

1 TITLE I - FOOD ASSISTANCE
2 BLOCK GRANT PROGRAM

3 SEC. 101. SHORT TITLE, PURPOSE AND USE OF GRANT.

4 (a) SHORT TITLE. - This title may be cited as the "Food
5 Assistance Block Grant Act of 1995".

6 (b) PURPOSE. - The purpose of the Food Assistance Block Grant
7 is to:

8 (1) provide assistance to low-income families and
9 individuals to help meet food needs and enhance family and
10 individual self-sufficiency;

11 (2) maximize program flexibility and increase program and
12 service alternatives;

13 (3) institute greater procedural efficiencies and
14 accountability.

15 "(c) USE OF GRANT. - A State to which a grant is made under
16 this section may use the grant in any manner that is reasonably
17 calculated to accomplish the purpose of this title. States are
18 encouraged to integrate programs under this block grant with
19 programs under Temporary Assistance for Needy Families program
20 (Title IV-A of the Social Security Act) require and enable family
21 self-sufficiency. The grant may be used for a comprehensive
22 welfare reform program that provides a wide variety of self-
23 sufficiency activities and benefits which can be required to be
24 "earned" per assigned employability plan. Payments to eligible
25 participants can be in the form of cash, vouchers, wage subsidies,
26 employer subsidies, loans, and other vehicles designed to require
27 and enable individual and family self-sufficiency.

1 **SEC. 102. DEFINITIONS.**

2 Except as otherwise specifically provided, in this title:

3 (1) INDIAN TRIBE. - The term "Indian tribe" has the
4 meaning provided in section 4(e) of the Indian Self-
5 Determination and Education Assistance Act (25 U.S.C.
6 450b(e)).

7 (2) SECRETARY. - The term "Secretary" means the Secretary
8 of Agriculture.

9 (3) STATE. - The term "State" means each of the several
10 States, the District of Columbia, the Virgin Islands of the
11 United States, the Commonwealth of Puerto Rico, Guam, American
12 Samoa, the Commonwealth of the Northern Mariana Islands, the
13 Republic of the Marshall Islands, the Federated States of
14 Micronesia, and the Republic of Palau.

15 (4) TRIBAL ORGANIZATION. - The term "tribal organization"
16 has the meaning provided in section 4(1) of the Indian Self-
17 Determination and Education Assistance Act (25 U.S.C.
18 450b(1)).

19 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) IN GENERAL. - There are authorized to be appropriated to
21 carry out this title such sums as may be necessary for each of
22 fiscal years 1996 through 2000.

23 (b) ANNUAL AUTHORIZATION. - The annual authorization is not to
24 be below \$25,120,000,000 (need to adjust in order to accommodate
25 state totals), and not in excess of the cost estimate made by the
26 Congressional Budget Office for full implementation of the
27 provisions of this Act for the fiscal years 1996, 1997, 1998, 1999,
28 and 2000.

1 (c) CONSUMER PRICE INDEX. - The Congressional Budget Office is
2 to take into consideration the allotment plan adjustments under
3 section 112(c)(3).

4 **SEC. 104. ESTABLISHMENT OF BLOCK GRANT PROGRAM.**

5 The Secretary shall make grants to States in accordance with
6 this title to provide food assistance to individuals and families
7 residing in the State.

8 **SEC. 105. STATE PLAN AND ANNUAL REPORT.**

9 (a) IN GENERAL. - As used in this part, the term "eligible"
10 State means with respect to a fiscal year, a State that, during the
11 3-year period immediately preceding the fiscal year, has submitted
12 to the Secretary a plan that includes the following:

13 (1) OUTLINE OF FOOD ASSISTANCE PROGRAM. - A written
14 document that outlines how the State intends to do the
15 following:

16 (A) provide food assistance to individuals and
17 families residing in the State;

18 (B) enhance family and individual self-sufficiency;

19 and

20 (C) cover administrative costs incurred in providing
21 the assistance.

22 (b) ANNUAL REPORT. - Not later than 120 days after the end of
23 the fiscal year for which a State receives a grant under this
24 section, the State shall prepare an activities report, including a
25 comparison of actual expenditures for such fiscal year for food and
26 nutrition assistance under this title with the expenditures for
27 such fiscal year predicted in the plan submitted in accordance with
28 subsection 105(a) and data required in section 106(a)(3). Such

1 State shall make the activities report available for public
2 inspection.

3 (c) NO ADDITIONAL REPORTS. - The Secretary may not impose any
4 reporting requirements on States to carry out this title that are
5 in addition to the reports specifically required under this title.

6 SEC. 106. NATIONAL PROGRAM OUTCOMES, ANNUAL REPORT AND STATE
7 INNOVATIONS.

8 (a) PROGRAM OUTCOMES AND STATE DATA REQUIREMENTS. -

9 (1) IN GENERAL. - States shall be responsible for
10 annually providing the following data that permits an
11 assessment and comparative analysis of the extent to which
12 they have met the purposes and national goals identified in
13 section 101 of this title.

14 (2) REPORTING OF OUTCOME DATA. - The outcome data shall
15 be incorporated in the annual report required under section
16 105 and include outcomes for the most recent completed fiscal
17 year.

18 (3) FOOD ASSISTANCE BLOCK GRANT OUTCOMES. - States shall
19 report the following data:

20 (A) CASELOAD/RECIPIENTS. - Total State caseload for
21 the Food Assistance Block Grant Program.

22 (B) EMPLOYMENT. - Number of recipients employed and
23 proportion of total caseload. Of this number, the number
24 of recipients aged 18 to 50.

25 (C) SELF-SUFFICIENCY. - Number of applicants
26 diverted from public assistance or recipients who become
27 self-sufficient.

1 (D) POVERTY. - Number and proportion of recipient
2 children in poverty.

3 (E) MARRIAGE. - Number and proportion of recipients
4 married.

5 (F) OUT-OF-WEDLOCK BIRTHS. - Number and proportion
6 of out-of-wedlock births.

7 (b) ANNUAL REPORT. - Review of most and least successful
8 programs and State innovations.

9 (1) ANNUAL RANKING OF STATES. - The Secretary shall rank
10 the States to which grants are paid under this title in the
11 order of their success in meeting the national outcomes
12 specified in 106(a)(3).

13 (2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL
14 PROGRAMS. - The Secretary shall review the programs of the 5
15 States most recently ranked highest under paragraph (1) and
16 the 5 States most recently ranked lowest under paragraph (1).

17 (c) EVALUATION OF INNOVATIVE APPROACHES. - The Secretary shall
18 also evaluate innovative State approaches in meeting the national
19 goals under this title.

20 **SEC. 107. LIMITATIONS ON STATE ALLOTMENTS.**

21 (a) PRIVATE RIGHT OF ACTION. - Nothing in this title shall be
22 construed to create or imply a right of action to require the
23 payment of benefits, the form of payment, i.e., cash voucher
24 "earned" as a result of required activity, or a particular amount
25 of benefits, to any person or class of persons, or to prevent or
26 delay change in or the elimination of benefits paid or payable to
27 any person or class of persons, or to specify the timing or manner
28 of payment of benefits to any person or class of persons; provided,

1 that the foregoing is not intended to limit the power of a Federal
2 court to take appropriate action in a properly instituted
3 proceeding to remedy any act demonstrated and determined to
4 constitute a violation of the United States Constitution.

5 (b) LEGAL ALIENS. - States have authority to provide
6 assistance to legal aliens in the manner the State chooses. States
7 have explicit authority to deny assistance to legal aliens.

8 (c) CONSTRUCTION OF FACILITIES. - No funds made available
9 under this title shall be expended for the purchase or improvement
10 of land, or for the purchase, construction, or permanent
11 improvement (other than minor remodeling) of any building or
12 facility.

13 **SEC. 108. ADMINISTRATION AND ENFORCEMENT.**

14 (a) COORDINATION AND TECHNICAL ASSISTANCE. - The Secretary
15 shall -

16 (1) coordinate all activities of the Department of
17 Agriculture relating to food and nutrition assistance and
18 enhancing family and individual self-sufficiency relating to
19 this title, and, to the maximum extent practicable, coordinate
20 the activities with similar activities of other Federal
21 entities; and

22 (2) provide technical assistance to assist States in
23 carrying out this title, including assistance on a
24 reimbursable basis.

25 (b) STATE WAIVERS IN FOOD ASSISTANCE AND RELATED PROGRAMS. -
26 States have explicit authority to unilaterally withdraw from
27 waivers previously granted by the Secretary. States shall be held

1 harmless for waiver excess costs, as determined by cost neutrality
2 studies undertaken under the direction of the Secretary.

3 SEC. 109. PAYMENTS TO STATES.

4 (a) IN GENERAL. -

5 (1) PAYMENTS. - A State that has submitted a plan to the
6 Secretary shall be entitled to a payment under this section
7 for each fiscal year in an amount that is equal to the State
8 Food and Nutrition allotment under section 112 for the fiscal
9 year.

10 (2) STATE ENTITLEMENT. -

11 (A) This title constitutes budget authority in
12 advance of appropriations Acts, and represents the
13 obligation of the Federal Government to provide for the
14 payment to States of the amount described in
15 paragraph (1).

16 (B) Each eligible State shall be entitled to receive
17 from the Secretary for each of fiscal years 1996, 1997,
18 1998, 1999, and 2000 a grant in an amount not less than
19 the State food and nutrition allotment, as defined under
20 section 112(C).

21 (b) METHOD OF PAYMENT. -

22 (1) IN GENERAL. - The Secretary may make payments to a
23 State in installments, or in advance with necessary
24 adjustments on account of overpayments or underpayments.

25 (2) LIMITATION. - The Secretary may not make the payments
26 in a manner that prevents the State from complying with
27 section 105.

1 (c) SPENDING OF FUNDS BY STATE. - Payments to a State from an
2 allocation under section 112 for a fiscal year may be expended by
3 the State in the fiscal year or in the succeeding fiscal year.

