FRAUD.**

24 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
25 enue Code (relating to authority to make credits or re-

1 funds) is amended by redesignating subsections (f)  
2 through (k) as subsections (g) through (l), respectively,  
3 and by inserting after subsection (e) the following new  
4 subsection:

5       “(f) COLLECTION OF UNEMPLOYMENT COMPENSA-  
6 TION DEBTS RESULTING FROM FRAUD.—

7           “(1) IN GENERAL.—Upon receiving notice from  
8 any State that a named person owes a covered un-  
9 employment compensation debt to such State, the  
10 Secretary shall, under such conditions as may be  
11 prescribed by the Secretary—

12           “(A) reduce the amount of any overpay-  
13 ment payable to such person by the amount of  
14 such covered unemployment compensation debt;

15           “(B) pay the amount by which such over-  
16 payment is reduced under subparagraph (A) to  
17 such State and notify such State of such per-  
18 son’s name, taxpayer identification number, ad-  
19 dress, and the amount collected; and

20           “(C) notify the person making such over-  
21 payment that the overpayment has been re-  
22 duced by an amount necessary to satisfy a cov-  
23 ered unemployment compensation debt.

24       If an offset is made pursuant to a joint return, the  
25 notice under subparagraph (B) shall include the

1 names, taxpayer identification numbers, and ad-  
2 dresses of each person filing such return and the no-  
3 tice under subparagraph (C) shall include informa-  
4 tion related to the rights of a spouse of a person  
5 subject to such an offset.

6 “(2) PRIORITIES FOR OFFSET.—Any overpay-  
7 ment by a person shall be reduced pursuant to this  
8 subsection—

9 “(A) after such overpayment is reduced  
10 pursuant to—

11 “(i) subsection (a) with respect to any  
12 liability for any internal revenue tax on the  
13 part of the person who made the overpay-  
14 ment;

15 “(ii) subsection (c) with respect to  
16 past-due support; and

17 “(iii) subsection (d) with respect to  
18 any past-due, legally enforceable debt owed  
19 to a Federal agency; and

20 “(B) before such overpayment is credited  
21 to the future liability for any Federal internal  
22 revenue tax of such person pursuant to sub-  
23 section (b).

24 If the Secretary receives notice from a State or  
25 States of more than one debt subject to paragraph

1 (1) or subsection (e) that is owed by a person to  
2 such State or States, any overpayment by such per-  
3 son shall be applied against such debts in the order  
4 in which such debts accrued.

5 “(3) NOTICE; CONSIDERATION OF EVIDENCE.—

6 No State may take action under this subsection until  
7 such State—

8 “(A) notifies the person owing the covered  
9 unemployment compensation debt that the  
10 State proposes to take action pursuant to this  
11 section;

12 “(B) provides such person at least 60 days  
13 to present evidence that all or part of such li-  
14 ability is not legally enforceable or due to fraud;

15 “(C) considers any evidence presented by  
16 such person and determines that an amount of  
17 such debt is legally enforceable and due to  
18 fraud; and

19 “(D) satisfies such other conditions as the  
20 Secretary may prescribe to ensure that the de-  
21 termination made under subparagraph (C) is  
22 valid and that the State has made reasonable  
23 efforts to obtain payment of such covered un-  
24 employment compensation debt.

1           “(4) COVERED UNEMPLOYMENT COMPENSATION  
2 DEBT.—For purposes of this subsection, the term  
3 ‘covered unemployment compensation debt’ means—

4           “(A) a past-due debt for erroneous pay-  
5 ment of unemployment compensation due to  
6 fraud which has become final under the law of  
7 a State certified by the Secretary of Labor pur-  
8 suant to section 3304 and which remains uncol-  
9 lected;

10           “(B) contributions due to the unemploy-  
11 ment fund of a State for which the State has  
12 determined the person to be liable due to fraud;  
13 and

14           “(C) any penalties and interest assessed on  
15 such debt.

16           “(5) REGULATIONS.—

17           “(A) IN GENERAL.—The Secretary may  
18 issue regulations prescribing the time and man-  
19 ner in which States must submit notices of cov-  
20 ered unemployment compensation debt and the  
21 necessary information that must be contained  
22 in or accompany such notices. The regulations  
23 may specify the minimum amount of debt to  
24 which the reduction procedure established by  
25 paragraph (1) may be applied.

