

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	handwritten, POTUS to Sue [Badeau] (1 page)	05/13/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Domestic Policy Council (Nicole Rabner)
OA/Box Number: 15409

FOLDER TITLE:

Foster Care Independence Act of 1999-Legislation [1]

2012-1035-S

kc982

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

United States Senate

WASHINGTON, DC 20510-4802

Nicole Rabner
Office of the First Lady
Old Executive Office Building, Room 100
Washington, DC 20500

Dear Nicole,

I have enclosed the newly-introduced Senate Version of the Foster Care Independence Act of 1999 (S 1327) along with our one-page "quickie" fact sheet and a second fact sheet that is a little more detailed. The bill was introduced on July 1st by Senator Chafee and co-sponsored by Senators Rockefeller, Bond, Jeffords, Reed, Moynihan, Landrieu, Breaux and Kerrey. Let's stay in touch as this bill moves along.

On a personal note, I received a letter from the President in response to the article about our family in the Smith magazine. In his letter (copy enclosed) he said that he would like to see the book our son Aaron wrote about his day at the White House, so I am enclosing that and hoping that you can direct it through the proper channels to him. I have attached a brief letter to him to accompany the book.

We hope you will have a wonderful 4th of July holiday. We are hosting a barbeque for 49 refugees from Kosovo, including the family of 8 that is living with us. It is truly a meaningful day for them, America has given them some freedom and independence. It has been quite an adventure and a joy to get to know them and to hear first hand all that they have been through - everything you hear on the news and then some!

I enjoyed meeting your intern, Joy, and I am sure that she will be an asset to your office. I have enclosed an extra copy of the bill and fact sheet for her as well. Please pass my greetings along to her.

Thank you, Nicole, we'll talk soon, I'm sure.

Sincerely,



Sue Badeau
Fellow



Enclosures

Susan H. Badeau
Fellow

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FOSTER CARE INDEPENDENCE ACT OF 1999

Fact Sheet

Federal Independent Living Programs (ILP) are designed to assist some of our Nation's most vulnerable children as they make the transition from foster children to independent adults. Under current law, teens are "out of the system" and completely on their own immediately when they turn 18. Many teens need help to make a successful transition to self-sufficiency, especially teens who have spent years in foster care. Programs must be designed to be consistent with the Adoption and Safe Families Act of 1997, namely that safety and health and permanency of the child are paramount. Studies of adolescents who leave foster care have found that these children have a significantly higher than normal rate of school drop out, out-of-wedlock childbearing, homelessness, health and mental health problems, poverty, and unemployment.

The Foster Care Independence Act of 1999 is designed to help teens aging out of foster care make a more successful transition to adulthood. It addresses safety by allowing for ILP funds to be used to ensure that the basic needs of housing and food can be provided to these youth. It addresses health by ensuring that teens who are aging out of or adopted out of foster care to continue to receive crucial health, and mental health, care benefits to the age of 21. It addresses permanence by removing barriers to adoption for older teens.

Key provisions of the Act include:

STRONG MEDICAID COVERAGE: Requires states that receiving new ILP monies continue to provide health care, including coverage for mental health needs to foster, or adopted (whose adoptive placements began on or after their 16th birthdays), children up to their 21st birthday.

FUNDING FOR INDEPENDENT LIVING SERVICES: Doubles the funding — up to \$140 million — for Independent Living services to enable states to cover teens from 18 to 21, with support services and housing assistance, with language to promote continuing education and/or job training. The bill also insures that ILP are supervised and includes a broad array of services based on young people's developmental and self-sufficiency needs.

AVOIDS DISINCENTIVES FOR ADOPTION OF TEENS: Consistent with the priorities established in the Adoption and Safe Families Act, this bill promotes permanence by allowing teens adopted after 16 to retain eligibility for Independent Living programs, including vital access to health coverage from ages 18 - 21. This clarifies that Independent Living programs are not a substitute for permanency for foster care teens, rather support services to ease the transition for teens who have faced challenges. This provisions allows Independent Living Program services to be concurrent with continued reasonable efforts to locate and achieve placement in adoptive families or other planned permanent settings as required under ASFA.

QUALITY DATA, EVALUATION AND OUTCOME MEASURES: Insures that quality data is collected and evaluated, to enhance programs are effective, and seeks to coordinate with the data collection efforts required under the Adoption and Safe Families Act.

UPDATED FUNDING FORMULA: Funding formula provides that *every* state can qualify for new Independent Living incentives to serve teens aging out of foster care from 18 to 21.

**The Social Security Act
Title IV - Part E**

Independent Living Initiative, Section 477

Present Law

Current law provides for payment to states to establish and carry out programs designed to assist children who have attained the age of 16 in making the transition from foster care to independent living. Funding is based upon the average number of children receiving Title IV-E foster care maintenance payments in FY-1984. While certain types of activities for these programs are suggested, including training in daily living skills, vocational training, counseling, and others, *funds under this section may not be used to provide room and board.*

Thus, under current law, *a child's eligibility for financial support for their day-to-day living needs ends upon reaching their 18th birthday (or up to age 19 if still in high school). In most cases, therefore, a child's access to health care (through Medicaid) also ends upon reaching their 18th birthday.*

Proposed changes:

An "Improved Independent Living" bill can better meet the needs of teenaged foster children if it includes the following changes:

- **Provide clarification that Independent Living programs do not offer an alternative to permanency planning for older foster care children**, and that children may receive Independent Living Program services concurrently with continued reasonable efforts to locate and achieve placement in adoptive families or other planned permanent settings as required under ASFA.
- **Allow states to use Independent Living funds to provide for the basic living needs (room and board - supervised -) for the children served**, allowing flexibility so that these maintenance payments (beyond age 18) may be made to foster parents, adoptive parents, or to other appropriate agencies. IL funding is being doubled to make this possible.
- **Require states that want to receive IL monies to continue to provide health care, including coverage for mental health needs, through Medicaid**, to foster, *or adopted (whose adoptive placements began on or after their 16th birthdays)*, children up to their 21st birthday.
- **Insure that State IL programs are well-supervised and include a broad array of services which focus on the health, safety and permanency goals of these children** Allow (at State option) Independent Living Programs to serve foster care children *and children adopted after age 16 who have special needs and are receiving adoption subsidy* up to their 21st birthday.

- **Insure data collection is thorough, funding is provided for evaluation and outcome measures are established** so that programs that work can be recognized and replicated while programs that do not work can be effectively improved. Also insure that data collection plans are coordinated with the data collection efforts required under the Adoption and Safe Families Act of 1997.

- Assure that the State consults widely with public and private individuals and organizations, including the youths effected by the IL programs, in the development of the State ILP State Plan. Assure that such a plan utilizes a youth development approach to services and coordinates with other independent living services for adolescents provided in the state.

- Revise and update the funding formula so that it is not based on the archaic 1984 standards, and insure that such revisions are implemented in a way that includes a broad and fair distribution of IL funds to all states.

Reason for Change:

Federal independent living programs are designed to assist some of our Nation's most vulnerable children as they make the transition from foster children to independent adults. These programs must be designed and implemented in a way that is consistent with the Adoption and Safe Families Act of 1997, namely that safety, health and permanency are the paramount goals and considerations.

Numerous studies and observations of adolescents who leave foster care have found that these children have a significantly higher than normal rate of school drop out, out-of-wedlock childbearing, homelessness, health and mental health problems, poverty, unemployment and as victims of crime and physical assaults. A more comprehensive program with a long transition period would promote the importance of safety, health and permanency for these children.

The proposed changes should do just that. They address safety by allowing for IL funds to be used to ensure that the basic needs of housing and food can be provided to these youth. They address health by allowing adolescents who are aging out of or adopted out of foster care to continue to receive crucial health, and mental health, care benefits to the age of 21. They address permanency by removing a significant barrier to the adoption of these children and ensuring that the families who do adopt them will have access to appropriate resources through to the age of 21.

At the same time, providing State options the proposed changes remain responsive to the variety of needs faced by and resources available within individual state child welfare populations.

Summary of Senate Version of the "Foster Care Independence Act of 1999"

Section 1. Title and Table of Contents

Title I - IMPROVED INDEPENDENT LIVING PROGRAM

SubTitle A - Improved Independent Living Program

Section 101 (a) Findings

Adolescents leaving foster care (20,000 per year) are in trouble and, therefore, they need an extensive program of supports and services through age 21. Such services can be provided through an Independent Living Program (ILP). Adolescents in foster care can receive ILP services *concurrent* with continued efforts at permanency planning, including adoption.

Section 101 (b) Amendments to Section 477 of the Social Security Act

- **(a) Purpose** - to provide States with flexible funding that will enable them to:
 - (1) Identify children who are likely to remain in foster care during their teenage years and to help them make the transition to self-sufficiency;
 - (2) Help children leaving foster care (including those adopted after age 16) to obtain and maintain employment;
 - (3) Help children leaving foster care (including those adopted after age 16) to further their education;
 - (4) Provide personal and emotional support through mentors, other dedicated adults and continued efforts at locating permanent family resources, including adoptive families, for adolescents in and leaving foster care
 - (5) Provide a broad array of appropriate services including health care, to former foster children (including those adopted after age 16) between the ages of 18 and 21.
- **(b) Applications** States may apply for and receive ILP funds, if their application includes an appropriate State Plan (2) and the Certifications in paragraph (3), and (4)
 - (3) Certifications:**
 - (A) Assistance will be provided to children up to age 21;
 - (B) Not more than 30% will be used on room and board services, and that such services must be supervised, and include a requirement that participating youths are actively engaged in educational, vocational or career development programs
 - (C) None of the room and board allotment will go to children under age 18
 - (D - G) Consultation with public and private organizations, co-ordination with other programs including transitional youth projects, Tribal involvement, standards and procedures to prevent fraud.
 - (H) Training, utilizing a youth development approach, will be provided to foster care workers and parents, adoptive parents, group home staff and others on how to best prepare youth for living independently.
 - (I) Youths served will have personal Independent Living Plans, and will participate in their development and implementation
 - (4) Approval:** To be approved for ILP funds, a State must meet all above requirements AND:

(B) All children in the State who have exited foster care and have attained 18 years of age, but not 21 including those who have so exited into subsidized adoptions (as defined to include adoptions that began on or after the child's 16th birthday) are eligible for medical assistance under Title XIX.