4 (d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES. -

5 "(1) IN GENERAL. - A State may use not more than 30
6 percent of the amount of the grant made to the State under
7 this section for a fiscal year to carry out a State program
8 pursuant to any or all of the following provisions of law:

9 (A) Title IV-A of the Social Security Act;

10 (B) Title IV-B of the Social Security Act;

11 (C) Title III of this Act (the Child Care Block
12 Grant);

13 (D) Title XX of the Social Security Act;

14 "(2) APPLICABLE RULES. - Any amount paid to the State
15 under this part that is used to carry out a State program
16 pursuant to a provision of law specified in subparagraph (1)
17 shall not be subject to the requirements of this part, but
18 shall be subject to the requirements that apply to Federal
19 funds provided directly under the provision of law to carry
20 out the program.

21 "(e) AUTHORITY TO TREAT PERSONS MOVING FROM ANOTHER STATE
22 UNDER RULES OF FORMER STATE. - A State to which a grant is made
23 under this section may apply the rules of the program operated
24 under this title of another State if the family has moved to the
25 State from the other State and has resided in the State for less
26 than 12 months.

27 SEC. 110. AUDITS AND PENALTIES.

1 "(a) SINGLE AUDIT ACT OF 1984. - The Food Assistance Block
2 Grant is subject to the Single Audit Act of 1984.

3 "(b) QUALITY ASSURANCE AUDITS. - States may conduct quality
4 assurance audits. Specific mispayments that are identified as part
5 of these activities will result in questioned costs. The auditor
6 is not required to report projected questioned costs.

7 "(c) Not later than 120 days of the end of each fiscal year in
8 which an audit is conducted, States must provide the secretary with
9 such an audit. States shall make the report of such audit
10 available for public inspection.

11 "(d) PENALTIES. -

12 "(1) FOR USE OF GRANT IN VIOLATION OF THIS PART. -

13 "(A) IN GENERAL. - If an audit finds that an amount paid
14 to a State under this title for a fiscal year has been used in
15 violation of this title, then the Secretary shall reduce the
16 amount of the grant otherwise payable to the State under this
17 section for the immediately succeeding fiscal year by the
18 amount so used.

19 "(B) LIMITATION ON AMOUNT OF PENALTY. - In carrying out
20 subparagraph (A), the Secretary shall not reduce any quarterly
21 payment by more than 25 percent.

22 "(C) CARRY FORWARD OF UNRECOVERED PENALTIES. - To the
23 extent that subparagraph (B) prevents the Secretary from
24 recovering during a fiscal year the full amount of a penalty
25 imposed on a State under Subparagraph (A) for a prior fiscal
26 year, the Secretary shall apply subparagraph (A) to the grant
27 otherwise payable to the State under this section for the
28 immediately succeeding fiscal year.

1 **SEC. 111. REPORT BY SECRETARY.**

2 Not later than July 31, 1997, and annually thereafter, the
3 Secretary shall prepare and submit to the Committee on Agriculture,
4 and the Committee on Economic and Educational Opportunity, of the
5 House of Representatives and the Committee on Agriculture,
6 Nutrition, and Forestry of the Senate a report that contains a
7 summary and analysis of the data and information provided to the
8 Secretary in section 105(b) and the State audits submitted under
9 section 109. The report shall include an assessment, and if
10 appropriate, recommendations for Congress concerning efforts that
11 should be undertaken to improve food and nutrition assistance in
12 the United States. The report shall also address section 106
13 requirements.

14 **SEC. 112. AMOUNTS RESERVED; ALLOTMENTS.**

15 (a) DEFINITION OF STATE. - In this section, the term "State"
16 means each of the 50 States, the District of Columbia, and the
17 Commonwealth of Puerto Rico.

18 (b) AMOUNTS RESERVED. -

19 (1) TERRITORIES AND POSSESSIONS. - The Secretary shall
20 reserve not to exceed 1/2 of 1 percent of the amount
21 appropriated under section 103 of each fiscal year for
22 payments to Guam, American Samoa, the Virgin Islands of the
23 United States, the Commonwealth of the Northern Mariana
24 Islands, the Republic of the Marshall Islands, the Federated
25 States of Micronesia, and the Republic of Palau to be allotted
26 in accordance with their respective needs.

27 (2) INDIAN TRIBES. - The Secretary shall reserve no more
28 than 3 percent of the amount appropriated under section 103

1 for each fiscal year for payments to Indian tribes and tribal
2 organizations.

3 (c) STATE FOOD AND NUTRITION ALLOTMENT. -

4 (1) A State that meets the requirements of this title
5 shall be entitled to receive each fiscal year under this
6 section the higher of -

7 (A)(i) the total dollar value of all benefits,
8 including nutrition and food stamp employment and
9 training funds issued under the food stamp program by the
10 State during fiscal year 1994; or

11 (ii) 1/3 of the total dollar value of all benefits
12 issued under the food stamp program by the State during
13 fiscal years 1992, 1993, and 1994; and

14 (B)(i) the higher of the total amount received by
15 the State for administrative costs, including for fraud
16 control, quality control, food stamp employment and
17 training, and APD system funds under section 16(a) for
18 fiscal year 1994; or

19 (ii) 1/3 of the total amount received by the State
20 for administrative costs, including for fraud control,
21 quality control, food stamp employment and training, and
22 APD system funds, under section 16(a) for fiscal years
23 1992, 1993, and 1994.

24 (2) MINIMUM AMOUNT. - Subject to paragraph (4), the
25 amount allotted to a State under paragraph (1) for fiscal year
26 1997 and each subsequent fiscal year may not be less than the
27 amount allotted to the State under paragraph (1) for fiscal
28 year 1996.

1 (3) ADJUSTMENT. - On October 1, 1995, and each October :
 2 thereafter, the Secretary shall adjust the minimum amount
 3 required under paragraph (1) to reflect changes in the
 4 Consumer Price Index for all urban consumers published by the
 5 Bureau of Labor Statistics for the 12 months ending the
 6 preceding May 31.

7 (4) DATA AND INFORMATION. - The Secretary shall obtain
 8 from each appropriate Federal agency, the most recent data and
 9 information necessary to determine the allotments required
 10 under subsection (c).

11 **SEC. 113. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
 12 **SYSTEMS.**

13 Section 904 of the Electronic Fund Transfer Act (15 U.S.C.
 14 1693b) is amended -

15 (1) by striking "(d) In the event" and inserting
 16 "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN
 17 FINANCIAL INSTITUTIONS. -

18 "(1) IN GENERAL. - In the event"; and

19 (2) by adding at the end the following new paragraph:

20 "(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT
 21 TRANSFER PROGRAMS. -

22 "(A) EXEMPTION GENERALLY. - The disclosures,
 23 protections, responsibilities, and remedies established
 24 under this title, and any regulation prescribed or order
 25 issued by the Board in accordance with this title, shall
 26 not apply to any electronic benefit transfer program
 27 established under State or local law or administered by
 28 a State or local government.

1 "(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S
2 ACCOUNT. - Subparagraph (A) shall not apply with respect
3 to any electronic funds transfer under an electronic
4 benefit transfer program for deposits directly into a
5 consumer account held by the recipient of the benefit."

6 "(C) RULE OF CONSTRUCTION. - No provision of this
7 paragraph may be construed as -

8 "(i) affecting or altering the protections
9 otherwise applicable with respect to benefits
10 established by Federal, State, or local law; or

11 "(ii) otherwise superseding the application of
12 any State or local law.

13 "(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED. -
14 For purposes of subparagraph (A), the term 'electronic
15 benefit transfer program' means a program under which a
16 government agency distributes needs-tested or "earned"
17 benefits by establishing State agency accounts to be
18 accessed by recipients electronically, such as through
19 automated teller machines, or point-of-sale terminals.

20 **SEC. 114. REPEAL OF FEDERAL FOOD STAMP ACT AND CONFORMING**
21 **AMENDMENTS.**

22 (a) FOOD STAMP PROGRAM. - The Food Stamp Act of 1977 (7 U.S.C.
23 2011 et seq.) is repealed.

24 (b) CONFORMING AMENDMENTS. -

25 **TO BE DEVELOPED.**

26 **SEC. 115. EFFECTIVE DATE.**

27 (a) IN GENERAL. - This title and the amendments made by this
28 title shall take effect on October 1, 1995.

1 (b) TRANSITION RULE. - The amendments made by this title shall
2 not apply with respect to -

3 (1) powers, duties, functions, rights, claims, penalties,
4 or obligations applicable to aid or services provided before
5 the effective date of this title under the provisions amended;
6 and

7 (2) administrative actions and proceedings commenced
8 before such date, or authorized before such date to be
9 commenced, under such provisions.

1 (ii) provide parents of children in such
2 families with work experience, assistance in
3 finding employment, and other work preparation
4 activities and support services that the State
5 considers appropriate to enable such families to
6 leave the program and become self-sufficient.

7 (B) Ensure that parents receiving assistance under
8 the program engage in work activities, including being
9 required to "earn" any benefits received.

10 (C) Treat persons moving from another State if such
11 families are to be treated differently than other
12 families.

13 (D) Take such reasonable steps as the State deems
14 necessary to restrict the use and disclosure of
15 information about individuals and families receiving
16 benefits under the program.

17 (E) Take actions to reduce the incidence of out-of-
18 wedlock births, which may include providing unmarried
19 mothers and unmarried fathers with services which will
20 help them -

21 (i) avoid subsequent pregnancies;

22 (ii) provide adequate care to their children;

23 and

24 (iii) assume financial responsibility for
25 their children.

26 (F) Reduce teenage pregnancy, including (at the
27 option of the State) through the provision of education,

1 counseling, and health services to male and female
2 teenagers.

3 "(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD
4 PROTECTION PROGRAM. - A certification by the Governor of the
5 State that, during the fiscal year, the State will operate a
6 child protection program in accordance with part B, which
7 includes a foster care program and an adoption assistance
8 program.