1           “(B) FEE PAYABLE TO SECRETARY.—The  
2 regulations may require States to pay a fee to  
3 the Secretary, which may be deducted from  
4 amounts collected, to reimburse the Secretary  
5 for the cost of applying such procedure. Any fee  
6 paid to the Secretary pursuant to the preceding  
7 sentence shall be used to reimburse appropria-  
8 tions which bore all or part of the cost of apply-  
9 ing such procedure.

10           “(C) SUBMISSION OF NOTICES THROUGH  
11 SECRETARY OF LABOR.—The regulations may  
12 include a requirement that States submit no-  
13 tices of covered unemployment compensation  
14 debt to the Secretary via the Secretary of Labor  
15 in accordance with procedures established by  
16 the Secretary of Labor. Such procedures may  
17 require States to pay a fee to the Secretary of  
18 Labor to reimburse the Secretary of Labor for  
19 the costs of applying this subsection. Any such  
20 fee shall be established in consultation with the  
21 Secretary of the Treasury. Any fee paid to the  
22 Secretary of Labor may be deducted from  
23 amounts collected and shall be used to reim-  
24 burse the appropriation account which bore all  
25 or part of the cost of applying this subsection.

1           “(6) ERRONEOUS PAYMENT TO STATE.—Any  
2           State receiving notice from the Secretary that an er-  
3           roneous payment has been made to such State under  
4           paragraph (1) shall pay promptly to the Secretary,  
5           in accordance with such regulations as the Secretary  
6           may prescribe, an amount equal to the amount of  
7           such erroneous payment (without regard to whether  
8           any other amounts payable to such State under such  
9           paragraph have been paid to such State).”.

10          (b) DISCLOSURE OF CERTAIN INFORMATION TO  
11 STATES REQUESTING REFUND OFFSETS FOR LEGALLY  
12 ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION  
13 DEBT RESULTING FROM FRAUD.—

14           (1) GENERAL RULE.—Paragraph (3) of section  
15           6103(a) of such Code is amended by inserting  
16           “(10),” after “(6),”.

17           (2) DISCLOSURE TO DEPARTMENT OF LABOR  
18           AND ITS AGENT.—Paragraph (10) of section 6103(l)  
19           of such Code is amended—

20                   (A) by striking “(c), (d), or (e)” each place  
21                   it appears in the heading and text and inserting  
22                   “(c), (d), (e), or (f),”

23                   (B) in subparagraph (A) by inserting “, to  
24                   officers and employees of the Department of  
25                   Labor and its agent for purposes of facilitating

1 the exchange of data in connection with a re-  
2 quest made under subsection (f)(5) of section  
3 6402,” after “section 6402”, and

4 (C) in subparagraph (B) by inserting “,  
5 and any agents of the Department of Labor,”  
6 after “agency” the first place it appears.

7 (3) SAFEGUARDS.—Paragraph (4) of section  
8 6103(p) of such Code is amended—

9 (A) in the matter preceding subparagraph  
10 (A), by striking “(l)(16),” and inserting  
11 “(l)(10), (16),”;

12 (B) in subparagraph (F)(i), by striking  
13 “(l)(16),” and inserting “(l)(10), (16),”;

14 (C) in the matter following subparagraph  
15 (F)(iii)—

16 (i) in each of the first two places it  
17 appears, by striking “(l)(16),” and insert-  
18 ing “(l)(10), (16),”;

19 (ii) by inserting “(10),” after “para-  
20 graph (6)(A),”;

21 (iii) in each of the last two places it  
22 appears, by striking “(l)(16)” and insert-  
23 ing “(l)(10) or (16)”.

24 (c) EXPENDITURES FROM STATE FUND.—Section  
25 3304(a)(4) of such Code is amended—

1           (1) in subparagraph (E), by striking “and”  
2 after the semicolon;

3           (2) in subparagraph (F), by inserting “and”  
4 after the semicolon; and

5           (3) by adding at the end the following new sub-  
6 paragraph:

7                   “(G) with respect to amounts of covered  
8 unemployment compensation debt (as defined in  
9 section 6402(f)(4)) collected under section  
10 6402(f)—

11                           “(i) amounts may be deducted to pay  
12 any fees authorized under such section;  
13 and

14                           “(ii) the penalties and interest de-  
15 scribed in section 6402(f)(4)(B) may be  
16 transferred to the appropriate State fund  
17 into which the State would have deposited  
18 such amounts had the person owing the  
19 debt paid such amounts directly to the  
20 State;”.