Note: Paragraph (6)(e) contains the Penalties section.

(6)(f) Data Collection and Performance Measurement directs the Secretary of HHS with broad consultation, to:

- (A)** Develop Outcome Measures that can be used to assess State performance in operating ILP programs, and explicitly track all outcomes, including education, related to youths who are provided with room and board services under such State programs;
- (B)** Identify data elements need to track information about the children, the services and the state performance on the outcome measures;
- (C)** Implement a plan to collect the above information, ensuring that such plan is compatible with the data collection required under ASFA.

This section also includes requirements for a Report to Congress and Evaluations.

Authorization of Appropriations: *For this section, \$140,000,000 per year.*

SubTitle B - Related Foster Care Provision

This section amends Section 472 of the Social Security Act to allow children who receive aid under an IL program to have assets/resources totalling \$10,000.00

SubTitle C - Medicaid Amendments

This section amends Title XIX of the Social Security Act to add a new category of children who are eligible to receive medical assistance:

(a)(1)(C) by adding the new subclause:

“(XV) who are independent foster care adolescents (as defined in section 1905(v)(1)), or who are within any reasonable categories of such adolescents specified by the State;”

And goes on to define “independent foster care adolescents” as an individual who:
1905(v)(1)(A) is under 21 years of age;

(B) was in foster care on their 18th birthday or in a subsidized adoptive placement which began on or after the individual's 16th birthday; and

(C) whose assets, resources and income to not exceed State established levels, which may not be less than levels established by the State for other medical assistance recipients

TITLE II SSI FRAUD PREVENTION

This title uses the SSI Fraud Prevention amendments to the Social Security Act as an offset to pay for this bill. It also includes a provision allowing Filipino Veterans of

World War II to return to the Philippines and still receive (reduced) SSI-like benefits.

TITLE III CHILD SUPPORT

This title amends Sections 455 and 457 of the Social Security Act to eliminate the enhanced matching for paternity testing and eliminate the hold harmless provision for the state share of distribution of collected child support as an offset to pay for this bill. The hold harmless provision effects 19 states along with D.C. and Guam. See separate fact sheet for more information.

Rev. 6/28/99

Withdrawal/Redaction Marker

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LRM ID: MDH61

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Thursday, April 29, 1999

LEGISLATIVE REFERRAL MEMORANDUM

URGENT

TO: Legislative Liaison Officer - See Distribution below
FROM: *Janet R. Forsgren* Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Melinda D. Haskins
PHONE: (202)395-3923 FAX: (202)395-6148
SUBJECT: OMB Request for Views on HR____ Improved Independent Living Act
DEADLINE: 11 a.m. Monday, May 3, 1999

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: The attached draft Johnson and Cardin legislation may be introduced next week. Please provide your views on the bill to OMB in writing.

THIS DEADLINE IS FIRM.

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SUBJECT: OMB Request for Views on HR_____Improved Independent Living

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

(2) sending us a memo or letter

TO: Melinda D. Haskins Phone: 395-3923 Fax: 395-6148
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: _____ (Date)
 _____ (Name)
 _____ (Agency)
 _____ (Telephone)

_____ **Concur**

 No Objection

 No Comment

See proposed edits on pages _____

Other: _____

FAX RETURN of _____ pages, attached to this response sheet

[DISCUSSION DRAFT]106TH CONGRESS
1ST SESSION**H. R. _____**

IN THE HOUSE OF REPRESENTATIVES

Mrs. JOHNSON of Connecticut (for herself and Mr. CARDIN) introduced the following bill: which was referred to the Committee on

A BILL

To amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit to include individuals who were in foster care just before their 18th birthday, 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; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “_____ Act of 1999”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

Subtitle B—Medicaid Provisions

Sec. 111. State option of medicaid coverage for adolescents leaving foster care.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

Sec. 201. Liability of representative payees for overpayments to deceased recipients.

Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit payments.

Sec. 203. Additional debt collection practices.

Sec. 204. Requirement to provide State prisoner information to Federal and federally assisted benefit programs.

Sec. 205. Rules relating to collection of overpayments from individuals convicted of crimes.

Sec. 206. Treatment of assets held in trust under the SSI program.

Sec. 207. Disposal of resources for less than fair market value under the SSI program.

Sec. 208. Administrative procedure for imposing penalties for false or misleading statements.

Sec. 209. Exclusion of representatives and physicians convicted of violations from participation in social security programs.

Sec. 210. State data exchanges.

Sec. 211. Study on possible measures to improve fraud prevention and administrative processing.

Sec. 212. Annual report on amounts necessary to combat fraud.

Sec. 213. Computer matches with medicare and medicaid institutionalization data.

Sec. 214. Access to information held by financial institutions.

Subtitle B—Benefits for Filipino Veterans of World War II

Sec. 251. Provision of reduced SSI benefit to certain individuals who provided service to the Armed Forces of the United States in the Philippines during World War II after they move back to the Philippines.

TITLE III—CHILD SUPPORT

Sec. 301. Elimination of enhanced matching for laboratory costs for paternity establishment.

Sec. 302. Elimination of hold harmless provision for State share of distribution of collected child support.

TITLE IV—WORK OPPORTUNITY TAX CREDIT

Sec. 401. Work opportunity credit to include foster children.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

1 **TITLE I—IMPROVED INDEPEND-**
2 **ENT LIVING PROGRAM**

3 **Subtitle A—Improved Independent**
4 **Living Program**

5 **SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.**

6 (a) **FINDINGS.**—The Congress finds the following:

7 (1) States are required to make reasonable ef-
8 ferts to find adoptive families for all children, in-
9 cluding older children, for whom reunification with
10 their biological family is not in the best interests of
11 the child. However, some older children will continue
12 to live in foster care. These children should be en-
13 rolled in an Independent Living program designed
14 and conducted by State and local government.

15 (2) About 20,000 adolescents leave the Nation's
16 foster care system each year because they have
17 reached 18 years of age and are expected to support
18 themselves.

1 (3) Congress has received extensive information
2 that adolescents leaving foster care have significant
3 difficulty making a successful transition to adult-
4 hood; this information shows that children again out
5 of foster care show high rates of homelessness, non-
6 marital childbearing, poverty, delinquent or criminal
7 behavior, and being the target of crime and physical
8 assaults.

*lag behind
in educ.
achievement*

9 (4) The Nation's State and local governments,
10 with financial support from the Federal Government,
11 should offer an extensive program of education,
12 training, employment, and financial support for ado-
13 lescents leaving foster care who have not yet reached
14 21 years of age.

15 (b) IMPROVED INDEPENDENT LIVING PROGRAM.—
16 Section 477 of the Social Security Act (42 U.S.C. 677)
17 is amended to read as follows:

18 **"SEC. 477. INDEPENDENT LIVING PROGRAM.**

19 "(a) PURPOSE.—The purpose of this section is to
20 provide States with flexible funding that will enable them
21 to design and conduct programs—

22 "(1) to identify children who are likely to re-
23 main in foster care until 18 years of age and to de-
24 sign programs that help these children make the
25 transition to self-sufficiency by providing services

1 such as assistance in obtaining a high school di-
2 ploma, career exploration services, vocational train-
3 ing, job placement services, training in daily living
4 skills, training in budgeting and financial manage-
5 ment skills, and substance abuse prevention services:

6 "(2) to help children who are likely to remain
7 in foster care until 18 years of age to obtain the
8 education, training, and services necessary to obtain
9 employment;

10 "(3) to help self-selected children who are likely
11 to remain in foster care until 18 years of age to pre-
12 pare for and enter postsecondary training and edu-
13 cation institutions;

14 "(4) to provide personal and emotional support
15 to children aging out of foster care, through mentors
16 and the promotion of interactions with dedicated
17 adults; and

18 "(5) to provide financial, housing, counseling,
19 and other appropriate support and services to needy
20 children under 21 years of age who have left foster
21 care.

22 "(b) APPLICATIONS.—

23 "(1) IN GENERAL.—A State may apply for
24 grants under this section for a period of 2 consecu-
25 tive fiscal years by submitting to the Secretary, in

1 writing. a plan that meets the requirements of para-
2 graph (2) and the certifications and assurances re-
3 quired by paragraph (3) with respect to the plan.

4 "(2) STATE PLAN.—A plan meets the require-
5 ments of this paragraph if the plan specifies which
6 State agency or agencies will administer and super-
7 vise the programs carried out under the plan, and
8 describes how the State intends to do the following:

9 "(A) Design and deliver programs to
10 achieve the purposes of this section.

11 "(B) Ensure that all political subdivisions
12 in the State are served by the program, though
13 not necessarily in a uniform manner.