9 "(b) DETERMINATIONS. - The Secretary shall determine whether
10 a plan submitted pursuant to subsection (a) contains the material
11 required by subsection (a).

12 "SEC. 403. PAYMENTS TO STATES.

13 "(a) ENTITLEMENTS. -

14 "(1) GRANTS FOR FAMILY ASSISTANCE. -

15 "(A) The total of the State family assistance grants
16 shall be \$15,700,000,000 for each of fiscal year 1996,
17 1997, 1998, 1999, and 2000.

18 "(B) IN GENERAL. - Each eligible State shall be
19 entitled to receive from the Secretary for each of fiscal
20 years 1996, 1997, 1998, 1999, and 2000 a grant in an
21 amount equal to the State family assistance grant for the
22 fiscal year.

23 "(C) GRANT INCREASED TO REWARD STATES THAT REDUCE
24 OUT-OF-WEDLOCK BIRTHS. - The amount of the grant payable
25 to a State under subparagraph (A) for fiscal year 1998 or
26 any succeeding fiscal year shall be increased by -

27 "(i) 5 percent if the illegitimacy ratio of
28 the State for the fiscal year is at least 1

1 percentage point lower than the illegitimacy ratio
2 of the State for fiscal year 1995, or below 80% of
3 the national illegitimacy ratio; or

4 "(ii) 10 percent if the illegitimacy ratio of
5 the State for the fiscal year is at least 2
6 percentage points lower than the illegitimacy ratio
7 of the State for fiscal year 1995, or below 90% of
8 the national illegitimacy ratio.

9 "(2) SUPPLEMENTAL GRANTS TO ADJUST FOR POPULATION
10 INCREASES. - In addition to any grant under paragraph (1),
11 each eligible State shall be entitled to receive from the
12 Secretary for each of fiscal years 1997, 1998, 1999, and 2000,
13 a grant in an amount equal to the State proportion of
14 \$100,000,000.

15 "(b) DEFINITIONS. - As used in this section:

16 "(1) STATE FAMILY ASSISTANCE GRANT. -

17 "(A) STATE FAMILY ASSISTANCE GRANT. - The term
18 'State family assistance grant' means -

19 "(i) the greater of -

20 "(I) 1/3 of the total amount of outlays
21 to the State under section 403 of this title
22 (as in effect before October 1, 1995) for
23 fiscal years 1992, 1993, and 1994 (other than
24 with respect to amounts expended for child
25 care under subsection (g) or (i) of such
26 section); or

27 "(II) the total amount of outlays to the
28 State under such section 403 for fiscal year

1 1994 (other than with respect to amounts
2 expended for child care under subsection (g)
3 or (i) of such section);

4 "(2) ILLEGITIMACY RATIO. - The term 'illegitimacy ratio'
5 means, with respect to a State and a fiscal year -

6 "(A) the sum of -

7 "(i) the number of out-of-wedlock births that
8 occurred in the State during the most recent fiscal
9 year for which such information is available; and

10 "(ii) the amount (if any) by which the number
11 of abortions performed in the State during the most
12 recent fiscal year for which such information is
13 available exceeds the number of abortions performed
14 in the State during the fiscal year that
15 immediately precedes such most recent fiscal year;
16 divided by

17 "(B) the number of births that occurred in the State
18 during the most recent fiscal year for which such
19 information is available.

20 "(3) STATE PROPORTION. - The term 'State proportion'
21 means, with respect to a fiscal year, the amount that bears
22 the same ratio to the amount specified in subsection (a)(2) as
23 the increase (if any) in the population of the State for the
24 most recent fiscal year for which such information is
25 available over the population of the State for the fiscal year
26 that immediately precedes such most recent fiscal year bears
27 to the total increase in the population of all States which

1 have such an increase in population, as determined by the
2 Secretary using data from the Bureau of the Census.

3 "(4) FISCAL YEAR. - The term 'fiscal year' means any 12-
4 month period ending on September 30 of a calendar year.

5 "(5) STATE. - The term 'State' includes the several
6 States, the District of Columbia, the Commonwealth of Puerto
7 Rico, the United States Virgin Islands, Guam, and American
8 Samoa.

9 "(c) USE OF GRANT. -

10 "(1) IN GENERAL. - A State to which a grant is made under
11 this section may use the grant in any manner that is
12 reasonably calculated to accomplish the purpose of this part,
13 subject to this part, including to provide low income
14 households with assistance in meeting home heating and cooling
15 costs.

16 "(2) AUTHORITY TO TREAT PERSONS MOVING FROM ANOTHER STATE
17 UNDER RULES OF FORMER STATE. - A State to which a grant is
18 made under this section may apply to a family the rules of the
19 program operated under this part of another State if the
20 family has moved to the State from the other State and has
21 resided in the State for less than 12 months.

22 "(3) AUTHORITY TO USE PORTION OF GRANT FOR OTHER
23 PURPOSES. -

24 "(A) IN GENERAL. - A State may use not more than 30
25 percent of the amount of the grant made to the State
26 under this section for a fiscal year to carry out a State
27 program pursuant to any or all of the following
28 provisions of law:

1 "(i) Part B of this title.

2 "(ii) Title XX of this Act.

3 "(iv) Any provision of law, enacted into law
4 during the 104th Congress, under which grants are
5 made to States for food and nutrition.

6 "(iv) The Child Care and Development Block
7 Grant Act of 1990.

8 "(B) APPLICABLE RULES. - Any amount paid to the
9 State under this part that is used to carry out a State
10 program pursuant to a provision of law specified in
11 subparagraph (A) shall not be subject to the requirements
12 of this part, but shall be subject to the requirements
13 that apply to Federal funds provided directly under the
14 provision of law to carry out the program.

15 "(4) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR EMERGENCY
16 BENEFITS. -

17 "(A) IN GENERAL. - A State may reserve amounts paid
18 to the State under this section for any fiscal year for
19 the purpose of providing emergency assistance under the
20 State program operated under this part.

21 "(B) AUTHORITY TO USE EXCESS RESERVES FOR ANY
22 PURPOSE. - During a fiscal year, a State may use for any
23 purpose deemed appropriate by the State amounts held in
24 reserve under subparagraph (A) to the extent exceeding
25 120 percent of the amount of the grant payable to the
26 State under this section for the fiscal year.

27 "(5) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER
28 SYSTEM. - A State to which a grant is made under this section

1 is encouraged to implement an electronic benefit transfer
2 system for providing assistance under the State program funded
3 under this part, and may use the grant for such purpose.

4 "(6) AUTHORITY TO ASSIGN CHILD AND SPOUSAL SUPPORT. - At
5 State option, the State may require, as a condition of
6 receiving assistance under this title, the assignment of
7 support entitled to a child or a spouse in the assistance
8 unit. If the State so chooses to implement this provision,
9 the State is entitled to establish and collect on those
10 obligations and retain collections associated with those
11 obligations.

12 "(d) TIMING OF PAYMENTS. - The Secretary shall pay each grant
13 payable to a State under this section in quarterly installments.

14 "(e) PENALTIES. -

15 "(1) IN GENERAL. - If an audit conducted pursuant to
16 chapter 75 of title 31, United States Code, finds that an
17 amount paid to a State under this section for a fiscal year
18 has been used in violation of this part, then the Secretary
19 shall reduce the amount of the grant otherwise payable to the
20 State under this section for the immediately succeeding fiscal
21 year by the amount so used.

22 "(2) LIMITATION ON AMOUNT OF PENALTY. - In carrying out
23 subparagraph (1), the Secretary shall not reduce any quarterly
24 payment by more than 25 percent.

25 "(3) CARRY FORWARD OF UNRECOVERED PENALTIES. - To the
26 extent that subparagraph (2) prevents the Secretary from
27 recovering during a fiscal year the full amount of a penalty
28 imposed on a State under subparagraph (1) for a prior fiscal

1 year, the Secretary shall apply subparagraph (1) to the grant
2 otherwise payable to the State under this section for the
3 immediately succeeding fiscal year.

4 "(f) LIMITATION ON FEDERAL AUTHORITY. - The Secretary may not
5 regulate the conduct of States under this part or endorse any
6 provision of this part, except to the extent expressly provided in
7 this part.

8 "(g) FEDERAL RAINY DAY FUND. -

9 "(1) ESTABLISHMENT. - There is hereby established in the
10 Treasury of the United States a fund which shall be known as
11 the 'Federal Rainy Day Fund'.

12 "(2) DEPOSITS INTO FUND. - Out of any money in the
13 Treasury of the United States not otherwise appropriated,
14 \$1,000,000,000 are hereby appropriated for fiscal year 1996
15 for payment to the Federal Rainy Day Fund.

16 "(3) AVAILABILITY. - Amounts in the fund are authorized to
17 remain available without fiscal year limitation for the
18 purpose of making grants to qualified states in accordance
19 with this subsection.

20 "(4) USE OF FUND. -

21 "(A) GRANTS TO QUALIFIED STATES. -

22 "(i) IN GENERAL. - The Secretary shall make
23 grants from the fund to any qualified State.

24 "(iii) MAXIMUM GRANT. - The amount of any
25 grant made to a State under clause (i) during a
26 fiscal year shall not exceed the lesser of -

"(I) 50 percent of the amount of the grant payable to the State under this section for the fiscal year; or

"(II) \$100,000,000.

"(B) QUALIFIED STATE DEFINED. - A State is a qualified State for purposes of subparagraph (A) if the unemployment rate of the State (as determined by the Bureau of Labor Statistics) for the most recent 3-month period for which such information is available is -

"(i) more than 6.5 percent; and

"(ii) at least 110 percent of such rate for the corresponding 3-month period in either of the 2 immediately preceding calendar years.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS. -

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE. -

"(A) IN GENERAL. - A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

1 "(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO
2 CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW. - The
3 minimum participation rate otherwise required by
4 subparagraph (A) for a fiscal year shall be reduced by a
5 percentage equal to the percentage (if any) by which the
6 number of families receiving assistance during the fiscal
7 year under the State program funded under this part is
8 less than the number of families that received aid under
9 the State plan approved under part A of this title (as in
10 effect before October 1, 1995) during the fiscal year
11 immediately preceding such effective date, except to the
12 extent that the Secretary determines that the reduction
13 in the reduction in the number of families receiving such
14 assistance is required by Federal law.