21           (d) CONFORMING AMENDMENTS.—

22                   (1) Subsection (a) of section 6402 of such Code  
23 is amended by striking “(c), (d), and (e),” and in-  
24 serting “(c), (d), (e), and (f)”.

1           (2) Paragraph (2) of section 6402(d) of such  
2 Code is amended by striking “and before such over-  
3 payment is reduced pursuant to subsection (e)” and  
4 inserting “and before such overpayment is reduced  
5 pursuant to subsections (e) and (f)”.

6           (3) Paragraph (3) of section 6402(e) of such  
7 Code is amended in the last sentence by inserting  
8 “or subsection (f)” after “paragraph (1)”.

9           (4) Subsection (g) of section 6402 of such  
10 Code, as redesignated by subsection (a), is amended  
11 by striking “(c), (d), or (e)” and inserting “(c), (d),  
12 (e), or (f)”.

13           (5) Subsection (i) of section 6402 of such Code,  
14 as redesignated by subsection (a), is amended by  
15 striking “subsection (c) or (e)” and inserting “sub-  
16 section (c), (e), or (f)”.

17           (e) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to refunds payable under section  
19 6402 of the Internal Revenue Code of 1986 on or after  
20 the date of enactment of this Act.

21 **SEC. 15. INVESTMENT OF OPERATING CASH.**

22           Section 323 of title 31, United States Code, is  
23 amended to read as follows:

1 **“§ 323. Investment of operating cash**

2 “(a) To manage United States cash, the Secretary  
3 of the Treasury may invest any part of the operating cash  
4 of the Treasury for not more than 90 days. The Secretary  
5 may invest the operating cash of the Treasury in—

6 “(1) obligations of depositories maintaining  
7 Treasury tax and loan accounts secured by pledged  
8 collateral acceptable to the Secretary;

9 “(2) obligations of the United States Govern-  
10 ment; and

11 “(3) repurchase agreements with parties accept-  
12 able to the Secretary.

13 “(b) Subsection (a) of this section does not require  
14 the Secretary to invest a cash balance held in a particular  
15 account.

16 “(c) The Secretary shall consider the prevailing mar-  
17 ket in prescribing rates of interest for investments under  
18 subsection (a)(1) of this section.

19 “(d)(1) The Secretary of the Treasury shall submit  
20 each fiscal year to the appropriate committees a report  
21 detailing the investment of operating cash under sub-  
22 section (a) for the preceding fiscal year. The report shall  
23 describe the Secretary’s consideration of risks associated  
24 with investments and the actions taken to manage such  
25 risks.

1           “(2) For purposes of paragraph (1), the term ‘appro-  
2 priate committees’ means the Committee on Ways and  
3 Means of the House of Representatives and the Committee  
4 on Finance of the Senate.”.

5 **SEC. 16. EFFECTIVE DATE.**

6           (a) **IN GENERAL.**—Except as otherwise provided in  
7 this Act, each amendment made by this Act to part B or  
8 E of title IV of the Social Security Act shall take effect  
9 on the date of the enactment of this Act, and shall apply  
10 to payments under the part amended for quarters begin-  
11 ning on or after the effective date of the amendment.

12           (b) **DELAY PERMITTED IF STATE LEGISLATION RE-**  
13 **QUIRED.**—In the case of a State plan approved under part  
14 B or E of title IV of the Social Security Act which the  
15 Secretary of Health and Human Services determines re-  
16 quires State legislation (other than legislation appro-  
17 priating funds) in order for the plan to meet the additional  
18 requirements imposed by this Act, the State plan shall not  
19 be regarded as failing to comply with the requirements of  
20 such part solely on the basis of the failure of the plan  
21 to meet such additional requirements before the 1st day  
22 of the 1st calendar quarter beginning after the close of  
23 the 1st regular session of the State legislature that ends  
24 after the 1-year period beginning with the date of the en-  
25 actment of this Act. For purposes of the preceding sen-

1 tence, in the case of a State that has a 2-year legislative  
2 session, each year of the session is deemed to be a separate  
3 regular session of the State legislature.

4 **SEC. 17. NO FEDERAL FUNDING TO UNLAWFULLY PRESENT**  
5 **INDIVIDUALS.**

6 Nothing in this Act shall be construed to alter prohi-  
7 bitions on Federal payments to individuals who are unlaw-  
8 fully present in the United States.

Passed the House of Representatives June 24, 2008.

Attest: LORRAINE C. MILLER,  
*Clerk.*