14 "(C) Ensure that the programs serve chil-
15 dren of various ages and at various stages of
16 achieving independence.

17 "(D) Involve the public and private sectors
18 in helping adolescents in foster care achieve
19 independence.

20 "(E) Use objective criteria for determining
21 eligibility for benefits and services under the
22 programs, and for ensuring fair and equitable
23 treatment of benefit recipients.

24 "(F) Evaluate the effects of the programs
25 in achieving the purposes of this section.

1 “(3) CERTIFICATIONS AND ASSURANCES.—The
2 certifications and assurances required by this para-
3 graph with respect to a plan are the following:

4 “(A) A certification by the chief executive
5 officer of the State that the State will help chil-
6 dren who are not otherwise covered by medical
7 insurance obtain and pay for medical services
8 until they attain 21 years of age.

9 “(B) A certification by the chief executive
10 officer of the State that not more than 30 per-
11 cent of the amounts paid to the State under
12 this section during a fiscal year will be ex-
13 pended for room or board for children who have
14 left foster care. ✓

15 “(C) A certification by the chief executive
16 officer of the State that the State will expend
17 some of its resources on children who have left
18 foster care but have not attained 21 years of
19 age.

20 “(D) A certification by the chief executive
21 officer of the State that the State has consulted
22 widely with public and private organizations in
23 developing the plan and that they have given all
24 interested members of the public at least 30
25 days to submit comments on the plan.

1 “(E) Assurances by the chief executive of-
2 ficer of the State that the State will make every
3 effort to coordinate the State programs receiv-
4 ing funds provided under this section with other
5 Federal and State programs for youth, espe-
6 cially the transitional living program established
7 by section 385(b)(1) of the Runaway and
8 Homeless Youth Act.

9 “(F) Assurances by the chief executive of-
10 ficer of the State that each Indian tribe in the
11 State will be informed about the programs to be
12 carried out under the plan, each such tribe is
13 given an opportunity to comment on the plan
14 before submission to the Secretary, and benefits
15 and services under the programs will be made
16 available to Indian children in the State on the
17 same basis as to other children in the State.

18 “(G) Assurances by the chief executive of-
19 ficer of the State that the State has established
20 and will enforce standards and procedures to
21 ensure against fraud and abuse in the programs
22 carried out under the plan.

23 “(3) APPROVAL.—The Secretary shall approve
24 an application submitted by a State pursuant to
25 paragraph (1) for a period of 2 consecutive fiscal

1 years if the application is submitted on or before
2 June 1 of the calendar year in which such period be-
3 gins. and the Secretary finds that the application
4 contains the material required by paragraph (1).

5 "(4) AMENDMENTS.—Within 30 days after a
6 State implements any major amendment to a plan
7 contained in an application approved under para-
8 graph (3), the State shall notify the Secretary of the
9 amendment.

10 "(5) AVAILABILITY.—The State shall make
11 available to the public any application submitted by
12 the State pursuant to paragraph (1). and a brief
13 summary of the plan contained in the application.

14 "(c) GRANTS TO STATES.—

15 "(1) IN GENERAL.—The amount payable under
16 this subsection for a fiscal year to a State with a
17 plan approved under subsection (b) for the fiscal
18 year is an amount equal to the lesser of—

19 "(A) the amount which bears the same
20 ratio to \$140,000,000 as the average number of
21 children receiving foster care maintenance pay-
22 ments from the State under this part or similar
23 payments under a program of the State in sec-
24 ond preceding fiscal year bears to the total of

1 the average number of children receiving such
2 payments in all States for the fiscal year; or
3 "(B) 80 percent of the amounts expended
4 by the State during the fiscal year to carry out
5 programs under the plan.

[How to value in-kind benefits?]

6 "(2) REALLOCATION OF UNUSED FUNDS.—If a
7 State does not have an application approved under
8 subsection (b) for a time period, then the Secretary
9 shall reallocate the amount described in paragraph
10 (1)(A) of this subsection with respect to the State
11 for the time period among 1 or more other States
12 with such approved applications, on the basis of the
13 relative need of such other States (as determined by
14 the Secretary) for additional funds to carry out pro-
15 grams under the plans of such other States that
16 have been approved under this section.

17 "(d) USE OF FUNDS.—

18 "(1) IN GENERAL.—A State to which a grant
19 is made under this section may use the grant in any
20 manner that is reasonably calculated to accomplish
21 the purposes of this section.

22 "(2) NO SUPPLANTATION OF OTHER FUNDS AVAIL-
23 ABLE FOR SAME GENERAL PURPOSES.—The amounts paid
24 to a State under this section shall be used to supplement

1 and not supplant any other funds which are available for
2 the same general purposes in the State.

3 "(c) PENALTY FOR FAILURE TO COMPLY WITH DATA
4 REPORTING REQUIREMENT.—

5 "(1) IN GENERAL.—The Secretary shall reduce
6 the amount otherwise payable for a fiscal year under
7 this section to a State that fails to comply with sub-
8 section (f) for the fiscal year by a sum that is not
9 less than 1 percent and not more than 3 percent of
10 the amount otherwise so payable.

11 "(2) PENALTY BASED ON DEGREE OF NON-
12 COMPLIANCE.—The Secretary shall impose a reduc-
13 tion under paragraph (1) based on the degree of
14 noncompliance.

15 "(f) STATE DATA REPORTING.—Within 6 months
16 after the end of any fiscal year in which a State receives
17 funds provided under this section, the State shall submit
18 to the Secretary a written report that contains the follow-
19 ing information with respect to the State programs receiv-
20 ing such funds:

21 "(1) The number of children served by, and the
22 average duration of participation in, each such pro-
23 gram.

24 "(2) The number of children participating in
25 such programs during the fiscal year who are in sec-

1 ondary school, and the number of such children who
2 are not in secondary school.

3 “(3) The number of children of each age who
4 are participating in such programs during the fiscal
5 year.

6 “(4) The types of activities in which children
7 participating in such programs are involved during
8 the fiscal year, and the number of children in each
9 type of activity. For purposes of this paragraph, ac-
10 tivities include housing and board, part-time or full-
11 time employment, graduation from secondary school,
12 receipt of a certificate of general equivalence, enroll-
13 ment in a postsecondary educational institution, and
14 enrollment in a postsecondary training institution.

15 “(5) With respect to each child to whom serv-
16 ices are delivered under such programs during the
17 fiscal year:

18 “(A) The date of birth of the child.

19 “(B) The race of the child.

20 “(C) Whether the child is of Hispanic ori-
21 gin.

22 “(D) The gender of the child.

23 “(E) Whether the child is disabled.

[definition of disability?]

24 “(F) The length of time the child has been
25 in foster care as of the end of the fiscal year.

1 “(G) Which of the following kinds of serv-
2 ices were so delivered to the child:

3 “(i) Housing.

4 “(ii) Wage supplements.

5 “(iii) Counseling.

6 “(iv) Education.

7 “(v) Training.

8 “(vi) Job search.

9 “(vii) Drug rehabilitation.

10 “(viii) Other services.

11 “(II) The number of full months for which
12 the child was engaged in educational activities.

13 “(I) The total number of years for which
14 the child has received formal education, as of
15 the end of the fiscal year.

16 “(J) The number of full months for which
17 the child was employed, including the number
18 of months for which the employment was full-
19 time or part-time.

20 “(6) The number of children participating in
21 such programs during the fiscal year who left foster
22 care homes or group homes for independent living
23 located in the State.

1 “(7) The number of children participating in
2 such programs during the fiscal year who left foster
3 care homes providing kinship care.

4 “(8) The results of any evaluations conducted
5 to determine the effectiveness of services provided
6 under such programs during the fiscal year.

7 “(g) EVALUATIONS.—The Secretary shall conduct
8 evaluations of such State programs funded under this sec-
9 tion as the Secretary deems to be innovative or of potential
10 national significance. The evaluation of such a program
11 shall include information on the effects of the program on
12 education and employment. To the maximum extent prac-
13 ticable, the evaluations shall be based on rigorous sci-
14 entific standards including random assignment to treat-
15 ment and control groups. The Secretary is encouraged to
16 work directly with State and local governments to design
17 methods for conducting the evaluations, directly or by
18 grant, contract, or cooperative agreement.”.

19 (c) FUNDING.—Section 474(a)(4) of such Act (42
20 U.S.C. 674(a)(4)) is amended to read as follows:

21 “(4) 25 percent of the amount payable to the
22 State under section 477(c) during the fiscal year in
23 which the quarter occurs.”.

24 (d) REGULATIONS.—Not later than 6 months after
25 the date of the enactment of this Act, the Secretary of

1 Health and Human Services shall issue such regulations
2 as may be necessary to carry out the amendments made
3 by this section.

4 **SEC. 111. STATE OPTION OF MEDICAID COVERAGE FOR**
5 **ADOLESCENTS LEAVING FOSTER CARE.**

6 (a) **IN GENERAL.**—Section 1902 of the Social Secu-
7 rity Act (42 U.S.C. 1396a) is amended—

8 (1) in subsection (a)(10)(A)(ii)—

9 (A) by striking “or” at the end of sub-
10 clause (XIII);

11 (B) by adding “or” at the end of subclause
12 (XIV); and

13 (C) by adding at the end the following new sub-
14 clause:

15 “(XV) who are independent fos-
16 ter care adolescents (as defined in
17 subsection (aa)(1)), or who are within
18 any reasonable categories of such ado-
19 lescents specified by the State;” and

20 (2) by adding at the end the following new sub-
21 section:

22 “(aa)(1) For purposes of this title, the term ‘inde-
23 pendent foster care adolescent’ means an individual—

24 “(A) who is under 21 years of age;

1 “(B) who (on the individual’s 18th birth-
2 day [or, if earlier, the date the individual grad-
3 uated from high school]) was in foster care
4 under the responsibility of a State; and

5 “(C) whose assets, resources, and income
6 do not exceed such levels (if any) as the State
7 may establish consistent with paragraph (2).