15 "(C) PARTICIPATION RATE. - For purposes of this
16 paragraph:

17 "(i) AVERAGE MONTHLY RATE. - The participation
18 rate of a State for a fiscal year is the average of
19 the participation rates of the State for each month
20 in the fiscal year.

21 "(ii) MONTHLY PARTICIPATION RATES. - The
22 participation rate of a State for a month is -

23 "(I) the number of families receiving
24 benefits under the State program funded under
25 this part which include an individual who is
26 engaged in work activities for the month;
27 divided by

"(II) the total number of families receiving benefits under the State program funded under this part during the month which include an individual who has attained 18 years of age.

"(iii) ENGAGED. - A recipient is engaged in work activities for a month in a fiscal year if the recipient is making progress in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in section (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)):

If the month is in fiscal year:	The minimum average number number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES. -

"(A) IN GENERAL. - A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent

families receiving assistance under the State program
funded under this part:

	The minimum
*If the fiscal year is:	participation rate is:
1996	50
1997	50
1998 or thereafter	90.

"(B) PARTICIPATION RATE. - For purposes of this
paragraph.

"(i) AVERAGE MONTHLY RATE. - The participation
rate of a State for a fiscal year is the average of
the participation rates of the State for each month
in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES. - The
participation rate of a State for a month is -

"(I) the number of 2-parent families
receiving benefits under the State program
funded under this part which include at least
1 adult who is engaged in work activities for
the month; divided by

"(II) the total number of 2-parent
families receiving benefits under the State
program funded under this part during the
month.

"(iii) ENGAGED. - An adult is engaged in work
activities for a month in a fiscal year if the
adult is making progress in such activities for at
least 35 hours per week during the month, not fewer
than 30 hours per week of which are attributable to
an activity described in subparagraph (A), (B),

(C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)).

"(b) DEFINITIONS. - As used in this section:

"(1) WORK ACTIVITIES. - The term 'work activities' means -

"(A) unsubsidized employment;

"(B) subsidized private sector employment;

"(C) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

"(D) on-the-job training;

"(E) job search and job readiness assistance;

"(F) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency;

"(G) job skills training directly related to employment; or

"(H) at the option of the State, satisfactory attendance at secondary school, in the case of a recipient who -

"(i) has not completed secondary school; and

"(ii) is a dependent child, or a head of household who has not attained 20 years of age.

1 "(2) FISCAL YEAR. - The term 'fiscal year' means any 12-
2 month period ending on September 30 of a calendar year.

3 "(c) PENALTIES. -

4 " (1) AGAINST INDIVIDUALS. -

5 " (A) APPLICABLE TO ALL FAMILIES. - A State to which
6 a grant is made under section 403 shall ensure that the
7 amount of benefits paid under the State program funded
8 under this part to a recipient of assistance under the
9 program who refuses to engage (within the meaning of
10 subsection (a) (1) (C) (iii)) in work activities required
11 under this section shall be less than the amount of cash
12 assistance that would otherwise be paid to the recipient
13 under the program, and in no case less than State
14 penalties in effect on September 30, 1995, subject to
15 such good cause and other exceptions as the State may
16 establish. The State may require the recipient to "earn"
17 any benefits received per the approved employability
18 plan. ?

19 " (B) APPLICABLE TO 2-PARENT FAMILIES. - A State to
20 which a grant is made under section 403 shall reduce the
21 amount of cash assistance otherwise payable to a 2-parent
22 family for a month under the State program funded under
23 this part with respect to an adult in the family who is
24 not engaged (within the meaning of subsection
25 (a) (2) (B) (iii)) in work activities for at least 35 hours
26 per week during the month, pro rata (or more, at the
27 option of the State) with respect to any period during
28 the month for which the adult is not so engaged. The

1 State may require the recipient to "earn" any benefits
2 received.

3 "(C) LIMITATION ON FEDERAL AUTHORITY. - No officer
4 or employee of the Federal Government may regulate the
5 conduct of States under this paragraph or enforce this
6 paragraph against any State.

7 "(2) AGAINST STATES. -

8 "(A) IN GENERAL. - If the Secretary determines that
9 a State to which a grant is made under section 403 for a
10 fiscal year has failed to comply with subsection (a) for
11 the fiscal year, the Secretary shall reduce by not more
12 than 5 percent the amount of the grant that would (in the
13 absence of this paragraph and subsections (a)(1)(C) and
14 (e) of section 403) be payable to the State under section
15 403(a)(1)(A) for the immediately succeeding fiscal year.

16 "(B) PENALTY BASED ON SEVERITY OF FAILURE. - The
17 Secretary shall impose reductions under subparagraph (A)
18 based on the degree of noncompliance.

19 "(d) RULE OF INTERPRETATION. - This section shall not be
20 construed to prohibit a State from offering recipients of
21 assistance under the State program funded under this part an
22 opportunity to participate in an education or training program,
23 consistent with the requirements of this section.

24 "(e) RESEARCH. - The Secretary shall conduct research on the
25 costs and benefits of State work activity activities.

26 "(f) EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING
27 RECIPIENTS OF ASSISTANCE. - The Secretary shall evaluate innovative

1 approaches to employing recipients of assistance under State
2 programs funded under this part.

3 "(g) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST
4 SUCCESSFUL WORK PROGRAMS. -

5 "(1) ANNUAL RANKING OF STATES. - The Secretary shall
6 rank the States to which grants are paid under section
7 403 in the order of their success in moving recipients of
8 assistance under the State program funded under this part
9 into private sector jobs.

10 "(2) ANNUAL REVIEW OF MOST AND LEST SUCCESSFUL WORK
11 PROGRAMS. - The Secretary shall review the programs of
12 the 5 States most recently ranked highest under paragraph
13 (1) and the 5 States most recently ranked lowest under
14 paragraph (1) that provide parents with private sector
15 work, that provide parents with work experience,
16 assistance in finding employment, and other work
17 preparation activities and support services to enable the
18 families of such parents to leave the program and become
19 self-sufficient.

20 **SEC. 405. PROHIBITIONS.**

21 "(a) IN GENERAL. -

22 "(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD. -
23 A State to which a grant is made under section 403 may not use
24 any part of the grant to provide assistance to a family,
25 unless the family includes a minor child. However, States may
26 make the noncustodial parents eligible under the program.

27 "(2) CERTAIN PAYMENT NOT TO BE DISREGARDED IN DETERMINING
28 THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY. -

1 "(A) Income Security Payments. - If a State to which
2 a grant is made under section 403 uses any part of the
3 grant to provide assistance for any individual who is
4 receiving a payment under a State plan for old-age
5 assistance approved under section 2, a State program
6 funded under part B that provides cash payments for
7 foster care, or the supplemental security income program
8 under title XVI (other than service benefits provided
9 through the use of a grant made under part C of such
10 title), then the State may not disregard the payment in
11 determining the amount of assistance to be provided to
12 the family of which the individual is a member under the
13 State program funded under this part.

14 "(3) NO ASSISTANCE TO INDIVIDUALS NOT COOPERATING IN
15 PATERNITY ESTABLISHMENT OR CHILD SUPPORT. - Notwithstanding
16 subsection (c)(1), a State to which a grant is made under
17 section 403 may not use any part of the grant to provide
18 assistance to an individual in a family that includes an
19 individual whom the agency responsible for administering the
20 State plan approved under part D determines is not cooperating
21 with the State in establishing the paternity of any child of
22 the individual, or in establishing, modifying, or enforcing a
23 support order with respect to such a child and whom does not
24 have good cause to do so, as defined by the State.

25 "SEC. 406. DATA COLLECTION AND REPORTING.

26 "(a) IN GENERAL - Each State to which a grant is made under
27 section 403 for a fiscal year shall, not later than 6 months after
28 the end of the fiscal year, transmit to the Secretary the following

1 aggregate information on families to which assistance was provided
2 during the fiscal year under the State program operated under this
3 part or an equivalent State program:

4 "(1) The number of adults receiving such assistance.

5 "(2) The number of children receiving such assistance and
6 the average age of the children.

7 "(3) The number of cases with earned income, and the
8 average earnings in these cases.

9 "(4) The number of 1-parent families in which the parent
10 is a widow or widower, is divorced, is separated, or has never
11 married.

12 "(5) The age, race, and educational attainment at time of
13 application for assistance of the adults receiving such
14 assistance:

15 "(6) The average assistance provided to the families
16 under the program.

17 "(7) The number of months, since the most recent
18 application for assistance under the program, for which such
19 assistance has been provided to the families.

20 "(8) The total number of months for which assistance has
21 been provided to the families under the program.

22 "(9) Any other data necessary to indicate whether the
23 State is in compliance with the plan most recently submitted
24 by the State pursuant to section 402.

25 "(10) The components of any program carried out by the
26 State to provide employment and training activities, and the
27 average monthly number of adults in each such component.

1 "(11) The number of part-time job placements and the
2 number of full-time job placements made through the program
3 referred to in paragraph (11), the number of cases with
4 reduced assistance, and the number of cases closed due to
5 employment.

6 "(12) Data specified in section 407.

7 "(b) AUTHORITY OF STATES TO USE ESTIMATES. - A State may
8 comply with the requirement to provide precise numerical
9 information described in subsection (a) by submitting an estimate
10 which is obtained through the use of scientifically acceptable
11 sampling methods.

12 "(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE
13 COSTS AND OVERHEAD. - The report required by subsection (a) for a
14 fiscal year shall include a statement of the percentage of the
15 funds paid to the State under this part for the fiscal year that
16 are used to cover administrative costs or overhead.

17 "(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY
18 FAMILIES. - The report required by subsection (a) for a fiscal year
19 shall include a settlement of the total amount expended by the
20 State during the fiscal year on programs for needy families.

21 "**SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL OUTCOME STUDIES.**

22 "(a) RESEARCH. - The Secretary may conduct research on the
23 effects, costs, and benefits of State programs funded under this
24 part.

25 "(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO
26 EMPLOYING WELFARE RECIPIENTS. - The Secretary may assist States in
27 developing, and shall evaluate, innovative approaches to employing
28 recipients of cash assistance under programs funded under this

1 part. In performing such evaluations, the Secretary shall, to the
2 maximum extent feasible, use random assignment to experimental and
3 control groups.

4 "(c) STUDIES OF WELFARE CASELOADS. - The Secretary may conduct
5 studies of the caseloads of States operating programs funded under
6 this part.

7 "(d) DISSEMINATION OF INFORMATION. - The Secretary shall
8 develop innovative methods of disseminating information on any
9 research, evaluations, and studies conducted under this section,
10 including the facilitation of the sharing of information and best
11 practices among States and localities through the use of computers
12 and other technologies.

13 "(e) NATIONAL OUTCOMES AND STATE DATA REQUIREMENTS. -

14 "(1) IN GENERAL. - States shall be responsible for
15 annually providing data that permits an assessment and
16 comparative analysis of the extent to which they have meet the
17 purposes and national goals identified in section 401 of this
18 subtitle.

19 "(2) REPORTING OF OUTCOME DATA. - The outcome data shall
20 be incorporated in the annual report required under section
21 406 and include outcomes for the most recent completed fiscal
22 year.

23 "(3) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT
24 OUTCOMES. -

25 "(A) CASELOAD/RECIPIENTS. - Total State caseload for
26 the Temporary Assistance for Needy Families Block Grant
27 Program.

1 "(B) EMPLOYMENT. - Number of recipients employed and
2 proportion of total caseload.

3 "(C) SELF-SUFFICIENCY. - Number of applicants
4 diverted or recipients who become self-sufficiency.

5 "(D) POVERTY. - Number and proportion of recipient
6 children in poverty.

7 "(E) MARRIAGE. - Number and proportion of adult
8 recipients married.

9 "(F) OUT-OF-WEDLOCK BIRTHS. - Number and proportion
10 of out-of-wedlock births.

11 "(4) ANNUAL REPORT. - Review of most and least successful
12 programs and State innovations.

13 "(A) ANNUAL RANKING OF STATES. - The Secretary shall
14 rank the States to which grants are paid under this title
15 in the order of their success in meeting the national
16 outcomes specified in 407(e).

17 "(B) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL
18 PROGRAMS. - The Secretary shall review the programs of
19 the 5 States most recently ranked highest under paragraph
20 (1) and the 5 States most recently ranked lowest under
21 paragraph (1).

22 "(5) EVALUATION OF INNOVATIVE APPROACHES. - The Secretary
23 shall also evaluate innovative State approaches in meeting the
24 national goals under this title.

25 **SEC. 408. PRIVATE RIGHT OF ACTION.**

26 Nothing in this title shall be construed to create or imply a
27 right of action to require the payment of benefits, or a particular
28 amount of benefits, to any person or class of persons, or to

1 prevent or delay change in or the elimination of benefits paid or
2 payable to any person or class of persons, or to specify the timing
3 or manner of payment of benefits to any person or class of persons;
4 provided, that the foregoing is not intended to limit the power of
5 a federal court to take appropriate action in a properly instituted
6 proceeding to remedy any act demonstrated and determined to
7 constitute a violation of the United States Constitution.

8 **SEC. 409. PREVIOUS WAIVERS AND AUDITS.**

9 "(a) WAIVERS. -

10 "(1) States shall have explicit authority to unilaterally
11 withdraw from waivers in effect prior to the effective date of
12 this section granted by the Secretary. States shall be held
13 harmless for excess costs of such waivers, as measured by
14 cost-neutrality studies undertaken under the authority of the
15 Secretary.

16 "(2) Existing State waiver agreements that include waiver
17 savings earned by States will be honored by the Federal
18 Government. Funds will be authorized to be drawn under
19 section 403.

20 "(b) States are hereby held harmless for quality control
21 disallowances levied against states prior to the effective date of
22 this title.

23 **SEC. 202. TRANSFERS.**

24 "(a) ASSISTANT SECRETARY FOR FAMILY SUPPORT. -

25 (1) REDESIGNATION OF PROVISION. - Section 417 of such Act
26 (42 U.S.C. 617), as in effect immediately before the effective
27 date of this title, is amended by striking the following:

28 "ASSISTANT SECRETARY FOR FAMILY SUPPORT"

1 "SEC. 417."

2 and inserting the following:

3 "SEC. 408. ASSISTANT SECRETARY FOR FAMILY SUPPORT."

4 (2) TRANSFER OF PROVISION. - Part A of title IV of such
5 Act, as added by the amendment made by section 101 of this
6 Act, is amended by adding at the end the section amended by
7 paragraph (1) of this subsection.

8 (3) CONFORMING AMENDMENT. - Section 408 of such Act, as
9 added by paragraph (2) of this subsection is amended by
10 striking ", part D, and part F" and inserting "and part D".

11 SEC. 203. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

12 (In addition to the following, to be developed.)

13 Repeal of Part F of Title IV -

14 (a) Part F of Title IV of such Act is hereby repealed.

15 (b) Strike 1137(b)(1) of this Act (regarding
16 participation in IEVS).

17 (c) Amendments to Title XIX.

18 "(1) Section 1902(c) of such Act is amended by
19 striking paragraph (1) in total.

20 SEC. 204. CONFORMING AMENDMENTS TO OTHER LAWS. - To be developed.

21 SEC. 205. EFFECTIVE DATE.

22 (a) IN GENERAL. - Except as otherwise provided in this title,
23 this title and the amendments made by this title shall take effect
24 on October 1, 1995.

25 (b) TRANSITION RULE. - The amendments made by this title shall
26 not apply with respect to -

27 (1) powers, duties, functions, rights, claims, penalties,
28 or obligations applicable to aid or services provided before

1 the effective date of this title under the provisions amended;
2 and

3 (2) administrative actions and proceedings commenced
4 before such date, or authorized before such date to be
5 commenced, under such provisions.
6

TITLE III - CHILD CARE BLOCK GRANT

SEC. 301. SHORT TITLE, PURPOSE AND USE OF FUNDS.

(a) SHORT TITLE. - This title may be cited as the "Child Care Block Grant Act of 1995".

(b) PURPOSE. - It is the purpose of this title to consolidate Federal assistance to States for child care into a single grant, to increase State flexibility in using child care funds, and to encourage each State, to the maximum extent practicable under the conditions in that State, to furnish services directed at the goals of -

"(1) allowing each State maximum flexibility in developing child care and development programs and policies that best suit the needs of children and parents within such State;

"(2) encouraging States to provide consumer education information to help parents make informed choices about child care; and

"(3) assisting States to provide child care to parents in order to prevent dependence on public assistance and achieve and maintain independence.

(c) USE OF FUNDS. - Funds can be used for child care services, activities that improve the quality or availability of such services, or other related activities that the State chooses.

SEC. 302. DEFINITIONS.

As used in this title:

(1) SECRETARY. - The term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise.

1 (2) STATE. - The term "State" means any of the several
2 States, the District of Columbia, the Virgin Islands of the
3 United States, the Commonwealth of Puerto Rico, Guam, American
4 Samoa, the Commonwealth of the Northern Mariana Islands, or
5 the Trust Territory of the Pacific Islands.

6 (3) CHILD CARE SERVICES. - The term "child care services"
7 means services that constitute physical care of a child and
8 may include services that are designed to enhance the
9 educational, social, cultural, emotional, and recreational
10 development of a child but that are not intended to serve as
11 a substitute for compulsory educational services.

12 **SEC. 303. AUTHORIZATION OF STATE ENTITLEMENT GRANT.**

13 The annual State entitlement for fiscal years 1996, 1997,
14 1998, 1999, and 2000 shall be \$2,093,000,000.

15 **SEC. 304. ESTABLISHMENT OF BLOCK GRANT PROGRAM.**

16 The Secretary shall make grants to States in accordance with
17 the provisions of this title.

18 **SEC. 305. APPLICATION, ANNUAL PLAN AND REPORT.**

19 (a) IN GENERAL. - To be eligible to receive and expend
20 payments for a fiscal year under this title, a State shall prepare
21 and submit to the Secretary a report describing the activities that
22 the State intends to carry out using amounts received under this
23 title, including information on the types of activities and the
24 categories or characteristics of individuals and families to be
25 served.

26 (b) APPLICATION. - To be eligible to receive assistance under
27 this title, a State shall prepare and submit to the Secretary an

1 application at such time as the Secretary shall by rule require,
2 including -

3 (1) an assurance that the State will comply with the
4 requirements of this title; and

5 (2) a State plan that meets the requirements of
6 subsection (d); and

7 (c) PERIOD COVERED BY PLAN. - The State plan contained in the
8 application under subsection (a) shall be designed to be carried
9 out -

10 (1) during a 3-year period for the initial State plan;
11 and

12 (2) during a 2-year period for each subsequent State
13 plan. The State may amend the current plan and application
14 within 90 days of implementing the change.

15 (d) REQUIREMENTS OF A PLAN. - The State plan shall assure and
16 describe how the State shall use the amounts provided to the State
17 for each fiscal year under this title in order to meet the goals of
18 section 301(b) and section 310(a)(3) on National Program Outcomes.

19 (e) ANNUAL REPORT. - Not later than 180 days after the end of
20 each fiscal year 1995, and the end of each fiscal year thereafter,
21 a State that receives assistance under this title shall prepare and
22 submit to the Secretary a report -

23 (1) specifying the uses for which the State expended
24 funds under this title and the amount of funds expended for
25 such uses;

26 (2) specifying the unexpended funds that are carried
27 forward; and

1 (3) containing available data on the manner in which the
2 child care needs of families in the State are being fulfilled,
3 including information concerning the number of children being
4 assisted with funds provided under this title, during the
5 period for which such report is required to be submitted.