8 “(2) The levels established by a State under para-
9 graph (1)(C) may not be less than the corresponding levels
10 applied by the State under section 1931(b).

11 “(3) A State may limit the eligibility of independent
12 foster care adolescents under subsection
13 (a)(10)(A)(ii)(XV) to those individuals with respect to
14 whom foster care maintenance payments or independent
15 living services were furnished under a program funded
16 under part E of title IV before the date the individuals
17 attained 18 years of age [or graduated from high
18 school].”.

19 (b) **EFFECTIVE DATE.**—The amendments made by
20 subsection (a) apply to medical assistance for items and
21 services furnished on or after October 1, 1999.

1 **TITLE II—SSI FRAUD**
2 **PREVENTION**
3 **Subtitle A—Fraud Prevention and**
4 **Related Provisions**

5 **SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR**
6 **OVERPAYMENTS TO DECEASED RECIPIENTS.**

7 (a) **AMENDMENT TO TITLE II.**—Section 204(a)(2) of
8 the Social Security Act (42 U.S.C. 404(a)(2)) is amended
9 by adding at the end the following new sentence: “If any
10 payment of more than the correct amount is made to a
11 representative payee on behalf of an individual after the
12 individual’s death, the representative payee shall be liable
13 for the repayment of the overpayment, and the Commis-
14 sioner of Social Security shall establish an overpayment
15 control record under the social security account number
16 of the representative payee.”.

17 (b) **AMENDMENT TO TITLE XVI.**—Section
18 1631(b)(2) of such Act (42 U.S.C. 1383(b)(2)) is amend-
19 ed by adding at the end the following new sentence: “If
20 any payment of more than the correct amount is made
21 to a representative payee on behalf of an individual after
22 the individual’s death, the representative payee shall be
23 liable for the repayment of the overpayment, and the Com-
24 missioner of Social Security shall establish an overpay-

1 ment control record under the social security account
2 number of the representative payee.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to overpayments made on or after
5 the date of the enactment of this Act.

6 **SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS**
7 **FROM LUMP SUM SSI BENEFIT PAYMENTS.**

8 (a) **IN GENERAL.**—Section 1631(b)(1)(B)(ii) of the
9 Social Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is
10 amended—

11 (1) by inserting “monthly” before “benefit pay-
12 ments”; and

13 (2) by inserting “and in the case of an individ-
14 ual or eligible spouse to whom a lump sum is pay-
15 able under this title (including under section
16 1616(a) of this Act or under an agreement entered
17 into under section 212(a) of Public Law 93-66)
18 shall, as at least one means of recovering such over-
19 payment, make the adjustment or recovery from the
20 lump sum payment in an amount equal to not less
21 than the lesser of the amount of the overpayment or
22 50 percent of the lump sum payment,” before “un-
23 less fraud”.

24 (b) **EFFECTIVE DATE.**—The amendments made by
25 this section shall take effect on the date of the enactment

1 of this Act and shall apply to amounts incorrectly paid
2 which remain outstanding on or after such date.

3 **SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.**

4 (a) **IN GENERAL.**—Section 1631(d)(1) of the Social
5 Security Act (42 U.S.C. 1383(d)(1)) is amended by strik-
6 ing “section 207” and inserting “sections 204(f) and
7 207”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 this section shall apply to debt outstanding on or after
10 the date of the enactment of this Act.

11 **SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER IN-**
12 **FORMATION TO FEDERAL AND FEDERALLY**
13 **ASSISTED BENEFIT PROGRAMS.**

14 Section 1611(e)(1)(I)(ii)(II) of the Social Security
15 Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by strik-
16 ing “is authorized to” and inserting “shall”.

17 **SEC. 205. RULES RELATING TO COLLECTION OF OVERPAY-**
18 **MENTS FROM INDIVIDUALS CONVICTED OF**
19 **CRIMES.**

20 (a) **WAIVERS INAPPLICABLE TO OVERPAYMENTS BY**
21 **REASON OF PAYMENT IN MONTHS IN WHICH BENE-**
22 **FICIARY IS A PRISONER OR A FUGITIVE.—**

23 (1) **AMENDMENT TO TITLE II.**—Section 204(b)
24 of the Social Security Act (42 U.S.C. 404(b)) is
25 amended—

1 person's disability or to disability insurance benefits under
2 section 223 otherwise payable during the 10-year period
3 that begins on the date the person—

4 “(i) knowingly fails to timely notify the Com-
5 missioner of Social Security, in connection with any
6 application for benefits under this title, of any prior
7 receipt by such person of any benefit under this title
8 or title XVI in any month in which such benefit was
9 not payable under the preceding provisions of this
10 subsection, or

11 “(ii) knowingly fails to comply with any sched-
12 ule imposed by the Commissioner which is for repay-
13 ment of overpayments comprised of payments de-
14 scribed in subparagraph (A) and which is in compli-
15 ance with section 204.

16 “(B) The Commissioner of Social Security shall, in
17 addition to any other relevant factors, take into account
18 any mental or linguistic limitations of a person (including
19 any lack of facility with the English language) in deter-
20 mining whether the person has knowingly failed to comply
21 with a requirement of clause (i) or (ii) of subparagraph
22 (A).”.

23 (2) AMENDMENT TO TITLE XVI.—Section
24 1611(e)(1) of such Act (42 U.S.C. 1382(e)(1)) is
25 amended by adding at the end the following:

1 “(J)(i) A person shall not be considered an eligible
2 individual or eligible spouse for purposes of benefits under
3 this title by reason of disability, during the 10-year period
4 that begins on the date the person—

5 “(I) knowingly fails to timely notify the Com-
6 missioner of Social Security, in an application for
7 benefits under this title, of any prior receipt by the
8 person of a benefit under this title or title II in a
9 month in which payment to the person of a benefit
10 under this title was prohibited by—

11 “(aa) the preceding provisions of this para-
12 graph by reason of confinement of a type de-
13 scribed in clause (i) or (ii) of section
14 202(x)(1)(A); or

15 “(bb) section 1611(e)(5); or

16 “(II) knowingly fails to comply with any sched-
17 ule imposed by the Commissioner which is for repay-
18 ment of overpayments comprised of payments de-
19 scribed in clause (i) of this subparagraph and which
20 is in compliance with section 1631(b).

21 “(ii) The Commissioner of Social Security shall, in
22 addition to any other relevant factors, take into account
23 any mental or linguistic limitations of a person (including
24 any lack of facility with the English language) in deter-

1 mining whether the person has knowingly failed to comply
2 with a requirement of subclause (I) or (II) of clause (i).”

3 (c) CONTINUED COLLECTION EFFORTS AGAINST
4 PRISONERS.—

5 (1) AMENDMENT TO TITLE II.—Section 204(b)
6 of such Act (42 U.S.C. 404(b)), as amended by sub-
7 section (a)(1) of this section, is amended further by
8 adding at the end the following new paragraph:

9 “(3) The Commissioner shall not refrain from recov-
10 ering overpayments from resources currently available to
11 any overpaid person or to such person’s estate solely be-
12 cause such individual is confined as described in clause
13 (i) or (ii) of section 202(x)(1)(A).”

14 (2) AMENDMENT TO TITLE XVI.—Section
15 1631(b)(1)(A) of such Act (42 U.S.C.
16 1383(b)(1)(A)) is amended by adding after and
17 below clause (ii) the following flush left sentence:

18 “The Commissioner shall not refrain from recovering over-
19 payments from resources currently available to any indi-
20 vidual solely because the individual is confined as de-
21 scribed in clause (i) or (ii) of section 202(x)(1)(A).”

1 SEC. 206. TREATMENT OF ASSETS HELD IN TRUST UNDER
2 THE SSI PROGRAM.

3 (a) TREATMENT AS RESOURCE.—Section 1613 of the
4 Social Security Act (42 U.S.C. 1382b) is amended by add-
5 ing at the end the following:

6 “Trusts

7 “(e)(1) In determining the resources of an individual,
8 paragraph (3) shall apply to a trust (other than a trust
9 described in paragraph (5)) established by the individual.

10 “(2)(A) For purposes of this subsection, an individual
11 shall be considered to have established a trust if any assets
12 of the individual (or of the individual's spouse) are trans-
13 ferred to the trust other than by will.

14 “(B) In the case of an irrevocable trust to which are
15 transferred the assets of an individual (or of the individ-
16 ual's spouse) and the assets of any other person, this sub-
17 section shall apply to the portion of the trust attributable
18 to the assets of the individual (or of the individual's
19 spouse).

20 “(C) This subsection shall apply to a trust without
21 regard to—

22 “(i) the purposes for which the trust is estab-
23 lished;

24 “(ii) whether the trustees have or exercise any
25 discretion under the trust;

1 “(iii) any restrictions on when or whether dis-
2 tributions may be made from the trust; or

3 “(iv) any restrictions on the use of distributions
4 from the trust.

5 “(3)(A) In the case of a revocable trust established
6 by an individual, the corpus of the trust shall be consid-
7 ered a resource available to the individual.