6 (f) NO ADDITIONAL REPORTS. - The Secretary may not impose any
7 reporting requirements on States to carry out this title that are
8 in addition to the reports specifically required under this title.

9 **SEC. 306. LIMITATIONS ON STATE ALLOTMENTS.**

10 (a) PRIVATE RIGHTS OF ACTION. - Nothing in this title shall be
11 construed to create or imply a right of action to require the
12 payment of benefits, or a particular amount of benefits, to any
13 person or class of persons, or to prevent or delay change in or the
14 elimination of benefits paid or payable to any person or class of
15 persons, or to specify the timing or manner of payment of benefits
16 to any person or class of persons; provided, that the foregoing is
17 not intended to limit the power of a Federal court to take
18 appropriate action in a properly instituted proceeding to remedy
19 any act demonstrated and determined to constitute a violation of
20 the United States Constitution.

21 (b) LEGAL ALIENS. - States have authority to provide
22 assistance to legal aliens in the manner the State chooses. States
23 have explicit authority to deny assistance to legal aliens.

24 (c) CONSTRUCTION OF FACILITIES. - No funds made available
25 under this title shall be expended for the purchase or improvement
26 of land, or for the purchase, construction, or permanent
27 improvement (other than minor remodeling) of any building or
28 facility.

1 SEC. 307. ADMINISTRATION AND ENFORCEMENT.

2 (a) COORDINATION AND TECHNICAL ASSISTANCE. - The Secretary
3 shall -

4 (1) coordinate all activities of the Department of Health
5 and Human Services relating to child care, and, to the maximum
6 extent practicable, coordinate such activities with similar
7 activities of other Federal entities; and

8 (2) provide technical assistance to assist States to
9 carry out this title, including assistance on a reimbursable
10 basis.

11 (b) STATE WAIVERS. - States have explicit authority to
12 unilaterally withdraw from waivers previously granted by the
13 Secretary. States shall be held harmless for excess costs, as
14 determined by cost neutrality studies undertaken at the direction
15 of the Secretary.

16 SEC. 308. PAYMENTS TO STATES.

17 (a) IN GENERAL. -

18 (1) PAYMENTS. - A State that has an application approved
19 by the Secretary shall be entitled to a payment under this
20 section for each fiscal year in an amount that is equal to the
21 allotment of the State under section 311 for the fiscal year.

22 (2) STATE ENTITLEMENT. -

23 (A) This title constitutes budget authority in
24 advance of appropriations Acts, and represents the
25 obligation of the Federal Government to provide for the
26 payment to States of the amount described in paragraph

27 (1).

1 (B) Each eligible State shall be entitled to receive
 2 from the Secretary for each of fiscal years 1996, 1997,
 3 1998, 1999, and 2000 a grant not less than the allotment
 4 defined in section 312.

5 (b) METHOD OF PAYMENT. -

6 (1) IN GENERAL. - The Secretary may make payments to a
 7 State in installments, or in advance with necessary
 8 adjustments on account of overpayments or underpayments.

9 (2) LIMITATION. - The Secretary may not make the payments
 10 in a manner that prevents the State from complying with
 11 sections 305(c) and (d).

12 (c) SPENDING OF FUNDS BY STATE. - Payments to a State from an
 13 allotment under section 312 for a fiscal year may be expended by
 14 the State in the fiscal year or in the succeeding fiscal year.
 15 States have the authority to expend funds previously provided to
 16 States under the Child Care and Development Block Grant of 1990.

17 (d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES. -

18 (1) IN GENERAL. - Of the aggregate amount of payments
 19 received under this title by a State in each fiscal year, the
 20 State may transfer not more than 30 percent for use by the
 21 State to carry out State programs under 1 or more of the
 22 following provisions of law:

23 "(A) part A of title IV of the Social Security Act
 24 (42 U.S.C. 601 et seq.);

25 "(B) part B of title IV of the Social Security Act
 26 (42 U.S.C. 620 et seq.);

27 "(C) title XX of the Social Security Act (42 U.S.C.
 28 1397 et seq.); and

1 " (D) Food Assistance Block Grant.

2 (2) APPLICABLE RULES. - Any amount paid to the State
3 under this part that is used to carry out a State program
4 pursuant to a provision of law specified in subparagraph (1)
5 shall not be subject to the requirements of this part, but
6 shall be subject to the requirements that apply to Federal
7 funds provided directly under the provision of law to carry
8 out the program.

9 **SEC. 309. AUDITS AND PENALTIES.**

10 (a) The Child Care and Development Block Grant is subject to
11 the Single Audit Act of 1984.

12 (b) Not later than 120 days of the end of each fiscal year in
13 which an audit is conducted, the State shall provide the Secretary
14 with such audit. States shall make the report of such audit
15 available for public inspection.

16 (c) PENALTIES. -

17 "(1) FOR USE OF GRANT IN VIOLATION OF THIS PART. -

18 "(A) IN GENERAL. - If an audit finds that an amount
19 paid to a State under this title for a fiscal year has
20 been used in violation of this title then the Secretary
21 shall reduce the amount of the grant otherwise payable to
22 the State under this section for the immediately
23 succeeding fiscal year by the amount so used.

24 "(B) LIMITATION ON AMOUNT OF PENALTY. - In carrying
25 out subparagraph (A), the Secretary shall not reduce any
26 quarterly payment by more than 25 percent.

27 "(C) CARRY FORWARD OF UNRECOVERED PENALTIES. - To
28 the extent that subparagraph (B) prevents the Secretary

1 from recovering during a fiscal year the full amount of
2 a penalty imposed on a State under subparagraph (A) for
3 a prior fiscal year, the Secretary shall apply
4 subparagraph (A) to the grant otherwise payable to the
5 State under this section for the immediately succeeding
6 fiscal year.

7 **SEC. 310. NATIONAL PROGRAM OUTCOME, ANNUAL REPORT AND STATE**
8 **INNOVATIONS.**

9 (a) GOALS AND STATE DATA REQUIREMENTS. -

10 (1) IN GENERAL. - States shall be responsible for
11 annually providing data that permits an assessment and
12 comparative analysis of the extent to which they have met the
13 purposes and national goals identified in section 301 of this
14 title.

15 (2) REPORTING OF OUTCOME DATA. - The outcome data shall
16 be incorporated in the annual report required under section
17 305 and include outcomes for the most recent completed fiscal
18 year.

19 (3) CHILD CARE BLOCK GRANT OUTCOMES. -

20 (A) SERVICES. - Number of cases and families
21 receiving services.

22 (B) CHILDREN. - Number of children receiving
23 services.

24 (C) REASON FOR SERVICES. - Number and proportion of
25 cases receiving services for reason -

26 (i) employment;

27 (ii) training/education; and

28 (iii) prevention/protective services.

1 (D) BENEFIT ASSISTANCE. - Number and proportion of
2 cases and individuals receiving Temporary Assistance for
3 Needy Families.

4 (E) PAYMENTS. - Average state payment per case.

5 (b) ANNUAL REPORT, REVIEW OF MOST AND LEAST SUCCESSFUL
6 PROGRAMS, AND STATE INNOVATIONS. -

7 (1) ANNUAL RANKING OF STATES. - The Secretary shall rank
8 the States to which grants are paid under this title in the
9 order of their success in meeting the national outcomes
10 specified in (a)(3).

11 (2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL CHILD CARE
12 PROGRAMS. - The Secretary shall review the programs of the 5
13 States most recently ranked highest under paragraph (1) and
14 the 5 States most recently ranked lowest under paragraph (1).

15 (c) EVALUATION OF INNOVATIVE APPROACHES. - The Secretary shall
16 also evaluate innovative State approaches in meeting the national
17 goals under this title.

18 **SEC. 311. REPORT BY SECRETARY.**

19 Not later than September 30, 1996, and biannually thereafter,
20 the Secretary shall prepare and submit to the Committee on
21 Education and Labor of the House of Representatives and the
22 Committee on Labor and Human Resources of the Senate a report that
23 contains a summary and analysis of the data and information
24 provided to the Secretary in the State reports submitted under
25 section 305. Such report shall include an assessment, and where
26 appropriate, recommendations for the Congress concerning efforts
27 that should be undertaken to improve the access of the public to

1 quality and affordable child care in the United States. This
2 report shall also address section 310, National Program Outcomes.

3 **SEC. 312. AMOUNTS RESERVED; ALLOTMENTS.**

4 (a) AMOUNTS RESERVED. -

5 (1) TERRITORIES AND POSSESSIONS. - The Secretary shall
6 reserve not to exceed 1/2 of 1 percent of the amount
7 appropriated under this title in each fiscal year for payments
8 to Guam, American Samoa, the Virgin Islands of the United
9 States, the Commonwealth of the Northern Mariana Islands, and
10 the Trust Territory of the Pacific Islands to be allotted in
11 accordance with their respective needs.

12 (2) INDIAN TRIBES. - The Secretary shall reserve not more
13 than 3 percent of the amount appropriated under this title in
14 each fiscal year for payments to Indian tribes and tribal
15 organizations that submit reports under section 305.

16 (b) STATE ALLOTMENT. - A State that meets the requirements of
17 this title shall receive each fiscal year under this section the
18 higher of -

19 "(1) the amount the State received from the sum of all
20 funds received in fiscal year 1994 from the programs cited in
21 section 317 of this title; or

22 "(2) 1/3 of the total amount received by the State during
23 fiscal years 1992 through 1994 from the sum of the programs
24 cited in section 317 of this title.

25 (c) DATA AND INFORMATION. - The Secretary shall obtain from
26 each appropriate Federal agency, the most recent data and
27 information necessary to determine the amounts referred to in
28 subsection (b).

1 (d) DEFINITION. - For the purposes of this section, the term
2 "State" includes only the 50 States, the District of Columbia, and
3 the Commonwealth of Puerto Rico.

4 **SEC. 313. LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR**
5 **CERTAIN PURPOSES.**

6 (a) SECTARIAN PURPOSES AND ACTIVITIES. - No financial
7 assistance provided under this title shall be expended for any
8 sectarian purpose or activity, including sectarian worship or
9 instruction.

10 (b) TUITION. - With regard to services provided to students
11 enrolled in grades 1 through 12, no financial assistance provided
12 under this title shall be expended for -

13 (1) any services provided to such students during the
14 regular school day;

15 (2) any services for which such students receive academic
16 credit toward graduation; or

17 (3) any instructional services which supplant or
18 duplicate the academic program of any public or private
19 school.

20 **SEC. 314. PARENTAL RIGHTS AND RESPONSIBILITIES.**

21 Nothing in this title shall be construed or applied in any
22 manner to infringe on or usurp the moral and legal rights and
23 responsibilities of parents or legal guardians.

24 **SEC. 315. NONDISCRIMINATION. -**

25 (a) RELIGIOUS NONDISCRIMINATION. -

26 (1) CONSTRUCTION. -

27 (A) IN GENERAL. - Except as provided in subparagraph

28 (B), nothing in this section shall be construed to modify

1 or affect the provisions of any other Federal law or
2 regulation that relates to discrimination in employment
3 on the basis of religion.

4 (B) EXCEPTION. - A sectarian organization may
5 require that employees adhere to the religious tenets and
6 teachings of such organization, and such organization may
7 require that employees adhere to rules forbidding the use
8 of drugs or alcohol.

9 (2) DISCRIMINATION AGAINST CHILD. -

10 (A) IN GENERAL. - A child care provider that
11 receives assistance under this title shall not
12 discriminate against any child on the basis of religion
13 in providing child care services.

14 (B) NON-FUNDED CHILD CARE SLOTS. - Nothing in this
15 section shall prohibit a child care provider from
16 selecting children for child care slots that are not
17 funded directly with assistance provided under this title
18 because such children or their family members participate
19 on a regular basis in other activities of the
20 organization that owns or operates such provider.

21 (3) EMPLOYMENT IN GENERAL. -

22 (A) PROHIBITION. - A child care provider that
23 receives assistance under this title shall not
24 discriminate in employment on the basis of the religion
25 of the prospective employee if such employee's primary
26 responsibility is or will be working directly with
27 children in the provision of child care services.

1 (B) QUALIFIED APPLICANTS. - If two or more
2 prospective employees are qualified for any position with
3 a child care provider receiving assistance under this
4 title, nothing in this section shall prohibit such child
5 care provider from employing a prospective employee who
6 is already participating on a regular basis in other
7 activities of the organization that owns or operates such
8 provider.

9 (C) PRESENT EMPLOYEES. - This paragraph shall not
10 apply to employees of child care providers receiving
11 assistance under this title if such employees are
12 employed with the provider on the date of enactment of
13 this title.

14 (4) EMPLOYMENT AND ADMISSION PRACTICES. - Notwithstanding
15 paragraphs (1) (B), (2), and (3), if assistance provided under
16 this title, and any other Federal or State program, amounts to
17 80 percent or more of the operating budget of a child care
18 provider that receives such assistance, the Secretary shall
19 not permit such provider to receive any further assistance
20 under this title unless the grant or contract relating to the
21 financial assistance, or the employment and admissions
22 policies of the provider, specifically provides that no person
23 with responsibilities in the operation of the child care
24 program, project, or activity of the provider will
25 discriminate against any individual in employment, if such
26 employee's primary responsibility is or will be working
27 directly with children in the provision of child care, or
28 admissions because of the religion of such individual.

1 (b) EFFECT ON STATE LAW. - Nothing in this title shall be
2 construed to supersede or modify any provision of a State
3 constitution or State law that prohibits the expenditure of public
4 funds in or by sectarian institutions, except that no provision of
5 a State constitution or State law shall be construed to prohibit
6 the expenditure in or by sectarian institutions of any Federal
7 funds provided under this title.

8 **SEC. 316. SEVERABILITY.**

9 If any provision of this title or the application thereof to
10 any person or circumstance is held invalid, the invalidity shall
11 not affect other provisions of applications of this title which can
12 be given effect without regard to the invalid provision or
13 application, and to this end the provisions of this title shall be
14 severable.

15 **SEC. 317. REPEAL OF PROGRAMS TO BE CONSOLIDATED.**

16 (a) Subchapter C of chapter 8 of subtitle A of title VI of the
17 Omnibus Budget Reconciliation Act of 1981 (commonly known as the
18 Child Care and Development Block Grant Act of 1990) (42 U.S.C. 9858
19 et seq.).

20 (b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF
21 1985. - Title VI of the Human Services Reauthorization Act of 1986
22 (42 U.S.C. 10901-10905).

23 (c) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT. - Subchapter
24 E of chapter 8 of subtitle A of title VI of the Omnibus Budget
25 Reconciliation Act of 1981 (42 U.S.C. 9871-9877).

26 (d) Title X of the Elementary and Secondary Education Act of
27 1965, as amended by Public Law 103-382 (108 Stat. 3809 et seq.), is

1 amended by deleting authority to provide child care services using
2 program funds.

3 (e) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS. - Section
4 9205 of the Native Hawaiian Education Act (Public Law 103-382;
5 108 Stat. 3794).

6 (f) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS. - NEED
7 CITATION.

8 (g) AT-RISK CHILD CARE PROGRAM. - NEED CITATION.

9 SEC. 318. CONFORMING AMENDMENTS.

10 NOTE: TO BE DEVELOPED.

11 SEC. 319. EFFECTIVE DATE.

12 (a) IN GENERAL. - This title and the amendments made by this
13 title shall take effect on October 1, 1995.

14 (b) TRANSITION RULE. - The amendments made by this title shall
15 not apply with respect to -

16 (1) powers, duties, functions, rights, claims, penalties,
17 or obligations applicable to aid or services provided before
18 the effective date of this title under the provisions amended;
19 and

20 (2) administrative actions and proceedings commenced
21 before such date, or authorized before such date to be
22 commenced, under such provisions.
23

1 TITLE IV: CHILD PROTECTION BLOCK GRANT PROGRAM

2 SEC. 401. ESTABLISHMENT OF PROGRAM.

3 SEC. 401. BLOCK GRANTS TO STATES.

4 Part B of title IV of the Social Security Act (42 U.S.C. 620-
5 635) is amended to read as follows:

6 "PART B - BLOCK GRANTS TO STATES FOR THE
7 PROTECTION OF CHILDREN

8 *SEC. 421. PURPOSE.

9 "The purpose of this part is to enable eligible States to
10 carry out a child protection program to -

11 "(1) identify and assist families at risk of abusing or
12 neglecting their children;

13 "(2) operate a system for receiving reports of abuse or
14 neglect of children;

15 "(3) investigate families reported to abuse or neglect
16 their children;

17 "(4) provide support, treatment, and family preservation
18 services to families which are, or are at risk of, abusing or
19 neglecting their children;

20 "(5) support children who must be removed from or who
21 cannot live with their families;

22 "(6) make timely decisions about permanent living
23 arrangements for children who must be removed from or who
24 cannot live with their families;

25 "(7) provide for continuing evaluation and improvement of
26 child protection laws, regulations, and services;

27 "(8) provide other services to assist families and
28 individuals as determined necessary by the State, including

providing services to delinquents and victims of domestic violence.

"SEC. 422. ELIGIBLE STATES.

"(a) IN GENERAL. - As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM. - A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for -

"(A) receiving reports of child abuse or neglect;

"(B) investigating such reports;

"(C) protecting children in families in which child abuse or neglect is found to have occurred;

"(D) removing children from dangerous settings;

"(E) protecting children in foster care;

"(F) promoting timely adoptions;

"(G) protecting the rights of families; and

"(H) preventing child abuse and neglect.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT. - A certification that the State has in effect laws that require public officials and other professionals to report actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF STATE PROGRAM TO INVESTIGATE CHILD ABUSE AND NEGLECT CASES. - A certification that the State has

1 " (4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND
2 PLACEMENT OF ABUSED OR NEGLECTED CHILDREN. - A certification
3 that the State has in effect procedures for removal from
4 families and placement of abused or neglected children.

5 " (5) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND
6 REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED
7 CHILDREN. - A certification that the State has in effect
8 procedures for ensuring that a written plan is prepared for
9 children who have been removed from their families, which
10 specifies the goal for achieving a permanent placement for the
11 child in a timely fashion, and for ensuring that information
12 about such children is collected regularly and recorded in
13 case records, and a description of such procedures.

14 " (6) CERTIFICATION THAT THE STATE WILL CONTINUE TO HONOR
15 ADOPTION ASSISTANCE AGREEMENTS. - A certification that the
16 State will honor any adoption assistance agreement (as defined
17 in section 475(3), as in effect immediately before the
18 effective date of this part) entered into by an agency of the
19 State, that is in effect as of such effective date.

20 " (7) CERTIFICATION OF MAINTENANCE OF EFFORT - A
21 certification that, during fiscal years 1996 and 1997, the
22 State program funded under this part is not less than the
23 total amount expended by the State (other than from amounts
24 provided by the Federal Government) during fiscal year 1995
25 under parts B and E of this title.

1 SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

2 "(a) ENTITLEMENT. -

3 "(1) IN GENERAL. - Each eligible State shall be entitled
4 to receive from the Secretary for each fiscal year
5 specified in subsection (b) (1) a grant in an amount equal
6 to the State share of the child protection amount for the
7 fiscal year.

8 "(b) DEFINITIONS. - As used in this section:

9 "(1) CHILD PROTECTION AMOUNT. - The term 'child
10 protection amount' means -

11 "(A) \$4,416,000,000 for fiscal year 1996;

12 "(B) \$4,681,000,000 for fiscal year 1997;

13 "(C) \$4,993,000,000 for fiscal year 1998;

14 "(D) \$5,253,000,000 for fiscal year 1999; and

15 "(E) \$5,557,000,000 for fiscal year 2000.