8 “(B) In the case of an irrevocable trust established
9 by an individual, if there are any circumstances under
10 which payment from the trust could be made to or for
11 the benefit of the individual or the individual's spouse, the
12 portion of the corpus from which payment to or for the
13 benefit of the individual or the individual's spouse could
14 be made shall be considered a resource available to the
15 individual.

16 “(4) The Commissioner of Social Security may waive
17 the application of this subsection with respect to an indi-
18 vidual if the Commissioner determines that such applica-
19 tion would work an undue hardship (as determined on the
20 basis of criteria established by the Commissioner) on the
21 individual.

22 “(5) This subsection shall not apply to a trust de-
23 scribed in subparagraph (A) or (C) of section 1917(d)(4).

24 “(6) For purposes of this subsection—

1 “(A) the term ‘trust’ includes any legal instru-
2 ment or device that is similar to a trust;

3 “(B) the term ‘corpus’ means, with respect to
4 a trust, all property and other interests held by the
5 trust, including accumulated earnings and any other
6 addition to the trust after its establishment (except
7 that such term does not include any such earnings
8 or addition in the month in which the earnings or
9 addition is credited or otherwise transferred to the
10 trust); and

11 “(C) the term ‘asset’ includes any income or re-
12 source of the individual or of the individual’s spouse,
13 including—

14 “(i) any income excluded by section
15 1612(b);

16 “(ii) any resource otherwise excluded by
17 this section; and

18 “(iii) any other payment or property to
19 which the individual or the individual’s spouse
20 is entitled but does not receive or have access
21 to because of action by—

22 “(I) the individual or spouse;

23 “(II) a person or entity (including a
24 court) with legal authority to act in place

1 of, or on behalf of, the individual or
2 spouse; or

3 “(III) a person or entity (including a
4 court) acting at the direction of, or on the
5 request of, the individual or spouse.”.

6 (b) TREATMENT AS INCOME.—Section 1612(a)(2) of
7 such Act (42 U.S.C. 1382a(a)(2)) is amended—

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

10 (2) by striking the period at the end of sub-
11 paragraph (F) and inserting “; and”; and

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

13 “(G) any earnings of, and additions to, the cor-
14 pus of a trust established by an individual (within
15 the meaning of section 1613(e)), of which the indi-
16 vidual is a beneficiary, to which section 1613(e) ap-
17 plies, and, in the case of an irrevocable trust, with
18 respect to which circumstances exist under which a
19 payment from the earnings or additions could be
20 made to or for the benefit of the individual.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on January 1, 2000, and shall
23 apply to trusts established on or after such date.

1 SEC. 207. DISPOSAL OF RESOURCES FOR LESS THAN FAIR

2 MARKET VALUE UNDER THE SSI PROGRAM.

3 (a) IN GENERAL.—Section 1613(c) of the Social Se-
4 curity Act (42 U.S.C. 1382b(c)) is amended—

5 (1) in the caption, by striking “Notification of
6 Medicaid Policy Restricting Eligibility of Institu-
7 tionalized Individuals for Benefits Based on”;

8 (2) in paragraph (1)—

9 (A) in subparagraph (A)—

10 (i) by inserting “paragraph (1) and”
11 after “provisions of”;

12 (ii) by striking “title XIX” the first
13 place it appears and inserting “this title
14 and title XIX, respectively.”;

15 (iii) by striking “subparagraph (B)”
16 and inserting “clause (ii)”;

17 (iv) by striking “paragraph (2)” and
18 inserting “subparagraph (B)”;

19 (B) in subparagraph (B)—

20 (i) by striking “by the State agency”;
21 and

22 (ii) by striking “section 1917(c)” and
23 all that follows and inserting “paragraph
24 (1) or section 1917(c).”; and

25 (C) by redesignating subparagraphs (A)
26 and (B) as clauses (i) and (ii), respectively;

1 (3) in paragraph (2)—

2 (A) by striking “(2)” and inserting “(B)”;

3 and

4 (B) by striking “paragraph (1)(B)” and

5 inserting “subparagraph (A)(ii)”;

6 (4) by striking “(c)(1)” and inserting “(2)(A)”;

7 and

8 (5) by inserting before paragraph (2) (as so re-

9 designated by paragraph (4) of this subsection) the

10 following:

11 “(c)(1)(A)(i) If an individual or the spouse of an indi-
12 vidual disposes of resources for less than fair market value
13 on or after the look-back date described in clause (ii)(I),
14 the individual is ineligible for benefits under this title for
15 months during the period beginning on the date described
16 in clause (iii) and equal to the number of months cal-
17 culated as provided in clause (iv).

18 “(ii)(I) The look-back date described in this sub-
19 clause is a date that is 36 months before the date de-
20 scribed in subclause (II).

21 “(II) The date described in this subclause is the date
22 on which the individual applies for benefits under this title
23 or, if later, the date on which the individual (or the spouse
24 of the individual) disposes of resources for less than fair
25 market value.

1 “(iii) The date described in this clause is the first
2 day of the first month in or after which resources were
3 disposed of for less than fair market value and which does
4 not occur in any other period of ineligibility under this
5 paragraph.

6 “(iv) The number of months calculated under this
7 clause shall be equal to—

8 “(I) the total, cumulative uncompensated value
9 of all resources so disposed of by the individual (or
10 the spouse of the individual) on or after the look-
11 back date described in clause (ii)(I); divided by

12 “(II) the amount of the maximum monthly ben-
13 efit payable under section 1611(b), plus the amount
14 (if any) of any State supplementary payments that
15 would otherwise be payable to the individual by the
16 Commissioner pursuant to an agreement under sec-
17 tion 1616(a) of this Act or section 212(b) of Public
18 Law 93-66, for the month in which occurs the date
19 described in clause (ii)(II).

20 rounded, in the case of any fraction, to the nearest whole
21 number, but shall not in any case exceed 36 months.

22 “(B)(i) Notwithstanding subparagraph (A), this sub-
23 section shall not apply to a transfer of a resource to a
24 trust if the portion of the trust attributable to the resource
25 is considered a resource available to the individual pursu-

1 ant to subsection (e)(3) (or would be so considered but
2 for the application of subsection (e)(4)).

3 “(ii) In the case of a trust established by an individ-
4 ual or an individual’s spouse (within the meaning of sub-
5 section (e)), if from such portion of the trust, if any, that
6 is considered a resource available to the individual pursu-
7 ant to subsection (e)(3) (or would be so considered but
8 for the application of subsection (e)(4)) or the residue of
9 the portion on the termination of the trust—

10 “(I) there is made a payment other than to or
11 for the benefit of the individual; or

12 “(II) no payment could under any circumstance
13 be made to the individual.

14 then, for purposes of this subsection, the payment de-
15 scribed in clause (I) or the foreclosure of payment de-
16 scribed in clause (II) shall be considered a transfer of re-
17 sources by the individual or the individual’s spouse as of
18 the date of the payment or foreclosure, as the case may
19 be.

20 “(C) An individual shall not be ineligible for benefits
21 under this title by reason of the application of this para-
22 graph to a disposal of resources by the individual or the
23 spouse of the individual, to the extent that—

24 “(i) the resources are a home and title to the
25 home was transferred to—

1 “(I) the spouse of the transferor;

2 “(II) a child of the transferor who has not
3 attained 21 years of age, or is blind or disabled;

4 “(III) a sibling of the transferor who has
5 an equity interest in such home and who was
6 residing in the transferor's home for a period of
7 at least 1 year immediately before the date the
8 transferor becomes an institutionalized individ-
9 ual; or

10 “(IV) a son or daughter of the transferor
11 (other than a child described in subclause (II))
12 who was residing in the transferor's home for
13 a period of at least 2 years immediately before
14 the date the transferor becomes an institu-
15 tionalized individual, and who provided care to
16 the transferor which permitted the transferor to
17 reside at home rather than in such an institu-
18 tion or facility;

19 “(ii) the resources—

20 “(I) were transferred to the transferor's
21 spouse or to another for the sole benefit of the
22 transferor's spouse;

23 “(II) were transferred from the transfer-
24 or's spouse to another for the sole benefit of the
25 transferor's spouse;

1 “(III) were transferred to, or to a trust
2 (including a trust described in section
3 1917(d)(4)) established solely for the benefit of.
4 the transferor’s child who is blind or disabled;
5 or

6 “(IV) were transferred to a trust (includ-
7 ing a trust described in section 1917(d)(4)) es-
8 tablished solely for the benefit of an individual
9 who has not attained 65 years of age and who
10 is disabled;

11 “(iii) a satisfactory showing is made to the
12 Commissioner of Social Security (in accordance with
13 regulations promulgated by the Commissioner)
14 that—

15 “(I) the individual who disposed of the re-
16 sources intended to dispose of the resources ei-
17 ther at fair market value, or for other valuable
18 consideration;

19 “(II) the resources were transferred exclu-
20 sively for a purpose other than to qualify for
21 benefits under this title; or

22 “(III) all resources transferred for less
23 than fair market value have been returned to
24 the transferor; or

1 “(iv) the Commissioner determines, under pro-
2 cedures established by the Commissioner, that the
3 denial of eligibility would work an undue hardship as
4 determined on the basis of criteria established by the
5 Commissioner.

6 “(D) For purposes of this subsection, in the case of
7 a resource held by an individual in common with another
8 person or persons in a joint tenancy, tenancy in common,
9 or similar arrangement, the resource (or the affected por-
10 tion of such resource) shall be considered to be disposed
11 of by the individual when any action is taken, either by
12 the individual or by any other person, that reduces or
13 eliminates the individual’s ownership or control of such re-
14 source.