16 "(2) STATE SHARE -

17 "(A) IN GENERAL. - The term 'State share' means the
18 qualified child protection expenses of the State divided
19 by the sum of the qualified child protection expenses of
20 all of the States.

21 "(B) QUALIFIED CHILD PROTECTION EXPENSES. - The term
22 'qualified child protection expenses' means, with respect
23 to a State the greater of -

24 "(i) 1/3 of the total amount of obligations to
25 the State under the provisions of law specified in
26 subparagraph (B) for fiscal years 1992, 1993, and
27 1994; or

"(ii) the total amount of obligations to the State under such provisions of law for fiscal year 1994.

"(C) PROVISIONS OF LAW. - The provisions of law specified in this subparagraph are the following (as in effect immediately before the effective date of this part):

"(i) Section 474(a) (other than subparagraphs (C) and (D) of paragraph (3)) of this Act.

"(ii) Section 304 of the Family Violence Prevention and Services Act.

"(iii) Section 107(a) of the Child Abuse Prevention and Treatment Act.

"(iv) Section 201(d) of the Child Abuse Prevention and Treatment Act.

"(v) Section 423 of this Act.

"(3) STATE. - The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(c) USE OF GRANT. -

"(1) IN GENERAL. - A State to which a grant is made under this section may use the grant in any manner that the State deems appropriate to accomplish the purpose of this part, including setting up abuse and neglect reporting systems, abuse and neglect prevention, family preservation, foster care, adoption, program administration, and training.

"(2) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES. -

"(A) IN GENERAL. - A State may use not more than 30 percent of the amount of the grant made to the State under this section to carry out a State program pursuant to any or all of the following provisions of law:

"(i) Part A of this title.

"(ii) Title XX of this Act.

"(iii) The Child Care and Development Block Grant Act of 1990.

"(iv) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition or employment and training.

"(B) APPLICABLE RULES. - Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(3) TIMING OF EXPENDITURES. - A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

"(d) TIMING OF PAYMENTS. - The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

1 "(e) PENALTIES. -

2 "(1) FOR USE OF GRANT IN VIOLATION OF THIS PART. -

3 "(A) IN GENERAL. - If an audit conducted pursuant to
4 chapter 75 of title 31, United States Code, finds that an
5 amount paid to a State under this section for a fiscal
6 year has been used in violation of this part, then the
7 Secretary shall reduce the amount of the grant that would
8 (in absence of this subsection) be payable to the State
9 under this section for the immediately succeeding fiscal
10 year by the amount so used.

11 "(B) LIMITATION. - In carrying out subparagraph (A),
12 the Secretary shall not reduce any quarterly payment by
13 more than 25 percent.

14 "(C) CARRY FORWARD OF UNRECOVERED PENALTY. - To the
15 extent that subparagraph (B) prevents the Secretary from
16 recovering during a fiscal year the full amount of a
17 penalty imposed on a State under subparagraph (A) for a
18 prior fiscal year, the Secretary shall apply subparagraph
19 (A) to the grant otherwise payable to the State under
20 this section for the immediately succeeding fiscal year.

21 "(f) LIMITATION ON FEDERAL AUTHORITY. - Except as expressly
22 provided in this part, the Secretary may not regulate the conduct
23 of States under this part or enforce any provision of this part.

24 "(g) PRIVATE RIGHT OF ACTION. - Nothing in this title shall be
25 construed to create or imply a right of action to require the
26 provision of benefits to any person or class of persons, or to
27 prevent or delay change in or the elimination of the provision of
28 benefits to any person or class of persons, or to specify the

1 timing or manner of the provision of benefits to any person or
 2 class of persons; provided, that the foregoing is not intended to
 3 limit the power of a Federal court to take appropriate action in a
 4 properly instituted proceeding to remedy any act demonstrated and
 5 determined to constitute a violation of the United States
 6 Constitution.

7 "SEC. 424. NATIONAL PROGRAM OUTCOMES, DATA COLLECTION,
 8 AND REPORTING.

9 "(a) ANNUAL REPORTS ON STATE CHILD WELFARE OUTCOMES. - On the
 10 date that is 3 years after the effective date of this part and
 11 annually thereafter, each State to which a grant is made under
 12 section 423 shall submit to the Secretary a report that contains
 13 quantitative information on the extent to which the State is making
 14 progress toward achieving the outcomes of the State child
 15 protection program.

16 "(b) ANNUAL STATE DATA REPORTS. - Each State to which a grant
 17 is made under section 423 shall annually submit to the Secretary of
 18 Health and Human Services a report that includes the following:

19 "(1) The number of families who were reported to the
 20 State during the year as having abused or neglected children
 21 in their care.

22 "(2) Of the number of families described in paragraph
 23 (1), the number with respect to whom such reports were
 24 substantiated.

25 "(3) Of the number of families described in paragraph
 26 (2) -

"(A) the number that were referred for services during the year under the State program funded under this part or an equivalent State program; and

"(B) the number in which children were removed.

"(4) The number of families that received family preservation and support services, including preventive services, from the State during the year.

"(5) The number of children who entered foster care under the responsibility of the State during the year.

"(6) The number of children in foster care under the responsibility of the State who exited from foster care during the year.

"(7) The types of out-of-home placements made by the State during the year, and the average monthly number of children in each type of placement.

"(8) The average length of the foster care placements made by the State during the year.

"(9) The age, ethnicity and gender of the children placed in foster care under the responsibility of the State during the year.

"(10) The average monthly number of children in foster care under the responsibility of the State with respect to whom the State has the goal of adoption.

"(11) The average monthly number of children in foster care under the responsibility of the State who were freed for adoption during the year.

"(12) The number of children in foster care under the responsibility of the State whose adoptions were finalized during the year.

"(13) The number of deaths in the State during the year resulting from child abuse or neglect.

"(14) The number of children placed in an independent living setting by the State.

"(15) Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

"(c) AUTHORITY OF STATES TO USE ESTIMATES. - A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(d) ANNUAL REPORT BY THE SECRETARY. -

"(1) Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to subsection (b), and shall make the report and such information available to the Congress and the public.

"(2) ANNUAL RANKING OF STATES. - The Secretary shall rank the States to which grants are paid under this title from highest to lowest according to the data reported under subsections (b)(1), (b)(2), (b)(4), (b)(5), (b)(6), (b)(8), and (b)(12), and the number of children in the State.

"(3) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL CHILD PROTECTION PROGRAMS. - The Secretary shall review the programs

1 of the 5 States most recently ranked highest under paragraph
2 (1) and the 5 States most recently ranked lowest under
3 paragraph (1).

4 "(e) EVALUATION OF INNOVATIVE APPROACHES. - The Secretary
5 shall also evaluate innovative State approaches in meeting the
6 national outcomes under this title.

7 "(f) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART. - As used
8 in subsection (b), the term 'State program funded under this part'
9 includes any equivalent State program.

10 **"SEC. 425. RESEARCH AND TRAINING.**

11 "(a) IN GENERAL. - The Secretary shall conduct research and
12 training in child welfare.

13 "(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS. - To carry
14 out subsection (a), there are authorized to be appropriated to the
15 Secretary not to exceed \$10,000,000 for each fiscal year.

16 **"SEC. 426. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.**

17 "(a) IN GENERAL. - The Secretary shall conduct a national
18 study based on random samples of children who are at risk of child
19 abuse or neglect, or are determined by States to have been abused
20 or neglected.

21 "(b) REQUIREMENTS. - The study required by subsection (a)
22 shall -

23 "(1) have a longitudinal component; and

24 "(2) yield data reliable at the State level for as many
25 States as the Secretary determines is feasible.

26 "(c) PREFERRED CONTENTS. - In conducting the study required by
27 subsection (a), the Secretary should -

"(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

"(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

"(3) follow each case for several years while obtaining information on, among other things -

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

"(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

"(D) the number, type, and characteristics of out-of-home placements of the child; and

"(E) the average duration of each placement.

"(d) REPORTS. -

"(1) IN GENERAL. - From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a), and should include in such reports a comparison of the results of the study with the information reported by States under section 424.

"(2) AVAILABILITY. - The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE. - The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) FUNDING. - Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary of Health and Human Services \$6,000,000 for each of fiscal years 1996 through 2000 to carry out this section.

SEC. 402. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT. -

(1) SECTION 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 104(b)(2)(C) of this Act, is amended -

(A) by striking "(or foster care maintenance payments under part E)" and inserting "or cash payments under a State program funded under part B"; and

(B) by striking "or 471(a)(17)".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended -

(A) by striking "or E" the 1st place such term appears and inserting "or benefits or services are being provided under the State program funded under part B"; and

(B) by striking "or E" the 2nd place such term appears and inserting "or benefits or services were being provided under the State program funded under part B".

(3) Section 456(a)(1) of such Act (42 U.S.C. 656(a)(1)) is amended by striking "foster care maintenance payments" and inserting "benefits or services under a State program funded under part B".

(4) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 104(b)(13) of this Act, is amended by striking "or 471(a)(17)".

(b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL SECURITY ACT. - Part E of title IV of such Act (42 U.S.C. 671-679) is hereby repealed.

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES. - Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: "(B) the State program funded under part B of title IV,".

(d) REPEAL OF SECTION 13712 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1993. - Section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note) is hereby repealed.

(e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986. - Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting "(as in effect before October 1, 1995)" after "Act".

(f) REPEAL OF SUBTITLE C OF TITLE XVII OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994. - Subtitle C of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 is hereby repealed.

(g) REPEAL OF SUBTITLE A OF TITLE II OF THE CRIME CONTROL ACT OF 1990. - Subtitle A of title II of the Crime Control Act of 1990 is hereby repealed.

SEC. 403. EFFECTIVE DATE.

(a) IN GENERAL. - This title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE. - The amendments made by this title shall not apply with respect to -

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date of this title under the provisions amended; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.