15 “(E) In the case of a transfer by the spouse of an
16 individual that results in a period of ineligibility for the
17 individual under this subsection, the Commissioner shall
18 apportion the period (or any portion of the period) among
19 the individual and the individual’s spouse if the spouse be-
20 comes eligible for benefits under this title.

21 “(F) For purposes of this paragraph—

22 “(i) the term ‘benefits under this title’ includes
23 payments of the type described in section 1616(a) of
24 this Act and of the type described in section 212(b)
25 of Public Law 93-66;

1 “(ii) the term ‘institutionalized individual’ has
2 the meaning given such term in section 1917(c)(3);
3 and

4 “(iii) the term ‘trust’ has the meaning given
5 such term in subsection (e)(5)(A) of this section.”.

6 (b) **EFFECTIVE DATE.**—The amendments made by
7 this section shall be effective with respect to disposals
8 made on or after the date of enactment of this Act.

9 **SEC. 208. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
10 **PENALTIES FOR FALSE OR MISLEADING**
11 **STATEMENTS.**

12 (a) **IN GENERAL.**—Part A of title XI of the Social
13 Security Act (42 U.S.C. 1301 et seq.) is amended by in-
14 serting after section 1129 the following:

15 **“SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
16 **PENALTIES FOR FALSE OR MISLEADING**
17 **STATEMENTS.**

18 “(a) **IN GENERAL.**—Any person who makes, or
19 causes to be made, a statement or representation of a ma-
20 terial fact for use in determining any initial or continuing
21 right to or the amount of—

22 “(1) monthly insurance benefits under title II;
23 or
24 “(2) benefits or payments under title XVI,

1 that the person knows or should know is false or mislead-
2 ing or knows or should know omits a material fact or
3 makes such a statement with knowing disregard for the
4 truth shall be subject to, in addition to any other penalties
5 that may be prescribed by law, a penalty described in sub-
6 section (b) to be imposed by the Commissioner of Social
7 Security.

8 “(b) **PENALTY.**—The penalty described in this sub-
9 section is—

10 “(1) nonpayment of benefits under title II that
11 would otherwise be payable to the person; and

12 “(2) ineligibility for cash benefits under title

13 **XVI.**

14 for each month that begins during the applicable period
15 described in subsection (c).

16 “(c) **DURATION OF PENALTY.**—The duration of the
17 applicable period, with respect to a determination by the
18 Commissioner under subsection (a) that a person has en-
19 gaged in conduct described in subsection (a), shall be—

20 “(1) 6 consecutive months, in the case of a first
21 such determination with respect to the person;

22 “(2) 12 consecutive months, in the case of a
23 second such determination with respect to the per-
24 son; and

1 “(3) 24 consecutive months, in the case of a
2 third or subsequent such determination with respect
3 to the person.

4 “(d) EFFECT ON OTHER ASSISTANCE.—A person
5 subject to a period of nonpayment of benefits under title
6 II or ineligibility for title XVI benefits by reason of this
7 section nevertheless shall be considered to be eligible for
8 and receiving such benefits, to the extent that the person
9 would be receiving or eligible for such benefits but for the
10 imposition of the penalty, for purposes of—

11 “(1) determination of the eligibility of the per-
12 son for benefits under titles XVIII and XIX; and

13 “(2) determination of the eligibility or amount
14 of benefits payable under title II or XVI to another
15 person.

16 “(e) DEFINITION.—In this section, the term ‘benefits
17 under title XVI’ includes State supplementary payments
18 made by the Commissioner pursuant to an agreement
19 under section 1616(a) of this Act or section 212(b) of
20 Public Law 93-66.

21 “(f) CONSULTATIONS.—The Commissioner of Social
22 Security shall consult with the Inspector General of the
23 Social Security Administration before initiating an action
24 under this section.”.

1 (b) CONFORMING AMENDMENT PRECLUDING DE-
2 LAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH
3 A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Sec-
4 tion 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B))
5 is amended—

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

7 (2) by striking the period at the end of clause

8 (ii) and inserting “, and”; and

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

10 “(iii) such individual was not subject to a
11 penalty imposed under section 1129A.”.

12 (c) ELIMINATION OF REDUNDANT PROVISION.—Sec-
13 tion 1611(e) of such Act (42 U.S.C. 1382(e)) is
14 amended—

15 (1) by striking paragraph (4);

16 (2) in paragraph (6)(A)(i), by striking “(5)”
17 and inserting “(4)”; and

18 (3) by redesignating paragraphs (5) and (6) as
19 paragraphs (4) and (5), respectively.

20 (d) REGULATIONS.—Within 6 months after the date
21 of the enactment of this Act, the Commissioner of Social
22 Security shall develop regulations that prescribe the ad-
23 ministrative process for making determinations under sec-
24 tion 1129A of the Social Security Act.

1 SEC. 209. EXCLUSION OF REPRESENTATIVES AND PHYSI-
2 CIANS CONVICTED OF VIOLATIONS FROM
3 PARTICIPATION IN SOCIAL SECURITY PRO-
4 GRAMS.

5 (a) IN GENERAL.—Part A of title XI of the Social
6 Security Act (42 U.S.C. 1301–1320b–17) is amended by
7 adding at the end the following:

8 “EXCLUSION OF REPRESENTATIVES AND PHYSICIANS
9 CONVICTED OF VIOLATIONS FROM PARTICIPATION IN
10 SOCIAL SECURITY PROGRAMS

11 “SEC. 1148. (a) IN GENERAL.—The Commissioner
12 of Social Security shall exclude from participation in the
13 social security programs any representative or physician—

14 “(1) who is convicted of a violation of section
15 208 or 1632 of this Act.

16 “(2) who is convicted of any violation under
17 title 18, United States Code, relating to an initial
18 application for or continuing entitlement to, or
19 amount of, benefits under title II of this Act, or an
20 initial application for or continuing eligibility for, or
21 amount of, benefits under title XVI of this Act, or

22 “(3) who the Commissioner determines has
23 committed an offense described in section
24 1129(a)(1)(A) of this Act.

25 “(b) NOTICE. EFFECTIVE DATE. AND PERIOD OF
26 EXCLUSION.—(1) An exclusion under this section shall be

1 effective at such time, for such period, and upon such rea-
2 sonable notice to the public and to the individual excluded
3 as may be specified in regulations consistent with para-
4 graph (2).

5 “(2) Such an exclusion shall be effective with respect
6 to services furnished to any individual on or after the ef-
7 fective date of the exclusion. Nothing in this section may
8 be construed to preclude, in determining disability under
9 title II or title XVI, consideration of any medical evidence
10 derived from services provided by a physician before the
11 effective date of the exclusion of the physician under this
12 section.

13 “(3)(A) The Commissioner shall specify, in the notice
14 of exclusion under paragraph (1), the period of the exclu-
15 sion.

16 “(B) Subject to subparagraph (C), in the case of an
17 exclusion under subsection (a), the minimum period of ex-
18 clusion shall be five years, except that the Commissioner
19 may waive the exclusion in the case of an individual who
20 is the sole source of essential services in a community. The
21 Commissioner's decision whether to waive the exclusion
22 shall not be administratively or judicially reviewable.

23 “(C) In the case of an exclusion of an individual
24 under subsection (a) based on a conviction occurring on
25 or after the date of the enactment of this section, if the

1 individual has (before, on, or after such date of enact-
2 ment) been convicted—

3 “(i) on one previous occasion of one or more of-
4 fenses for which an exclusion may be effected under
5 such subsection, the period of the exclusion shall be
6 not less than 10 years, or

7 “(ii) on 2 or more previous occasions of one or
8 more offenses for which an exclusion may be effected
9 under such subsection, the period of the exclusion
10 shall be permanent.

11 “(c) NOTICE TO STATE AGENCIES.—The Commis-
12 sioner shall promptly notify each appropriate State agency
13 employed for the purpose of making disability determina-
14 tions under section 221 or 1633(a)—

15 “(1) of the fact and circumstances of each ex-
16 clusion effected against an individual under this sec-
17 tion, and

18 “(2) of the period (described in subsection
19 (b)(3)) for which the State agency is directed to ex-
20 clude the individual from participation in the activi-
21 ties of the State agency in the course of its employ-
22 ment.

23 “(d) NOTICE TO STATE LICENSING AGENCIES.—The
24 Commissioner shall—

1 “(1) promptly notify the appropriate State or
2 local agency or authority having responsibility for
3 the licensing or certification of an individual ex-
4 cluded from participation under this section of the
5 fact and circumstances of the exclusion.

6 “(2) request that appropriate investigations be
7 made and sanctions invoked in accordance with ap-
8 plicable State law and policy, and

9 “(3) request that the State or local agency or
10 authority keep the Commissioner and the Inspector
11 General of the Social Security Administration fully
12 and currently informed with respect to any actions
13 taken in response to the request.

14 “(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—
15 (1) Any individual who is excluded (or directed to be ex-
16 cluded) from participation under this section is entitled
17 to reasonable notice and opportunity for a hearing thereon
18 by the Commissioner to the same extent as is provided
19 in section 205(b), and to judicial review of the Commis-
20 sioner’s final decision after such hearing as is provided
21 in section 205(g).

22 “(2) The provisions of section 205(h) shall apply with
23 respect to this section to the same extent as it is applicable
24 with respect to title II.

1 “(f) APPLICATION FOR TERMINATION OF EXCLU-
2 SION.—(1) An individual excluded from participation
3 under this section may apply to the Commissioner, in the
4 manner specified by the Commissioner in regulations and
5 at the end of the minimum period of exclusion provided
6 under subsection (b)(3) and at such other times as the
7 Commissioner may provide, for termination of the exclu-
8 sion effected under this section.

9 “(2) The Commissioner may terminate the exclusion
10 if the Commissioner determines, on the basis of the con-
11 duct of the applicant which occurred after the date of the
12 notice of exclusion or which was unknown to the Commis-
13 sioner at the time of the exclusion, that—

14 “(A) there is no basis under subsection (a) for
15 a continuation of the exclusion, and

16 “(B) there are reasonable assurances that the
17 types of actions which formed the basis for the origi-
18 nal exclusion have not recurred and will not recur.

19 “(3) The Commissioner shall promptly notify each
20 State agency employed for the purpose of making disabil-
21 ity determinations under section 221 or 1633(a) of the
22 fact and circumstances of each termination of exclusion
23 made under this subsection.

24 “(g) AVAILABILITY OF RECORDS OF EXCLUDED
25 REPRESENTATIVES AND PHYSICIANS.—Nothing in this

1 section shall be construed to have the effect of limiting
2 access by any applicant or beneficiary under title II or
3 XVI. any State agency acting under section 221 or
4 1633(a), or the Commissioner to records maintained by
5 any representative or physician in connection with services
6 provided to the applicant or beneficiary prior to the exclu-
7 sion of such representative or physician under this section.

8 “(h) REPORTING REQUIREMENT.—Any representa-
9 tive or physician participating in, or seeking to participate
10 in, a social security program shall inform the Commis-
11 sioner, in such form and manner as the Commissioner
12 shall prescribe by regulation, whether such representative
13 or physician has been convicted of a violation described
14 in subsection (a).

15 “(i) DELEGATION OF AUTHORITY.—The Commis-
16 sioner may delegate authority granted by this section to
17 the Inspector General.

18 “(j) DEFINITIONS.—For purposes of this section:

19 “(1) EXCLUDE.—The term ‘exclude’ from par-
20 ticipation means—

21 “(A) in connection with a representative,
22 to prohibit from engaging in representation of
23 an applicant for, or recipient of, benefits as a
24 representative payee under section 205(j) or
25 1631(a)(2)(A)(ii) or otherwise as a representa-

1 tive in any hearing or other proceeding relating
2 to entitlement to benefits, and

3 “(B) in connection with a physician, to
4 prohibit from providing items or services to an
5 applicant for, or recipient of, benefits for the
6 purpose of assisting such applicant or recipient
7 in demonstrating disability.

8 “(2) SOCIAL SECURITY PROGRAM.—The term
9 “social security program” means the program provid-
10 ing for monthly insurance benefits under title II and
11 the program providing for monthly supplemental se-
12 curity income benefits to individuals under title XVI.

13 “(3) CONVICTED.—An individual is considered
14 to have been ‘convicted’ of a violation—

15 “(A) when a judgment of conviction has
16 been entered against the individual by a Fed-
17 eral, State, or local court, except if the judg-
18 ment of conviction has been set aside or ex-
19 punged;

20 “(B) when there has been a finding of
21 guilt against the individual by a Federal, State,
22 or local court;

23 “(C) when a plea of guilty or nolo
24 contendere by the individual has been accepted
25 by a Federal, State, or local court; or

1 “(D) when the individual has entered into
2 participation in a first offender, deferred adju-
3 dication, or other arrangement or program
4 where judgment of conviction has been with-
5 held.”.

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 this section shall apply with respect to violations and con-
8 victions of violations described in section 1148(a) of the
9 Social Security Act occurring on or after the date of the
10 enactment of this Act.

11 **SEC. 210. STATE DATA EXCHANGES.**

12 Whenever the Commissioner of Social Security re-
13 quests information from a State for the purpose of
14 ascertaining an individual's eligibility for benefits (or the
15 correct amount of such benefits) under title II or XVI of
16 the Social Security Act, the standards of the Commis-
17 sioner promulgated pursuant to section 1106 of such Act
18 or any other Federal law for the use, safeguarding, and
19 disclosure of information are deemed to meet any stand-
20 ards of the State that would otherwise apply to the dislo-
21 sure of information by the State to the Commissioner.

1 SEC. 211. STUDY ON POSSIBLE MEASURES TO IMPROVE
2 FRAUD PREVENTION AND ADMINISTRATIVE
3 PROCESSING.

4 (a) STUDY.—As soon as practicable after the date of
5 the enactment of this Act, the Commissioner of Social Se-
6 curity, in consultation with the Inspector General of the
7 Social Security Administration and the Attorney General,
8 shall conduct a study of possible measures to improve—

9 (1) prevention of fraud on the part of individ-
10 uals entitled to disability benefits under section 223
11 of the Social Security Act or benefits under section
12 202 of such Act based on the beneficiary's disability,
13 individuals eligible for supplemental security income
14 benefits under title XVI of such Act, and applicants
15 for any such benefits; and

16 (2) timely processing of reported income
17 changes by individuals receiving such benefits.

18 (b) REPORT.—Not later than 1 year after the date
19 of the enactment of this Act, the Commissioner shall sub-
20 mit to the Committee on Ways and Means of the House
21 of Representatives and the Committee on Finance of the
22 Senate a written report that contains the results of the
23 Commissioner's study under subsection (a). The report
24 shall contain such recommendations for legislative and ad-
25 ministrative changes as the Commissioner considers ap-
26 propriate.

1 **SEC. 212. ANNUAL REPORT ON AMOUNTS NECESSARY TO**
2 **COMBAT FRAUD.**

3 (a) IN GENERAL.—Section 704(b)(1) of the Social
4 Security Act (42 U.S.C. 904(b)(1)) is amended—

5 (1) by inserting “(A)” after “(b)(1)”; and

6 (2) by adding at the end the following new sub-
7 paragraph:

8 “(B) The Commissioner shall include in the annual
9 budget prepared pursuant to subparagraph (A) an
10 itemization of the amount of funds required by the Social
11 Security Administration for the fiscal year covered by the
12 budget to support efforts to combat fraud committed by
13 applicants and beneficiaries.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to annual budgets pre-
16 pared for fiscal years after fiscal year 1999.

17 **SEC. 213. COMPUTER MATCHES WITH MEDICARE AND MED-**
18 **ICAID INSTITUTIONALIZATION DATA.**

19 (a) IN GENERAL.—Section 1611(e)(1) of the Social
20 Security Act (42 U.S.C. 1382(e)(1)) is further amended
21 by adding at the end the following:

22 “(K) For the purpose of carrying out this paragraph,
23 the Commissioner of Social Security shall conduct periodic
24 computer matches with data maintained by the Secretary
25 of Health and Human Services under title XVIII or XIX.
26 The Secretary shall furnish to the Commissioner, in such

1 form and manner and under such terms as the Commis-
2 sioner and the Secretary shall mutually agree, such infor-
3 mation as the Commissioner may request for this purpose.
4 Information obtained pursuant to such a match may be
5 substituted for the physician's certification otherwise re-
6 quired under subparagraph (G)(i)."

7 (b) CONFORMING AMENDMENT.—Section
8 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is
9 amended by striking "subparagraph (II)" and inserting
10 "subparagraph (II) or (K)".

11 **SEC. 214. ACCESS TO INFORMATION HELD BY FINANCIAL**
12 **INSTITUTIONS.**

13 Section 1631(e)(1)(B) of the Social Security Act (42
14 U.S.C. 1383(e)(1)(B)) is amended—

15 (1) by striking "(B) The" and inserting "(B)(i)
16 The"; and

17 (2) by adding at the end the following new
18 clause:

19 "(ii)(I) The Commissioner of Social Security may re-
20 quire each applicant for, or recipient of, benefits under
21 this title to provide authorization by the applicant or recip-
22 ient (or by any other person whose income or resources
23 are material to the determination of the eligibility of the
24 applicant or recipient for such benefits) for the Commis-
25 sioner to obtain (subject to the cost reimbursement re-

1 requirements of section 1115(a) of the Right to Financial
2 Privacy Act) from any financial institution (within the
3 meaning of section 1101(1) of such Act) any financial
4 record (within the meaning of section 1101(2) of such
5 Act) held by the institution with respect to the applicant
6 or recipient (or any such other person) whenever the Com-
7 missioner determines the record is needed in connection
8 with a determination with respect to such eligibility or the
9 amount of such benefits.

10 “(II) Notwithstanding section 1104(a)(1) of the
11 Right to Financial Privacy Act, an authorization provided
12 by an applicant or recipient (or any other person whose
13 income or resources are material to the determination of
14 the eligibility of the applicant or recipient) pursuant to
15 subclause (I) of this clause shall remain effective until the
16 earliest of—

17 “(aa) the rendering of a final adverse decision
18 on the applicant’s application for eligibility for bene-
19 fits under this title;

20 “(bb) the cessation of the recipient’s eligibility
21 for benefits under this title; or

22 “(cc) the express revocation by the applicant or
23 recipient (or such other person referred to in sub-
24 clause (I)) of the authorization, in a written notifica-
25 tion to the Commissioner.

1 “(III)(aa) An authorization obtained by the Commis-
2 sioner of Social Security pursuant to this clause shall be
3 considered to meet the requirements of the Right to Fi-
4 nancial Privacy Act for purposes of section 1103(a) of
5 such Act, and need not be furnished to the financial insti-
6 tution, notwithstanding section 1104(a) of such Act.

7 “(bb) The certification requirements of section
8 1103(b) of the Right to Financial Privacy Act shall not
9 apply to requests by the Commissioner of Social Security
10 pursuant to an authorization provided under this clause.

11 “(cc) A request by the Commissioner pursuant to an
12 authorization provided under this clause is deemed to meet
13 the requirements of section 1104(a)(3) of the Right to Fi-
14 nancial Privacy Act and the flush language of section
15 1102 of such Act.

16 “(IV) The Commissioner shall inform any person who
17 provides authorization pursuant to this clause of the dura-
18 tion and scope of the authorization.

19 “(V) If an applicant for, or recipient of, benefits
20 under this title (or any such other person referred to in
21 subclause (I)) refuses to provide, or revokes, any author-
22 ization made by the applicant or recipient for the Commis-
23 sioner of Social Security to obtain from any financial insti-
24 tution any financial record, the Commissioner may, on

1 that basis, determine that the applicant or recipient is in-
2 eligible for benefits under this title.”.

3 **Subtitle B—Benefits for Filipino**
4 **Veterans of World War II**

5 **SEC. 251. PROVISION OF REDUCED SSI BENEFIT TO CER-**
6 **TAIN INDIVIDUALS WHO PROVIDED SERVICE**
7 **TO THE ARMED FORCES OF THE UNITED**
8 **STATES IN THE PHILIPPINES DURING WORLD**
9 **WAR II AFTER THEY MOVE BACK TO THE**
10 **PHILIPPINES.**

11 (a) IN GENERAL.—Notwithstanding sections
12 1611(b), 1611(f)(1), and 1614(a)(1)(B)(i) of the Social
13 Security Act—

14 (1) the eligibility of a qualified individual for
15 benefits under the supplemental security income pro-
16 gram under title XVI of such Act shall not termi-
17 nate by reason of a change in the place of residence
18 of the individual to the Philippines; and

19 (2) the benefits payable to the individual under
20 such program shall be reduced by 25 percent for so
21 long as the place of residence of the individual is in
22 the Philippines.

23 (b) QUALIFIED INDIVIDUAL DEFINED.—In sub-
24 section (a), the term “qualified individual” means an indi-
25 vidual who—

1 (1) as of the date of the enactment of this Act.
2 is eligible for benefits under the supplemental secu-
3 rity income program under title XVI of the Social
4 Security Act; and

5 (2) before August 15, 1945, served in the orga-
6 nized military forces of the Government of the Com-
7 monwealth of the Philippines while such forces were
8 in the service of the Armed Forces of the United
9 States pursuant to the military order of the Presi-
10 dent dated July 26, 1941, including among such
11 military forces organized guerrilla forces under com-
12 manders appointed, designated, or subsequently rec-
13 ognized by the Commander in Chief, Southwest Pa-
14 cific Area, or other competent military authority in
15 the Army of the United States.

16 **TITLE III—CHILD SUPPORT**

17 **SEC. 301. ELIMINATION OF ENHANCED MATCHING FOR** 18 **LABORATORY COSTS FOR PATERNITY ESTAB-** 19 **LISHMENT.**

20 (a) IN GENERAL.—Section 455(a)(1) of the Social
21 Security Act (42 U.S.C. 655(a)(1)) is amended by striking
22 subparagraph (C) and redesignating subparagraph (D) as
23 subparagraph (C).

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall be effective with respect to calendar
3 quarters beginning on or after October 1, 1999.

4 **SEC. 302. ELIMINATION OF HOLD HARMLESS PROVISION**
5 **FOR STATE SHARE OF DISTRIBUTION OF COL-**
6 **LECTED CHILD SUPPORT.**

7 (a) IN GENERAL.—Section 457 of the Social Security
8 Act (42 U.S.C. 657) is amended—

9 (1) in subsection (a), by striking “subsections
10 (e) and (f)” and inserting “subsections (d) and (e)”;

11 (2) by striking subsection (d);

12 (3) in subsection (e), by striking the 2nd sen-
13 tence; and

14 (4) by redesignating subsections (e) and (f) as
15 subsections (d) and (e), respectively.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall be effective with respect to calendar
18 quarters beginning on or after October 1, 1999.

19 **TITLE IV—WORK OPPORTUNITY**
20 **TAX CREDIT**

21 **SEC. 401. WORK OPPORTUNITY CREDIT TO INCLUDE FOS-**
22 **TER CHILDREN.**

23 (a) IN GENERAL.—Paragraph (1) of section 51(d) of
24 the Internal Revenue Code of 1986 (relating to members
25 of targeted groups) is amended by striking “or” at the

1 end of subparagraph (G), by striking the period at the
2 end of subparagraph (II) and inserting “. or”. and by add-
3 ing at the end the following new subparagraph:

4 “(I) a qualified foster child.”

5 (b) QUALIFIED FOSTER CHILD.—Subsection (d) of
6 section 51 of such Code is amended by redesignating para-
7 graphs (10), (11), and (12) as paragraphs (11), (12), and
8 (13), respectively, and by inserting after paragraph (9) the
9 following new paragraph:

10 “(10) QUALIFIED FOSTER CHILD.—The term
11 ‘qualified foster child’ means any individual who is
12 certified by the designated local agency—

13 “(A) as having attained age 18 but not age
14 21 on the hiring date, and

15 “(B) as being in foster care under the re-
16 sponsibility of a State and having a foster fam-
17 ily home as his principal place of abode on his
18 18th birthday (or, if earlier, on the date of his
19 graduation from high school).”

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to individuals who begin work for
22 the employer after December 31, 1999.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. TECHNICAL CORRECTIONS RELATING TO AMEND- MENTS MADE BY THE PERSONAL RESPON- SIBILITY AND WORK OPPORTUNITY REC- ONCILIATION ACT OF 1996.

(a) Section 402(a)(1)(B)(iv) of the Social Security Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking “Act” and inserting “section”.

(b) Section 409(a)(7)(B)(i)(II) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by striking “part” and inserting “section”.

(c) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking “Act” and inserting “section”.

(d) Section 413(i)(1) of the Social Security Act (42 U.S.C. 613(i)(1)) is amended by striking “part” and inserting “section”.

(e) Section 416 of the Social Security Act (42 U.S.C. 616) is amended by striking “Opportunity Act” and inserting “Opportunity Reconciliation Act” each place such term appears.

(f) Section 431(a)(6) of the Social Security Act (42 U.S.C. 629a(a)(6)) is amended—

1 (1) by inserting “, as in effect before August
2 22, 1986” after “482(i)(5)”; and

3 (2) by inserting “, as so in effect” after
4 “482(i)(7)(A)”.

5 (g) Sections 452(a)(7) and 466(c)(2)(A)(i) of the So-
6 cial Security Act (42 U.S.C. 652(a)(7) and
7 666(c)(2)(A)(i)) are each amended by striking “Social Se-
8 curity” and inserting “social security”.

9 (h) Section 454 of the Social Security Act (42 U.S.C.
10 654) is amended—

11 (1) by striking “, or” at the end of each of
12 paragraphs (6)(E)(i) and (19)(B)(i) and inserting “;
13 or”;

14 (2) in paragraph (9), by striking the comma at
15 the end of each of subparagraphs (A), (B), (C) and
16 inserting a semicolon; and

17 (3) by striking “, and” at the end of each of
18 paragraphs (19)(A) and (24)(A) and inserting “;
19 and”.

20 (i) Section 454(24)(B) of the Social Security Act (42
21 U.S.C. 654(24)(B)) is amended by striking “Opportunity
22 Act” and inserting “Opportunity Reconciliation Act”.

23 (j) Section 344(b)(1)(A) of the Personal Responsibil-
24 ity and Work Opportunity Reconciliation Act of 1996 (110
25 Stat. 2236) is amended to read as follows:

1 “(A) in paragraph (1), by striking sub-
2 paragraph (B) and inserting the following:

3 “(B) equal to the percent specified in para-
4 graph (3) of the sums expended during such
5 quarter that are attributable to the planning,
6 design, development, installation or enhance-
7 ment of an automatic data processing and in-
8 formation retrieval system (including in such
9 sums the full cost of the hardware components
10 of such system); and”: and”.

11 (k) Section 457(a)(2)(B)(i)(I) of the Social Security
12 Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking
13 “Act Reconciliation” and inserting “Reconciliation Act”.

14 (l) Section 457 of the Social Security Act (42 U.S.C.
15 657) is amended by striking “Opportunity Act” each place
16 it appears and inserting “Opportunity Reconciliation
17 Act”.

18 (m) Section 466(a)(7) of the Social Security Act (42
19 U.S.C. 666(a)(7)) is amended by striking “1681a(f))” and
20 inserting “1681a(f))”.

21 (n) Section 466(b)(6)(A) of the Social Security Act
22 (42 U.S.C. 666(b)(6)(A)) is amended by striking “state”
23 and inserting “State”.

1 (o) Section 471(a)(8) of the Social Security Act (42
2 U.S.C. 671(a)(8)) is amended by striking “(including ac-
3 tivities under part F)”.

4 (p) Section 1137(a)(3) of the Social Security Act (42
5 U.S.C. 1320b-7(a)(3)) is amended by striking
6 “453A(a)(2)(B)(iii)” and inserting
7 “453A(a)(2)(B)(ii))”.

8 (q) The amendments made by this section shall take
9 effect as if included in the enactment of the Personal Re-
10 sponsibility and Work Opportunity Reconciliation Act of
11 1996.